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Iowa is the Best State to Retire; Alaska is the Worst

The Midwest and South round out the top five; West and Northeast claim bottom five

NEW YORK – July 31, 2023 – Iowa, the Hawkeye State, is the best state to retire in 2023, according to Bankrate's annual study, which ranked all fifty U.S. states by affordability (40%), overall well-being (25%), quality/cost of health care (20%), weather (10%) and crime (5%). Click here for more information:

5 Best States to Retire	5 Worst States to Retire
1. Iowa	50. Alaska
2. Delaware	49. New York
3. West Virginia	48. California
4. Missouri	47. Washington
5. Mississippi	46. Massachusetts

Coming in at the top spot, Iowa ranked well in categories such as affordability (3), quality/cost of health care (11), and crime (12). Additionally, Iowa also had strong rankings in metrics such as cost of living (6), state health system performance (16), cost of healthcare per capita by state (19), adults 65 and older per capita (20), and combined state and local sales tax (22).

The Midwest and South claimed the remaining best states to retire. Notably, the second-best state for retirement, Delaware, ranked second for well-being, while West Virginia claimed the third spot overall and ranked first for affordability. Missouri (5th in affordability) and Mississippi (2nd in affordability) round out the top five. Another Southern state, Alabama, rounded out the top five most affordable states (4), and came in at 15 overall.

"Choosing where to retire is deeply personal, but Iowa's affordable cost of living, inexpensive but high-quality health care and low crime make it a compelling option for retirees looking to stretch their retirement income in this economy," says Bankrate analyst Alex Gailey. "In our overall ranking, the best and worst states for retirees are split geographically. The Midwest and the South claim the top five states, while the

Northeast and West claim the bottom five states, primarily because of the differences in cost of living."

West Virginia came in on top in terms of affordability, while Colorado ranking first for quality/cost of healthcare, Hawaii ranking first for both well-being and weather, and New Hampshire ranking first for least crime.

At the bottom of the list, Alaska was ranked worst overall with poor rankings in weather (50), crime (49), affordability (43), quality/cost of health care (38), and well-being (27).

In addition to Alaska, the remaining four worst states, either located in the Northeast or West, had very poor rankings in terms of affordability, which had the highest weight for this study. New York ranked poorly for affordability (50), followed by California, Massachusetts, and Washington (T-47).

With states in the Midwest and South viewed as more affordable, retirees looking to stretch their budgets may want to consider them over the higher cost of living in the Northeast and West.

"For many Americans, a comfortable retirement may feel out of reach," Gailey says. "After battling elevated inflation over the last two years, relocating to find cheaper housing or a lower cost of living may be a good alternative for retirees who have tighter budgets but want to retire comfortably. If you're considering a late life move to lower your cost of living in retirement, our rankings provide some food for thought."

Methodology:

Bankrate's 2023 Best States to Retire study was compiled using data from a variety of sources including the U.S. Census, Council for Community and Economic Research, Kaiser Foundation and the Commonwealth Fund. Bankrate looked at a number of public and private datasets related to the life of a retiree. The study examined five categories (weightings in parentheses): affordability (40 percent), overall well-being (25%), quality/cost of health care (20%), weather (10%) and crime (5%).

- **Affordability:**
    - **Cost of Living Index:** Index that measures cost of food, housing, utilities, transportation, health care, and miscellaneous goods and services. Via Council for Community and Economic Research, Q1 2023.
    - **Property Taxes:** Annual property tax on an average-value home in all 50 states for tax year 2022. Via Bankrate/ATTOM Data Solutions.
    - **Combined State and Local Sales Tax:** Sales Tax Clearinghouse publishes quarterly sales tax data at the state, county, and city levels by ZIP code. The Tax Foundation weights these numbers according to Census 2010 population figures to give a sense of the prevalence of sales tax rates in a particular state. Via Tax Foundation, 2023, and U.S. Census, 2010.

- - **Homeowners Insurance Premiums:** Average cost of homeowners insurance by state for $250,000 in dwelling coverage. Via Bankrate/Quadrant Information Services.
  - **Well-Being:**
    - **Adults 65 and Older per Capita:** Population of adults 65 and older in a state divided by total population of the state. Via U.S. Census, 2021.
    - **Community Well-Being:** Ranks states on access to healthcare, food and community services, including libraries and houses of worship. Via Sharecare, 2021.
    - **Diversity:** U.S. Census Bureau's 2020 Diversity Index to measure racial diversity and representation of every state. Via U.S. Census, 2020.
    - **Arts, Entertainment and Recreation Establishments per Capita:** Arts, entertainment & recreation establishments in a state divided by its population. Via U.S. Census, 2020.
  - **Quality/Cost of Healthcare:**
    - **Cost of Healthcare per Capita by State of Residence:** Average cost per person to different payers for various health care services, both private and public, in that state. Via Kaiser Foundation/ Centers for Medicare and Medicaid Services Office of the Actuary, 2020.
    - **Healthcare Establishments per Capita:** The number of healthcare establishments in a state divided by its population. Via U.S. Census, 2021.
    - **State Health System Performance:** Commonwealth Fund's Scorecard on state health system performance assesses how well the healthcare system is working in every state. Via The Commonwealth Fund, 2022.
  - **Weather:**
    - **Natural Disasters:** For weather rankings, Bankrate relied on NOAA data for tornado strikes (2013-2022) and hurricane landfalls (2000-2022), along with earthquake reports between 2000-2015 from the U.S. Geological Survey. Via NOAA (2023-2022 and 2000-2022) and U.S. Geological Survey (2000-2015).
    - **Average Temperature:** For weather rankings, Bankrate analyzed two decades (2000-2022) of average annual temperature data for every state. Via NOAA (2000-2022).
  - **Crime:** Bankrate calculated crime using the rates of property crimes and violent crimes per 100,000 inhabitants for each state from the FBI's 2019 Crime in the United States report. (Because the FBI significantly changed the reporting format for 2020 data, we did not rely on those statistics).

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