

2024 MassMutual Retirement Happiness Study

An online poll examining happiness in retirement was commissioned by MassMutual and conducted by PSB Insights from January 26 to February 5, 2024 among 2,000 American “retirees” and “pre-retirees” (defined as 15 years or fewer into retirement and 15 years or fewer before retirement). Respondents were required to be at least 40 years of age, have at least \$50K in savings/and or investments and, at minimum, share a role in their household's financial decision-making.

Key Takeaways

- **While happiness is found in retirement, pre-retirees may have unrealistic expectations about the level of happiness and excitement they will experience.**
- **To achieve happiness in retirement, it is crucial to work on financial and physical health prior to retiring.**
- **Happier retirees tend to be more active, engaging in activities like exercise and pursuing hobbies, and spend more time with loved ones during their free time.**
- **In contrast to current retirees, most pre-retirees don't see retirement as an end to work, instead expecting retirement to bring either a shift in focus or less work.**

Retirement Planning

- 1. The definition of retirement may be shifting to mean more than simply an end to working. A majority of pre-retirees view retirement as either shifting focus to 'a new type of work or fulfilling purpose' or 'working less.'**
 - a. 38% of pre-retirees think of retirement as 'shifting focus to a new type of work or fulfilling purpose' and 17% think of it as 'working less.' Retirees are less likely to define retirement in these ways, 32% and 8%, respectively.
 - b. 60% of retirees define retirement as 'an end to working' compared to 44% of pre-retirees.
- 2. On average, 63 is the ideal age for retirement according to both retirees and pre-retirees. While current retirees are hitting close to that mark with an average actual retirement age of 62, there are signs that future retirees could have more difficulty retiring at their ideal age.**
 - a. Over a third (35%) of pre-retirees say their retirement savings are behind where they need to be to retire at an ideal age.
 - b. 34% of pre-retirees think there is a chance they could outlive their money compared to 22% of retirees.
- 3. Many retirees retired earlier than planned. Few say they retired later than planned.**
 - a. Nearly half (48%) of retirees say they retired earlier than planned, most commonly due to changes at work (33%) or being able to afford to retire sooner than expected (28%). Other reasons for retiring early include illness/injury (25%), to relax and enjoy more free time (25%) and burnout (17%).
 - b. Only 10% of retirees retired later than planned, with the most common reasons being to increase their wealth during retirement (41%) and satisfaction with their job (38%).

4. In preparing for retirement, current retirees focused on their finances, more so than health or social connections.

- a. At least five years prior to retirement, retirees most often said they were preparing by contributing money to a retirement account (64%), increasing their savings (60%) and paying off debt (53%).
- b. Fewer retirees made efforts to take care of their health (39%) or reach out to old friends or make new friends (7%) in the years leading up to their retirement.
- c. The most common regrets retirees have are not increasing savings (15%), not taking care of their health (13%) and not reducing expenses (12%).

5. Pre-retirees make taking care of health a priority in their retirement planning.

- a. 66% of pre-retirees say they are taking care of their health to prepare for retirement. Otherwise, they are most commonly preparing financially by contributing money to a retirement account (65%), increasing their savings (64%) and calculating how much money is needed to afford retirement (53%).

Which of the following, if any, are you doing to prepare for retirement? / Which of the following, if any, were you doing to prepare for retirement at least five years before retiring?	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
Taking care of my health (e.g., exercising, eating healthy)	66%	39%	-27
Contributing money to a retirement account (e.g., 401(k), 403(b))	65%	64%	-1
Increasing my savings	64%	60%	-4
Calculating how much money I need to afford retirement	53%	50%	-3
Reducing my expenses	51%	41%	-10
Paying off debt	51%	53%	+2
Building an emergency fund	44%	38%	-6
Working with a financial advisor	41%	36%	-5
Calculating the best time to collect social security	40%	45%	+5
Planning for healthcare costs	37%	31%	-6
Preparing or updating estate planning documents (e.g., will, power of attorney)	29%	26%	-3
Talking with family about my retirement plans	27%	27%	-
Delaying social security	21%	18%	-3
Pursuing new interests and hobbies	20%	11%	-9
Building stronger connections to my spouse / significant other	17%	12%	-5
Making plans to relocate	16%	14%	-2
Downsizing to a smaller home or apartment	14%	11%	-3
Reaching out to old friends and making new friends	11%	7%	-4
Pursuing a new business venture	9%	2%	-7

Impact of Retirement on Emotional State

6. A majority of retirees report feeling more relaxed, less stressed and happier since retiring.

- a. 82% of retirees describe themselves as feeling more relaxed on a typical day compared to before they retired. Only 6% report feeling less relaxed.
- b. 75% of retirees say they are less stressed. Only 9% report feeling more stressed.
- c. 67% of retirees say they are happier. Only 8% report feeling less happy.

