

What makes retirement enjoyable?

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The thought of retirement can often be appealing, particularly when stuck in rush hour traffic, faced with an unpleasant task, or just feeling worn out from a hectic week at work. At such times, the idea of sleeping in, playing a round of golf, or taking the RV on the road may be most attractive. But does retirement really measure up to people's expectations? Do individuals enjoy life more in retirement than they did while still working?

Using data from the 2002 General Social Survey (GSS), this article looks at recent retirees (individuals who retired during the preceding decade and were at least 50 years old when they did so) and their enjoyment of life before and after retirement. A statistical model explores the relationship between enjoyment of retired life and specific individual characteristics (for example, marital status, health and financial well-being) while holding the effects of other characteristics constant.

Life after retirement better for about half of retirees

When the GSS asked recent retirees, "Compared to the year before you retired, do you now enjoy life more, less or about the same?", nearly half (47%) said that they enjoyed life more now. A slightly smaller proportion (41%) took about the same amount of pleasure in life before and after retirement, while 12% reported that they enjoyed life less now.

GST What you should know about this study

Data in this analysis come from the 2002 General Social Survey (GSS). The target population for the GSS covered 25,000 persons 45 years of age and over residing in the 10 provinces, excluding full-time residents of institutions. Almost 4,500 respondents, representing 1.8 million Canadians, were classified as "recent retirees." Recent retirees were defined as those who retired during the years 1992 to 2002 and were at least 50 years of age when they did so.

The figures in the table are *predicted probabilities* computed from a multinomial logistic regression. They show the relationship between life enjoyment and each characteristic in the table independent of (or net of) the effects of the other characteristics.

Marital status

GSS respondents were asked about their marital status at two points in time: when they retired and when they completed the survey in 2002. From these responses we can identify individuals who were married at both times; who had become widowed since retirement; who had separated or divorced since retirement; who had married since retirement; and those who were not married at either point in time (this group includes never-married, widowed, separated or divorced people). Individuals who changed marital status more than once during the intervening period cannot be identified.

Health

GSS respondents were asked "Compared to other people your age, how would you describe your usual state of health? Would you say it is excellent, very good, good, fair or poor?" and "How would you describe your health at the time you retired? Compared to others your age, would you say that your health was excellent, very good, good, fair or poor?"

Finances

Recent retirees were asked if they believed their current financial situation is worse than, about the same as, or better than it was in the year prior to retirement.

Men and women had similar assessments of life enjoyment, although men were slightly less likely than women to report an increase in contentment. After taking into account age, marital status, health, income and other factors, 47% of retired men and 51% of retired women said they enjoyed life more in retirement than they did before.

Relationships, health and finances make a difference

Not surprisingly, the gain or loss of a loved one is closely related to happiness. According to data from the 2002 GSS, individuals who had been widowed since they retired were twice as likely as those who remained married to say their enjoyment of life had declined (12% and 6%, respectively). Conversely, individuals who got married since retirement were more likely than others to report an increase in their enjoyment of life.

Retirees who became separated or divorced since retirement varied greatly in their assessments of life. While some were more likely than their married counterparts to say they enjoyed life less since retirement, others reported enjoying life more, suggesting considerable variation in the experiences and views of divorced individuals.

The association between health and happiness is striking even after accounting for other variables. Individuals whose health had gotten much worse since retirement were most likely to experience a decline in their enjoyment of life (26%), while those whose health had improved were least likely to feel this way (2%). Similarly, retirees with worsening health were much less likely than those with improving health to report an increase in their enjoyment of life: 31% and 62%, respectively.

Most people would probably agree that while money doesn't guarantee happiness, it helps make life more enjoyable. Indeed, GSS data show

that retirees whose financial situation had improved since retirement were most likely to say their enjoyment of life had increased (64%, after taking into account all other variables). Individuals whose financial position remained the same came next (50%), followed by those whose finances had deteriorated (39%). Receipt of pension income, another indicator of financial security, was also positively associated with improvements in life enjoyment.

Early retirees enjoy life more

Is early retirement the key to happiness? According to data from the 2002 GSS, retiring sooner rather than later does make a difference. After accounting for all other factors, including current age, 59% of individuals who retired between the ages of 50 and 54 reported enjoying life more after retirement, compared with about 40% of those who took retirement when they were aged 65 to 74.

