Leisure in Retirement: Beyond the Bucket List

A Merrill Lynch RETIREMENT STUDY conducted in partnership with Age Wave

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Introduction

With nearly 10,000 boomers retiring each day, a profoundly different portrait of leisure in retirement is emerging—a new leisure that is both transformed and transformative in its power to shape our lives in retirement. Three forces are converging to help create this revolution:

1. **The "Age Wave":** Life expectancy is at an all-time high and the ranks of the retired are growing dramatically.

2. **Time Affluence:** As boomers retire from a workaholic culture, they will swell the ranks of American adults age 65+ in this “time affluent” stage of life (FIG 1).

3. **New Beginnings:** Rather than viewing retirement as the finish line, nine out of ten (88%) retirees now describe it as an opportunity for new beginnings, bringing greater freedom and flexibility and often an entirely new state of mind.

Leisure is a dimension of life that is limited in the prime working and childrearing years, but in retirement becomes far more available. Rather than a “winding down,” retirement is becoming the time of life when most individuals report having the greatest amount of fun. Two-thirds (66%) of today’s retirees say they prefer trying new things in their leisure versus doing things they’ve already done. Retirees in total will fill 2.5 trillion hours of leisure time over the next 20 years, creating massive growth in the emerging experiential economy.

This is a first-of-its-kind, in-depth investigation into the priorities, hopes, dreams, and challenges of the new world of leisure in retirement, and reveals how retirees are exploring and enjoying their newfound “time affluence.”

Our study uncovers:

- How the purpose and role of leisure in retirement has evolved and continues to change
- How retirement transforms leisure and, in turn, how leisure is a transformative force in retirement
- Why the “freedom zone” is the most liberating time in life, when retirees enjoy the greatest balance of free time, fun, health, and emotional wellbeing
- Life’s true valuables: the growing importance of experiences over things
- The new social security—the increased importance of social connections with family and friends in retirement
- The four stages of retirement leisure and what defines each one
- The uncharted territory of planning for retirement leisure

The following report summarizes the key findings of our study.
Methodology

This research study, completed in January 2016, was conducted by Merrill Lynch in partnership with Age Wave and executed by TNS via an online data collection methodology. The sample is nationally representative of age, gender, ethnicity, income, and geography. The survey was conducted among a total of 3,712 adult respondents age 25+. The generational distribution of the 3,712 respondents was: 682 silent generation (age 70-90), 2,170 boomers (age 51-69), 447 generation Xers (age 39-50), and 413 millennials (age 25-38). Qualitative research—six focus groups comprised of both pre-retirees and retirees, and interviews with national thought leaders on a variety of topics related to leisure—was also conducted prior to the quantitative research.

About Merrill Lynch Global Wealth Management

Merrill Lynch Global Wealth Management is a leading provider of comprehensive wealth management and investment services for individuals and businesses globally. With 14,412 Financial Advisors and nearly $2 trillion in client balances as of March 31, 2016, it is among the largest businesses of its kind in the world. Merrill Lynch Global Wealth Management specializes in goals-based wealth management, including planning for retirement, education, legacy, and other life goals through investment, cash and credit management. Within Merrill Lynch Global Wealth Management, the Private Banking and Investment Group focuses on the unique and personalized needs of wealthy individuals, families and their businesses. These clients are served by more than 175 highly specialized Private Wealth Advisor teams, along with experts in areas such as investment management, concentrated stock management and intergenerational wealth transfer strategies. Merrill Lynch Global Wealth Management is part of Bank of America Corporation. For more information, please visit www.ml.com/retire.

About Age Wave

Age Wave is the nation’s foremost thought leader on population aging and its profound business, social, financial, health care, workforce, and cultural implications. Under the leadership of Founder/CEO Dr. Ken Dychtwald, Age Wave has developed a unique understanding of new generations of maturing consumers and workers and their expectations, attitudes, hopes, and fears regarding retirement. Since its inception in 1986, the firm has provided breakthrough research, compelling presentations, award-winning communications, education and training systems, and results-driven marketing and consulting initiatives to more than half the Fortune 500 companies. For more information, please visit www.agewave.com. (Age Wave is not affiliated with Bank of America Corporation.)
In the past, leisure in retirement was often defined as a brief time to rest and relax before the end of life. Due to longer lifespans and the rejection of yesterday’s model of old age, leisure in retirement has evolved into an extended period of newfound freedom. As millions of boomers move into retirement, we will see a further evolution and expansion of retirement leisure, creating a “time affluence” and a budding economic boom of new products and services.

### Definition of leisure:
1) Time when you are not working;
2) Time when you can do whatever you want to do.

—Merriam-Webster’s Dictionary

### The “No-Vacation Nation”

We live in a society where we often define ourselves by how hard we work, our job title, or our career path. For many Americans, workaholism has become a way of life and an impediment to the fun, freedom, and fulfillment leisure can offer. Our workaholic culture creates an environment that does not encourage leisure and vacation time. Compared to other industrialized countries, Americans are, in fact, vacation deprived (FIG 2).

