

# Best states to retire 2020

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Looking for a great place to retire?

Often sunshine and mild weather are the first things to come to mind; but there are many other factors that affect life in retirement, from taxes to personal safety. Since 2011, MoneyRates.com has ranked the best states for retirement based on an eclectic set of quantifiable

criteria meant to represent the full range of concerns retirees have. And yes, these concerns do include the weather.

In total, MoneyRates.com measures the best states to retire to based on a dozen data series sorted into five major categories:

1. **Climate conditions**

This includes looking at average temperature, temperature extremes, and how moderate the precipitation level is.

2. **Personal safety**

This was based on a combined ranking for property crimes and violent crime in each state.

3. **Health factors**

The relative cost of healthcare in each state was considered, along with overall life expectancy and healthy life expectancy.

4. **Economic situation**

Even for retirees, the unemployment rate is a relevant indicator of an area's overall economic well-being, especially for seniors who want the opportunity to work part

time. Along with unemployment, the study also considered cost of living and property tax rates.

#### 5. **Popularity with seniors**

The percentage of each state's population aged 65 and older is an indicator of how well a state attracts and retains older residents.

The top-ten list includes some states you would probably expect, along with some surprises. That's the value of taking a quantitative approach to this analysis rather than just relying on subjective impressions.

Of course, everybody has different preferences and priorities. This top-ten list won't necessarily tell you the best place to spend your retirement, but it can at least highlight some of the issues you should consider when looking for a place to retire.

## 10 best states to retire in 2020

If you are considering retiring this year or relocating your current retirement residence, the following ranked as the 10 best states for retirement in 2020:

#### 1. **Florida**

Florida has long been known as a prime retirement destination for many Americans, and its population has the highest proportion of people aged 65 and over in the United States. However, despite this reputation, Florida ranked only fourth in last year's study. A key reason for its improvement to the number one slot in the latest study is that, in recent years, Florida has improved from being one of the worst states for crime to around the middle of the pack.

#### 2. **(tie) Hawaii**

You might be attracted to Hawaii by the tropical setting; but as a retiree, you might be encouraged to stay because of the lowest average property tax rate in the nation. Hawaii also has the lowest unemployment rate of any state and the highest overall healthy life expectancy. With all that going for it, why didn't Hawaii rank number one? Well, perhaps the biggest thing to watch out for is Hawaii has the highest cost of living of any state.

#### 2. **(tie) Iowa**

While warm-weather sites like Florida and Hawaii might be expected to make lists like this, Iowa may be more of a surprise. However, it did consistently well by ranking above-median in all five major evaluation categories. That kind of consistency can do a lot for your peace of mind in retirement. As one example, Iowa has both a lower cost of living than the national average and the second-lowest unemployment rate. Economic strength with low prices is an ideal combination.

#### 4. **Delaware**

Like Iowa, this might seem a less-than-traditional choice for retirement living, but the

state graded in the top ten for health and climate factors. There must be something to this ranking because the state is popular with older Americans. Delaware has the sixth-highest portion of residents aged 65 or older.

5. **Vermont**

Not everyone is a sun worshiper, and New England is an attractive option for people who like to watch the seasons change. Vermont is also a good place for people seeking day-to-day peace of mind -- it has the second-lowest crime rates for both violent and property crimes.

6. **New Hampshire**

It comes as no surprise that New Hampshire racked up very similar grades to its New England neighbor, Vermont. Both are excellent places for low crime rates and not so good if you love warm weather. One significant factor that gave Vermont the edge over New Hampshire is that healthcare costs are generally lower in Vermont.

7. **Pennsylvania**

This is another state that might seem like a bit of a dark horse, but Pennsylvania ranks in the top ten for proportion of residents aged 65 and older, so retirees are attracted to the state. Among the reasons may be one of the lowest property crime rates in the nation.

8. **Connecticut**

Looking for a safe and healthy place to spend your retirement? Connecticut has the second-highest healthy life expectancy and fourth-highest overall life expectancy. It helps that the state is among the ten safest based on property and violent crime rates.

9. **(tie) Arkansas**

The top ten is rounded out by a tie for ninth-place. Arkansas' main strengths were in the economic category. While states with a low cost of living often suffer from a struggling economy, Arkansas has the best of both worlds. The cost of living is considerably cheaper than the national average, while its job market is a little stronger than most. Arkansas also has one of the ten lowest average property tax rates.

9. **(tie) Virginia**

Virginia's moderate climate is a big plus, as are its low crime rates. The violent crime rate in Virginia is the fourth-lowest in the nation. Perhaps one thing that helps keep the crime rate low is a strong job market -- Virginia's unemployment rate is tied for tenth-lowest.

## Saving for retirement: How to fund the lifestyle you envision

The top ten states for retirement all offer different combinations of conditions that can make life more pleasant for retirees. However, your ability to live where you want

and afford the lifestyle you choose once you get there depend heavily on how well you fund your retirement.

