

# Positive Psychological Attributes and Retirement Satisfaction

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*This study investigated the association between positive psychological attributes and retirement satisfaction using a sample of 5,146 retired individuals from the 2006 and 2008 waves of the Health and Retirement Study (HRS). Utilizing Seligman's (2012) well-being theory, positive psychological attributes, as represented by the acronym PERMA, were measured by dispositional optimism (Positive emotion), reading the newspaper daily and having a hobby (Engagement), family support (Positive relationships), purpose in life and religiosity (Meaning), and perceived mastery (Accomplishment). Significant evidence was found supporting the association between positive psychological attributes and retirement satisfaction. Specifically, results of the ordinal logistic model revealed that, holding all else constant, dispositional optimism, family support, purpose in life, and perceived mastery were each positively associated with retirement satisfaction. Relevant implications for financial planners, counselors and educators include learning and developing optimism, cultivating family relationships, fostering purpose in life, discovering accomplishment during retirement, and structuring a phased transition to retirement.*

*Keywords: HRS; positive psychology; psychological well-being; retirement satisfaction; subjective well-being*

## Introduction

With 38 million American workers currently retired and the number of older Americans expected to nearly double by 2033, the factors associated with the psychological well-being of retirees has received considerable attention from the popular press and academic literature (Social Security Administration, 2014). While the popular press has primarily focused on the factors associated with general retiree happiness, the academic literature has concentrated more specifically on concepts related to psychological well-being (Bernard, 2013; Brandon, 2011; Garland, 2008; Hamilton, 2014; Hannon, 2011; Kane, 2014; Lagier, 2013; O'Brien, 2014). A review of this academic literature indicated that various definitions of psychological well-being have been utilized; with no consistent or comprehensive construct of psychological well-being for retirees.

According to Diener and Seligman (2004), researchers typically have not evaluated the broad range of concepts relevant to psychological well-being, but rather assessed only one or two associated variables. Furthermore, psychological well-being has often been viewed through a traditional psychology lens of negative psychological outcomes and operationalized through mental illness measures, such as depression. Consequently, an understanding of psychological well-being shaped through this deficit paradigm may not be adequate to evaluate psychological well-being for mentally

healthy individuals. Fortunately, a new area of research has emerged over the past decade, positive psychology, which seeks to explain how healthy people can optimize their psychological well-being through improving their psychological functioning (Seligman & Csikszentmihalyi, 2000). It is noteworthy that many of the retirement studies within the literature utilized small niche samples, which has presented a challenge for generalizing results beyond the sample investigated (Burr, Santo, & Pushkar, 2011; Davis, 2009; Floyd et al., 1992).

Given this backdrop, the purpose of this study was three-fold. First, this study sought to present a theoretical framework of retiree psychological well-being from a positive psychology approach. Second, this study sought to evaluate the association of positive psychology with retirement satisfaction. Lastly, this study sought to provide a more generalizable analysis of retiree satisfaction through the utilization of a nationally representative sample of American retirees from the Health and Retirement Study (HRS).

## Literature Review

Retirement planning is both an economic and psychological endeavor (Noone, Stephens, & Alpass, 2009) and may be categorized into three general stages: (a) pre-retirement planning; (b) retirement transition planning; and (c) post-retirement planning. Financial aspects of retirement planning

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in each of these stages have received significant attention, with work devoted to understanding retirement savings behavior, adequacy of retirement savings, employer retirement plans and benefits, Social Security benefit strategies, and investment portfolio management strategies (Basu, 2005; Cooley, Hubbard, & Walz, 1999; Hatcher, 2008; Malroutu & Xiao, 1995; Newmark & Walden, 1995; Xiao, 1997; Yao, Hanna, Montalto, 2003; Yuh, Montalto, Hanna, 1998). Overall, retirement planning has been well established as a core competency area within financial planning and has served as a foundation for a successful retirement (Chaffin, 2013). While financial preparedness is necessary for retirement success, psychological and behavioral factors are also relevant (Social Security Administration, 2011). Economic and psychological aspects are intertwined, as pre-retirement planning, specifically thinking about retirement and attending planning meetings, is positively related to the level of retirement satisfaction amongst retirees in the post-retirement stage (Elder & Rudolph, 1999). Moreover, having a retirement savings program has been linked to higher retirement confidence levels (Joo & Grable, 2005). Finally, the financial planning practitioner literature has recognized that it is essential to plan beyond the numbers in order to uncover core values and achieve one's life passions (Diliberto & Anthony, 2003).

