

2015s Best & Worst States for Military Retirees

by [John S Kiernan](#)



Retirement is typically viewed as the end of the line – a time for rest, relaxation and the pursuit of interests long ago put on the back burner. But the narrative is far different for military retirees.

For starters, the average officer is only 47.1 years old – and enlisted personnel even younger at 43.2 – [upon retirement](#) from service. Most re-enter the job market. Military retirees, veterans in particular, must also deal with the trials of assimilation, which have proven especially difficult in the wake of the wars in Afghanistan and Iraq. Rising numbers of young vets have [encountered hardship and homelessness](#).

Military retirement is a far more complicated issue than one might initially assume, given the extent to which state tax policies differ when it comes to military benefits, the relative friendliness of different job markets to veterans, and a variety of other important socioeconomic factors.

With that in mind, WalletHub sought to help ease the burden on our nation’s military community by identifying the Best & Worst States for Military Retirees. As a result, WalletHub took 20 key metrics into account in devising its rankings. You can check out the results, our methodology and expert commentary below.

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Main Findings

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Overall Rank	State Name	“Economic Environment” Rank	“Quality of Life” Rank	“Health Care” Rank
1	Wyoming	4	7	4

Overall I Rank	State Name	“Economic Environment” Rank	“Quality of Life” Rank	“Health Care” Rank
2	Montana	31	12	1
3	South Dakota	7	29	2
4	Maine	19	4	5
5	Florida	16	8	8
6	New Hampshire	12	3	25
7	Alaska	4	6	28
8	North Dakota	8	43	3
9	Oklahoma	6	9	33
10	South Carolina	3	2	43
11	New Mexico	24	32	9
12	Hawaii	27	19	11
13	Iowa	34	14	13
14	Kansas	28	34	6
15	Pennsylvania	33	16	18
16	Texas	10	44	13
17	Missouri	25	15	26
18	Arizona	26	26	22
19	Nebraska	32	25	17
20	Virginia	9	5	49
21	Colorado	19	13	38
22	Maryland	28	11	33
23	Idaho	18	28	30
24	California	49	22	7
25	Wisconsin	36	27	19
26	West Virginia	37	33	12

Overall Rank	State Name	“Economic Environment” Rank	“Quality of Life” Rank	“Health Care” Rank
27	Alabama	1	16	50
28	Georgia	21	30	29
29	Vermont	40	20	23
30	Minnesota	44	22	15
31	Mississippi	2	42	40
32	Kentucky	14	39	32
33	Louisiana	13	37	36
34	Massachusetts	30	49	10
35	Delaware	42	1	41
36	Ohio	23	36	30
37	Tennessee	11	46	33
38	Washington	35	16	36
39	Arkansas	39	30	26
40	Michigan	40	41	21
41	North Carolina	43	24	39
42	Oregon	50	40	24
43	Illinois	46	48	20
44	Connecticut	45	9	48
45	Nevada	15	38	51
46	New Jersey	48	20	44
47	New York	51	45	15
48	Utah	17	47	46
49	District of Columbia	22	51	45
50	Rhode Island	46	34	47

Overall I Rank	State Name	“Economic Environment” Rank	“Quality of Life” Rank	“Health Care” Rank
51	Indiana	38	50	42

Most Veterans per 100 Inhabitants

1. Alaska
2. Montana
3. Maine
4. Virginia
5. West Virginia



Best States
vs
Worst States

2x Difference

Fewest Veterans per 100 Inhabitants

47. Utah
48. California
49. New Jersey
50. District of Columbia
51. New York

Most VA Health Facilities per 10,000 Veterans

1. New York
2. California
3. Wyoming
4. Texas
5. Florida



Best States
vs
Worst States

8x Difference

Fewest VA Health Facilities per 10,000 Veterans

47. Connecticut
48. South Carolina
49. District of Columbia
50. Delaware
51. Rhode Island

Lowest % of Homeless Veterans per Number of Veterans

1. Virginia
2. Minnesota
3. Iowa
4. Delaware
5. Maine



Best States
vs
Worst States

17x Difference

Highest % of Homeless Veterans per Number of Veterans

47. Oregon
48. Hawaii
49. Nevada
50. California
51. District of Columbia

Most Job Opportunities for Veterans

1. North Dakota
2. Vermont
3. Idaho
4. District of Columbia
5. Virginia



Least Job Opportunities for Veterans

47. Nevada
48. California
49. Georgia
50. New Jersey
51. Maryland

Most Affordable Housing

1. Iowa
2. Nebraska
3. North Dakota
4. Kansas
5. Texas



Least Affordable Housing

- T-47. Massachusetts
- T-47. New Jersey
49. California
50. Hawaii
51. District of Columbia

