



# Memorandum

Date: Sep 26th, 2023

To: Joe Rinaldi

From: Archit Ravishankar

**Re: The Best and Worst States to Retire In**

**Title: Choosing Where to Retire: A Comprehensive Guide**

This memo will explain some of the best states and worst states to retire in and will give a brief explanation why. Deciding where to spend your retirement years is a momentous decision, marked by personal preferences, financial considerations, and lifestyle aspirations. The choice between settling by the beach, in the mountains, or near family members can be daunting. To help retirees make informed decisions, Bankrate has conducted a thorough analysis of all 50 states in the United States, considering factors such as affordability, overall well-being, healthcare quality and cost, weather, and crime rates.

## **The Importance of Affordability**

Affordability is a paramount concern for many retirees, given the competitive housing market, high borrowing costs, rising inflation, and the need to stretch savings. Therefore, Bankrate's ranking places significant emphasis on affordability, recognizing the financial challenges faced by many retirees.

## **The Best and Worst States for Retirement in 2023**

Bankrate's research yielded a list of the top five best and worst states for retirement in 2023. The top five, led by Iowa, include Delaware, West Virginia, Missouri, and Mississippi. Conversely, Alaska ranked as the least favorable state for retirement, followed by New York, California, Washington, and Massachusetts.

## **Why Iowa Tops the List**

Iowa's appeal for retirees stems from its affordability. It ranks as the sixth most affordable state in the country, boasting a low cost of living and affordable housing prices. The median home price in Iowa is notably lower than the national average. Furthermore, Iowa provides tax advantages for retirees, including exemptions for Social Security benefits and retirement income. The state also stands out for high-quality healthcare services and low healthcare costs. With nearly 20 percent of its population aged 65 and older, Iowa offers a sense of community for retirees.

## **Delaware's Appeal**

Delaware, ranking second overall, is attractive due to its well-being, combining high-quality healthcare with a light tax burden. The state also excels in diversity, wellness, culture, and the percentage of residents aged 65 and older. Earthquakes, tornadoes, and hurricanes are rare, and while healthcare costs are in the middle of the pack, Delaware's crime rate is low. Its only drawback is affordability, where it ranks 31st.

### West Virginia's Surprise Inclusion

West Virginia, despite being a smaller state, secures a spot in the top five due to its remarkable affordability. It offers a low cost of living and a light tax burden. While it falls in the middle for wellness, it presents an attractive option for retirees seeking to maximize their savings.

### Considerations for Relocating in Retirement

While many retirees contemplate moving, most age in place. However, some common reasons for relocating include living closer to family members, residing in better neighborhoods, and reducing housing costs. For those looking to relocate, areas with more affordable real estate markets can enable retirees to use the equity from their previous homes to purchase a new one without a mortgage.

Additionally, healthcare costs play a significant role in retirement planning, and retirees are advised to consider towns or cities with reasonable healthcare expenses.

### Expert Tips for Retirement Planning

1. Larry Sprung, a Financial Advisor, recommends considering both current and future costs when deciding to relocate. Sustainability and long-term affordability should be key considerations.
2. Kerry Hannon, a Retirement Expert, suggests trying a trial run in a new place by renting for a few months. Building a community and assessing whether it suits your lifestyle can be crucial.
3. Rodney Harrell, Vice President of Family, Home, and Community at AARP's Public Policy Institute, emphasizes the importance of evaluating how your home meets your needs now and in the future, as needs may change with age.

### Top 3 Worst States to Retire

<b>CALIFORNIA</b>	<b>Overall rank</b> <b>48</b>	<b>Affordability rank</b> <b>49</b>	<b>Quality/cost of healthcare rank</b> <b>6</b>	<b>Well-being rank</b> <b>15</b>	<b>Weather rank</b> <b>12</b>	<b>Crime rank</b> <b>38</b>
<b>NEW YORK</b>	<b>Overall rank</b> <b>49</b>	<b>Affordability rank</b> <b>50</b>	<b>Quality/cost of healthcare rank</b> <b>30</b>	<b>Well-being rank</b> <b>4</b>	<b>Weather rank</b> <b>37</b>	<b>Crime rank</b> <b>15</b>
<b>ALASKA</b>	<b>Overall rank</b> <b>50</b>	<b>Affordability rank</b> <b>43</b>	<b>Quality/cost of healthcare rank</b> <b>38</b>	<b>Well-being rank</b> <b>27</b>	<b>Weather rank</b> <b>50</b>	<b>Crime rank</b> <b>49</b>

## Top 3 Best States to Retire

<b>WEST VIRGINIA</b>	<b>Overall rank</b> <b>3</b>	<b>Affordability rank</b> <b>1</b>	<b>Quality/cost of healthcare rank</b> <b>50</b>	<b>Well-being rank</b> <b>26</b>	<b>Weather rank</b> <b>20</b>	<b>Crime rank</b> <b>16</b>
<b>DELAWARE</b>	<b>Overall rank</b> <b>2</b>	<b>Affordability rank</b> <b>18</b>	<b>Quality/cost of healthcare rank</b> <b>37</b>	<b>Well-being rank</b> <b>2</b>	<b>Weather rank</b> <b>8</b>	<b>Crime rank</b> <b>36</b>
<b>IOWA</b>	<b>Overall rank</b> <b>1</b>	<b>Affordability rank</b> <b>3</b>	<b>Quality/cost of healthcare rank</b> <b>11</b>	<b>Well-being rank</b> <b>31</b>	<b>Weather rank</b> <b>38</b>	<b>Crime rank</b> <b>12</b>

## Conclusion

Choosing where to retire is a deeply personal decision that should take into account factors such as affordability, well-being, healthcare quality and cost, weather, and crime rates. Bankrate's ranking offers valuable insights into the best and worst states for retirement in 2023. Ultimately, retirees should carefully weigh their priorities and financial situation to make the best choice for their golden years.