The notion that financial planning encompasses both an economic and psychological view has surfaced within other professions, such as mental health, coaching, and counseling. Financial therapy has recently emerged as a multidisciplinary profession that integrates both the quantitative and qualitative components of people's financial lives (Archuleta et al., 2012). Specifically, financial therapy is the "integration of cognitive, emotional, behavioral, relational, and economic aspects that promote financial health and well-being" (McCoy, 2014). Economics is one of five aspects of financial therapy, emphasizing the influence of non-financial factors within the financial realm. Furthermore, Collins and O'Rourke (2012) discussed the application of coaching to financial issues and posited that financial coaching offers a strengths-based support process for financial management issues and financial goal attainment.

### ***Retirement Satisfaction and Psychological Well-Being***

The term *psychological well-being* is defined as encompassing a broad array of mental well-being (Ryff, 1989). Previous work, generally focused on negative measures of well-being, has established that reduced psychological well-being is associated with lower levels of retirement satisfaction. Noone,

Stephens, and Alpass (2009) found that lower psychological health status, as measured by a depression score, was associated with lower levels of retirement satisfaction in a nationally representative sample of 1,008 American workers and retirees. Potocnik, Tordera, and Peiró (2013) explored four different forms of retirement satisfaction and found constructive-fixated retirement dissatisfaction, representing the lowest retirement satisfaction level of the four forms, to be associated with lower levels of psychological well-being in a sample of 270 Spanish retirees. Moreover, depression measures are consistently utilized to operationalize psychological well-being in retirement studies (Kim & Moen, 2002; Noone et al., 2009; Reitzes, Mutran, & Fernandez, 1996; Villamil, Huppert, & Melzer, 2006; Wang, 2007). When Diener and Seligman (2004) conducted a review of publications through a large database of psychology journals in order to examine studies utilizing multiple concepts of psychological well-being, they found 94,650 publications on "depression" and only 4,757 on "life satisfaction," supporting the observed overweighting towards depression in psychological well-being measures. The most common scale deployed to operationalize retiree psychological well-being depression measures appears to be the Center for Epidemiologic Studies Depression Scale (Radloff, 1977).

Some examples of positive approaches have been demonstrated within the literature. In addition to depression, Kim and Moen (2002) utilized the PGC Morale scale (Lawton, 1975) to measure attitudes towards the aging process of 458 New York retirees. Donaldson, Earl, and Muratore (2010) found personal mastery to positively influence the adjustment to retirement within a sample of 570 semi-retired and retired Australian men and women aged 45 and older. Having fewer illnesses, positive self-reported health, higher openness to change, higher transcendence, and conservation values were found to be beneficial for retiree's affective well-being in a sample of 371 American retirees (Burr et al., 2011). Internal locus of control (LOC) and good self-health ratings were shown to predict retiree's ability to cope in a sample of 133 U.K. retirees (Lowis, Edwards, & Burton, 2009). It should be noted that while these studies utilized positive measures of well-being, the studies did not incorporate theory from positive psychology.

### ***Positive Psychology***

Psychology has conventionally operated within a deficit paradigm, focused on the treatment of people with deficiencies that are in need of healing. Seligman and Csikszentmihalyi (2000) argued that this treatment is insufficient when striving

to improve the human condition. Based on this premise, the new field of positive psychology has emerged over the past decade and seeks to explain how mentally healthy people can achieve a richer and fuller life experience. Positive psychology is intended to build upon and further inform research and treatment surrounding mental illness and human suffering (Seligman, Steen, Park, & Peterson, 2005). The Pursuit of Happiness, Inc. (2013) summarized the themes of the empirically-based positive psychology literature and suggested the seven habits of happy people are relationships, caring, exercise, flow, spiritual engagement and meaning, strengths and virtues, and positive mindset (optimism and gratitude). The targeted outcomes of positive psychology, according to Seligman (2003), are happiness and well-being. Seligman suggested that the primary tenets of positive psychology are three different forms of life: (a) the pleasant life: “a life that successfully pursues the positive emotions about the present, past and future”; (b) the good life: “using your strengths and virtues to obtain abundant gratification in the main realms of life”; and (c) the meaningful life: “the use of your strengths and virtues in the service of something much larger than you are” (Seligman, 2003 p. 127). Seligman has since expanded his view of positive psychology to include accomplishment and positive relationships (Seligman, 2012).

