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THE BLOG

## New Study Reveals Four Distinct Stages Of Retirement Leisure

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Part Two of a Two-Part Series

We're on the cusp of a revolution in retirement leisure — how much leisure time we have, how long we have it, what we do with it, and how it's reshaping our lives. Over the next 20 years, tens of millions of boomers will retire and, as I explained yesterday in [New Study Uncovers the Upside of Retirement Leisure: The Freedom Zone](#), just as they've transformed every life stage they've moved through, this powerful generation is already changing the face of leisure in retirement.

Gone is the old definition of leisure as a time to simply wind down, take a cruise, rest, and relax. Today as we move through retirement, and gradually break the habits formed over a lifetime of hard work in a workaholic culture, our relationship with leisure — and with ourselves — evolves and changes. Understanding this evolution is the first step in planning for happiness and fulfillment in this most “time affluent” phase of our lives.

My firm, Age Wave, recently partnered with Bank of America Merrill Lynch on a landmark research study, [“Leisure in Retirement: Beyond the Bucket List”](#), to examine the priorities, hopes, dreams, and challenges of the surging new world of leisure in retirement. We surveyed a total of 3,712 adults age 25+ from all socio-economic backgrounds and walks of life. One of the most fascinating findings revealed in our research was that today, in part because Americans are living longer, healthier lives and have far higher aspirations, retirees move through four distinct stages of retirement leisure, each with its own priorities, challenges, and social connections (FIG 1).

FIG 1



#### **Stage 1: Winding Down & Gearing Up: 5 years or less *before* retirement**

In the five years before people retire, many feel overwhelmed with work and say they really look forward to having more time in retirement for the non-work activities they love. One focus group pre-retiree explains, “I feel so burned out and overwhelmed. I can only dream about all the fun things I might do in retirement. Just thinking about it gets me excited.”

Many in this stage feel highly stressed because they are so busy, and 74 percent identify work as the biggest barrier to them having more fulfilling leisure. Leisure travel in this stage is about escape (43 percent) and recharging one’s batteries (46 percent). However, in the two years before retirement, most soon-to-be retirees don’t travel quite as much; they spend less as well. They feel optimistic about retirement leisure, and most are focusing on gearing up for that next stage.

What’s currently missing in our preparations is a specific focus on what we want to experience and accomplish in our retirement leisure — and how much time and money we plan to spend on leisure activities that bring us the most happiness and fulfillment.

## **Stage 2: Liberation & Self-Discovery: 0-2 years into retirement**

Once people actually retire, most (78 percent) feel they finally have enough free time to do all the things they want. There's an enormous sense of liberation and relief as nearly all (92 percent) say retirement provides them with the freedom to finally do what they want, on their own terms.

In this stage, many retirees seek personal growth and adventure, including biking and hiking, and enjoying trips that offer learning and even home sharing. In fact, 72 percent want to try new leisure activities compared to doing things they've already done. For example, one focus group participant told us, "I've never had the time to train for any type of sporting competition. Now I'm starting to train for a 5k. Who knows where this will lead, but I'm energized and ready to try something new." Leisure is clearly a priority for retirees in this stage, but 24 percent continue to work, with 68 percent of those retirees working part time. In addition, 22 percent of retirees in this stage of retirement leisure enjoy regularly volunteering their time.

While liberation and self-discovery define this stage of leisure in retirement, it's still a time of transition that requires adjustments from work life. Some early retirees feel unsettled, anxious, and even bored after spending most of their life in a work-centered identity. More than a third say it's harder to structure their time than before they retired, and almost half feel guilty about not using leisure productively. A bit of preparation, envisioning and planning for how you want to spend your leisure in retirement, can help with this complex transition.

## **Stage 3: Greater Freedom & New Choices: 3-15 years into retirement**

Once retirees settle into retirement and successfully move through the transition away from work, they appreciate and enjoy their leisure even more. As retirees embrace their new leisure identity, feelings of happiness, contentment, and confidence are high; spontaneity peaks; anxiety wanes. As retirees further separate from full-time work and gain comfort with their post-work identity, "be-ing" increasingly replaces "do-ing" and fewer have feelings of guilt when not using leisure productively. Most retirees (74 percent) say it's easier to structure their free time now than it was during their pre-retirement years.

