

Carson City emerges as retiree destination

By Catey Hill, SmartMoney

All the charm of Asheville, but with cheaper housing. The recreation of Boulder, without the income tax. The sunshine of Sedona, with a lower cost of living. With today's would-be retirees as concerned about whether they'll get to retire as they are about where, the best cities and towns for retirees now have a much higher bar to clear: They can't just be great places – they have to be affordable.

That leaves most of the old standbys off the list. As boomers have gotten older, they've flocked to places like Sarasota, Fla., Pinehurst, N.C., and Eugene, Ore., driving up prices along the way. Two decades ago, Asheville was a tiny, affordable North Carolina town; in the last two decades, since the North Carolina Center for Creative Retirement was established, the population's grown 24%, and the cost of living is now higher than the national average, according the Council for Community and Economic Research. But the real story is in the meteoric rise of real estate prices in retiree-friendly markets: Despite the national housing collapse, prices in Boulder, Colo., have risen 10% in the last four years, according to Zillow.com, while other cities, like Madison, Wis., have suffered very small declines. As a result, many of those spots are prohibitively expensive, even after prices have fallen.

Meanwhile, nest eggs have shrunk, and retiree incomes are stagnating. Social Security benefits didn't rise in 2010, nor will they in 2011. Benchmark Treasury bond yields are at their lowest since January 2009, and certificates of deposit are earning almost nothing – at 0.55% interest, a one-year \$10,000 CD would earn just \$55. Forget what the Social Security

Administration says: For anyone looking to make their savings last, cost of living does matter.

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