

10 worst states for retirement

by Richard Barrington | Money-Rates Columnist

What makes a place the ideal spot for retirement – and what makes other places a potential disaster for retirees?

There are several personal choices that make some places more attractive than others -- where your children and grandchildren live is probably at the top. But there are some more objective and measurable factors that determine whether a state is a good or a bad place for retirees. The following are the factors MoneyRates.com used to determine the 10 best and worst states for retirement:

- **Economic factors.** Using a combination of cost of living in major metropolitan areas, unemployment and tax burden, MoneyRates.com rated the 50 states from best to worst according to economic conditions.
- **Climate.** Americans tend to set the thermostat at around 68 degrees. So, MoneyRates.com used this as the standard, and rated states according to how far their monthly temperatures varied from 68 degrees.
- **Crime rate.** Security is a particular concern for senior citizens, so violent and property crime rates were used to rank the safety of the state.
- **Life expectancy.** States conducive to long lives are naturally well-suited for retirees.

For frequently updated data, such as unemployment, the most recently available monthly figures were used, whereas for other criteria that reflect longer-term trends, such as climate, more historical information was used.

Data sources: ACCRA Cost of Living Index, the Bureau of Labor Statistics, the Tax Foundation, the National Oceanic and Atmospheric Administration, MSNBC, the U.S. Census Bureau, Bloomberg Business Week.

No. 5: Maryland

- *Economic factors:* Cost of living is 126 percent of the national average, unemployment is at 7.1 percent, and the average state and local tax burden is 10.8 percent.
- *Climate:* Average monthly temperatures range from 32.24 degrees in January to 75.44 degrees in July.
- *Crime rate:* 9th in the nation in violent crime, and 21st in property crime.
- *Life expectancy:* 76.3 years.
- *Reason for low rank:* Between the cost of living and the tax burden, Maryland is

expensive, and the high rate of violent crime is also troubling.

No. 4: South Carolina

- *Economic factors:* Cost of living is 97 percent of the national average, unemployment is at 10.8 percent, and the average state and local tax burden is 8.8 percent.
- *Climate:* Average monthly temperatures range from 44.12 degrees in January to 80.08 degrees in July.
- *Crime rate:* 1st in the nation in violent crime, and 2nd in property crime.
- *Life expectancy:* 74.8 years.
- *Reason for low rank:* You can find things to like in South Carolina – the pleasant climate, for example -- but the high crime rates would be enough to scare off many retirees, and the life expectancy (one of the lowest in the nation) is a downside.

No. 3: Alaska

- *Economic factors:* Cost of living is 128 percent of the national average, unemployment is at 7.7 percent, and the average state and local tax burden is 6.4 percent.
- *Climate:* Average monthly temperatures range from 16.5 degrees in January to 59.0 degrees in July.
- *Crime rate:* 8th in the nation in violent crime, and 23rd in property crime.
- *Life expectancy:* 77.1 years.
- *Reason for low rank:* The nation's lowest tax burden is more than offset by the high cost of living, and the harsh climate and high rate of violent crime are not friendly to retirees.

No. 2: Michigan

- *Economic factors:* Cost of living is 97 percent of the national average, unemployment is at 13.1 percent, and the average state and local tax burden is 9.4 percent.
- *Climate:* Average monthly temperatures range from 18.87 degrees in January to 68.32 degrees in July.
- *Crime rate:* 10th in the nation in violent crime, and 27th in property crime.
- *Life expectancy:* 76.3 years.
- *Reason for low rank:* The high unemployment rate is indicative of a severely damaged economy, the climate is a little rough, and the violent crime rate is a concern.

No. 1: Nevada

- *Economic factors:* Cost of living is 105 percent of the national average, unemployment is at 14.3 percent, and the average state and local tax burden is 6.6 percent.
- *Climate:* Average monthly temperatures range from 30.43 degrees in January to 71.94 degrees in July.
- *Crime rate:* 3rd in the nation in violent crime, and 13th in property crime.
- *Life expectancy:* 75.8 years.

- *Reason for low rank:* Nevada has the second lowest tax rate in the country, but scored poorly on just about every other criterion. Gambling enthusiasts may disagree, but high crime rates and a dismal economy make Nevada a bad bet for retirees.

For the full list of states, check our blog post [Best and worst states for retirement: The complete list.](#)

About the Author

Richard Barrington has earned the CFA designation and is a 20-year veteran of the financial industry, including having served for over a dozen years as a member of the Executive Committee of Manning & Napier Advisors, Inc. Richard has written extensively on investment and personal finance topics.