Capital Investment Advisors

THE 2025 MONEY AND HAPPINESS IN AMERICA RESEARCH STUDY

Consensus Findings on Retirement and Well-Being

Conducted by CGK Research in partnership with
Capital Investment Advisors
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ABSTRACT

Objective: To examine associations between financial resources, psychosocial variables, and subjective well-being, drawing from the 2025 Money and Happiness in America Study.

Methods: A nationally representative survey of 1,200 adults aged 50 and older was conducted, focusing on investable assets, household income, lifestyle core pursuits, marital status, living arrangements, sleep satisfaction, and health indicators. Responses were analyzed to identify inflection points associated with retirement happiness.

Results: Retirees demonstrated significantly higher levels of self-reported happiness than non-retirees (80% vs. 66%). Key inflection points were identified at $1 million in investable assets and $100,000 in household income. Social, lifestyle, and health-related variables demonstrated significant associations with happiness, including maintaining at least five core pursuits, being married, achieving mortgage payoff or a remaining term of nine years or less, and reporting adequate sleep.

Conclusions: Retirement happiness is associated with multiple dimensions including financial confidence, lifestyle activities, and health indicators.

INTRODUCTION

Retirement is a major life transition with profound implications for health, well-being, and financial stability. Prior research has emphasized financial preparedness as a necessary foundation for retirement happiness, while subsequent studies have incorporated social and psychological domains. The 2025 Money and Happiness in America Study provides updated evidence in the context of recent economic, social, and demographic shifts, including post-pandemic lifestyle changes and inflationary pressures. This report synthesizes the findings of that study and presents them in a structured, academic format designed to highlight the associations between financial and lifestyle choices and reported levels of happiness.

METHODS

Study Design and Sample

Our data comes from a comprehensive study of 1,200 Americans across all 50 states—carefully mapped to US Census proportions to ensure accurate representation—done in partnership with CGK Research. These were individuals aged 50 and older, both approaching retirement and in retirement, surveyed to provide a balanced national cohort.

Measures

Self-reported happiness was measured on a five-point Likert scale ranging from very unhappy to very happy. Financial variables included liquid investable assets, categorized into ranges (<$100K, $100–499K, $500–999K, $1–2.9M, $3M+), and household income, categorized as <$50K, $50–99K, and $100K+. Lifestyle factors included hours per week on core pursuits, number of core pursuits, and engagement in second acts (volunteering or work after retirement). Social variables included marital status, number of close friends, and living arrangements. Health variables included self-reported physical and mental health status, sleep adequacy, and exercise engagement.

Data Analysis

Descriptive and inferential analyses were applied to evaluate associations between financial, social, and health measures and reported happiness. Inflection points were determined by examining shifts in happiness percentages across asset and income brackets.
Cross-tabulations and proportional analyses were used to evaluate associations between categorical lifestyle and social variables and happiness categories.

RESULTS

Retirement Status

Across the sample, 74% of respondents identified as somewhat happy or very happy. Retirees reported happiness at a rate of 80% compared to 66% among non-retirees (Figure 1). This indicates that the state of being retired is itself correlated with higher reported happiness. Happiness was also observed to rise with age, suggesting that later life stages may carry inherent improvements in subjective well-being.

Financial Assets

A critical inflection point for happiness was identified at $1 million in liquid investable assets. Respondents with less than $100K reported below-average happiness levels, while those in the $100–499K and $500–999K ranges reported moderate improvements. The most significant upward shift occurred at $1M+, with further gains into the $3M+ category (Figure 2). Notably, 45% of those with $500–999K, 39% of those with $1–2.9M, and 24% of those with $3M+ still expressed fear of running out of money.

Income

Annual household income displayed a similar pattern, with <$50K associated with lower happiness, $50–99K representing a moderate zone, and $100K+ correlated with the highest likelihood of happiness (Figure 3). This threshold has risen from approximately $80K in prior research, consistent with inflationary trends.

Retirement Fears and Concerns

Economic instability, inflation, and market volatility emerged as the leading worries for older Americans, with 60% identifying these as their primary concern. Declining health was the second most frequent concern, while nearly half of respondents reported fear of running out of money. In general, 55% of older Americans reported anxiety about their financial future, though this dropped to 43% for retirees versus 69% for non-retirees. Unhappy retirees were twice as likely (22% vs. 11%) to cite running out of money as their top concern. Financial security ranked as the number one worry overall, even surpassing health.

Core Pursuits

Time spent on core pursuits demonstrated a marked association with happiness. Happy retirees averaged 18.6 hours per week on core pursuits compared to 13.2 hours for unhappy retirees. Inflection points were observed at five core pursuits: 68% of happy retirees reported five or more, while 50% of unhappy retirees reported fewer than five (Table 1). Adventure-oriented pursuits were more common among happy retirees (1.9 vs. 1.2 per person). Health-related pursuits were also more frequent among happy retirees, who averaged 6.2 hours weekly compared to 4.6 hours among unhappy retirees.