![Average number of vacation days per year by country.](image)

Source: Vacation Deprivation Survey, Expedia, 2015

In addition, when we do take vacations, we often still work. Our survey revealed that:

- 56% of Americans age 25+ say they feel guilty if they don’t use their “vacation” time productively.
- 80% check their work emails regularly while on vacation.
- 83% of employed Americans age 25+ say they do some type of work-related activities when on vacation.

While boomers are a workaholic generation, with 76% saying they work while on vacation, younger generations report having an even harder time tuning out, with 81% of generation Xers and 89% of millennials telling us they work while on vacation.
Making the Transition from Time Constrained to Time Affluent

Leisure in retirement is far different than leisure before retirement (FIG 4). While pre-retirees view free time as precious and scarce, retirees tell us that they are happy to break free of the pressures and constraints of full time work and 79% report that they now have the amount of free time they desire...and they like it. When asked “in retirement, how many years of leisure is the ideal amount for people, in general?” most Americans say it is 20 years.

**Figure 4: Leisure in retirement can be very different from leisure before retirement.**

<table>
<thead>
<tr>
<th>Leisure before retirement</th>
<th>Leisure in retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure is restricted, mostly to evenings, weekends, and vacations</td>
<td>Leisure is abundant</td>
</tr>
<tr>
<td>Leisure is often about relaxation and de-stressing</td>
<td>Leisure is often about engagement, connection, and activity</td>
</tr>
<tr>
<td>In their leisure, pre-retirees often want to escape from structure</td>
<td>In their leisure, retirees often desire to balance both structure and non-structure</td>
</tr>
<tr>
<td>Health is less likely to be a constraint on leisure</td>
<td>Health is more likely to be a constraint on leisure</td>
</tr>
<tr>
<td>There may be more income from work, but time is a major limiting factor (time constrained stage of life)</td>
<td>Retirees often have a more limited income, but have more free time (time affluent stage of life)</td>
</tr>
<tr>
<td>Technology interferes with leisure; people want to (but can’t) unplug</td>
<td>Technology enhances leisure through social connection; people want to be plugged in</td>
</tr>
<tr>
<td>Travel is often short</td>
<td>Travel can be longer and more immersive</td>
</tr>
<tr>
<td>Work/family constrains leisure timing, activities, and level of involvement</td>
<td>New freedom and flexibility come from fewer work/family obligations; greater freedom allows engaging in what you want to do, when you want to do it</td>
</tr>
</tbody>
</table>

Source: Survey results among respondents age 25+; focus groups with pre-retirees and retirees

Due to the aging of boomers, the number of Americans age 65+ will increase 57% over the next 20 years (FIG 5), while other age groups will have modest or no growth. One consequence of this “age wave” is that between 2010 and 2020, America will have reached a tipping point, shifting from being a nation where the number of Americans in the most time affluent stage of life, age 65+, exceeds those in the most time constrained stage, age 35-44 (FIG 6). The impact on individual lifestyles, families, and leisure marketplaces, both for-profit and not-for-profit, will be unprecedented.

**Figure 5: Change in population by age group: 2016-2035.**

Source: U.S. Census Bureau, 2015
Collectively, retirees will enjoy 126 billions hours of leisure time this year (FIG 7). And, as tens of millions of boomers become time affluent, over the next 20 years, they will amass 2.5 trillion hours of leisure time to fill (FIG 8).

How did we calculate total time affluence over the next two decades? The Bureau of Labor Statistics American Time Use Survey tracked how more than 11,000 Americans age 15+ spend their time each day, which we used to look at how much leisure time people of different ages have per day. By their definition, leisure time includes a variety of activities, such as time spent relaxing, reading for pleasure, engaging in hobbies or exercise, socializing with friends and family, etc. We found that people age 65+ have, on average, 7.5 hours of leisure time per day (FIG 1). If you consider the 7.5 daily hours for each of the more than 46 million Americans age 65+ over the course of a year, it adds up to a total of 126 billion hours of leisure time (FIG 7). When tallied over the next 20 years, and accounting for the growth of the age 65+ population, this group will have 2.5 trillion hours of leisure time to fill (FIG 8).
Retirement Leisure is Both Transformed and Transformative

Retirees are experiencing a liberation from their hard-working and often workaholic pasts and report having more freedom, more fun, new beginnings, and greater emotional wellbeing than at any other point in their lives.

“Before retirement, I defined myself by my work. Now, I define myself by what I do with my leisure—I’m now a grandmother, a French student, a cook, and a volunteer. I seek out new ways to define myself, to become who I want to be.”