- 7. Pre-retirees anticipate that when they retire, they will feel higher levels of relaxation, happiness and excitement, and lower levels of stress. While pre-retiree expectations around relaxation and stress levels align with what current retirees report, pre-retirees may be overstating how much happier and excited they will feel on a typical day in retirement.**
- 77% of pre-retirees anticipate feeling happier on a typical day in retirement compared to 67% of current retirees who say they are happier.
 - 61% of pre-retirees anticipate feeling more excited on a typical day in retirement compared to 41% of retirees who say they are more excited.

Which best describes the level of happiness you expect in retirement, compared to now? / Which best describes your level of happiness in retirement, compared to before you retired?	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
T2B: Much more happy / Somewhat more happy	77%	67%	-10
Much more happy	27%	27%	-
Somewhat more happy	51%	40%	-11
Neither more nor less happy	21%	25%	+4
Somewhat less happy	1%	6%	+5
Much less happy	0%	2%	+2

What Drives Happiness in Retirement

8. Retirees who took steps to set themselves up financially and take care of their health at least five years prior to retirement are more likely to report being much happier in retirement.

- 61% of retirees who are much happier in retirement said they worked to pay off debt at least five years before retirement compared to 48% of those who are not happier in retirement.
- Nearly half (49%) of retirees who are much happier in retirement planned by taking care of their health (e.g., exercising, eating healthy) compared to 32% of retirees who are not happier in retirement.

9. Filling free time in retirement with interactive and social activities correlates to greater happiness in retirement.

- Retirees who are much happier in retirement are more likely to be filling their free time with multiple kinds of activities, including spending time with loved ones (76% vs. 58% not happier retirees), exercising (70% vs. 47% not happier retirees), pursuing hobbies (63% vs. 44% not happier retirees) and travel (62% vs. 44% not happier retirees).

10. Many retirees who are not happier in retirement admit to experiencing loneliness.

- Nearly half (47%) of retirees who are not happier in retirement agree that retirement has made them lonely at times compared to just 16% of retirees who are much happier in retirement.
- 33% of retirees not happier in retirement say there was less romance/dating in retirement than they expected compared to 19% of retirees who are much happier in retirement.

Enjoyments and Anxieties

11. Pre-retirees say they are most looking forward to traveling, enjoying themselves and relaxing. When current retirees are asked what they are doing, the top answers are relaxing, having more free time, and not working.

- Pre-retirees say they are most looking forward to traveling (76%), enjoying themselves (75%) and relaxing (73%).
- Current retirees are most often relaxing (76%), having more free time (76%) and not working (73%) in retirement. 59% say they are traveling.
- Retirees say the activities they most enjoy most in retirement are spending time with family/friends (46%) and traveling (39%).

Which of the following are you most looking forward to in your retirement? / Which of the following, if any, are you doing in retirement?	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
Traveling	76%	59%	-17
Enjoying myself	75%	71%	-4
Relaxing	73%	76%	+3
Having more free time	68%	76%	+8
Spending time with family/friends	64%	65%	+1
Having new experiences	52%	42%	-10
Not working	45%	73%	+28
Pursuing new hobbies	44%	29%	-15
Volunteering	34%	23%	-11
Romance / dating	8%	5%	-3
Building a legacy	7%	5%	-2

12. When thinking about retirement, pre-retirees are most anxious about finances.

Comparatively, once in retirement, retirees worry most about health issues, but they worry less overall than pre-retirees.

- Financial uncertainty (44%), not having enough money to support myself/my family (43%) and health issues (42%) are top sources of anxiety for pre-retirees when thinking about retirement.
- Retirees are most anxious about health issues (34%), financial uncertainty (26%) and feeling old (22%).
- There is less fear about financial uncertainty among retirees who have been retired longer. 29% of those who retired in the past 5 years say they are anxious about financial uncertainty compared to 19% of those who retired 11-15 years ago.

Which of the following, if any, causes you the most anxiety when thinking about retirement? / After retiring, which of the following, if any, currently causes you anxiety?	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
Financial uncertainty	44%	26%	-18
Not having enough money to support myself / my family	43%	14%	-29
Health issues	42%	34%	-8
Feeling old	28%	22%	-6
Boredom	23%	15%	-8
Not knowing what to do without my job	16%	7%	-9
Adjusting to a new identity	16%	7%	-9
Becoming socially isolated	15%	14%	-1
None of the above	12%	33%	+21

Expectations vs Reality in Retirement

13. Many retirees say they overestimated more negative possibilities of retirement (i.e., level of boredom, financial problems) and underestimated some more positive possibilities (i.e., spending time how they want, time with family and friends).

