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## Money & Business

### 10 Bargain Retirement Spots

#### There's nothing chintzy about these lower-cost locales

By Emily Brandon

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When you retire, you're obviously no longer tied to your job. Equally important, you no longer have to live where your job was. You're free to lie on the beach, explore the mountains, traverse a bustling city, breathe in the wide open spaces, or reside anywhere that strikes your fancy and-ah, yes-fits your budget.



THEIR PLACE. John and Darlene Jackson chose Fredericksburg, a college town in the Texas hill country. CHARLIE ARCHAMBAULT FOR USN&WR

The "B" word-there's the rub. Most would-be retirees aren't going to have enough dough in the bank or 401(k) to kick back in Honolulu or live the expatriate life in Paris. Studies consistently show that when it comes to saving for retirement, most Americans are running behind. And, let's face it, many will never catch up. Nearly half of Americans report having less than \$25,000 worth of savings and investments.

But you can do much to help your cause by picking a low-cost locale. There are plenty of retirement spots that offer delightful surroundings and amenities but still are easy on the wallet. And if you move to a destination with a lower cost of living than where you reside now-maybe even getting a bigger house for less money-it will add to your net worth and enable you to live better in retirement.

U.S. News consulted four of the country's top experts on retirement locations and came up with a list of 10 best bargain retirement spots. They range from the rocky beaches of [Kennebunk, Maine](#), to arid [Yucca Valley, Calif.](#), and from sun-soaked [Melbourne Beach, Fla.](#), to [rural Sandpoint, Idaho, near Canada](#). Not all will seem downright cheap-in fact, a few may strike you as quite pricey depending on where you live today-but they do have this in common: They offer good value in retirement living.

"Although money is limited, you're still able to do a lot of things most people can't," says David Savageau, author of *Retirement Places Rated*.

Bruce Wilson, 57, moved from Mount Vernon, Va., to [Natchitoches, La.](#), in 2003 and built a 4,000-square-foot lakefront house on 2 acres of land dotted with banana trees. "You'd have to have a lot more money than I've got to have a place like this in Washington, D.C.," says Wilson, a retired Army colonel who used to work at the Pentagon. "Even though I put some high-end stuff in it, it was still significantly cheaper per square foot to build it here," he says of his seven marble-floored bathrooms and the guest suite fondly known as the "West Wing."

It also helps when you save on taxes. Jean Baber, who moved from San Diego to [Yuma, Ariz.](#), now pays a state sales tax that is 1.65 percentage points lower than California's and a state income tax with a maximum rate of only 4.57 percent, compared with 9.3 percent in California.

**Moving on.** Granted, most people don't move when they retire. Only 7 percent of people age 50 or older traded spaces in 2004, according to the Census Bureau, and most of them stayed in the same state. But there are significant savings to be had by finding a lower-cost location in your state. "If you downsize from your very expensive house in San Francisco, you're going to pay a lot less for your house and you're going to free up a lot of equity," says Lizzy Scully, managing editor of the relocation recommendation website [FindYourSpot.com](#).

The median home price in San Francisco is \$750,000, but by venturing south into the desert, you can find a typical home for \$190,500 in [Yucca Valley, Calif.](#), just a 30-minute drive from Palm Springs. (All statistics on the bargain spots, except tax rates, are

from [BestPlaces.net](#).)

Moving can itself be an expensive process, so you'll want to be sure of your choice before packing your bags. Ideally, it may take up to 10 years to pick your dream retirement destination, Savageau says.

Housing costs and taxes are important, but there's much more to picking a retirement spot. For example, Savageau says, "some really handsome, beautiful rural spots don't have any healthcare." And don't forget about libraries, Internet access, outdoor activities, shopping, museums, sporting events, religious institutions, and cultural attractions. "There's no reason it can't be an adventure as well as being an affordable adventure," says Andrew Schiller, president and founder of the real-estate website [NeighborhoodScout.com](#).

Proximity to children and grandchildren and of course weather should all factor into your decision. You certainly don't want to be shoveling snow if you have a bad back or sweltering way down south if you can't stand the heat. "We tried coming up here for all the different seasons before we actually bought a place," says Joe Ruhl, 57, who moved from Rancho Dominguez, Calif., to [Sandpoint, Idaho](#).

It helps to stay within striking distance of a major metro area. "It's important to have an airport nearby so you can visit family and friends and they can visit you," says Bert Sperling, founder of [BestPlaces.net](#). The mountain town of [Salida, Colo.](#), for example, is within a comfortable drive of both Denver and Colorado Springs. "You want to be near a major metro area for arts and culture in addition to healthcare," Sperling says.

Many retirees choose college towns like [Boone, N.C.](#), [Dahlonaga, Ga.](#), [Fredericksburg, Texas](#), and [Natchitoches, La.](#), because they offer cultural and educational opportunities despite being at some remove from big cities. Retirees can often audit classes free of charge or at a reduced rate. "After a lifetime of dealing with business," Sperling says, "they can go back and learn about Shakespeare."

Ready to ponder an affordable retirement? On the pages that follow are 10 bargain spots.

### Spots on TV

Retirement Living TV will air segments on some of the bargain retirement spots profiled in this *U.S. News* guide. The reports will appear June 4 through 8 on RLTV's *Living Live!* The one-hour show airs weekdays at noon ET.

**Emily Brandon** of *U.S. News* will discuss her reporting June 4 on RLTV's *The Prudent Advisor*, a daily personal finance show. It airs at 10:30 a.m. and 2:30 p.m. ET.

These video segments will be posted online at [www.usnews.com/retirementliving](http://www.usnews.com/retirementliving) after they air.

RLTV is carried nationally on DirecTV Channel 364 and on Comcast's CN8 in the Northeast and mid-Atlantic and Comcast CET Channel 5 in Colorado. More on Retirement Living TV is available at [www.rl.tv](http://www.rl.tv).

[Boone, N.C.](#) • [Dahlonaga, Ga.](#) • [Fredericksburg, Texas](#) • [Kennebunk, Maine](#) • [Melbourne Beach, Fla.](#) • [Natchitoches, La.](#) • [Salida, Colo.](#) • [Sandpoint, Idaho](#) • [Yucca Valley, Calif.](#) • [Yuma, Ariz.](#)

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