Over the last several years, positive psychology has begun to engrain itself within the financial planning, financial therapy, and financial coaching and counseling practitioner communities. Weber (2012) highlighted that financial planners need basic psychology skills given the emergence of behavioral finance and life planning. While there is some controversy surrounding the role of a financial planner in helping clients find happiness, as suggested by Weber, financial planners are in a unique position to do so when exploring client goals and objectives. Weber further argued that positive psychology aligns with the purpose of financial planning and provides essential skills for financial planners to utilize in practice. Similarly, Collins and O’Rourke (2012) discussed how coaching is applied to financial issues and highlighted the link between positive psychology and coaching. Lastly, Harris, Thoresen, and Lopez (2007) discussed the integration of positive psychology with counseling.

### **Well-Being Theory**

Based within positive psychology, Seligman’s (2012) well-being theory provided the theoretical construct for this study. The theory is operationalized through five key elements: Positive emotion; Engagement; Positive relationships;

Meaning; and Accomplishment— abbreviated as PERMA (Seligman, 2012). Positive emotions consist of the subjective positive view of the present, past, and future. Engagement reflects a psychological state of complete immersion, absorption, and focus on a particular task or activity, often referred to as flow (Csikszentmihalyi, 1997). It is important to understand that, for the purposes of PERMA, engagement is a mental state of being and does not necessarily require or infer interaction with others as the more common definition of the word insinuates. Positive relationships are the pursuit of positive, healthy, and fulfilling relationships with others. Meaning is the full utilization of one’s talents to contribute and belong to something believed to be bigger than one’s self. Accomplishment is the fifth and final element of well-being and can be the pursuit of success, mastery, winning, realization of goals, or achievement. Seligman proposed that the pursuit and attainment of these five elements leads to well-being and that one can flourish as a result.

Subjective well-being is commonly used in well-being research and is often referred to as happiness (Xiao, 2014). Retirement satisfaction, a measure of subjective well-being (happiness) in retirement, served as the dependent variable in the analysis. If happiness and well-being are the desired outcomes of positive psychology, then well-being theory would suggest that positive psychological attributes are positively associated with retirement satisfaction (Seligman, 2003). Viewed through the PERMA framework of Seligman’s (2012) well-being theory, this study investigated the association between positive psychological attributes and subjective well-being in retirement, as measured by retirement satisfaction. The following hypotheses, informed by PERMA, were explored:

- H1: There is a positive association between an individual’s level of positive emotion and retirement satisfaction.
- H2: There is a positive association between an individual experiencing engagement and retirement satisfaction.
- H3: There is a positive association between an individual’s perception of positive relationships and retirement satisfaction.
- H4: There is a positive association between an individual’s level of meaning and retirement satisfaction.
- H5: There is a positive association between an individual’s level of accomplishment and retirement satisfaction.

## Methods

### *Data and Sample*

Data were utilized from the 2006 and 2008 Health and Retirement Study (HRS), a biennial longitudinal panel study of over 26,000 Americans that is representative of the United States' population over the age of 50. Given the complex and comprehensive nature of the HRS, the RAND Center for the Study of Aging created a data file that is more accessible and user-friendly for researchers. The RAND version of the HRS served as the core data file for the current study. In addition to this core file, data from the 2006 and 2008 waves of the Leave-Behind Psychosocial and Lifestyle survey were utilized. Each collection cycle, the Leave-Behind Psychosocial and Lifestyle survey is given to half of the overall longitudinal panel after the primary interview and subsequently returned via mail. Due to this rotating collection scheme, data were utilized from the 2006 and 2008 collection cycles to include information from the full sample. For the current study, the sample was limited to those aged 50 and over who reported being retired in 2008. The resulting sample included 5,146 observations. When using weighting information provided within the HRS to account for the complex sampling design of the survey and adjust the sample to be more nationally representative, these 5,146 observations represented over 20 million retired individuals.