- Retirees have experienced **fewer** financial problems (46%) and boredom (45%) than they expected.
- On the other hand, some retirees report experiencing **more** spending time how they want (30%), time with family and friends (26%) and staying busy and active (25%) than they expected.
- Retirees are **more** likely to feel they have experienced more illness/disability than expected the longer they are into retirement (18% retired within the last 5 years vs. 30% retired 11-15 years ago).

Have you experienced more or less of the following in retirement than you expected? Please select all that apply (Retirees Only)	Less than I expected	About what I expected	More than I expected
Having financial problems	46%	44%	10%
Being bored	45%	38%	16%
Suffering an illness or disability	33%	44%	23%
Romance / dating	26%	69%	5%
Keeping busy and active	18%	57%	25%
Spending my time how I want	11%	60%	30%
Having time with family and friends	10%	64%	26%

Savings in Retirement

14. A majority of retirees say their retirement savings are at/above where they need to be. This may be partially attributed to the steps they have taken to adapt to financial changes, most often spending less.

- 78% of retirees say they have more than they need or about what they need in retirement savings. 19% have less than they need.
- Recent retirees are somewhat less secure in their savings, with 21% of those retiring in the last 5 years saying they have less than they need compared to 12% of those who retired 11-15 years ago.
- Spending less (52%) is the most common way retirees have adapted to financial changes during their retirement, followed by working with a financial advisor (30%) and creating a budget (28%). Pre-retirees anticipate making many of these same adaptations in retirement (and at a greater scale).
- 60% of retirees spend less in retirement compared to before they retired. Pre-retirees anticipate similar spending habits in their retirement, with 64% of pre-retirees expecting to spend less post-retirement.

How do you anticipate you will need to adapt to financial changes during your retirement? Please select all that apply / How have you adapted to financial changes during your retirement?	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
Spending less	57%	52%	-5
Accounting for inflation in my retirement income plans	44%	23%	-21
Creating a budget	42%	28%	-14
Working with a financial advisor	36%	30%	-6
Accounting for market volatility in my retirement income plans	32%	18%	-14
Building an emergency fund	30%	21%	-9
Taking a part-time job	28%	6%	-22
Downsizing to a smaller home or apartment	26%	15%	-11
Exploring alternative sources of income	22%	11%	-11
Delaying social security	19%	9%	-10

Free Time in Retirement

15. Pre-retirees envision an active retirement lifestyle with traveling and exercising rising to the top of their plans. In contrast, watching TV is the top activity for current retirees.

- 64% of retirees have more than 40 hours of free time per week. Pre-retirees expect to have less free time in retirement, with only half (50%) anticipating more than 40 hours.
- Pre-retirees more often plan to spend their free time traveling (79%), exercising (71%) and spending time with loved ones (71%), while those that have reached retirement list watching TV as their top activity (83%).

How do you plan to spend your free time after you retire? / How do you spend your free time in retirement?	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
Travel	79%	55%	-24
Exercise	71%	59%	-12
Spend time with loved ones	71%	67%	-4
Relax (e.g., nap, meditate)	67%	63%	-4
Pursue hobbies (e.g., painting, gardening)	61%	52%	-9
Spend time with friends	59%	56%	-3
Watch movies/TV	56%	83%	+27
Read	55%	61%	+6
Explore nature	50%	27%	-23
Volunteer	44%	22%	-22

Attitudes Towards Retirement

16. Half of retirees miss their co-workers after retiring, a sentiment even more pre-retirees expect to feel when it is their turn to retire.

- Nearly half (49%) of retirees say they missed the people they worked with after retiring, with more than half (56%) of pre-retirees believing they will feel the same way in retirement.
- Pre-retirees (77%) and retirees (78%) share the same level of confidence that the work they do will be/is being carried on by others after retiring.
- 22% of pre-retirees believe it will be difficult to adjust to life in retirement, though fewer retirees (14%) find this to actually be the case.

- d. 31% of retirees admit that retirement has made them feel lonely at times. Feelings of loneliness vary by length of time into retirement. 34% of those who retired in the past 5 years say retirement has made them lonely at times compared to 24% of those who retired 11-15 years ago.

How much do you agree or disagree with the following statements about retirement? (% Very/Somewhat Agree)	Pre-Retirees (n=926)	Retirees (n=1,074)	+/- (retirees – pre-retirees)
The work I was doing before I retired has been carried on by others	-	78%	+1
I'm confident that when I retire the work I've been doing will be carried on by others	77%	-	
I feel financially secure	-	69%	+3
I will be financially secure in my retirement	66%	-	
Retirement is the happiest time of my life	-	56%	-3
I believe retirement will be the happiest time of my life	59%	-	
I miss the people I worked with prior to retiring	-	49%	-7
After I retire, I will miss the people I work with	56%	-	
Retirement has made me lonely at times	-	31%	+5
I am concerned about feeling lonely when I retire	26%	-	
I have found it difficult to adjust to retirement	-	14%	-8
I think I will find it difficult to adjust to retirement	22%	-	