—Retiree, focus group participant

While still in their working years, most individuals forge their identity through their work and parenting roles. However, with age, identity becomes far more about the leisure activities and interests retirees choose (FIG 9).

Figure 9: At this stage of your life, which of the following is more important to your identity?

<table>
<thead>
<tr>
<th>Freedom from …</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
</tr>
</thead>
<tbody>
<tr>
<td>What I achieve in my work/career</td>
<td>42%</td>
<td>34%</td>
<td>23%</td>
<td>17%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>The activities and interests I do during my non-working time</td>
<td>58%</td>
<td>66%</td>
<td>77%</td>
<td>83%</td>
<td>89%</td>
<td>91%</td>
</tr>
</tbody>
</table>

Base: Age 25+

Freedom to …

As retirees move from work into retirement, nine out of ten (92%) say retirement gives them greater freedom and flexibility to do whatever they want—and on their own terms. Leaving full time work behind, retirees say they are able to create their own schedules, open a business, sleep in, exercise more, get to know their grandchildren better, fall in love again, travel, read more, unplug, volunteer, learn a new skill, and try lots of things that they could previously only dream about. And, nearly all retirees tell us that freedom and flexibility increase, regardless of how much money they have (FIG 11). Although you might assume that leaving the structured environment of work behind would be difficult to adjust to, nearly all retirees (92%) say they definitely enjoy the freedom of a less structured life in retirement.

and more. In addition, although the challenge of funding a long life persists, many of those age 65+ find themselves freed from some of the key financial debts that may have constrained them in their earlier years (FIG 10).

Figure 10: Percent of households headed by someone age 65+ who are free from...

<table>
<thead>
<tr>
<th>Freedom to …</th>
<th>Student loan debt</th>
<th>Credit card debt</th>
<th>Home mortgage debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td>97%</td>
<td>73%</td>
<td>71%</td>
</tr>
<tr>
<td>35-44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>55-64</td>
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<td></td>
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<tr>
<td>65-74</td>
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<td></td>
<td></td>
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<tr>
<td>75+</td>
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</table>

More Fun

Notwithstanding the popular media portrayals of fun primarily being the domain of youth, it turns out that the experience of fun rises in mid-life and peaks in retirement (FIG 12). This is due to less stress, obligation, and pressure from work, and greater freedom to engage in leisure activities retirees enjoy, rather than having to do what others would want or expect them to do.

There is a small number of retirees (7%) who tell us retirement is less fun, enjoyable, and pleasurable than their pre-retirement years. They report that the primary reason for this is financial concerns (FIG 13).

Figure 11: Percent who agree, "In retirement I have greater freedom and flexibility to do whatever I want" by assets.

<table>
<thead>
<tr>
<th>Assets</th>
<th>88%</th>
<th>92%</th>
<th>91%</th>
<th>95%</th>
<th>95%</th>
<th>94%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$25K</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25K-LT</td>
<td></td>
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</tr>
<tr>
<td>$50K-LT</td>
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<tr>
<td>$100K-LT</td>
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</tr>
<tr>
<td>$250K-LT</td>
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<tr>
<td>$1M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1M+</td>
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</tbody>
</table>

Base: Age 50+ retirees, top 2 boxes, by level of investable assets

Figure 12: How much fun are you having at this stage of your life?

<table>
<thead>
<tr>
<th>Age</th>
<th>5.0</th>
<th>5.5</th>
<th>6.0</th>
<th>6.5</th>
<th>7.0</th>
<th>7.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td></td>
<td></td>
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<td>35-44</td>
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<td>45-54</td>
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<td>55-64</td>
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<td>65-74</td>
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<tr>
<td>75+</td>
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</tbody>
</table>

Base: Age 25+; average fun at this stage of life on a 1-10 scale

Figure 13: Why is retirement less fun, enjoyable, and pleasurable than before you retired?

- Financial concerns: 65%
- Health challenges: 50%
- Less energy: 46%
- Difficulty finding people to do things with: 34%
- Difficulty finding things to do: 33%
- Too much time visiting doctors/healthcare professionals: 32%
- More responsibilities for caring for loved ones who are unable to care for themselves: 20%
- More conflict with my spouse/partner: 10%

Base: Age 50+ retirees who said retirement is less fun, enjoyable and pleasurable than before retirement; select all that apply.
**Greater Emotional Wellbeing**

Contrary to stereotypes that portray youth as a time of psycho-social vitality and maturity as a period of emotional decline, our study reveals that lifetime emotional wellbeing actually peaks in retirement. Feelings of happiness, contentment, and relaxation soar, while anxiety seems to plummet (FIG 14).

