

## ■ The Best Places to Retire

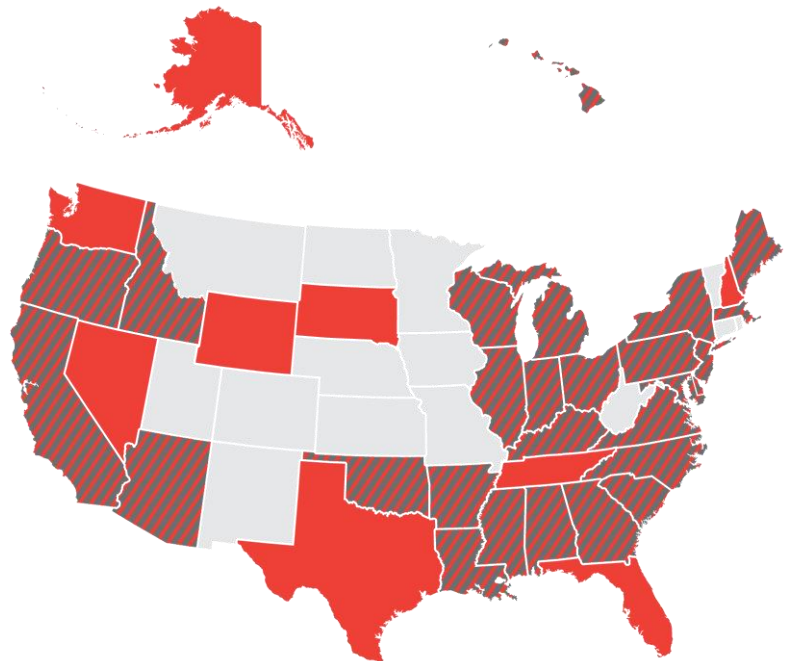
If you're looking for a Top 10 list of the best places to live in retirement, you've unfortunately come to the wrong place. It's hard to say where the best place to retire would be, since one person's priorities are different from another's. While some people look forward to moving to a warmer climate, others prefer cooler weather. Some retirees need to find a low-tax state, while others are able to spend more on cost-of-living in exchange for senior-friendly activities.



The majority of retirees stay put after they retire, and the ones who move are often moving to be closer to children or grandchildren. If you are planning to start fresh in a new locale post-retirement, you should first decide which factors are important in a community. Then you can begin searching for places that match your needs.

### State Taxes

There are currently nine states that do not have state income taxes. Nixing state income tax can be a financial boon to a retiree on a fixed income, but it's important to know that many of these states have higher sales tax or property tax to compensate.

It's also important to look at the taxation of Social Security benefits, which may be a significant part of your income in retirement. Of the states that do tax income, 27 exclude Social Security benefits entirely. The remaining states have various rates of taxation for income and Social Security benefits.



-  No Tax on Income
-  No Tax on Social Security Benefits

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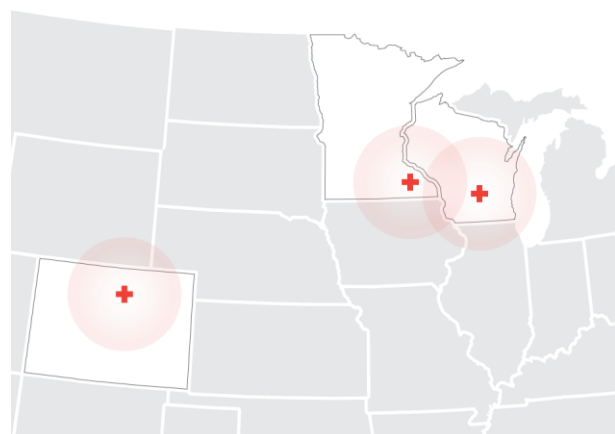
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According to a 2010 report by the Tax Foundation, the states with the overall lowest tax burden (the percentage of income that residents pay in state and local taxes) are:



## Health and Wellness

If health is important to you as you approach the twilight years, look for a place with accessible hospitals, an abundance of doctors, outdoor activities and an overall healthy population. You can find statistics on the incidence of various health concerns by area, such as obesity, diabetes and smoking. Areas with a healthy population probably have good medical care and access to healthy food or fun ways to keep active. Check out:



- **Madison, Wis.:**  
Home to the University of Wisconsin, Madison has many doctors, health specialists and facilities to choose from.
- **Rochester, Minn.:**  
The Mayo Clinic is located in Rochester, which attracts top physicians and specialists. The ratio of doctors and hospital beds to residents is high.
- **Boulder, Colo.:**  
If you're looking for an active lifestyle, Boulder may be the perfect fit. This city has one of the lowest rates of obesity and diabetes, with an abundance of fitness centers and outdoor recreational activities.

## Recreation and Quality of Life

In a 2012 report done by the Milken Institute, titled "Best Cities for Successful Aging," one of the qualifications used was "community engagement." Cities with an abundance of recreational activities, volunteer opportunities, an emphasis on arts and culture and high funding rates for senior services ranked highly on this element. Things to look at in a prospective retirement locale are public transportation, crime rate, climate, walkability and age of population. Look for a place that caters to your interests and hobbies.

The following two cities were both ranked highly in the Milken Institute report:



### **Rapid City, S.D.**

The state of South Dakota has one of the highest funding rates for senior services, and Rapid City houses many museums and entertainment centers.



### **Bridgeport-Stamford-Norwalk, Conn**

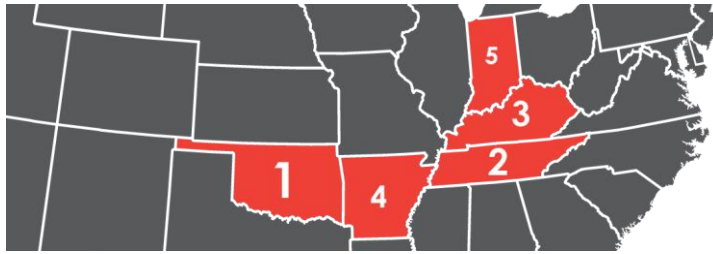
In addition to the many recreational centers, this area has a high walkability score and educated residents who participate in arts and culture activities.

## Cost of Living

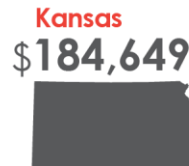
Taxes aren't the only thing to consider when attempting to live on a fixed income. You should also check out the cost of living for a particular area. It's difficult to calculate the cost of living by state, since some parts of a state may vary dramatically from others. For instance, urban areas or coastal beach towns can have a much higher cost of living than rural or suburban areas in the same state. You can use an online cost of living calculator to determine how much your income will buy from one area to another, comparing factors such as housing, grocery prices and health care. The Council for Community and Economic Research released a report ranking all 50 states for cost of living, using the cost of groceries, housing, utilities, transportation, health care and miscellaneous expenses. According to the report, the most expensive places to live are the west coast, New England, Alaska and Hawaii.

The states with the lowest cost of living are:

1. *Oklahoma*
2. *Tennessee*
3. *Kentucky*
4. *Arkansas*
5. *Indiana*



Another metric to consider is the average price of homes. These five states currently have the lowest average home listing price on Trulia.com:



## Unexpected Retirement Locales



### **Virginia**

The cost of living is relatively low in Virginia, and the temperature is relatively high, making it a popular choice for retirees. It also has one of the lowest crime rates in the country.



### **The Dakotas**

The lowest crime rate in the country can be found in South Dakota, which also boasts a low state tax burden. North Dakota also has low crime and state taxes. The Dakotas can be a great option for retirees who don't want a warm climate.



### **Tennessee**

Tennessee ranked number one on the Bankrate.com list of best places to retire, for a combination of reasons. The cost of living in Tennessee is the second lowest in the country and the state tax burden is the third lowest. Additionally, Tennessee is ranked number one in access to medical care. Add the warm climate and recreation available in Memphis and Nashville, and Tennessee looks like a pretty great place for retirees to settle down.