

This Is What a Comfortable Retirement Will Cost in Your State

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How much do you need to retire comfortably? It's a question in the mind of every American saving for retirement. Unfortunately, there's not a one-size-fits-all answer. There are several rules of thumb to help you figure out how much to save to retire. But the exact dollar amount you need will depend on a variety of factors — especially where you plan to live in retirement.

That's because the cost of living varies from state to state. In some places, you can get by on even a small nest egg, while in others, even \$2 million won't be enough. Your age at retirement also plays a factor. For purposes of this survey, GOBankingRates assumed that retirement would last for 20 years.

To pinpoint the average retirement income you would need to live comfortably throughout the U.S., GOBankingRates looked at four factors in all 50 states and the District of Columbia: an individual's spending on groceries, healthcare, housing and transportation. Then, the annual retirement income needed to cover these living expenses was calculated, with an additional 20% to account for the "comfortable" aspect of retirement. Note that suggested annual savings don't include Social Security payouts, potential pension income or interest earned on savings. As you go through these results, you might discover that the amount you need to live a comfortable retirement across the nation is a little higher — or a little less — than you expected.

Data is accurate as of June 5, 2019, and is subject to change.

51. Hawaii

A comfortable retirement costs: \$117,724.18 a year

Retirees may dream of the "easy living" in the island state of Hawaii, but the truth is it's easily the most expensive state in which to retire. The state has by far the most expensive housing and transportation costs of any state in the nation — at \$51,837 and \$10,571, respectively — and grocery costs are second-highest. That housing cost is more than triple the national average.

As a result of these and other expenses, it would take a whopping \$2,354,483.55 to live comfortably in retirement for 20 years in Hawaii.

50. District of Columbia

A comfortable retirement costs: \$100,879,90 a year

If you want to know how much money you need to retire in Washington, D.C., the answer is, “a lot.” To be more precise, you’d need to save \$2,017,597.95 to comfortably cover living expenses for 20 years in retirement.

It takes over \$100,000 per year to comfortably live in Washington thanks to high housing costs of \$44,704 and the highest cost of groceries in the nation.

49. California

A comfortable retirement costs: \$85,893.44 a year

Costs in the Golden State are exceedingly high, primarily due to housing costs at about double the national average and the second-highest transportation costs in the country. Twenty years of a comfortable retirement in California will require \$1,717,868.85 in savings.

48. New York

A comfortable retirement costs: \$84,035.62 a year

Parts of New York are notoriously expensive places to live. So it should come as no surprise that you would need to have \$1,680,712.35 to cover living expenses for 20 years in retirement here. Housing is the main budget buster in New York; its \$32,853 average annual cost ranks third-highest in the country.

47. Massachusetts

A comfortable retirement costs: \$82,859.00 a year

Annual spending on groceries, transportation and housing in Massachusetts is near the top in the nation. Healthcare costs of \$7,997 annually are second-highest in the nation. To comfortably cover all of these expenses, you’d need \$1,657,179.90 over 20 years in retirement.

46. Maryland

A comfortable retirement costs: \$81,310.81 a year

Perhaps surprisingly for a state ranking as among the most expensive, Maryland has the fifth-lowest healthcare costs in the country, at \$6,031 per year. However, housing expenses are a big concern, as the state has the fifth-highest annual costs in the nation, at nearly 90% above the national average.

To have enough to cover living expenses for 20 years in retirement in Maryland, you would need \$1,626,216.15.

45. Oregon

A comfortable retirement costs: \$81,248.88 a year

Expenses are high across the board in Oregon, with the overall cost of living there running more than 31% above the national average. The sixth-highest housing costs in the country play a big role in this. To cover all expenses and live comfortably, you'd need over \$1.62 million in savings for 20 years in retirement.

44. Alaska

A comfortable retirement costs: \$80,877.32 a year

Bundle up and build your retirement savings if you want to retire in Alaska. You'll need \$1,617,546.30 to comfortably cover 20 years of retirement expenses. The biggest cost in Alaska is healthcare. At \$9,685 per year, the state has the highest healthcare costs in the country, some 46% above the national average. GOBankingRates lists Alaska as the most tax-friendly state for retirees.