**Figure 14a: Wellbeing across the lifecourse: happiness soars in retirement.**

**Figure 14b: Wellbeing across the lifecourse: contentment soars in retirement.**

**Figure 14c: Wellbeing across the lifecourse: relaxation soars in retirement.**

**Figure 14d: Wellbeing across the lifecourse: anxiety plummets in retirement.**

**The Freedom Zone**

Between ages 61-75, retirees reach the pinnacle of freedom, the “freedom zone” (FIG 15), where they enjoy the greatest balance of health, free time, fun, and emotional wellbeing.

**Figure 15: The Retirement FREEDOM ZONE.**
Most retirees (95%) say they would prefer to have more enjoyable experiences rather than buy more things. In today’s retirement, there are two general types of leisure activities – each with its own priorities and preferred activities. In “everyday leisure,” most retirees want to de-stress and improve their health. In “special occasion leisure,” peak experiences, adventure, and fun top the list.

“When I was younger, I was focused on having a nice house and a great car. Now that I’m older, I realize it’s about the experiences in life—not the things—that matter most.”

—Retiree, focus group participant

Everyday Leisure
When it comes to everyday leisure, retirees say that most of all, they want activities that help them to stay healthy and relaxed (FIG 16). As they get older, these priorities grow in importance. However, retirees are twice as likely to say that health is a bigger limit on their leisure than is wealth. As they age, they’re prepared to make adjustments in the demands of their activities to accommodate their physical abilities. Most (75%) tell us that health limitations do not substantially affect their leisure activities.

Special Occasion Leisure
For special occasion leisure—such as travel, celebrations, and important milestones—retirees want to break out of the ordinary. They want to have special experiences, with special people—and a chance to make new memories. They’re seeking peak experiences, adventure, and fun (FIG 17).

The majority of retirees (52%) tell us that simplifying their lives is what they most seek in retirement, with 86% agreeing that it is relatively easy to find inexpensive leisure activities to enjoy. Today’s retirees are engaging in a wide variety of activities in their everyday leisure that satisfy their individual appetites for engagement, purpose, and connection. Whether it is volunteering in their communities, reading their favorite books, playing with grandchildren, leading a walking group, swimming, or watching TV, retirees participate in an ever-growing assortment of leisure options and activities.
What is a peak experience? Retirees concur with renowned psychologist Dr. Abraham Maslow’s definition of peak experiences as “unique or rare and give them lasting memories.” In fact, 81% of retirees say they want a retirement filled with many peak experiences.

Dr. Abraham Maslow is credited with coining the phrase “peak experiences” in the 1960s. He defined them as “moments that stand out from everyday events. Think of the most wonderful experience of your life: the happiest moments, ecstatic moments, moments of rapture, perhaps from being in love, or from listening to music or suddenly ‘being hit’ by a book or painting, or from some creative moment.”

More Flexible Travel

Without the restrictions of an active work life and the holiday alignments needed when raising children, retirees have far more flexibility to pursue memorable experiences by traveling where they choose, when they choose, and for however long they choose—assuming, of course, affordability. Whether it is a day trip or an immersion experience in a new culture, an extensive cruise or a trip to visit grandchildren, retirees are able to take advantage of off-season rates and also make spontaneous, last-minute decisions to travel.

Seeking Fun, Fun, and More Fun

No matter where they go or with whom they travel, most retirees agree that what they want most from a travel experience is to have fun! Whether traveling with a spouse/partner, adult children, or grandchildren, fun soars as the number one priority (FIGs 18-20). Deepening relationships with whom they are traveling is next on the list.

Figure 18: Which of the following do you most want from a travel experience with your spouse/partner?

- Having fun together: 70%
- Deepening our relationship: 32%
- Doing activities on our wish list or “bucket list”: 30%
- Doing new things: 24%
- Sharing peak experiences: 21%
- Romance: 14%
- Celebrating milestones: 9%

Base: Age 50+ retirees with spouse/partner

Figure 19: Which of the following do you most want from a travel experience with your child(ren)?

- Having fun together: 81%
- Deepening our relationship: 63%
- Sharing family history: 45%
- Sharing peak experiences: 39%
- Celebrating milestones: 32%
- Sharing values or life lessons: 23%
- Broadening their understanding of other cultures: 13%
- Enhancing what they learned in school: 4%

Base: Age 50+ retirees with child(ren)

Figure 20: Which of the following do you most want from a travel experience with your grandchild(ren)?

- Having fun together: 79%
- Deepening our relationship: 57%
- Sharing family history: 40%
- Sharing values or life lessons: 33%
- Sharing peak experiences: 30%
- Celebrating milestones: 23%
- Broadening their understanding of other cultures: 20%
- Enhancing what they learned in school: 17%

Base: Age 50+ retirees with grandchild(ren)
“Boomers have been shaping the nation’s travel choices for decades. Your lost summer backpacking through Europe? Thank the boomers who in the 1960s and 70s made shoestring student trips to Europe de rigeur. Your naughty romp at Club Med? It was the boomers who propelled the singles resort scene to its apotheosis in the 1970s. Your posh room at the Copacabana Palace in the 1990s? Fueled by the boomers’ appetite for luxury hotels.”

