

# RetireAHEAD<sup>TM</sup>

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## Making a big move

Saving money is just one benefit of overseas retirement

By Ed Avis

When you think about visiting interesting countries, you probably imagine a vacation that takes a bite out of your retirement budget. But many people see a foreign excursion quite differently — they envision an exciting place to move to seriously stretch their retirement resources.

“The first thing you realize when you start looking for options for living in another country is that, ‘Wow, I could live an interesting, comfortable life on much less money in these places than I can in the U.S.’,” says Kathleen Peddicord, author and publisher

of Live and Invest Overseas, a web site and publishing company focused on overseas living. “But then you look more closely and realize that while money is a great starting point, there are so many other benefits. The real reason to retire overseas is to improve your lifestyle and standard of living.”

For retirees, moving to a new community in another country may seem intimidating. But advocates point to the practical benefits — the potential of much better weather and a significantly lower cost of living, to name just two.

“One thing I hear from people is that they love the ability to go without a car,” says Kat Kalashian, editor-in-chief of Live and

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Invest Overseas. “Another thing we hear is that it’s easier to have a little land in many of these places, so they can have a little garden or cow or sheep or pig.”

Another advantage to living abroad is that retired Americans’ skills are in demand in many countries, which means retirees can find new professional experiences such as teaching, consulting or mentoring. Others find fulfillment by volunteering in their new communities.

“At this stage of life, when a lot of retirees are struggling with money and trying to find a purpose, when they’re dropped into a new culture and country, they’re never bored and they get up every day with a purpose,” Peddicord says.

Peddicord’s company regularly publishes lists of top retirement locations.

**Number one on the most recent list is the Algarve, Portugal (top).**

Lots of sunshine, mild winters and affordable, high-quality health-care facilities are among the benefits this region offers. English is widely spoken, and Portugal rolls out the welcome mat for foreign retirees bringing their nest eggs, which don’t need to be large. The company estimates that a couple can live comfortably for \$1,700 per month.

Another top pick is Mazatlan, Mexico. It’s easily accessible from the United States, features an impressive historic city center and has 20 miles of beaches on Mexico’s Pacific coast.



If you’re a little more adventurous, you might consider George Town in Penang, Malaysia. It is highly affordable (imagine \$2 for a lunch of noodles with shrimp) and has top-quality health care. The country is a mix of Malay, Chinese, Burmese, Arab and other cultures, and English is the uniting language.

Love Europe? Peddicord recommends the Abruzzo region of Italy. “Abruzzo has everything Tuscany offers and more, at a fraction of the

cost,” Peddicord’s guide says.

**Finally, consider Cuenca, Ecuador (left).** A couple could comfortably live here for \$1,000 per month, and the currency is the U.S. dollar. The weather is mild, and the giant expat community makes the transition easy.

Those countries are just a sampling of affordable places that welcome to retirees. How do you choose?

Peddicord suggests making a list of what you want your new life to look like. Include things you would enjoy, and those that you want to avoid.

“Prioritize your list, and don’t compromise on the few top priorities,” she says. “You won’t find a place that checks every box for you, but you should not compromise on the top three or four things.”

Then consider whether you want to move to the new country full time

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or go back and forth. Residency opportunities and rights vary by country, and it's important to investigate that before leaving home.

Another consideration is how “local” you want to go. Would you be more comfortable in an area with a large American expatriate community, or do you want to dive into the local culture?

Ken Moraif, a senior advisor at Money Matters, a financial planning firm in Dallas, suggests asking a series of financial questions before moving. What is the income tax situation in the country? What ownership rights are available to foreigners? How will your health insurance work?

Finally, do a “test run” by moving to the area and living there for several months. But don't be a tourist — live just as you would if you became a resident.

One couple, clients of Moraif's, did just that and determined Belize — their country of choice — wasn't going to work.

“They learned that while they loved going to Belize for vacation, living there the rest of their lives was actually going to be boring,” Moraif says. “They also learned that they did not want to be far away from family.”

Moraif's clients decided not to make the move, but thousands do every year.

“The idea has been around for a long time, but 20 or 30 years ago, it was hard to find resources on this idea,” Peddicord notes. “Today, you can just go online and search for options for living overseas, and you find thousands of resources. And that is where this starts.”



## New options **for saving**

### *States opening private-sector programs*

By Jeffrey Steele

**M**ore than 55 million Americans don't have the opportunity to save for retirement at work. Only 5 percent of them will open Individual Retirement Accounts on their own.

That low percentage is not surprising. Studies have shown people are 15 times more likely to save for retirement if they have an option to save at work.

These sobering numbers are why a number of states are establishing or seriously considering launching their own state-based, private-sector savings programs. Oregon's program has been

in place since 2017, California's is set to launch July 1, and Illinois officially debuted its program, Illinois Secure Choice, in November 2018.

Illinois Secure Choice should be a boon to the savings of all participants, including people 50 and older, says Ryan Gruenfelder, director of advocacy and outreach for AARP Illinois in Springfield, Ill.

“A vast number of workers have contributed to Social Security and are counting on that,” he reports. “But we all know Social Security does not provide enough to live on annually. ... This option, particularly for those who have not had access to an employer-based savings program such as a 401(k) or

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