

On Retirement

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7 Reasons to Volunteer in Retirement

Many retirees have the time and money to support worthy causes.

By Tom Sightings

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America is one of the most generous nations in the world. According to figures from the Organization of Economic Cooperation and Development, some 60 percent of Americans regularly engage in some kind of charitable activity, compared to an average of about 40 percent for other developed countries.

A study from Merrill Lynch and Age Wave found that Americans donated \$358 billion last year, and most of it came not from corporations but from families and individuals. In addition, Americans offered almost 8 billion hours volunteering for charitable causes, from church activities to political organizations to helping out neighbors and strangers. While Americans of all races and ages contribute their money and time, retirees are the ones who reach out the most. Here's why retirement is a great time to give back.

1. Retirees have the best opportunity. Retirees have the most discretionary time. Their time isn't consumed by working or taking care of children. They have almost twice as much free time as working parents in their late 30s and early 40s, according to the Bureau of Labor Statistics, and they are looking for something to do with all that extra time. So while retirees comprise a little less than a third of the population, they account for 45 percent of all volunteering hours, Merrill Lynch found.

2. They have the most money. Retirees have the lowest poverty rate among all age groups, and they also have the most savings. They are sitting on more than four times the net worth of their children who are working and raising families. This explains why retirees account for 42 percent of the money donated to charity, according to Merrill Lynch.

3. They find it fulfilling. Retirees say that donating both time and money rewards them with a greater purpose in life. They feel that giving back to society means they make a difference in the lives of others. Some 70 percent of retirees also say being generous provides a significant source of happiness. Most volunteers report that helping others brings them more happiness than spending money on themselves. Retirees who are active in charities also have a stronger sense of purpose and higher self-esteem. They have lower rates of depression as well as lower blood pressure and lower mortality rates.

4. It's a way to make social connections. Another reason retirees volunteer is for the social interaction. After people stop working and their kids are gone, they lose many of the usual social connections. Volunteering helps retirees meet people with similar interests and values. Some 85 percent of retiree volunteers say they have developed new friendships through their volunteer activities, the survey found.

5. Where does the money go? About half of people who make gifts of money and goods contribute to a religious or spiritual organization. About a third donate to relieve poverty, a quarter provide disaster aid and roughly 20 percent give to educational institutions. As the ranks of baby boomers swell, the amount of time and money given to charities is expected to increase. But baby boomers tend to be less religious than their elders, so the future of charity may lean away from religious organizations and more toward human rights and the environment.

6. Giving to family. While some people say that leaving an inheritance to their children is an important goal, today's retirees are twice as likely to say it's more important to pass on values and life lessons than real estate or financial assets. A number of retirees also say it's more important to help out family members in times of need instead of accumulating an estate for their children. Over 60 percent of parents have given some kind of financial support to their adult children. Others have extended a helping hand to parents, siblings, in-laws and grandchildren.

7. Women versus men. It may come as no surprise that women are more generous than men. They are more likely to give money and more likely to volunteer. They are also more likely to say they achieve happiness by giving to others rather than spending money on themselves, and define success in terms of helping others rather than accumulating wealth. Women give out of gratitude, not guilt. And because of their greater longevity, women also exercise control over the family inheritance. Today, about a third of charitable bequests are made by married couples. But almost half are made by women alone.

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