43. Connecticut

A comfortable retirement costs: \$79,762.62 a year

Connecticut's costs are in the top 10 most expensive in every category, meaning the state is an expensive one to live in. With the cost of a comfortable living coming in at just under \$80,000 per year, you'll need nearly \$1.6 million to afford a comfortable retirement over 20 years in Connecticut.

42. Rhode Island

A comfortable retirement costs: \$ 75,861.19 a year

In Rhode Island, \$1.5 million in savings won't quite last you 20 years in retirement, if you plan to live comfortably. High housing and grocery expenses are a big reason why it takes more retirement income to live comfortably in Rhode Island.

41. New Jersey

A comfortable retirement costs: \$75,861.19 a year

High housing costs make New Jersey one of the states where it costs most to live a comfortable retirement. Annual per capita spending on housing ranks 55% above the national average.

40. Vermont

A comfortable retirement costs: \$73,507.94 a year

Expenses in Vermont are above average in every category, but housing, at more than 44% of the national average, is the biggest cost. So, it's no wonder you'd need \$1,470,158.85 to cover expenses over a comfortable 20-year retirement.

39. Maine

A comfortable retirement costs: \$72,579.03 a year

The annual spending on groceries in Maine is nearly 18% above the national average, and other costs like housing, transportation and healthcare are also above average. To cover all expenses for a 20-year retirement here with room to spare, you would need \$1,451,580.60 in savings.

38. Washington

A comfortable retirement costs: \$67,810.61 a year

Costs are above average in Washington for groceries, housing and transportation, but the biggest expense is healthcare. Ranking third-highest in the nation, Washington residents pay \$7,878 per year on average. A nest egg of \$1,356,212.25 should be sufficient to give you a comfortable 20-year retirement.

37. New Hampshire

A comfortable retirement costs: \$67,686.76 a year

New Hampshire has the fifth-highest healthcare expense in the country, but it's a reasonably affordable state in part due to its below-average transportation cost. While not the cheapest place to retire overall, you can comfortably get by for 20 years in retirement here for \$1,353,735.15.

36. Nevada

A comfortable retirement costs: \$67,067.48 a year

It takes savings of just over \$1.34 million to have a comfortable 20-year retirement in Nevada. Costs are above average for healthcare, transportation, groceries and housing, but they aren't excessive. Most costly is housing, at about 19% above the national average.

35. Delaware

A comfortable retirement costs: \$65,643.15 a year

You'll need \$1,312,863 in savings to live comfortably in retirement for 20 years in Delaware. Most costs are right about at the national average, although grocery bills run 12% higher. GOBankingRates lists Delaware as the best state in which to retire rich.

34. Colorado

A comfortable retirement costs: \$65,331.51 a year

Above-average costs across the board make Colorado more expensive, topped by housing costs that are more than 20% above the national average.

You would need retirement savings of more than \$1.3 million to cover Colorado's high costs over a 20-year retirement.

33. Montana

A comfortable retirement costs: \$64,404.60 a year

Montana ranks among the middle of states when it comes to the overall cost of consumption. One bright spot is in the transportation sector, where costs run about 5% below average. To cover all living expenses, including a 20% buffer for comfort, you'd need \$1,288,092 for 20 years of retirement.

32. Virginia

A comfortable retirement costs: \$63,166.05 a year

For a state with an overall consumption index 2% above the national average, it's perhaps surprising that transportation costs in Virginia are the second-lowest in the nation, at just \$6,717 per year. Other costs all run above average.

You'll need more than \$63,000 in annual retirement income, or \$1,263,321 million in

savings, to cover expenses for 20 years of retirement in Virginia.

31. Minnesota

A comfortable retirement costs: \$62,856.41 a year

Minnesota is a state of extremes when it comes to expenses. Although housing costs run more than 10% below national averages, groceries are 9.1% above average, at \$4,162 per year. Healthcare costs are particularly onerous, running more than 11% above average.

To cover costs in Minnesota for 20 years in retirement, you'd need just over \$1,257,128.25.