When it comes to everyday leisure, retirees in this stage are most likely to exercise, shop, read for pleasure, volunteer, take classes, and socialize with friends. One focus group participant explains: “I feel like the luckiest woman in the world. I walk each morning with a group of friends, take part in a book club at my local library, and get to spend time with my grandchildren. Life doesn’t get better than this.”

Spending on leisure travel, as well as the pace of travel, rises with interest in immersive experiences. According to Matthew Upchurch, the Chairman of Virtuoso — the nation’s leading network of luxury travel advisors, “We’ve learned that travelers at this new, more liberated stage in their lives are truly seeking to see, feel and learn new things. They want to make special new memories — particularly ones that are shared with loved ones.” Voluntourism, cruises, adventure travel, international sightseeing, RV travel, and overnight spa trips are common. Only 9 percent of retirees in this stage are still working, often in different and more enjoyable ways than they did during their core careers.

#### **Stage 4: Contentment & Accommodation: More than 15 years into retirement**

The fourth stage of retirement leisure is usually more than 15 years into retirement. Maintaining health and independence is even more important to these retirees, with most of their leisure time spent relaxing or connecting with family and friends. Compared to other stages, retirees are most likely to prioritize simplifying their lives and enjoying familiar activities rather than discovering new ones. “At this stage of retirement, I take part in the tried and true activities I’ve always enjoyed doing with those people I care about most. It’s what makes me happy,” said one focus group member.

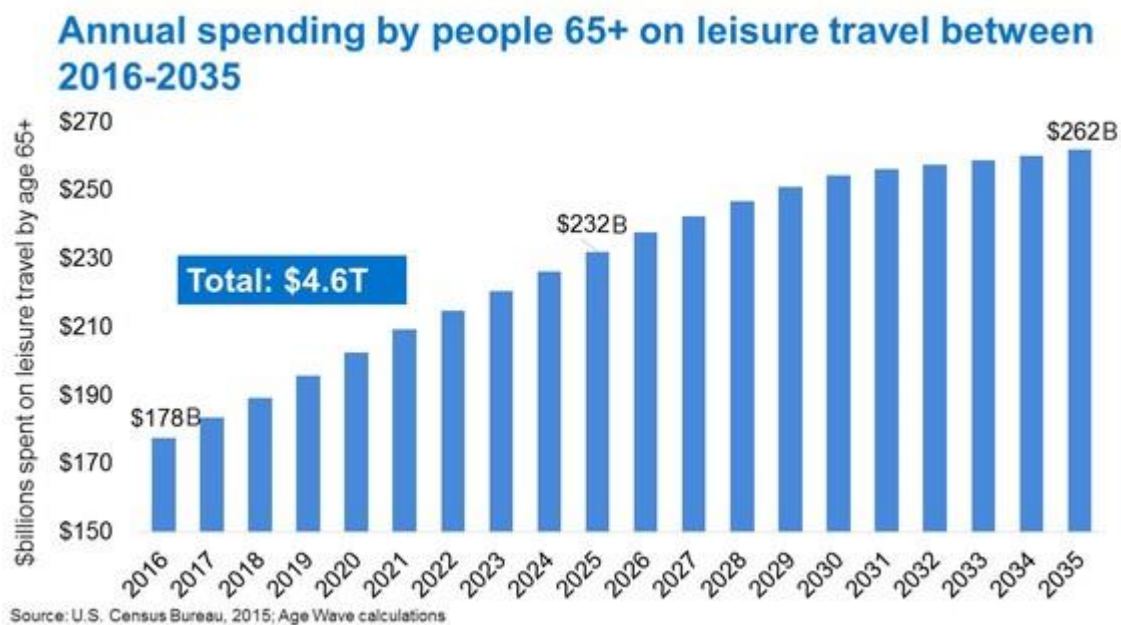
Retirees in this stage are often less energetic, more financially constrained, and more physically limited than earlier in retirement. They seek to connect with family and friends in all types of leisure, including multigenerational travel with grandchildren and heritage trips.