### *Dependent Variable*

Retirement satisfaction, a measure of subjective well-being (happiness) in retirement, served as the dependent variable in the analysis. Retirement satisfaction was measured by a single question asking respondents to indicate their level of retirement satisfaction. Potential responses included very satisfied, moderately satisfied, and not at all satisfied. Data were coded as an ordinal level measure ranging from 1 (*not at all satisfied*) to 3 (*very satisfied*).

### *Positive Psychological Variables*

The variables accounting for positive psychological attributes were derived from Seligman's (2012) well-being theory and operationalized based upon the five key well-being elements: Positive emotion, Engagement, Positive relationships, Meaning, and Accomplishment (PERMA).

**Positive Emotion.** Positive emotion was operationalized through dispositional optimism. Dispositional optimism was measured based upon an adaptation of the Life Orientation Test (Scheier & Carver, 1985). A six-point Likert-type scale with potential values ranging from 1 (*strongly disagree*) to 6 (*strongly agree*) was generated from responses to the

following statements:

- I'm always optimistic about my future.
- In uncertain times, I usually expect the best.
- Overall I expect more good things to happen to me than bad.

The scores for the above three items were averaged to create a final score for dispositional optimism, ranging from 1 (*low*) to 6 (*high*).

**Engagement.** As indicated in the PERMA framework, engagement reflects a psychological state of absorption on a particular task or activity. Although less than ideal measures were available due to data availability, two acceptable binary measures were included to proxy the likelihood of experiencing engagement: whether a respondent read the newspaper daily; and regularly participated in a hobby.

**Positive Relationships.** Relationship quality was operationalized through two separate dimensions: (a) perceived positive social support from family; and (b) perceived positive social support from friends. The HRS contains scales specifically designed to measure perceived positive social support for each of these dimensions (Schuster, Kessler, & Aseltine, 1990; Turner, Frankel, & Levin, 1983). Two separate scales, one related to family support and the other to friend support, were constructed based upon the following questions:

- How much do they really understand the way you feel about things?
- How much can you rely on them if you have a serious problem?
- How much can you open up to them if you need to talk about your worries?

Responses ranged from 1 (*a lot*) to 4 (*not at all*). In accordance with scale guidelines, individual items were reverse coded and averaged to create indexes of positive social support for family and friends, with higher scores indicating higher levels of positive support.

**Meaning.** Meaning was operationalized through two separate dimensions: (a) religiosity; and (b) purpose in life. In accordance with Fetzer Institute (2003), religiosity was measured based upon responses to the following questions:

- I believe in a God who watches over me.
- The events in my life unfold according to a divine or greater plan.
- I try hard to carry my religious beliefs over into all my other dealings in life.
- I find strength and comfort in my religion.



Respondents indicated the extent in which they agreed with each statement on a six-point Likert-type scale with potential values ranging from 1 (*strongly disagree*) to 6 (*strongly agree*). Scores were averaged to create an index of religiosity, ranging from 1-6 with higher scores reflecting higher levels of religiosity.

Purpose in life was measured based on items from the Ryff Measures of Psychological Well-being (Ryff, 1989). Respondents were asked the following Likert-type questions, with potential responses ranging from 1 (*strongly disagree*) to 6 (*strongly agree*):

- I enjoy making plans for the future and working to make them a reality.
- My daily activities often seem trivial and unimportant to me.
- I am an active person in carrying out the plans I set for myself.
- I don't have a good sense of what it is I'm trying to accomplish in life.
- I sometimes feel as if I've done all there is to do in life.
- I live life one day at a time and don't really think about the future.
- I have a sense of direction and purpose in my life.

Questions 2, 4, 5, and 6 were reverse coded and scores were then averaged to create an index of purpose in life, ranging from 1-6 with higher scores reflecting higher levels of purpose in life.

**Accomplishment.** Accomplishment was operationalized through perceived mastery. Perceived mastery was measured based on an augmentation of Pearlin and Schooler's Mastery scale (Pearlin & Schooler, 1978). Respondents indicated the extent in which they agreed with the following five separate questions according to a six-point Likert-type scale with potential values ranging from 1 (*strongly disagree*) to 6 (*strongly agree*):

- I can do just about anything I really set my mind to.
- When I really want to do something, I usually find a way to succeed at it.
- Whether or not I am able to get what I want is in my own hands.
- What happens to me in the future mostly depends on me.
- I can do the things that I want to do.