30. Florida

A comfortable retirement costs: \$61,246.30 a year

Although Florida isn't among the states where a comfortable retirement costs the least, it's one of the states with no income tax, meaning residents can hang onto more of their money. Florida's healthcare costs are a bit below average, but most other expenses are right in line with national averages. A comfortable 20-year retirement can be had in Florida with \$1,224,925.95.

29. North Dakota

A comfortable retirement costs: \$61,122.44 a year

Healthcare in North Dakota costs nearly 12% more than the U.S. average, at \$7,401 per year. Transportation costs also run above average. As a result, it takes more than \$60,000 a year to live comfortably. Over 20 years in retirement, you would need \$1,222,448.85.

28. Pennsylvania

A comfortable retirement costs: \$61,060.52 a year

Pennsylvania ranks near the middle of the states for overall consumption expenditures; in fact, most expenses are actually below average. The notable exception is transportation costs, which at \$8,046 are more than 7% higher than the U.S. average. As a result, it takes savings of \$1,221,210.30 to live comfortably in retirement for 20 years in Pennsylvania.

27. South Dakota

A comfortable retirement costs: \$60,998.59 year

Transportation costs in South Dakota are the seventh-lowest in the nation, but this is countered by the high cost of healthcare, which at \$6,958 is more than 5% above the national average of \$6,620 per year. Although residents enjoy having no state income tax, it takes more money to retire comfortably here than in about half of the states. You'd need \$1,219,971.75 in savings to generate enough retirement income for 20 years.

26. South Carolina

A comfortable retirement costs: \$60,874.73 a year

Low transportation costs are one of the financial benefits of retiring in South Carolina. The state's average annual spending on transportation — \$6,965 — is the ninth-lowest in the U.S. Grocery costs, however, are nearly 5% above the national average.

Combined with other expenses, and a 20% cushion, you would need a total of \$1,217,494.65 in retirement savings to live comfortably for 20 years.

25. Utah

A comfortable retirement costs: \$60,812.81 a year

How much do you need to retire in Utah? You can live comfortably for 20 years on savings of \$1,216,256.10.

Overall, costs are just a touch below average in Utah. The biggest hurdle for retirees comes in the form of transportation costs, which are 3.3% above the national average, at \$7,761 per year.

24. Arizona

A comfortable retirement costs: \$60,503.17 a year

If you're looking for a retirement spot that offers warm weather and sunny days, you'll find it in Arizona. However, it's also the first state on the list to cost more than \$60,000 per year to retire comfortably. Costs across the board are generally a bit below average here, with groceries being among the most affordable in the nation; however, transportation costs are 3.3% above the national average. To retire comfortably over 20 years in retirement, you'll need \$1,210,063.35 in savings.

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23. Wisconsin

A comfortable retirement costs: \$59,326.55 a year

Wisconsin ranks near the middle of states for the retirement income needed to live comfortably. Most costs are moderate to below-average, but healthcare is the bugaboo here. At \$7,474 per year, the state has the eighth-highest healthcare costs in the nation, 12.9% above average. As a result, you would need \$1,186,530.90 in retirement savings to live comfortably for 20 years in Wisconsin.

22. Illinois

A comfortable retirement costs: \$59,264.62 a year

It takes \$47,412 to cover basic necessities in Illinois, which is a bit below the national average. The state's residents are tripped up by the high cost of transportation, which at \$7,829 is more than 4% above national norms. To live comfortably in retirement for 20 years, you would need \$1,185,292.35 in Illinois.

21. West Virginia

A comfortable retirement costs: \$58,645.34 a year

Retirees can benefit from low transportation costs in West Virginia. At \$6,544 per year, the state boasts the lowest such costs in the country. Healthcare and housing costs are also low, although grocery bills run about 3% above the national average. The total savings needed to live comfortably in retirement for 20 years in West Virginia is \$1,172,906.85.

20. Idaho

A comfortable retirement costs: \$58,335.71 a year

Idaho has the 11th-highest transportation costs in the nation. Compared with a national average of \$7,513, you'll need \$8,107 per year to get around in Idaho. Not everything is expensive here, though. The average annual spending on housing, at \$14,484, is more than \$2,000 below the national average.