—Stephanie Rosenbloom, New York Times

The Coming Leisure Boom: $4.6 Trillion over the Next Two Decades

As boomers move from being time constrained to time affluent, the leisure travel economy is well positioned to grow and prosper. In the past year, retired boomers spent more than any other group on leisure travel (FIG 21). As the “age wave” proceeds, this leisure economy will diversify and multiply to reach a cumulative total of an estimated $4.6 trillion, which we anticipate will create an unprecedented opportunity for the leisure industry (FIG 22).

Figure 21: Average amount spent by an individual on leisure travel in the past 12 months.

<table>
<thead>
<tr>
<th>Generation</th>
<th>Amount Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>$2,700</td>
</tr>
<tr>
<td>Gen X</td>
<td>$3,100</td>
</tr>
<tr>
<td>Working Boomers</td>
<td>$2,800</td>
</tr>
<tr>
<td>Retired Boomers</td>
<td>$3,700</td>
</tr>
<tr>
<td>Silent Gen</td>
<td>$3,400</td>
</tr>
</tbody>
</table>

Base: Age 25+; Age Wave calculations; trips lasted 1+ nights away from home and included transportation, lodging, meals on trips, recreation, and other activities while traveling; millennials in this sample are 25+.

Figure 22: Annual spending by people age 65+ on leisure travel between 2016-2035.

Source: U.S. Census Bureau, 2015; Age Wave calculations
Retirement Travel Trends

The latest travel trends reveal that retirees enjoy a wide range of travel experiences, including:

1. Tried and True Destinations. Although retirees enjoy a variety of vacation spots, familiar locations remain the most popular.

<table>
<thead>
<tr>
<th>List of retirees’ preferred travel destinations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In the United States</strong></td>
</tr>
<tr>
<td>1. Hawaii</td>
</tr>
<tr>
<td>2. New York</td>
</tr>
<tr>
<td>3. California</td>
</tr>
<tr>
<td>4. Alaska</td>
</tr>
<tr>
<td>5. Florida</td>
</tr>
</tbody>
</table>

Base: Age 50+ retirees

2. New Lodging Options. Globally, almost one million AIRBNB users are over 60, including 10% of all hosts (and growing), who make, on average, $6,000 per year.7

3. Adventure Travel. Overseas Adventure Travel, the first U.S. travel company to design adventure trips for age 50+ travelers, saw business jump 67% in a decade.8 The majority of customers at Nomadic Expeditions and Mountain Travel Sobek are age 50+. Roughly 20% of REI Adventures’ business comes from customers over 60.9

4. Nostalgia Travel. 24% of retirees say going on an RV trip is very appealing at this stage of their life and RV sales are expected to continue to grow as boomers retire.10 Airstream sales grew 35% in 2014 (nearly 3x industry growth) with most buyers age 50-69.11

5. Biking. Several companies are now tailoring bike tourism trips to the 50+ market,12 and marketers say biking is replacing golf as a popular option for active holidays.13 Data released last year show that between 1995 and 2009, biking rates among people ages 60–79 grew 320%.14

6. Voluntourism. Americans age 60+ were the most likely to have taken a volunteer trip in the last year. The Peace Corps also now has a program seeking volunteers 50+.16

7. Learning. Educational tours and programs, which combine travel and learning, are booming. Road Scholar offers 5,500 programs worldwide.17

8. Cruising. From 2009 to 2014, around-the-world cruises grew from 17.8 million to 22.1 million passengers, 52% of whom are age 50+.18 Almost half (45%) of retirees say a cruise is very appealing at this stage of life.

9. Solo Travel. 12 million of the 32 million Americans who live alone are 65+.19 10% of all leisure travelers go alone.16 Forty percent of travelers with the age 50+ adventure travel company OAT are solo travelers.20

10. Multigenerational Travel. More than one-third (36%) of retirees have gone on a multigenerational trip in the past year. While many say it’s the greatest experience of their lives, multigenerational travel can have its challenges—chief among them is aligning activities that appeal to everyone (FIG 23).

Figure 23: What are the biggest challenges of multigenerational travel?

| Aligning activities to be inclusive for everyone | 48% |
| Agreeing on a destination | 40% |
| Coordinating the trip logistics | 38% |
| Agreeing on dates | 35% |
| Deciding how much to spend | 22% |
| Deciding who pays for what | 17% |

Base: Age 25+; select the top two
The New Social Security: Strong Relationships Matter

The value of social relationships to mental and even physical health has been shown through numerous studies. Retirees recognize the importance of refreshing and deepening relationships, finding new friends, and growing social networks in their later years.