The scores were averaged to create an index of perceived mastery, ranging from 1-6 with higher scores reflecting higher levels of perceived mastery.

### **Control Variables**

In addition to the positive psychological variables, variables were added to control for socio-economic and health constraints. The selected socio-economic characteristics included income, non-housing net-worth, homeownership status, education, gender, marital status, age, and race. Physical health was measured by self-reported health status and difficulty performing an activity of daily living.

### **Sample Characteristics**

Sample characteristics can be found in Table 1. The majority of respondents were between the ages of 65 and 84, married, white, owned a home, had less than \$250,000 in non-housing net worth, and reported household incomes of less than \$50,000. In terms of health, 70.26% of respondents reported being in good or excellent health, with only 18.28% indicating they struggled to complete an activity of daily living (ADL). The majority of respondents also indicated that they participated in engagement activities, with approximately 75% of respondents reporting they had a hobby and 70% reporting they read the newspaper daily.

An overview of the well-being scales can be found in Table 2. Sample means indicated that the average individual was optimistic ( $M = 4.52$ ,  $range = 1-6$ ), received support from friends ( $M = 3.03$ ,  $range = 1-4$ ) and family ( $M = 2.87$ ,  $range = 1-4$ ), had perceived mastery ( $M = 4.77$ ,  $range = 1-6$ ), was religious in their daily life ( $M = 5.0$ ,  $range = 1-6$ ), and reported a defined purpose in their life ( $M = 4.56$ ,  $range = 1-6$ ). Adequate reliability was found for each scale, as the Cronbach's alpha for the optimism, perceived mastery, religiosity, purpose in life, family support, and friend support scales were .787, .887, .929, .760, .856, and .839, respectively.

### **Statistical Analyses**

Given a dependent variable with three ordered categories of retirement satisfaction, an ordinal logistic model was utilized (Allison, 2012). For ease of interpretation, the model was constructed in a manner to estimate the probability that an individual reported being more satisfied in retirement. The Taylor series method (Wolter, 1985) was employed to incorporate the HRS's weighting and complex sampling design information when calculating estimates and the variances associated with those estimates in accordance with recommended methodology (Heeringa & Conner, 1995; Leacock, 2006; Nielsen, Davern, Jones, & Boies, 2009; Nielsen & Seay, 2014). Model performance statistics revealed a concordance ratio of 75.8% and a pseudo r-squared of .17, showing adequate fit of the model.

**Table 1. Sample Characteristics of US Retirees Age 50 and Over**

Variable	%	Variable	%
Retirement satisfaction		Non-housing net worth	
Very satisfied	57.93	Less than \$25,000	38.90
Moderately satisfied	35.28	\$25,000 to \$99,999	16.56
Not at all satisfied	6.79	\$100,000 to \$249,999	15.47
Age		\$250,000 to \$499,999	11.99
50 to 64	24.38	\$500,000 to \$999,999	9.92
65 to 74	38.35	\$1,000,000+	7.15
75 to 84	29.22	Homeowner	
85 and over	8.09	Yes	81.99
Household status		No	18.00
Married male	34.40	Health Status	
Married female	27.99	Poor	10.00
Single male	10.25	Fair	19.73
Single female	27.36	Good	33.00
Race		Very good	29.05
White	89.69	Excellent	8.21
Non-White	10.31	Difficulty with ADL	
Education		Yes	18.28
Less than high school	16.58	No	81.71
High school graduate	39.49	Have a hobby	
Some college	22.14	Yes	74.92
College graduate	21.79	No	25.08
Income		Read newspaper daily	
Less than \$25,000	35.07	Yes	70.34
\$25,000 to \$49,999	32.57	No	29.66
\$50,000 to \$74,999	14.65		
\$75,000 to \$99,999	7.48		
\$100,000 or greater	10.23		