19. North Carolina

A comfortable retirement costs: \$58,211.85 a year

Housing costs are the biggest bargain in North Carolina, which at \$13,834 per year stand nearly \$3,000 below the national average. Healthcare costs are high, however, running \$7,117 per year.

To comfortably cover living expenses for 20 years in retirement in North Carolina, you would need savings of \$1,164,237.

18. Louisiana

A comfortable retirement costs: \$57,964.14 a year

Louisiana isn't a flat-out bargain in terms of transportation, grocery, healthcare or housing costs, but it is below-average in all categories. The total you'll need saved to live comfortably for 20 years in retirement in Louisiana is \$1,159,282.80.

17. Nebraska

A comfortable retirement costs: \$57,778.36 a year

Relatively low grocery costs make it possible to live on a retirement income of less than \$58,000 a year in Nebraska. Other expenses in the state aren't as low, with healthcare and transportation running right about average. A \$1,155,567.15 nest egg is what you'll need for a comfortable 20-year retirement.

16. Ohio

A comfortable retirement costs: \$57,468.72 a year

Ohio requires \$1,149,374.40 in savings to support a comfortable 20-year retirement. Healthcare and transportation costs are above average, but housing costs are the ninth-lowest in the country, helping to support a comfortable retirement lifestyle for under \$58,000 per year. Cleveland ranked in a separate GOBankingRates study as the cheapest place to retire in the whole country.

15. New Mexico

A comfortable retirement costs: \$57,468.72 a year

You'll need \$1,149,374.40 in savings to live comfortably in retirement for 20 years in the Land of Enchantment. Overall, the cost of living is relatively low in New Mexico, but healthcare costs run above average at \$6,766 per year.

14. Kentucky

A comfortable retirement costs: \$56,849.45 a year

If bluegrass and bourbon sound like your type of lifestyle, you may enjoy your retirement in Kentucky. The cost of groceries is about the national average, but healthcare costs are the fourth-lowest in the nation, at \$6,018 per year.

13. Iowa

A comfortable retirement costs: \$56,849.45 a year

Iowa has below-average costs across the board, but overall, prices approach the national averages. The biggest break for retirees comes in the form of grocery costs, which are the 12th-lowest in the country.

12. Texas

A comfortable retirement costs: \$56,539.81 a year

If you've got \$1,130,796.15 in your retirement kitty, Texas might be the place for you. That amount can comfortably support a 20-year retirement in the Lone Star State, thanks in part to the sixth-lowest grocery costs, at \$3,586 per year. Retirees no doubt also enjoy the lack of state income tax in Texas. Brownsville is one of the cities in America where you can retire on less than \$1 million.

11. Georgia

A comfortable retirement costs: \$56,477.88 a year

Housing costs in Georgia are eighth-lowest in the country, giving retirees more discretionary income in their pockets. The amount of savings needed to comfortably sustain a 20-year retirement is \$1,129,557.60.

10. Wyoming

A comfortable retirement costs: \$56,044.39 a year

Wyoming has the third-lowest cost of groceries in the country, helping boost its affordability ranking. Other costs are below-average as well. After all expenses, a nest egg of \$1,120,887.75 will give you a buffer of over \$11,000 for annual discretionary expenses in Wyoming.

9. Indiana

A comfortable retirement costs: \$55,796.68 a year

The seventh-lowest housing costs in the nation help Indiana claim its spot in the top 10 for affordability, with residents paying an average of \$12,784 per year. Below-average costs in all categories help retirees enjoy a comfortable retirement in Indiana for less than \$56,000 a year. Over 20 years, you'll need \$1,115,933.55 in savings to cover all living expenses and have a comfortable buffer.

8. Kansas

A comfortable retirement costs: \$55,548.97 a year

Kansas retirees can live comfortably for about \$55,000 per year, meaning they'll need about \$1,110,979.35 in savings to enjoy a 20-year retirement. Kansas has a below-average cost of living across every metric, contributing to the state's high overall placement when it comes to affordability.

