

BEST PLACES TO RETIRE

RESTORED INCLINE CARS PROVIDE GREAT VIEWS OF PITTSBURGH.



LOVE THE CULTURE AND EXCITEMENT OF URBAN LIFE, BUT LOATHE THE CONGESTION AND COST? ONE OF THESE “SECOND CITIES” COULD BE YOUR FIRST-CHOICE RETIREMENT SPOT.

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WITH ANNE C. LEE



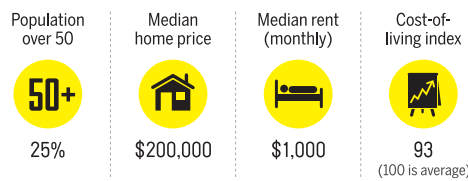
IF THE THOUGHT OF RETIRING to a sleepy beach town or country hamlet bores you silly, you’re not alone. Increasingly, retirees are “interested in urban center communities,” says John McIlwain, senior fellow at the Urban Land Institute. “They don’t want to be so isolated out in the suburbs.” It’s not surprising that people want to spend their post-work years surrounded by the arts, cutting-edge health care, and diverse neighbors, but the cons of urban living (like cost) can be daunting. So we set out to find places that won’t ding your nest egg with high taxes and nosebleed prices, yet still have great attractions and plenty of your peers. Read on for five affordable small cities (populations of 150,000 to 500,000) you may one day want to call home.



THE NORTH CAROLINA MUSEUM OF ART

RALEIGH

NORTH CAROLINA (POP. 431,800)



PROS STRONG ECONOMY FOR ENCORE CAREERS, TEMPERATE WEATHER **CONS** SMALLER RETIREE POPULATION, SOME PENSION TAX BREAKS EXPIRING IN 2014

WHY IT STANDS OUT

This state capital's thriving economy and proximity to top universities have long made it a prime relocation destination. And recently more of those new

faces have had a few wrinkles: From 2000 to 2010 the city's population of 55- to 64-year-olds shot up by 97%, according to the Brookings Institution. It's not hard to see the draw: Raleigh provides a big-city feel with a low cost

TAXES Like all the states in this story, North Carolina does not tax Social Security benefits. The state has no inheritance or estate tax.

INCOME TAX 5.8% flat (starting 2014)

SALES TAX 6.75%

MEDIAN PROPERTY TAX \$1,800

NOTE: Median home price and rent data are from June 2013 to August 2013. SOURCES: Trulia, the Census Bureau, the Council for Community and Economic Research, MONEY research

of living; mild, four-season weather; and, thanks to all those medical schools, world-class health care.

WHERE TO LIVE

MIDTOWN/NORTH HILLS: Retirees looking for a

along with his wife, Donna, moved from London to downtown Raleigh. The couple say living in the center of things made it easy to get involved. Jim founded a downtown residents group. Donna, 59, started BEST Raleigh, a group that puts art in vacant storefronts.

WHAT TO DO

FOOD: The city has a diverse restaurant scene, with everything from Afghan cuisine to Southern barbecue.

MUSIC: The 5,000-seat Red Hat Amphitheater hosts the big acts, while the opera and symphony perform at the Duke Energy Center for the Performing Arts.

ART: A range of work is on display in galleries, public spaces, and parks. Or take in the 30 Rodin sculptures at the North Carolina Museum of Art.

EDUCATION: North Carolina State University's lifelong-learning program offers affordable courses and study trips on topics including garden ecology and classical music.

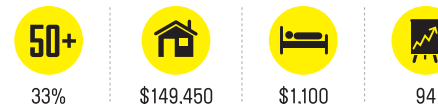
good deal and a practical location should shop north of downtown, says local real estate agent Kim Crump. There you'll find spacious townhouses starting at around \$200,000. **DOWNTOWN:** Those willing to pay about twice that price may consider the new condos and lofts downtown. "It's stimulating to be around a young and diverse population," says Jim Belt, now 62, who retired from finance in 2006 and



PULLED PORK AT THE PIT EATERY

PITTSBURGH

PENNSYLVANIA (POP. 305,900)



PROS GOOD PUBLIC TRANSPORTATION, SPORTS, EXCELLENT HEALTH CARE **CONS** CHILLY WINTERS, RELATIVELY HIGH PROPERTY TAXES

TAXES Distributions from most retirement plans, including qualifying 401(k)s and IRAs, are largely exempt. There is an inheritance tax, but there is no estate tax.

