



Retirement realignment

Will relocating retirees come to the Chattanooga region?

Every day, 100,000 Baby Boomers reach age 65. Ramay Winchester, who heads Retire Tennessee, wants more of those to move to Tennessee.

“East Tennessee has the natural, four-season beauty of the mountains and rivers with far lower taxes and cost-of-living than in most communities,” she says.

Seniors often change states when they retire. A 2010 survey of 64-year-old Americans by Dale Webb, a major developer of retirement communities, found that 52 percent plan to move to a different state later in life.

Of course, getting retirees interested in relocating to actually move usually requires them to be able to sell their existing house at an attractive price. When the recession undermined both home values and stock portfolios, the number of seniors moving to other states plunged.

But with median home prices in many markets up by nearly a third for their recession lows and stock values double the 2009 trough, seniors are on the move again. The number of visitors at major trade shows catering to relocating middle- and upper-income seniors last year was up by more than 50 percent, Winchester says.

East Tennessee, Northwest Georgia, Northeast Alabama and Western North Carolina are all attractive areas for seniors interested in saving money and paying less in taxes. A couple relocating from Chicago to Chattanooga, for instance, would pay, on average, 9 percent less for food, 20 percent less for gas and transportation, 11 percent less for utilities and a whopping 33 percent less for housing, according to cost-of-living data prepared by the Council for Community and Economic Research. But the biggest differences often come

in taxes. Tennessee has no income tax on wages and property taxes in many communities are only half what they are in many cities.

At a recent trade show in the wake of Hurricane Sandy in New Jersey, seniors in New York and New Jersey found yearly property tax bills in rural Tennessee communities equal to what they pay in property taxes every month.

“Taxes and cost-of-living are a huge advantage for us, but Chattanooga also has tremendous cultural, recreational and volunteer activities for seniors and anyone moving to our city,” says Linda Bennett, a former Chattanooga City Council member who heads Choose Chattanooga.

Hamilton and Cumberland counties are among 18 communities in Tennessee with local programs to attract relocating seniors. Nationwide, eight states, including Tennessee and North Carolina, offer certification programs to designate some communities as having the best natural and man-made amenities to serve retirees.

Aging Baby Boomers, who collectively comprise 26 percent of the U.S. population, also are sure to reshape employer retirement plans. The share of the population age 65 or older will rise from 13 percent today to 18 percent by 2030 as Boomers retire and live longer, according to the Pew Research Center.

Already, the share of private workers participating in defined benefit retirement programs has dropped from more than 20 percent in 1979 to less than 3 percent today, according to the Employee Benefit Research Institute. In the public sector, 2014 promises to bring changes in retirement benefits for everyone from Chattanooga police and firefighters to Erlanger hospital employees.

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