Who vs. What

Retirement can disrupt or alter our social connections and friendships, especially in one’s daily routine. While pre-retirees say that what they expect to miss most from work is a reliable paycheck, retirees report that it is the social connections that are their greatest loss.17 As a result of this strong need for social support and nourishment in their leisure, retirees place a premium on their relationships, telling us who they spend time with (61%) is far more important than what they do (39%) (FIG 24), and women are even more likely to feel this way.

Figure 24: Which of the following is more important for an enjoyable leisure experience?

<table>
<thead>
<tr>
<th>The leisure activities I engage in</th>
<th>Who I engage in my leisure activities with</th>
</tr>
</thead>
<tbody>
<tr>
<td>39%</td>
<td>61%</td>
</tr>
</tbody>
</table>

Base: Age 50+ retirees

Researchers have identified several health benefits of social connections and friendship:21

- People who do not feel lonely are healthier and live longer.22,23
- Having more and diverse friendships is associated with lower risk of heart disease.24
- Low social interaction is as bad for your health as smoking 15 cigarettes a day, being an alcoholic, or never exercising, and twice as bad for your health as obesity.25
- Having stronger social ties is linked to better cognitive health in later life and lower likelihood of developing dementia.26

“I was very interactive with people all day and I missed that when I retired from work. It was important for me to replace that social interaction. Through new activities, I now have my church friends, my yoga friends, and my travel friends who fill that void.”

—Retiree, focus group participant
Strong Family Ties

Whether spending time with their spouse/partner, children or grandchildren, retirees place very high value on family relationships. Strong family connections often make life richer, and the abundance of free time offers retirees ways to have fun together, deepen family bonds, share family history, make new, lasting memories, and leave their legacy.

“Family leisure trumps all other forms of leisure. You can’t put a price tag on it.”
—Retiree, focus group participant

Those retirees with a spouse/partner report that their most enjoyable leisure experiences are with that spouse/partner (FIG 25). And 69% of retirees say that retirement leisure is a great time for romance.

Figure 25: Who retirees have the most enjoyable leisure experiences with.

<table>
<thead>
<tr>
<th></th>
<th>Base: Age 50+ retirees, with relative; bases vary</th>
</tr>
</thead>
<tbody>
<tr>
<td>My spouse/partner</td>
<td>62%</td>
</tr>
<tr>
<td>My grandchild(ren)</td>
<td>45%</td>
</tr>
<tr>
<td>My child(ren)</td>
<td>44%</td>
</tr>
<tr>
<td>My self</td>
<td>29%</td>
</tr>
<tr>
<td>My friend(s)</td>
<td>27%</td>
</tr>
<tr>
<td>Pets</td>
<td>17%</td>
</tr>
<tr>
<td>My other family member(s)</td>
<td>14%</td>
</tr>
</tbody>
</table>

Twenty million (43%) retirees in the U.S. are single, including those who are widowed, divorced, separated, or never married. The nation’s 11 million widowers make up a large portion of this population.27 Singles most value leisure experiences with friends (FIG 26).

Figure 26: Who single retirees have the most enjoyable leisure experiences with.

<table>
<thead>
<tr>
<th></th>
<th>Base: Age 50+ retirees who are divorced, separated, widowed, or never married; U.S. Census Bureau, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>My friend(s)</td>
<td>42%</td>
</tr>
<tr>
<td>Myself</td>
<td>39%</td>
</tr>
<tr>
<td>My child(ren)</td>
<td>38%</td>
</tr>
<tr>
<td>My grandchild(ren)</td>
<td>30%</td>
</tr>
<tr>
<td>My other family member(s)</td>
<td>22%</td>
</tr>
<tr>
<td>My sibling(s)</td>
<td>14%</td>
</tr>
<tr>
<td>My parent(s)</td>
<td>5%</td>
</tr>
</tbody>
</table>

Grandkids Rule

Retirement is also a wonderful time to connect with and strengthen bonds with grandchildren. Most retirees (60%) say spending time with grandkids is more fulfilling than spending time with their own children (FIG 27). The pull is so strong that retirees also say the top reason they move in retirement is to be closer to their family.28

Figure 27: At this stage of your life, which is more fulfilling? Leisure experiences with my....

<table>
<thead>
<tr>
<th></th>
<th>Base: Age 50+ retirees who have both child(ren) and grandchild(ren)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child(ren)</td>
<td>40%</td>
</tr>
<tr>
<td>Grandchild(ren)</td>
<td>60%</td>
</tr>
</tbody>
</table>
Friendships in Retirement: More Important Than Ever

As important as family is to retirement leisure, friends also play a vital role. While the 1990s hit sitcom *Friends* followed the lives and loves of six twenty-something friends, the 1980s sitcom *Golden Girls* may actually have been more prescient in terms of how friendships will play out in the years ahead. In our study, retirees recognize the importance of friendships more than any other age group (FIG 28). Retirees also realize the need to continually feed the friendship pipeline, since with age people increasingly are at risk of losing friends through relocation or illness.