INCOME TAX 3.07% flat

SALES TAX 7%

MEDIAN PROPERTY TAX \$2,450

WHY IT STANDS OUT

Talk about a comeback. At the turn of the 20th century Pittsburgh was an economic and cultural hub, home to Andrew Carnegie and other captains of industry. Then came deindustrialization and job losses in the 1980s. Now the city is polishing its rusty image by converting old mills and factories into office space, galleries, and lofts. The once-dwindling population is also bouncing back; the city took the top spot in U-Haul's 2012 relocation survey,



A SATURDAY FARMERS' MARKET

with a 9% jump in transplants. For retirees, Pittsburgh offers a true urban experience, including good public transportation, pro sports, and a host of top universities, all at a bargain price.

WHERE TO LIVE

THE NORTHEAST AND SOUTH: Jim and Deborah Bogen moved to Pittsburgh from California in 2000, when Jim, now 78, retired from the philosophy department at Pitzer College. During a teaching stint at the University of Pittsburgh, he fell in love with the town, its 90 eclectic neighborhoods, and the green, hilly landscape. For Deborah, the move to a more affordable city had major practical implications. "If we hadn't come here, I'd still be working," says Deborah, 63, who retired from her paralegal job at age 50 and now writes poetry and novels.

Homes in popular neighborhoods like Highland Park (where the Bogens live) or the

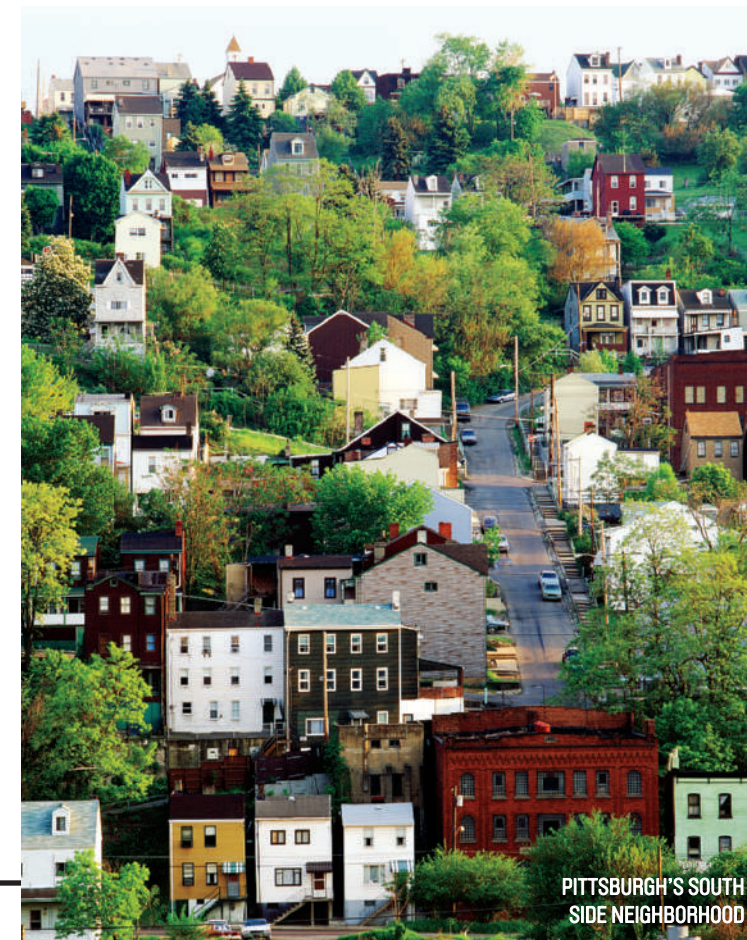
South Side are now fetching more than \$300,000 or so, double what the Bogens paid. Still, many remain a bargain by other big-city standards. Plus, the area is easy to navigate on foot, providing an extra perk: "I lost 20 pounds the first year we lived here," says Deborah.

WHAT TO DO

MUSEUMS: The four Carnegie Museums span art, science, natural history, and a collective 1.3 million square feet. The Andy Warhol Museum is a local favorite (the artist grew up here).