Social Variables

Marital status demonstrated a strong correlation with happiness. Married respondents were significantly more likely to report happiness, while never-married individuals were 2.3 times more likely to report unhappiness. Married respondents reported an 8% absolute boost in happiness relative to baseline, while the never-married group reported a 17% decrease below baseline. Widowed respondents generally returned to baseline levels. Eighty-two percent of married respondents reported being happy compared to 57% of those never married. Only 12% of the happy group reported never having married, compared to 28% of the unhappy group.

Living arrangements revealed that unhappy retirees were 1.6 times more likely to live alone, while happy retirees were 1.5 times more likely to live with a spouse or partner. Involvement with children or grandchildren was reported by 36% of happy retirees compared to 26% among neutral or unhappy groups. The association between marriage and money revealed that relationship status became increasingly important with wealth, as 40% of respondents with $3M+ ranked having a romantic partner in their top three factors for happiness, compared to 20% among those with $500–999K.

Friendship networks showed similar importance. Happy retirees were twice as likely to report having enough close friends, and the data indicated that making new friends becomes more difficult with age. Nevertheless, happy retirees reported greater ease in forming friendships across every decade compared to neutral or unhappy counterparts. Respondents with $3M+ were 38% more likely to say that making friends was easy.

Personality and Education

Higher education correlated with higher happiness, supporting the idea that advanced education is a reliable predictor of retirement satisfaction. Personality type also showed associations, as extroverts were 10% more likely to report happiness and introverts were 8% more likely to report unhappiness, relative to baseline.

Sleep and Health Indicators

Adequate sleep was reported by 69% of happy retirees compared to 38% of unhappy retirees. Physical and mental health indicators showed substantial differences, with happy retirees being twice as likely to report good physical health and three times as likely to report good mental health. Intimacy and sex life satisfaction were also higher, with 64% of happy retirees satisfied compared to 25% of unhappy retirees.

Housing and Mortgage

Mortgage payoff status showed strong associations with happiness. Americans with 30-year mortgages were 19% less happy than the baseline. Those with 29–10 years remaining fell into a neutral zone, while retirees with nine years or fewer, including those with fully paid-off mortgages, demonstrated the highest levels of happiness and financial confidence (Figure 4). Homeownership was associated with a modest positive effect, with both owning a home and living in senior communities providing approximately a 5% boost relative to renting.

Second Acts

Seventy-three percent of retirees engaged in a post-retirement second act. The motivations diverged sharply: happy retirees reported that they worked or volunteered because they wanted to, whereas unhappy retirees reported doing so because they felt they had to. Fully 87% of unhappy retirees reported that people work in retirement because of necessity, not choice. By contrast, wealthy retirees with $3M+ often cited passion, purpose, and socialization as their reasons for continuing to work or volunteer. Volunteerism was the most common unpaid second act, especially among wealthier groups.

Planning and Confidence

Planning emerged as a critical differentiator. Happy retirees were more than twice as likely to have a written financial plan and 2.5 times more likely to express confidence in their financial decisions. They were also 3.2 times more likely to report satisfaction with their financial situation compared to unhappy retirees.

Additional Lifestyle and Social Factors

Happy retirees were more likely to avoid extensive social media use, which was frequently described as negatively impacting retirement satisfaction among unhappy retirees. They were also more likely to have close friendships, strong relationships with family, and a strong sense of purpose.

Open-Ended Responses

Analysis of 672 open-ended responses identified recurring themes of joy and purpose in retirement. The most common responses included socializing, spending time with family, volunteering, travel, and exercise. A notable majority of responses incorporated social elements, even when describing activities categorized as adventure, fitness, or creative (e.g., gardening, music). Only the “learning” category was primarily non-social. Representative activities included traveling, reading, gardening, walking, music, painting, crafts, cooking, fishing, golf, writing, gym attendance, and dancing.

DISCUSSION

The data confirm that retirement happiness is multidimensional, shaped by financial thresholds, social structures, and lifestyle activities. Financial resources serve as an essential base, with $1M in liquid assets and $100K in annual income emerging as updated inflection points. However, psychosocial factors such as maintaining five or more core pursuits, sustaining close relationships, living with a spouse or partner, and obtaining adequate sleep demonstrated equal or greater importance. Concerns about running out of money persisted across wealth levels, suggesting that psychological factors mediate the relationship between financial confidence and happiness.

CONCLUSION

The 2025 Money and Happiness in America Research Study identifies a constellation of factors associated with retirement happiness. While financial preparedness remains foundational, lifestyle and social variables demonstrate significant and compounding associations with subjective well-being. Retirement happiness is best understood as a product of financial, social, lifestyle, and health dimensions rather than any single determinant.

REFERENCES

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