**Figure 28: Percent who agree, “It’s important to stay connected with friends.”**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percent Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td>65%</td>
</tr>
<tr>
<td>35-44</td>
<td>58%</td>
</tr>
<tr>
<td>45-54</td>
<td>62%</td>
</tr>
<tr>
<td>55-64</td>
<td>70%</td>
</tr>
<tr>
<td>65+</td>
<td>79%</td>
</tr>
</tbody>
</table>

Base: Age ≥25; top 2 boxes
The Four Stages of Retirement Leisure

As people move to and through retirement, their relationship with leisure—and themselves—evolves. Our study uncovered four distinct stages of retirement leisure and revealed the key experiences, priorities, and connections retirees seek in each stage.

Yesterday, retirement leisure was mostly about stepping off the playing field and moving quietly to the sidelines. Our study revealed that today, in part because of longer, healthier lives, and far higher aspirations, people go through four stages of retirement leisure (FIG 29).

Figure 29: The Four Stages of Retirement Leisure

1. Winding Down & Gearing Up
2. Liberation & Self-Discovery
3. Greater Freedom & New Choices
4. Contentment & Accommodation

≤5 years before retirement | 0-2 years into retirement | 3-15 years into retirement | Over 15 years into retirement
Stage 1: Winding Down & Gearing Up: ≤5 years before retirement

In the five years prior to retirement, many pre-retirees feel overwhelmed with work and look forward to more time for the non-work activities they love.

- Not surprisingly, 74% say work is a barrier to them having more fulfilling leisure and many feel stressed because they are so busy.
- Compared to retirees, they are more likely to feel worn out, burned out, and lonely.
- Leisure travel in this stage is about escape (43%) and recharging one’s batteries (46%).
- Optimism and financial preparedness rise compared to earlier pre-retirement, with a slight dip in travel and spending in the two years before retirement.

Stage 2: Liberation & Self-Discovery: <2 years into retirement

Recent retirees (in retirement for two years or less), are enjoying their newfound free time, and are challenged to adjust from a work-centered identity to one defined by leisure and other interests.

- There’s an enormous sense of liberation and relief as most (78%) feel they finally have enough free time. Nearly all (92%) say retirement provides them with the freedom to now do what they want—and on their own terms.
- However, during this transitional period, some still feel unsettled, anxious, or bored, and 35% say it’s harder to structure their time than before they retired. 47% still say they feel guilty about not using leisure productively.
- There is a peak in retirees seeking personal growth, adventure, including biking and hiking, and enjoying trips that offer learning and home sharing.
- 72% want to try new leisure activities compared to doing things they’ve already done.
- 24% continue to work; 68% work part time; 22% regularly volunteer.
Stage 3: Greater Freedom & New Choices: 3-15 years into retirement

Spanning the period from year 3-15 of retirement, the enjoyment of leisure continues to improve and deepen. As retirees embrace their new identity, feelings of happiness, contentment, and confidence are high, spontaneity peaks, and anxiety wanes.

- 74% say it’s easier to structure their time now than during their pre-retirement years.
- As retirees further separate from full time work and gain comfort with their post-work selves, “be-ing” increasingly replaces “do-ing” and fewer have feelings of guilt when not using leisure productively.
- They are likely to do the following for everyday leisure: exercising, shopping, reading for pleasure, volunteering, taking classes/learning, and socializing with friends.
- Spending on leisure travel, as well as the pace of travel, rises with interest in immersive experiences. Voluntourism, cruises, adventure travel, international sightseeing, RV travel, and overnight spa trips are common.
- Some (9%) still work, often in different and more enjoyable ways than their core careers.

Stage 4: Contentment & Accommodation: >15 years into retirement

More than 15 years into their retirement, retirees are most likely to strive to maintain health and independence as well as enjoying familiar activities rather than new ones. Much of their leisure time is spent relaxing or connecting with family and friends.

- Compared to other stages, people are most likely to prioritize simplifying their lives.
- Tried and true leisure activities are the norm vs. trying new things.
- While often happy, relaxed, and content, retirees in this stage are also less energetic, more physically limited, and more worn out than earlier in retirement.
- They seek to connect with family and friends in all types of leisure, including multigenerational travel with grandchildren and heritage trips.
- At this stage, health conditions (72%) are more pervasive and limit leisure experiences. Increased doctor visits and medical care are also barriers to leisure activities for 61%, as well as caregiving for a spouse/partner for some.
The Challenges to Retirement Leisure

This study revealed that planning for retirement leisure can have a very positive impact. Those who have done some preparation are far more likely to say retirement is more fun, enjoyable, and pleasurable. Yet, very few people actually plan for this important dimension of their retirement experience.