PERFORMANCE: Renovated concert halls are home to a thriving symphony, ballet, and opera. **SPORTS:** Thanks to the Steelers, Penguins, and Pirates (who recently made the playoffs for the first time since 1992!), superfans can stay busy all year.

OUTDOORS: There are five large city parks, including the 561-acre Frick Park, where you can try lawn bowling or tennis.



PITTSBURGH'S SOUTH SIDE NEIGHBORHOOD

OPENING SPREAD: PHOTOGRAPH BY SEAN PAVONE/ALAMY; THIS SPREAD CLOCKWISE FROM TOP LEFT: PHOTOGRAPHS BY KAREN MALINOSKI/COURTESY OF NORTH CAROLINA MUSEUM OF ART; PHILIP SCALIA/ALAMY; H. MARK WEIDMAN PHOTOGRAPHY/ALAMY; JOSHUA STEADMAN/COURTESY OF THE PIT



VICTORIAN SQUARE, LEXINGTON

LEXINGTON

KENTUCKY (POP. 304,300)

50+ 29%	Home \$162,400	Bed \$900	Bar 88
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PROS GOOD CONTINUING EDUCATION, AFFORDABLE DOWNTOWN HOUSING **CONS** LIMITED ARTS VENUES, SMALL AIRPORT

WHY IT STANDS OUT

Retirees looking to mix city activities with country charm will find a lot to love here. Lexington's historic downtown is packed with galleries, restaurants, and boutiques. But drive just a few minutes and you're in the rolling hills of

Bluegrass Country. The city is also home to one of the country's oldest and most robust lifelong-learning programs, as well as the top-scoring University of Kentucky Albert B. Chandler Hospital, which has received accolades from the American Heart Association and National Cancer Institute.

WHERE TO LIVE

DOWNTOWN: Over the past decade, a crop of new condos and loft conversions has transformed the center of Lexington. Indeed, developers got a little overzealous during the boom years, says realtor Casey Weesner, so prices stag-

nated and condos sat empty in the wake of the housing crash. The market has picked up in the past year, he says, but there are still some downtown bargains to be had. Expect to see modern two-bedroom condos priced around \$200,000.

WHAT TO DO

SPORTS: Welcome to basketball heaven. The Wildcats, the University of Kentucky's powerhouse team, play at Rupp Arena, which also hosts shows and big music acts. **EDUCATION:** Locals age 65 and older can sit in on university classes, sans tuition, whenever there are open seats. The school's Osher Lifelong Learning Institute

offers classes for the 50-plus set. **ARTS:** The campus also boasts the Singletery Center for the Arts. Downtown, the Kentucky Theatre shows independent and classic films. **OUTDOORS:** Churchill Downs, home of the Kentucky Derby, is 90 minutes away. Bikers can hop on the 12-mile Legacy Trail, which leads to the equine events at Kentucky Horse Park.



CLOCKWISE FROM TOP LEFT: PHOTOGRAPHS BY BLAINE HARRINGTON III/ALAMY; IAN DAGNALL/ALAMY; ZUMA PRESS INC./ALAMY

ST. PETERSBURG

FLORIDA (POP. 244,800)

50+ 39%	Home \$137,020	Bed \$1,000	Bar 94
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PROS BEACHES, WARM WEATHER, BEST TAX SITUATION **CONS** AN OLDER POPULATION, TROPICAL STORMS

TAXES Retirement income is not taxed. Permanent residents get a property tax exemption of up to \$50,000.	INCOME TAX None
	SALES TAX 7%
	MEDIAN PROPERTY TAX \$1,080

WHY IT STANDS OUT

Can't imagine retirement without a beach? In St. Pete you can dip your toes in the Gulf of Mexico or Tampa Bay—plus play a round of golf, eat virtually any type of cuisine, and see famous art, all in a single day. While St. Petersburg is undoubtedly a retiree

hotspot, the city has also drawn more young families in recent years, says local realtor Judy Horvath. The mix helps keep the city vibrant and stocked with boutiques, galleries, and restaurants.

WHERE TO LIVE

DOWNTOWN: The market for new apartments and

condos was flattened by the bust, but developments are now back on track and in many cases selling out quickly. New two-bedrooms downtown start at around \$300,000, says St. Petersburg agent Rachel Sartain. **SURROUNDING NEIGHBORHOODS:** If that's too expensive, going five or 10 minutes outside of downtown brings prices down dramatically; condos in many central areas start in the \$200,000 range, says Sartain.