Most Veteran-Owned Businesses Per 1,000 Inhabitants

1. Montana
2. Maine
3. Vermont
4. New Hampshire
5. Rhode Island



Best States
vs
Worst States

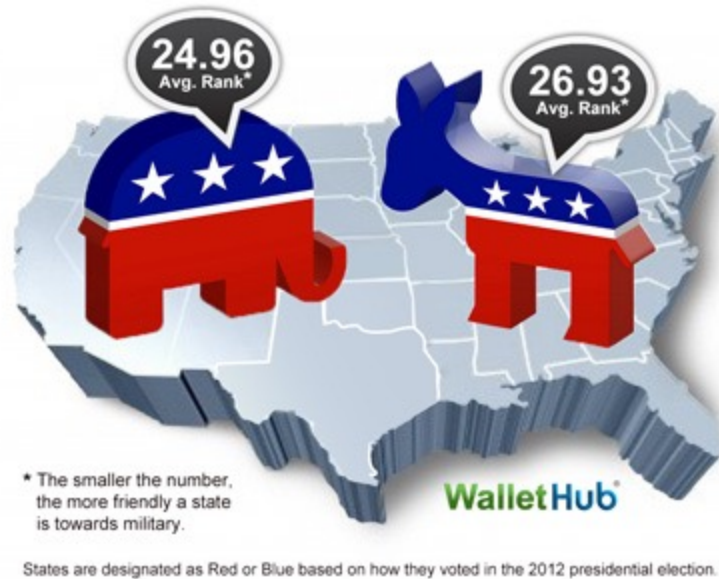
2x Difference

Least Veteran-Owned Businesses Per 1,000 Inhabitants

47. New York
48. District of Columbia
49. California
50. Illinois
51. Utah

Red States vs. Blue States

Red States are More Friendly Towards Military Retirees



Ask the Experts

Military personnel put their lives on the line to serve their country. And, in return, they deserve to be rewarded with a comfortable retirement for their patriotism. But coming out of the military can sometimes impose challenges on military retirees and veterans. For additional insight and advice with regard to overcoming those challenges, we turned to a panel of military experts. Click on the experts' profiles below to read their bios and thoughts on the following key questions:

1. Should veterans have to pay taxes on retirement pay?
2. What are the most underutilized military retirement benefits?
3. What should veterans look for in a place to retire?
4. What are the best economic opportunities for retired military personnel looking for a new career?
5. How can the VA health care system be improved to better serve veterans and their families?
6. How should the government help the military community?

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Rod Powers

U.S. Military Expert, About.com



Should veterans have to pay taxes on retirement pay?

To be clear, this response is about those retired from the military, and not veterans in general.

According to my notes, a military pension is technically a "reduced compensation for reduced services", and the Internal Revenue Service Code 26 C.F.R. S 31. 3401 (a)-1(b) (1) (ii) states that military retired pay is a Current Wage - Public law recognizes it as "pay", earned daily, paid monthly (the first payment for retired pay normally will arrive 30 days after the individual is released from active duty), and is not based on a deferred income, nor is it pay for past services rendered. (This position has been taken not only by the IRS, but also the Comptroller General, the Department of Defense, and U.S. Bankruptcy courts - that military retired pay is a reduced compensation for reduced services, with no attributes of a pension.)

On the federal level, individuals receiving Military Retired Pay, pay Federal Income Tax [they do not, however, pay Federal Insurance Contributions Act (FICA) tax]. On the state level, some states impose a tax on retired military pay. There may also be instances of city income taxes...

Now, should retired military personnel pay these taxes - why not? The taxes go towards such things as national security, law enforcement, and immigration (among other things) on the federal level, education and health services on a state level - all things that are still as relevant to the military retiree as to the civilian. Speaking only for myself as a retired military serviceman, I have no issue with that tax against my wages (though to be fair, I live in a state that has no income tax).

What are the most underutilized military retirement benefits?

My impression is that - because not all military retirees move to a location where there is ready access to a base - the ability to shop at the Commissary and Exchange, though in the case of the Exchange system, retirees can use the online site.

In case you are unfamiliar, the exchanges are the military's version of department stores - to the soldiers it's the PX (for post exchange), to the airmen it's the BX (base exchange), to the sailors

it's the NEX (Navy Exchange, though on ship it's simply the ship's store) to the Marines it's the MCX (Marine Corps Exchange); and to the Coast Guard it's the CGX (Coast Guard Exchange).

What should veterans look for in a place to retire?