It is possible that age at retirement reflects small differences in health or financial well-being that are not captured by other measures. Alternatively, individuals who retired at older ages may have done so because they enjoyed their work and, in comparison, found retired life less satisfying. At the same time, retirees who left the labour force earlier may have been eager to do so and to make the most of retired life.

How much people enjoy life also appears to be associated with the length of time spent in retirement. Individuals who had been retired for longer than two years were more likely to report a decline in happiness than those who had only recently retired (a difference of three to four percentage points, after controlling for all other variables). Perhaps the 'honeymoon effect'—the relief from work stress and enjoyment of new-found freedom—diminishes as the initial glow of retirement wears off.

Those who plan for retirement get more out of it

Enjoying retired life seems more likely when one plans for it while still in the labour force. GSS respondents were asked whether or not they planned for their retirement by participating in physical activities, developing other leisure activities or hobbies, getting involved in volunteer work, or gathering information about retirement.

People who participated in three or four of these activities were far more likely to report increased enjoyment of life in retirement (59% after accounting for all other variables) than those who participated in two (50%), one (47%) or none at all (43%). Perhaps these activities afforded individuals greater life enjoyment in retirement. Or, it may be that individuals who were most eager to leave the labour force were also most likely to prepare for retirement and to enjoy their new life to the fullest.

Wanting to retire and having to retire are two very different things, which are no doubt related to how much one enjoys life in retirement. After holding all other factors constant, involuntary retirees were considerably less likely (38%) than their voluntary counterparts to consider retired life an improvement (53%). This is not surprising when bearing in mind that those who had no choice but to retire—mostly due to health problems or unemployment—often subsequently experienced adverse financial consequences.

Individuals who were self-employed prior to retirement were slightly less likely than paid employees to report an increase in their enjoyment of life (45% versus 50%, respectively).

Summary

Overall, about half of retirees report taking more pleasure in life after leaving the labour force. Their responses also indicate that meaningful relationships, good

Predicted probability of enjoying life

	Less than before retirement	The same as before retirement	More than before retirement
	%		
Marital status at retirement and in 2002			
<i>Married – Married</i>	6	45	49
Married – Widowed	12*	48	40
Married – Divorced/separated	10*	30	60*
Not married-Married	1	31	68*
Not married-Not married	8	44	49
Change in health since retirement			
Much worse	26*	43	31
Somewhat worse	13*	43	43
<i>No change</i>	7	46	47
Somewhat better	4*	44	52
Much better	2*	36	62*
Health at retirement			
Excellent	4	43	54*
<i>Very good</i>	4	47	49
Good	7*	45	48
Fair or poor	21*	40	39
Change in finances since retirement			
Worse	14*	47	39*
<i>No change</i>	4	46	50
Better	4	31	64*
Receives pension income			
Yes	5*	44	52*
No	9	46	46
Current household income			
<i>Less than \$20,000</i>	8	48	45
\$20,000 to \$29,999	9	47	44
\$30,000 to \$39,999	7	44	49
\$40,000 to \$59,999	6	42	53*
\$60,000 or more	4*	44	52

Predicted probability of enjoying life

	Less than before retirement	The same as before retirement	More than before retirement
	%		
Sex			
Men	7	47	47*
<i>Women</i>	6	43	51
Age at retirement			
50 to 54	5	36	59*
55 to 59	7*	39	54
<i>60 to 64</i>	6	42	52
65 to 69	6	54	40*
70 to 74	7	52	41*
75 or older	11	70	19*
Years since retirement			
<i>2 or less</i>	4	43	53
3 to 4	8*	43	49
5 to 6	7*	43	50
7 to 8	7*	42	51
9 to 10	7	54	39*
Number of non-financial preparations made before retirement			
<i>None</i>	10	48	43
One	6*	48	47
Two	5*	45	50*
Three or four	5*	36	59*
Nature of retirement			
<i>Voluntary</i>	5	42	53
Involuntary	11*	51	38*
Type of employment prior to retirement			
<i>Paid employee</i>	7	43	50
Self-employed	6	49	45*

Note: Reference group is shown in italics.

* Statistically significant difference from reference group ($p < 0.05$).

Source: Statistics Canada, General Social Survey, 2002.

health, and financial well-being are important ingredients for the enjoyment of life in retirement. In addition, being involved in physical activities, hobbies or volunteer work and researching retirement issues

while still at work help make the transition to retirement a success. In contrast, having to retire earlier than anticipated because of health problems or job interruptions detracts from the enjoyment of retired life.



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