WHAT TO DO

BEACHES: Two of the nation's best (according to TripAdvisor readers) are just a 10-mile drive from downtown, including North Beach, located in the 1,140-acre Fort De Soto Park. **ART:** Try the Dalí Museum for works by the Spanish surrealist, or

the Museum of Fine Arts for Monet and O'Keeffe. **SPORTS:** Tropicana Field is home to the Tampa Bay Rays. There are also plenty of golf courses,

including Mangrove Bay, a par-72 championship course. At \$25 a round, these municipal greens may be the city's best bargain.



NEIGHBORING PASS-A-GRILLE BEACH



MAKING THE MOVE

Going from burbs to city can be a big change. Here's how to ease the transition:

DOWNSIZE YOUR RIDE

Switching to a small car will make squeezing into tiny parking spots easier, and the fuel savings will add up fast. Going from a midsize to small car could save you more than 25% in gas costs.

...OR DROP IT COMPLETELY

If your new home has good public transportation, you might be able to go car-free. Use a car-sharing service such as Zipcar (which starts at \$8 an hour) for errands and weekend trips.

EDIT YOUR STUFF

City homes are small, and storage is pricey, so toss or donate anything you haven't used in a year, says pro organizer Anna Lieber. With donations, get a receipt in case you're audited.

BECOME A MEMBER

Get cultured without going broke. If there's an institution you love, join. A \$50 senior membership to Pittsburgh's Carnegie Museums, for one, pays for itself after four visits. —ANNE C. LEE



BOISE'S CAPITOL BUILDING

WHAT TO DO

OUTDOORS: Walk along the Boise River Greenbelt or explore the trails winding out of Hull's Gulch or Camel's Back Park. The city has two open-air Saturday markets, which are a great place to find produce and bump into friends.

ART: The Boise Art Museum has 3,000 permanent works and presents diverse exhibitions ranging from site-specific installations to collections of ancient artifacts.

PERFORMANCE: Grab tickets for the opera, philharmonic, or ballet. Boise State's Morrison Center hosts national tours of Broadway shows, stand-up comedy, and live music, while the Shakespeare Festival fills a 770-seat outdoor amphitheater. And there's more to come: Construction is under way for a new \$70 million, 65,000-square-foot cultural center, slated to open in 2015. **M**

BOISE

IDAHO (POP. 213,000)

50+

32%

\$137,020

\$900

94

PROS WIDE RANGE OF OUTDOOR ACTIVITIES, GOOD HEALTH CARE **CONS** NOT RACIALLY DIVERSE, COLD WINTERS, PRICES DOWNTOWN ARE HIGH

TAXES Retirement benefits are taxed, though some types of pensions qualify for a deduction. There is no inheritance or estate tax.

INCOME TAX Highest is 7.4%

SALES TAX 6%

MEDIAN PROPERTY TAX
\$1,230

WHY IT STANDS OUT

Moving to a mountain town means easy access to skiing, hiking, golf, fly-fishing, and more. Unfortunately,

it also usually means jaw-dropping home prices, a dinky airport, limited health care, and tourists galore. Not in Boise. Yes, locals here can ski at Bogus Basin 16 miles from down-

town, stroll or bike 85 miles of trails, and paddle or fish on the Boise River, which runs through town. But they'll also find low taxes and affordable homes. Plus, Boise has become a nucleus of culture and health care. Saint Alphonsus Regional Medical Center is ranked in the top 5% of hospitals nationwide for clinical performance.

WHERE TO LIVE

NORTH AND EAST OF

DOWNTOWN: Prices in the city center are steep, so buyers should concentrate on the surrounding neighborhoods, says Boise real estate broker Jason G. Smith. "Traffic isn't an issue," he says. "So you don't need to be right downtown to enjoy it."

You'll find two-bedroom condos or small single-family houses priced at about \$300,000 in the North End.

SOUTHEAST AND NORTHWEST BOISE:

On a tighter budget? Head to these neighborhoods (located about 10 minutes from the city center) for homes starting around \$200,000.



RIDING THROUGH THE FOOTHILLS



TABLET BONUS

Don't see your dream retirement spot? Check out five more great "second cities."