At this stage, health conditions (72 percent) are more pervasive and can limit leisure experiences. In addition, a vast majority (61 percent) of retirees are dealing with an increase in doctor visits and medical care, with some involved in caregiving for a spouse/partner. These challenges can limit leisure activities.

## The Coming Leisure Boom

So what do these four stages mean for how retirement leisure will look in the coming years? As boomers migrate from being time constrained to time affluent, the leisure travel economy is well positioned to grow and prosper — targeting each of the four stages of retirement leisure based on their needs and interests. In just the past year, retired boomers spent more than any other group on leisure travel. As the “age wave” grows, this leisure economy will diversify and multiply, reaching a cumulative total of \$4.6 trillion, which will likely create an unprecedented opportunity for the leisure industry (FIG 2).

FIG 2



Here are some of the latest travel trends today’s retirees tell us they enjoy the most. This list is sure to grow as the travel industry steps up its offerings and creativity to meet the coming boom:

- **Tried and True Destinations.** Although retirees enjoy a variety of vacation spots, familiar locations such as Hawaii, New York, California, Italy, Australia and England remain the most popular.
- **Cutting Edge Lodging Options.** Globally, almost one million Airbnb users are over 60, including 10 percent of all hosts (and growing), who make, on average, 6,000 per year.

- **Adventure Travel.** Overseas Adventure Travel, the first U.S. travel company to design adventure trips for age 50+ travelers, saw business jump 67 percent in a decade. The majority of customers at Nomadic Expeditions and Mountain Travel Sobek are age 50+. Roughly 20 percent of REI Adventures' business comes from customers over 60.
- **Nostalgia Travel.** 24 percent 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. Airstream sales grew 35 percent in 2014 (nearly 3x industry growth) with most buyers age 50-69.
- **Biking.** Between 1995 and 2009, biking rates among people ages 60-79 grew 320 percent. Several companies now tailor bike tourism trips to the 50+ market, and marketers say biking is replacing golf as a popular option for active holidays.
- **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+.
- **Learning.** Educational tours and programs, which combine travel and learning, are booming. Road Scholar offers 5,500 programs worldwide.
- **Cruising.** From 2009 to 2014, around-the-world cruises grew from 17.8 million to 22.1 million passengers, 52 percent of whom are age 50+. Almost half (45 percent) of retirees say a cruise is very appealing at this stage of life.
- **Solo Travel.** 12 million of the 32 million Americans who live alone are 65+. Ten percent of all leisure travelers go alone. Forty percent of travelers with the age 50+ adventure travel company OAT are solo travelers.
- **Multigenerational Travel.** More than one-third (36 percent) 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.

### **The Challenges to Retirement Leisure**

As our study revealed, pre-retirees have a lot to look forward to in their retirement leisure — all that travel, plus more freedom, more fun, and a greater sense of emotional wellbeing. With life expectancy at an all-time high, retirement leisure can last anywhere from 20 to 30 years. That's a lot of time to fill, and we'll need to change the way we plan for it if we're to make the most of our new beginnings.

As Lorna Sabbia, Head of Retirement & Personal Wealth Solutions for Bank of America Merrill Lynch points out, "While retirement leisure has historically been viewed as a time to do less, today's retirees are viewing it as an opportunity to do more. And, as retirees experience two

decades or more in retirement, they have a lot to plan for — new beginnings, deepening relationships, and exploring their passions.” Most Americans take practical steps to fund their children’s college education or to save for their basic needs in retirement. But envisioning and planning for our retirement dreams is far less common. Two-thirds of our study participants who have a spouse or partner have not even discussed how much leisure time they want to spend together in retirement — or how much money they plan to spend on their leisure. That’s too bad, because our study revealed that those retirees who have done even some preparation are far more likely to say that retirement is fun, enjoyable, and pleasurable. It’s time we use our newfound knowledge about leisure to plan more completely for a retirement in which our time affluence brings us new beginnings, meaningful contributions, and satisfying experiences.

This article, together with **[New Study Uncovers the Upside of Retirement Leisure: The Freedom Zone](#)**, offers a small sample of the deep findings about leisure in retirement found in our comprehensive study. To explore additional ideas and information, you can download the full report [here](#). I look forward to reading your comments and suggestions, and I wish you great success on your quest for leisure in retirement.

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