Wherever you choose to live, you are likely to find retirement living more pleasant if you take every step you can to build your nest egg. Here are some suggestions:

- **Take full advantage of 401(k) matching**  
Does your employer match part of your [401\(k\) contribution](#)? If so, make sure you contribute at least enough annually to qualify for the full match available. If you fail to do so, you are leaving money on the table that you won't be able to get back in future years.
- **Make informed choices about traditional vs. Roth IRAs**  
Both types of IRAs have tax advantages, but a traditional IRA offers its tax advantage up front in the form of deductible contributions while a Roth IRA offers its tax advantage on the back end in the form of tax-free distributions. If you feel you are in a lower tax bracket now than you are likely to be in retirement, a Roth IRA could be the more attractive option for you.
- **Use a Health Savings Account (HSA) as a retirement savings supplement**  
If you participate in a High Deductible Health Plan through your employer, then you are eligible to start an HSA. While these are often used to pay deductibles and other immediate healthcare expenses, you can also [accumulate money in an HSA](#) over time to supplement your retirement savings. Contributions, investment earnings, and distributions are all tax-free as long as the money is ultimately used for legitimate healthcare expenses -- and healthcare can be a sizeable chunk of retirement spending.
- **Make full use of catch-up contributions**  
Are you approaching retirement and regretting that you didn't save more earlier in your career? There are extra tax savings available to older workers known as [catch-up contributions](#). These allow you to contribute \$6,000 above the annual 401(k) limit or \$1,000 above the IRA limit if you are aged 50 or older.
- **Use a retirement calculator regularly to set goals and stay on track**  
There are several variables involved in knowing how much you'll need for retirement, including income goals, investment returns, inflation, time till retirement and the length of your planned retirement. Use a [retirement calculator](#) to set goals initially, and then check back at least once a year to see what you need to do to stay on track.

Whether you spend it on a beach, in a city or off in a mountain retreat, retirement will offer more attractive options if you save adequately. That could help take you to one of 2020's best states for retirement or anywhere else you want to go.

If you are curious about a state that didn't make the top ten, the following is a complete ranking of all 50 states.

Best States for Retirement 2020	
Rank	State
1	Florida
2	Hawaii
2	Iowa
4	Delaware
5	Vermont
6	New Hampshire
7	Pennsylvania
8	Connecticut
9	Arkansas
9	Virginia
11	Arizona
12	Idaho
12	Maine
12	South Carolina
15	West Virginia
16	Missouri
17	South Dakota
18	Utah
19	Indiana
19	Kansas
19	Nebraska
21	Alabama






23	Kentucky
23	Michigan
23	Minnesota
23	Wyoming
27	Oklahoma
28	Rhode Island
29	Massachusetts
30	Mississippi
30	Ohio
30	Oregon
33	New York
33	Wisconsin
35	Montana
36	Tennessee
37	New Jersey
38	Colorado
38	New Mexico
38	North Carolina
41	North Dakota
42	Georgia
43	Maryland
44	Texas
45	California
45	Illinois
47	Washington
48	Louisiana






49	Nevada
50	Alaska

## Here are leading offers from other online banks

<b>Account Type:</b> Savings + MMA <span>⌵</span>	<b>Credit Rating:</b> Select <span>⌵</span>	<b>Amount:</b> \$25,000 to \$49,999 <span>⌵</span>	<b>Purpose Of Account:</b> Select <span>⌵</span>
<b>Household Income:</b> Select <span>⌵</span>	<b>Currently Banking With:</b> <input checked="" type="checkbox"/> None <span>⌵</span>	<b>Deposit Frequency</b> Select <span>⌵</span>	<input type="button" value="Update"/>

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Bank/Institution	APY	Min. to earn APY	Type: Savings
 <b>Marcus</b> <small>BY GOLDMAN SACHS</small> <small>Goldman Sachs Bank USA Member FDIC</small>	<b>1.70%</b> <small>Rates as of 1/14/2020</small>	<b>\$0</b>	<input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Personal Savings</b> <b>American Express National Bank</b>	<b>1.70%</b> <small>Rates as of 1/14/2020</small>	<b>\$1</b>	<input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Capital One</b>	<b>1.70%</b> <small>Rates as of 1/14/2020</small>	<b>\$0</b>	<input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Barclays</b>	<b>1.70%</b> <small>Rates as of 1/14/2020</small>	<b>\$0</b>	<input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Discover Bank</b> <small>Discover Bank, Member FDIC</small>	<b>1.70%</b> <small>Rates as of 1/14/2020</small>	<b>\$0</b>	<input type="button" value="Start Saving"/> <small>FDIC Insured</small>

<p><b>O Bee Credit Union</b>   FDIC Insured</p>	<p><b>7.52%</b>  <small>Rates as of 1/09/2020</small></p>	<p><b>\$0</b></p>	<p>Type: Savings  <a href="#">Learn More</a></p>
<p><b>Northern Bank Direct</b>   FDIC Insured</p>	<p><b>2.50%</b>  <small>Rates as of 1/09/2020</small></p>	<p><b>\$0</b></p>	<p>Type: MMA  <a href="#">Learn More</a></p>
<p><b>Ultima Bank Minnesota</b>   FDIC Insured</p>	<p><b>2.27%</b>  <small>Rates as of 1/10/2020</small></p>	<p><b>\$0</b></p>	<p>Type: Savings  <a href="#">Learn More</a></p>
<p><b>UFB Direct</b>   FDIC Insured</p>	<p><b>2.00%</b>  <small>Rates as of 1/10/2020</small></p>	<p><b>\$25,000</b></p>	<p>Type: MMA  <a href="#">Learn More</a></p>
<p><b>MemoryBank</b>   FDIC Insured</p>	<p><b>2.00%</b>  <small>Rates as of 1/09/2020</small></p>	<p><b>\$0</b></p>	<p>Type: MMA  <a href="#">Learn More</a></p>