## Results

Results of the ordinal logistic model can be found in Table 3. Overall, significant evidence is presented linking positive psychology, as operationalized through the PERMA framework of Seligman's (2012) well-being theory, with retirement satisfaction. Holding all else constant, a unit increase in optimism level (Positive emotion) was associated with a 14 percent increase in the odds of reporting a higher level of retirement satisfaction ( $OR = 1.14$ ). Similarly, a unit increase in perceived mastery (Accomplishment) was associated with a 15 percent increase in the odds of reporting a higher level of retirement satisfaction ( $OR = 1.15$ ). Furthermore, individuals that reported feeling higher levels of purpose in life (Meaning) were more likely to be more satisfied in retirement, holding all else constant. Specifically, a

one unit increase in the level of purpose in life was associated with a 28 percent increase in the odds of reporting a higher level of retirement satisfaction ( $OR = 1.28$ ). However, no relationship was revealed between an individual's level of religiosity (Meaning) and their level of retirement satisfaction. While no relationship was found between support from friends (Positive relationships) and retirement satisfaction level, increased support from family (Positive relationships) was found to be associated with higher satisfaction levels, holding all else constant. That is, a unit increase in perceived support from family increased the odds of reporting a higher retirement satisfaction level by 14 percent ( $OR = 1.14$ ). Results did not support a relationship between engagement, as measured by reading the newspaper daily and having a hobby, and retirement satisfaction levels.

**Table 2. Sample Characteristics of Positive Psychological Scales\***

Variable	Mean	se	Min	Max	Cronbach's Alpha
Family support	2.87	0.02	1	4	0.86
Friend support	3.03	0.02	1	4	0.84
Mastery	4.77	0.02	1	6	0.89
Optimism	4.52	0.02	1	6	0.79
Purpose in life	4.56	0.02	1	6	0.76
Religiosity	5.00	0.03	1	6	0.93

\*The Taylor series method (Wolter, 1985) was employed to incorporate the HRS's weighting and complex sampling design information. N of 5146. The weighted sample represents 20,109,612 retirees.

Additional correlates of retirement satisfaction were also revealed. Holding all else constant, individuals that reported being age 65 or older (as compared to those 50-64), and having non-housing net worth of \$500,000 or more (as compared to those with non-housing net worth between \$250,000 and \$500,000) were more likely to report higher levels of retirement satisfaction. Holding all else constant, individuals with income lower than \$25,000 (as compared to those with income between \$50,000 and \$75,000), and non-housing net worth less than \$25,000 (as compared to those with non-housing net worth between \$250,000 and \$500,000) were more likely to report lower levels of retirement satisfaction. As might be expected, individuals with higher self-reported health status and those who did not experience difficulty completing ADLs were significantly more likely to report higher levels of retirement satisfaction, holding all else constant.

## Discussion

The purpose of this study is to present a theoretical framework of retiree psychological well-being from a positive psychology approach, evaluate the association between positive psychological attributes and retirement satisfaction, and to provide a more generalizable analysis of retiree satisfaction. This first objective was achieved through the presentation of Seligman's (2012) PERMA framework. The second and third objectives were addressed through an analysis of the relationship between PERMA measures and retirement satisfaction among retirees using data from the HRS.

Overall, significant evidence is generated linking positive psychology to retirement satisfaction and provides support for previous work highlighting the importance of psychological factors to retirement planning (Diliberto & Anthony, 2003; Noone et al., 2009; Social Security Administration, 2011). First, results provide support for H1: a positive association

exists between positive emotion, as measured by dispositional optimism, and retirement satisfaction. This result adds to the list of positive outcomes associated with optimism, which include better physical health, mental health, and financial behavior (Taylor & Brown, 1988; Scheier & Carver, 1987; Puri & Robinson, 2007). Given that optimism is a character trait that can be learned and developed (Seligman, 2011), retirees can seek to develop and maintain a more positive mindset as a way to improve well-being.

Second, the results provide support for H3: a positive association exists between support from family (Positive relationships) and retirement satisfaction. This highlights the importance of family relationships in informing an individual's subjective well-being in retirement. Potential ways to promote supportive family relationships include spending time with family and attending to family conflicts. Moreover, allocating economic resources to maintaining and building family relationships may be worthwhile given research has shown that parents who provide instrumental support (including financial support, transportation or shopping, and household chores) to adult children experience reduced depressive symptoms over time (Byers, Levy, Allore, Bruce, & Kasl, 2008). It is important to note that the adult child's perspective and expression of gratitude for parental instrumental support is also positively related to the parent's mental well-being (Byers et al., 2008).