6/7. Tennessee (TIE)

A comfortable retirement costs: \$55,425.11 a year

If you can't decide whether to retire in Tennessee or Alabama, cost won't likely make much of a difference. In both states, you'll need the same \$1,108,502.25 to enjoy a comfortable 20-year retirement. Although overall costs just about balance out, Tennessee's housing expenses run about \$1,300 more per year than Alabama.

6/7. Alabama (TIE)

A comfortable retirement costs: \$55,425.11 a year

Retirees in Alabama enjoy the nation's second-lowest housing and healthcare costs, making the state one of the most affordable for retirement. The state's \$3,701 cost for groceries hurts its ranking a bit, although that still is well below the national average.

Over the course of 20 years, you would need \$1,108,502.25 in savings to cover the cost of retiring in Alabama.

5. Michigan

A comfortable retirement costs: \$55,301.26 a year

Michigan has housing and grocery costs in the bottom 10 nationwide, but its transportation costs raise the state's overall cost of living. At \$7,588 per year, Michigan's transportation expense is about \$1,000 above the nationwide average. You'll need \$1,106,025.15 in savings to cover expenses for 20 years in this state.

4. Missouri

A comfortable retirement costs: \$54,991.62 a year

At \$6,488 per year, Missouri's healthcare costs rank on the higher end of the spectrum, dropping the state's overall affordability. But, the state has some of the lowest costs in the nation for groceries, transportation and housing.

3. Arkansas

A comfortable retirement costs: \$54,743.91 a year

Arkansas has low costs across the board, but it's top in the nation when it comes to affordable healthcare costs, coming in at just \$5,687 per year. Housing and transportation costs are also among the lowest in the country. It takes just over \$33,000 additional in savings to afford a comfortable 20-year retirement in Arkansas as opposed to the most affordable state.

2. Oklahoma

A comfortable retirement costs: \$54,558.13 a year

To live comfortably for 20 years in retirement in Oklahoma, you would need savings of just under \$1.1 million. Oklahoma retirees benefit most from low grocery and housing costs, which rank second-lowest and fourth-lowest in the country, respectively.

1. Mississippi

A comfortable retirement costs: \$53,071.87 a year

Mississippi has the lowest overall cost of living in the U.S., which is why it's the most affordable state when it comes to enjoying a comfortable retirement. If you've squirreled away \$1 million for retirement, the principal alone would last you nearly 19 years in Mississippi, without even investing a single dime. A comfortable retirement in Mississippi runs less than half the cost of the most expensive place in our rankings.

Where a Comfortable Retirement Costs the Least and Most

Most of the 10 cheapest states for retirement are in the South and Midwest, where overall living costs are particularly low. The five most expensive places — Hawaii, District of Columbia, California, New York and Massachusetts — are likely not shocking.

However, there are a few surprises amidst the data, and the type of expenses you incur can affect how much you need saved for retirement in your state. For example, Maryland is the sixth-most expensive state overall, but healthcare costs are among the lowest in the country. If you're anticipating frequent trips to doctors in your retirement, Maryland might be a relatively affordable option, even as a high-cost state overall. Similarly, Virginia isn't especially cheap overall, yet it has the second-lowest transportation cost in the country.

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Methodology: GOBankingRates analyzed consumption expenditures of Americans ages 65 and older — based on data from the Bureau of Labor Statistics' (BLS) Consumer Expenditure Survey 2017, the most recent available data — to determine how much an individual would need to retire comfortably for one year and 20 years in each state. The following expenditures were factored into the final ranking: (1) annual spending on groceries, defined as "food at home" by the BLS; (2) annual spending on housing, utilities and housekeeping, defined as "housing" by the BLS; (3) annual spending on transportation; (4) annual spending on healthcare; and (5) overall average annual expenditures. These costs were then adjusted to every state's itemized cost of living index, sourced from the Missouri Economic Research and Information Center's 2018 average annual cost of living index. After calculating total consumption expenditures, an additional savings buffer was calculated by assuming that total expenditures cover 80% of one's budget (50% for necessities and 30% for discretionary spending), with 20% left over for savings. All data and analyses included in this article are accurate at the time this study was conducted on May 17, 2019.

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