“At 55, I’m excited for retirement when I can take several trips that I’ve put off—a river cruise and going to England with my grandson. But when I add up the days that’ll take, it might be 100 days. But if I spend 20 years in retirement, that’s only 100 of 7,300 days. What if I spend 3 months at the cottage each year? That still leaves 5,500 days, so I’m starting now to think about how to fill my days.”

—Pre-retiree, focus group participant

Planning: Retirement Leisure’s Uncharted Territory

Most Americans take practical steps ahead of time when it comes to funding their children’s education or anticipating a home remodeling project. However, envisioning and planning for how to best fund one’s retirement leisure dreams is uncommon.

Roughly half of retirees have done some planning for leisure in the next year. Far fewer have made plans further out (FIGs 30-32). Two-thirds of those with a spouse/partner have not discussed and agreed on how much leisure time to spend together in retirement or how much money to spend on retirement leisure.
**Kicking the Bucket List**
While most retirees have dream vacations they’re hoping to take, peak experiences they’re hoping to have, and leisure wishes they’re hoping to fulfill, only 15% of retirees report having a bucket list. Many don’t even like the phrase!

**Funding Your Dreams**
Few retirees are planning, saving, and budgeting for the things they most want to do in retirement. In fact, most (58%) tell us they do not know how much money they will need to fund the leisure activities they would like to pursue in retirement. In addition:

- Almost half (45%) of retirees say that the fear of outliving their money could curtail spending on the things they most want to do.
- Almost half (45%) have not even estimated how much they will need to fund their leisure goals.
- Overall, when it comes to travel in retirement, two-thirds of all retirees have not created a budget (FIG 33).

As more and more people move into retirement, we anticipate that planning for both everyday and special occasion leisure will become an increasingly important part of all retirement preparation discussions.
Creating a Retirement Leisure Game Plan Can Empower Retirees to Achieve Their Goals

Pre-retirees look forward to a time when they have more freedom from responsibilities and freedom to engage in the leisure activities they desire. This study reveals how today’s retirees have the freedom to enjoy a longer period of leisure filled with new beginnings, new experiences, and deeper social connections. For both pre-retirees and retirees, here are some steps to consider as you map out your aspirations and goals for leisure in retirement:

• What do you most want to do and experience in your leisure time?

• What are your leisure dreams for everyday activities and special occasions? Have you thought of rekindling an old hobby, taking a course to learn more about a topic you’re interested in, taking a trip with a grandchild or volunteering abroad?

• What are the peak experiences you most want to have in retirement? And who do you most want to share those with?

• How do you want to spend your time and who do you want to spend it with?

• The vast range of activities available to you in retirement come at a wide range of price points. What are the financial implications, whether it be pursuing passions and interests, traveling, staying socially connected or spending time with family?

• What might be the ingredients of a plan that will help you advance toward achieving your leisure goals and dreams?
A new portrait of leisure in retirement is emerging. Due to increased longevity, better health later in life, and the influx of the boomer “age wave,” retirees are increasingly finding their retirement years to be a launching point instead of a finish line. Below are highlights of the Leisure in Retirement: Beyond the Bucket List study’s key findings:

• **Breaking the Workaholism Addiction:** Americans experience fewer vacation days than other nations, many don’t take the days they have, and 83% do some work while on vacation.

• **Time Affluence and 2.5 Trillion Hours of Retirement Leisure:** In work, Americans are time constrained and many feel stressed with their fragmented leisure. In contrast, most retirees feel liberated and finally have the time to do the things they want to do on their own terms.

• **The Freedom Zone:** The transformation to the new self can take time and adjustment, but most retirees embrace the “freedom zone,” a roughly 15-year span in retirement where they experience the greatest balance in fun, free time, health and emotional wellbeing.

• **Experiences vs. Things:** As retirees chart their new courses, they find an expanding variety of “everyday” and “special occasion leisure” activities, including peak experiences, deeper connections with family and friends, travel, learning, and volunteering.

• **Strong Social Connections:** Retirees value relationships more than at any other time in their lives, and many use that time to deepen bonds with family and friends—and create new relationships.

• **The Four Stages of Retirement Leisure:** Most retirees are successfully shedding their work selves and forging a new identity in retirement. Approaching retirement, people wind down and gear up. The first two years of retirement feature liberation and adjustment. Years three to fifteen see the peaks of freedom, fun, emotional wellbeing and choice. Deeper into retirement comes a period of contentment and deepened family connections.

• **The Upcoming Retirement Leisure Boom:** Tens of millions of boomers migrating into retirement will further expand and diversify retirement leisure, creating a cornucopia of new programs and opportunities for retirees. Retirees will spend nearly $180 billion in 2016 on leisure travel. Over the next 20 years that number will surge, totaling an estimated $4.6 trillion.
Endnotes

2 Center for Economic and Policy Research.
4 Data from respondents with $1 million or more in investable assets were also collected during January 2016 using a sample of affluent and high net worth individuals in addition to the general population survey.
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