Third, the results provide support for H4: a positive association exists between levels of purpose in life (Meaning) and retirement satisfaction. Purpose in life may be lost or reduced once the retirement transition occurs given the often abrupt change away from the work environment. The importance of fostering purpose in life may be magnified for those individuals retiring earlier than expected or for healthcare reasons, as previous research suggests a negative

**Table 3. Ordinal Logistic Results for Higher Reported Retirement Satisfaction of US Retirees Age 50 and Over**

Variable	b	SE b	p	Odds-Ratio
Intercept 1	-4.48	0.40	<.001**	
Intercept 2	-1.57	0.36	<.001**	
Age				
50 to 64	-	-	-	-
65 to 74	0.35	0.09	<.001**	1.42
75 to 84	0.70	0.12	<.001**	2.01
85 and over	1.40	0.16	<.001**	4.05
Household status				
Married male	-	-	-	-
Married female	0.022	0.09	0.80	1.02
Single male	-0.16	0.13	0.19	0.85
Single female	-0.06	0.10	0.52	0.94
Race				
White	0.19	0.11	0.09†	1.21
Non-White	-	-	-	-
Education				
Less than high school	-	-	-	-
High school graduate	0.17	0.10	0.10†	1.19
Some college	0.02	0.11	0.89	1.02
College graduate	0.15	0.12	0.20	1.17
Income				
Less than \$25,000	-0.41	0.11	<.001**	0.67
\$25,000 to \$49,999	0.04	0.13	0.77	1.04
\$50,000 to \$74,999	-	-	-	-
\$75,000 to \$99,999	-0.06	0.21	0.76	0.94
\$100,000 or greater	0.26	0.19	0.17	1.30
Non-Housing net worth				
Less than \$25,000	-0.44	0.17	.01**	0.64
\$25,000 to \$99,999	-0.17	0.17	0.33	0.84
\$100,000 to \$249,999	0.24	0.18	0.18	1.27
\$250,000 to \$499,999	-	-	-	-
\$500,000 to \$999,999	0.39	0.19	.042*	1.47
\$1,000,000+	0.48	0.24	.04*	1.61
Homeowner				
Yes	0.07	0.1	0.51	1.07
No	-	-	-	-
Health status				
Health status	0.45	0.04	<.001**	1.58
Difficulty with ADL				
Yes	-0.53	0.09	<.001**	0.59
No	-	-	-	-
Have a hobby				
Yes	0.13	0.08	0.11	1.14
No	-	-	-	-



**Table 3 (continued.) Ordinal Logistic Results for Higher Reported Retirement Satisfaction of US Retirees Age 50 and Over**

Variable	b	SE b	p	Odds-Ratio
Read newspaper daily				
Yes	0.17	0.09	0.06†	1.18
No	-	-	-	-
Positive psychological scales				
Family support	0.14	0.05	.01*	1.14
Friend support	0.08	0.05	0.17	1.08
Mastery	0.14	0.03	<.001**	1.15
Optimism	0.13	0.03	<.001**	1.14
Purpose in life	0.25	0.05	<.001**	1.28
Religiosity	-0.05	0.03	0.08†	0.95
Pseudo R2				0.17
Concordance Ratio				0.76

† $p < .10$ . \* $p < .05$ . \*\* $p < .01$ .

association between involuntary retirement and retiree well-being (Bender, 2012; Quick & Moen, 1998; Reitzes & Mutran, 2004; Wang, 2007).

Fourth, the results provide support for H5: a positive association exists between an individual's level of Accomplishment and retirement satisfaction, as measured by perceived mastery. This result is in alignment with previous research suggesting that personal mastery positively influences the adjustment to retirement (Donaldson et al. 2010). This result reaffirms that the importance of accomplishment does not end with the cessation of work and that fostering the experience of accomplishment after retirement remains critical.

While significant evidence suggests positive psychological attributes are associated with retirement satisfaction, it should be noted that no evidence was found suggesting a link between retirement satisfaction and Engagement. Specifically, the results do not provide support for H2: a relationship exists between retirement satisfaction and the Engagement aspect of PERMA, as measured by reading the newspaper daily and participating in a hobby, is not supported by results of this study. This is surprising, as well-being theory and research by Csikszentmihalyi (1997) would indicate that engagement would be associated with an increased likelihood of reporting higher satisfaction levels in retirement. Previous research also suggests that potential engagement activities, such as volunteering and completing leisure activities, are associated with increased retiree well-being (Kim & Feldman, 2000). However, given data limitations, less than ideal measures

for engagement were utilized, perhaps leading to inadequate proxies of engagement in the current study. Future research evaluating the association of engagement, with more direct measures, and retirement satisfaction is needed.

