

latimes.com/business/la-fi-texas7-2009nov07,0,652942.story

latimes.com

THE ECONOMY

Texas is the new retirement mecca

The Lone Star State's attractions include its low cost of living and no income tax.

By Don Lee

November 7, 2009

Reporting from Galveston, Texas

After trying out Pasadena, Atlanta and Miami, Lilian Junco decided this was the place to retire. Being near her son was the first attraction, but soon she was drawn in by the same combination of features that has lured tens of thousands of others from out of state: Gulf Coast living and super-low costs.

With some of the country's lowest prices for housing, gas and food, no state income tax and one of the most resilient economies in the nation, Galveston and other parts of the Lone Star State are emerging as the new Florida.

This week, Florida disclosed population figures that show a decline of 57,000 over the 12 months ended April 1, the first annual drop since the 1940s. Much of the loss has come in parts of southern Florida that long attracted retirees.

Meantime, other Sun Belt states such as Nevada and Arizona have been hit hard by the recession, and expensive California has long seen more people leave than move in, a domestic migration measure that doesn't include foreign immigration or births.

But Texas, which has weathered the current recession better than most parts of the country, is almost booming, in part because an earlier oil industry crash had left the state's banks too shaken to go on the home-mortgage binge that ended up crippling so many other states.

Texas' population, the nation's second largest at about 25 million, is expected to be boosted this year by net inflows of at least 150,000 people from other states, said Karl Eschbach, the state demographer. Seniors are a growing part of that trend, lured by aggressive campaigns from state officials and developers.

"It's an easy sell," said Texas Agricultural Commissioner Todd Staples, who is trying to recruit out-of-state seniors by establishing dozens of high-quality "certified" retirement communities. "All we need to do is get retirees to have a good look at Texas."

They will see big drawbacks along with the advantages.

Poverty, highway gridlock, crime and humidity can be stifling in some parts. And places along the Gulf Coast are notoriously susceptible to ferocious weather, such as Hurricane Ike, which slammed the Galveston area last year. Ike flooded downtown and sent waves crashing over a 17-foot-tall seawall built after the devastating Galveston

START LIVING
in one of our 15 communities throughout the Inland and LA County.

learn more

NEW HOMES BY **LENNAR**

Hurricane of 1900, which is still considered the worst natural disaster in American history.

Some trade-offs

None of that fazed Junco. Having grown up in Cuba, she didn't fear tropical storms. Florida isn't any better, she said, nor is California with its earthquakes. She remembered the panic when her Pasadena condo rattled a few years ago.

"The whole bed was shaking," she said.

Moving to Galveston two years ago, Junco paid \$130,000 for a one-bedroom condo with a view of the Gulf of Mexico. A cap on property taxes for seniors keeps her payments low, leaving a little more money for the 70-year-old widow to travel and frequent the restaurants and shops on this touristy island.

For most of her adult life, Junco lived in Long Island, N.Y., and worked as a computer technician in Manhattan. She said retiring to Hawaii was too expensive. Her second choice was here. "Life is more quiet, it's more simple," she said, sipping a chocolate martini with friends at a cafe on a balmy Thursday evening.

For healthcare, she goes to the University of Texas Medical Branch here or drives an hour west to Houston, which has world-class medical facilities.

The downside is that it's not easy for seniors to get from place to place if they don't drive: Big Texas cities have poor public transportation, demographer Eschbach said.

"It's really hard to get around," he said, "and we have relatively little social services." Undeterred, retirees head for places like the Rio Grande Valley, abutting Mexico in the southernmost tip of the state. Seniors from the Midwest and other northern states have long flocked here for the winter. Locals call them winter Texans.

Doug and Cheryl Lundy used to keep two homes -- their primary one in Avis, Pa., and the other in a mobile home park outside Brownsville, Texas. They were typical snowbirds, arriving in January and heading back East in April. But this year the couple decided to stay put in Texas.

Cheryl Lundy loves the hot weather and the living costs. She said butter costs her \$1.77 a pound now, not the \$2.29 in her market in Pennsylvania. "It's not just the butter," she said. "It's everything in the store."

Government reports confirm that food prices are lower in the breadbasket states.

And for seniors on Social Security and other retirement income, their checks don't change from place to place. Annual cost-of-living adjustments are the same nationwide, so their income should go further where prices are lower.

Then there's the Mexico price. Every couple of months, retirees Thomas and Shirley Jones, transplants from Indiana, cross the bridge outside McAllen into Nuevo Progreso, where he buys medicine for his emphysema at half price. Last year, Shirley Jones got a full set of upper dentures for \$325, a fraction of what it would cost in the States.

The Joneses used to be Floridians, but "Florida got so high on everything," she said. "We couldn't afford it."

Stanley Smith, a University of Florida demographer who produces official population reports for the state, said the recession will make Florida's cost of living more competitive. Home prices have fallen by as much as 60% in parts of the state.

What's not yet clear is how Texas will fare with baby boomers, whose retirement path remains undefined, experts said.

The oldest of that generation is 63 this year. The recession and loss of wealth may hold back their migration, and many boomers may look to settle in places where they can find part-time work.

California shift

That could be a big plus for Texas. It's expected to outstrip the nation in job growth in the next few years. Already four of the nation's 10 fastest-aging metro areas over the last decade have been in Texas, according to the Brookings Institution public policy think tank.

"I think Texas has been attracting many seniors in large numbers and has many amenities along with low living costs which lure them," said William Frey, a Brookings demographer.

California is a primary target for Lone Star boosters. Last year more than 82,000 people from California moved to Texas, while almost 32,000 from Texas went to the Golden State, according to data from the Internal Revenue Service.

Charles and Joan Baker will be joining that trend this year. Even before selling their Rancho Santa Fe town home, on the market for \$829,000, the California couple closed on a ranch-style house in the Sun City retirement community north of Austin.

Joan Baker, who is in her 60s, wouldn't say how much they paid for the new place, which is slightly larger than their property in San Diego County. But a Sun City spokesperson said the average home in the community of rolling hills is running about \$218,000.

"I'm not saying it's easy to leave," said Baker, a retired schoolteacher. "The whole San Diego area is lovely. To go north and south, east or west, and be able to see the water, it's pretty unique.

"But other things are beginning to outweigh it," she said, complaining about crowding and the state budget mess. She said her husband is semi-retired and will continue his consulting work in Texas.

"It's just real convenient living," she said. "The terrain's a little higher so you get a breeze. There are lots of oak trees. You've got three golf courses that are drop-dead gorgeous. . . . And in Texas, you don't have income tax."

don.lee@latimes.com

Copyright © 2009, [The Los Angeles Times](#)