

Changes in Attitudes... Changes in Latitudes Where is Your Ideal Retirement Location?



- What if you could blink and suddenly be living the retirement of your dreams?
- What would that look like?
- Are you relaxing by glittering waters on a warm, white sandy beach?
- Are you surrounded by family and friends?
- Would you be on a new adventure in the great outdoors?
- Or maybe you'd be enjoying more time around your favorite stomping grounds.

Whatever you imagine — and no matter when you retire or what you want to do with all your free time — where you call home in retirement matters. It can affect everything from your day-to-day expenses and how you get around, to your relationships and your quality of life. And all of that can cost you or pay off in a BIG way, depending on where you choose to live. So, how can you get it right and figure out your ideal spot? Let's find out by looking at what to consider when you're thinking about where to live in retirement:

- Have you thought about the Snowbird Lifestyle?
- Will you sell up here and use the proceeds to buy two or more residences?
- Would you entertain renting a property when you are not using it?

FACTOR #1: COST OF LIVING

How much are groceries, gas, and average utilities where you want to retire or live next as a retiree? What's it going to cost you to dine out, golf, see a movie, or even live month to month in one place versus the next?

Look for that sweet spot where you can access the things you like, enjoy the good life, and still stretch your dollars far.

Tip: Research the latest cost of living data online, starting with credible sources, like the Federal Reserve (1). Or better yet, take a trip to experience different places firsthand, visiting as a tourist to really get a feel for what it costs to get around. Many grocery stores have online shopping. Check out the costs to buy your usual order. Be sure to keep notes and perhaps a grid to compare multiple locations. This can help you create a rating system to figure out the best choice.

FACTOR #2: CLIMATE

Will you have to deal with dramatic temperatures or seasonal changes in certain retirement locations?

How could that restrict your activities, create extra work, or present new risks for getting around?

Weather and climate year-round can shift wildly, depending on where you want to be. That could mean anything from more tourists and traffic to weather-related risks, like ice and snow.

Tip: You may want to rent for at least 6 months before taking the plunge to buy a house. This would uncover climate-related issues, such as more bugs in the summer or freezing temperatures in the winter, which could be deal breakers for you. Visit the location when the climate is a challenge—for example, Florida in August.

FACTOR #3: WHERE LOVED ONES ARE

How far will you have to travel to visit your loved ones, especially any kids or grandkids in your family? Would certain locations limit visits to a couple of times a year, such as the holidays only?

Your close relationships can be a near-endless source of joy before and after you retire. And if you stay close in terms of physical location, it can be easier to stay connected, enjoy the company of your loved ones, and occasionally get (or offer) help when it's needed.

Tip: If you want to live somewhere that is not necessarily close to your loved ones, consider locations with or near a commercial airport that offers direct flights. That can make traveling anywhere, including back and forth to see loved ones, much easier.

FACTOR #4: ABILITY TO STAY ACTIVE

Where can you get out and do what you like to do? What different opportunities are available or would you have to give up in one potential retirement spot versus another?

Staying active and social can be key to your happiness as a retiree. And being able to enjoy your favorite activities won't be as fulfilling if you can't enjoy them with the folks you care about (2).

Tip: Look for areas where it is not going to be difficult to stay active and make new friends around your age. That does not mean you have to look at retirement communities. Instead, keep an eye out for places that will give you regular access to events, activities, or volunteering opportunities you can enjoy.

FACTOR #5: ACCESS TO HEALTHCARE

What doctors, dentists, and/or specialists are available in different retirement hotspots? What type of access would you have to pharmacies and emergency healthcare in one area versus another? And how easy or difficult will it be to get the medical equipment or supplies you need in one spot or the next?

Even if your health is stellar right now, there's no telling what tomorrow will bring—and it is no secret that age can open up the door to more health issues. Plus, many retirees end up having to move late in life, like in their 80s, to get access to better healthcare. That could be avoided by simply thinking about healthcare needs before making a move in retirement.

A big question to ask yourself: If I am in a nursing home, where would I want it to be? Will my family be able to visit?

Tip: Consider telemedicine, medication subscriptions, and/or medical supply delivery options. That can eliminate the need to travel at all for some of your healthcare. Also, if you're considering moving abroad in retirement, remember, Medicare does not cover the healthcare you receive overseas (3).

FACTOR #6: TAX RESPONSIBILITIES AND OPPORTUNITIES

How tax friendly are different retirement locations? Where will you have to shell out more in income or Social Security taxes?

Currently, some of the most tax-friendly states to retire in are Alaska, Florida, Hawaii, Illinois, Mississippi, and New Hampshire because they do not tax Social Security or pension income (4). Of course, that's just one tax responsibility to consider. Beyond those taxes, you will also want to look at sales and property taxes.

To avoid paying Massachusetts income tax, you must be a resident in the new state for more than six months.

Tip: Sit down with us to evaluate your tax situation and how it's going to change when you retire. Don't forget to factor in any plans you may have to work part-time because that could change your tax situation too.

FACTOR #7: INFLATION

The higher prices that come with inflation put the squeeze on retirement savings. And not every area is hit the same when inflation rears its ugly head. In fact, some areas can be hit much harder, seeing prices skyrocket, while others are more insulated. So, which cities have been hit the hardest by recent bouts of inflation? Anchorage, Phoenix, Atlanta, Seattle, and Miami are just a few, according to recent data.

Tip: Check out food prices for a quick and easy gauge of local prices and inflation impacts. Also, think about

whether you're open to working part-time in retirement if inflation drains your savings. Having a backup plan and knowing when to put that in play can give you some priceless peace of mind. Whatever you imagine—and no matter when you retire or what you want to do with all your new free time—where you live in retirement absolutely matters.

SOURCES

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