There were some notable limitations to the current study. Due to restrictions in the availability of measures in the HRS, less than ideal measures were used to proxy PERMA components in some cases. Similarly, the measure of retirement satisfaction was restricted to three categories, and did not provide for a more nuanced analysis. Although the HRS is longitudinal in design, inconsistencies in measurement of the psychological questions between time periods, as well as the rotating sample structure, limited the current study to a cross-sectional analysis. Seligman and Csikszentmihalyi (2000) discuss that a longitudinal approach is more powerful given the positive psychological process tends to unfold over time as people adapt to change. The HRS appears to have made their questions more uniform, and a longitudinal approach will be viable in the coming years. However, primary data collection may be necessary to provide measures in direct alignment with PERMA. Finally, research is needed to further evaluate the direction of the relationship between positive psychology and retirement satisfaction to better investigate the causality of this relationship.

### Implications For Financial Professionals

Professionals advising people on retirement planning, such as financial planners, coaches, counselors, financial therapists, and psychologists, may benefit from understanding how positive psychology can be utilized to enhance subjective

well-being in retirees. There are many ways to implement PERMA within practice.

Individuals expressing low levels of dispositional optimism may need professional or self-help resources to improve their general outlook on life. The financial professional could provide a printout of the Life Orientation Test (LOT) for a client to consider as a self-assessment of their optimism level (Scheier & Carver, 1985). Furthermore, books or other professionals could be suggested as resources, such as Seligman's (2011) book, *Learned Optimism: How to Change Your Mind and Your Life*, or a referral to a coach, therapist, or psychologist. There may be benefits to developing optimism in the pre-retirement phase so that optimism can be effectively cultivated and maintained during retirement. Professionals involved in both the pre-retirement and retirement planning stages can assist clients in acquiring this optimistic outlook. To promote positive relationships, professionals can assist couples and families with resolving money disagreements and relationship issues that may arise when settling in to the new retirement life.

Professionals may also assist clients by facilitating an exploration of future accomplishment and meaning oriented goals and objectives while in retirement. The adjustment to retirement is a lifelong and complex process and if possible, the retirement transition could be structured in a way that allows more time for adjustment to transpire (Kim & Moen, 2002). It may be important to plan beyond reaching the stated financial objectives for retirement to evaluate purpose in life after the retirement transition has occurred. For example, a phased retirement may assist in the adjustment process and re-discovery of life's purpose. To foster higher levels of accomplishment, both retirees and pre-retirees may benefit from discovering areas of pursuit they find rewarding and that provide a sense of control, such as continued engagement with work-related activities, projects, contests, sports, or hobbies. Additionally, developing in areas important to psychological and subjective well-being may be considered life coping skills that may be beneficial to develop from an early age. Educators may wish to conduct and evaluate research to understand the benefits of integrating positive psychology into education.

Moreover, a positive psychology approach may be useful in the development of financial therapy. As financial therapy evolves, Gale, Goetz, and Britt (2012) suggested further work is needed to integrate, apply, and develop theory within the field. This study supports the integration of the elements comprising the definition of financial therapy, which is the

"integration of cognitive, emotional, behavioral, relational, and economic aspects that promote financial health and well-being" (McCoy, 2014).

Finally, the findings of this study inform company and community policies, as well as programs focused on retirees. Communities and companies may wish to incorporate positive psychology resources within programs designed to offer pre-retirement planning and continued retirement support for retirees. Companies may provide additional employee benefits, such as retirement transition support through internal or reimbursement programs.

The results of this study suggest that positive psychology provides for an effective approach to investigate and evaluate retirement satisfaction. Consequently, positive psychological counsel from trained professionals may prove beneficial for the development of retirees' subjective well-being. Retirement can be a major financial and life change and the integration of positive psychology into retirement planning and counseling from financial planners, financial therapists, financial coaches, financial counselors, and psychologists may serve to increase retirees' satisfaction levels. Depending on comfort level, professional training, and areas of expertise, this may be accomplished individually or through collaboration or referral relationships between financial and mental health professionals.

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