Pretty much the same sort of things that a civilian looks for in a place to retire - each individual has their own requirements. Of course, there is the difference that when most military service members initially retire, they are young enough to start a second career (I think the "average" age is listed as early to mid 40's for a 20-year retiree), so that weighs in a bit. Most people retiring from the military services after 20 years are not really able to live on military retirement pay - doing so depends upon many factors such as having a mortgage, credit card debt, a car loan, and any other regular payments (such as child support or alimony). Not many people retire from the service debt-free.

What are the best economic opportunities for retired military personnel looking for a new career?

Keeping in mind the previous question, I think that "best" depends upon whether or not the individual needs to work. My Lead Host (Patrick Long, uses the handle "Exidor") in the [US Military Message Forum](#) retired from the Navy back in 2004, and to date has not had to seek part or full-time employment.

How can the VA health care system be improved to better serve veterans and their families?

Ah, tricky question. How tricky? Because not every VA facility has such issues as has been in the news. I've not run into massive waiting issues as have been in the national spotlight, and I recall that Patrick stated he'd been quickly seen in his area when he uses the VA Medical Clinic. This isn't to say there aren't issues that need addressed - only that I've not run into those issues on a personal level.

How should the government help the military community?

I'm not certain as to where this question is aimed - the government (Federal and State level) helps the military community in many ways.

You may find out more from the following initiatives: [Strengthening Our Military Families](#) and [Military Community and Family Policy](#).



- [Sherrie L. Wilcox](#) Research Assistant Professor at the Center for Innovation and Research on Veterans and Military Families at University of Southern California School of Social Work , and Director of Research and Policy at Blue Star Families



- [Jason B. Burke](#) Director of Veteran & Military Affairs at Quinnipiac University



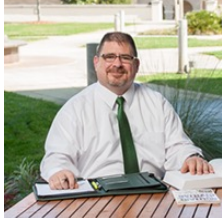
- [Ryan R. Brady](#) Associate Professor of Economics at United States Naval Academy



- [Steve Abel](#) Founding Director of Rutgers Office of Veteran and Military Programs and Services at Rutgers, The State University of New Jersey



- [Rick DeChant](#) Executive Director of Veterans Initiative at Cuyahoga Community College



- [Tedd Weiser](#) Interim Director of Veteran Student Services at Saint Leo University



- [Steve Borden](#) Director of Pat Tillman Veterans Center at Arizona State University



- [Amanda Weinstein](#) Assistant Professor of Economics at University of Akron



- [Rod Powers](#) U.S. Military Expert, About.com

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Sherrie L. Wilcox

Research Assistant Professor at the Center for Innovation and Research on Veterans and Military Families at University of Southern California School of Social Work , and Director of Research and Policy at Blue Star Families



What should veterans look for in a place to retire?

As the spouse of a service member who is retiring in the next month, I think that it is important to find a place where the military family will be able to have a strong support network. For my husband and I, we are moving back home - luckily, we are both from the same place (this isn't the case for some military families).

They should also consider a place that has opportunities for employment, education, and affordable and comfortable housing. I recommend that military families start looking into places and applying for jobs/education as soon as they find out that they are going to retire. The process of getting out of the military is stressful and overwhelming even though both of us found jobs during the transition - I couldn't imagine how much more complicated it would be transitioning somewhere new without at least one person having a new job lined up.

What are the best economic opportunities for retired military personnel looking for a new career?

I think the best opportunities may be where the veteran can use some of the key skills that they learned/used while serving in the military. Retiring military personnel have 16+ years of job experience and have been able to become experts in their job. At the very least, retiring military personnel will most certainly have strong leadership experience. The key will be translating their military-specific skills into civilian language -- this is where some of the community-based organizations can help, as well as the government programs that are required for transitioning military personnel.

I would also encourage transitioning military personnel to make connections with their peers who have recently transitioned -- what tips can their peers provide on getting a job, can their peers help them get a job, etc. -- networking can be an effective tool for finding employment.

How should the government help the military community?

Military service members, veterans, and military family members all face challenges during transitions.

The transitions that military families experience can challenge the marital relationship. Some of my recent research shows that transitioning military populations can experience problems with the intimate relationships. Unfortunately, sexual functioning problems that may result from transitions are generally not covered by insurance. This is certainly an area that needs further investigation as a large number of military populations are reporting these types of problems, but are unable to receive needed treatment.

Methodology

Bearing in mind the needs and benefits unique to former military personnel, WalletHub sought to supplement standard retirement-attractiveness metrics, such as housing costs, income taxes and access to leisure activities, with a variety of additional measures. We ultimately identified 20 key metrics, which collectively speak to the differences between each of the 50 states and the District of Columbia in terms of their overall attractiveness to military retirees. You can find them below, along with the corresponding weights that we used to construct the rankings.

Economic Environment – Total Weight: 5

- State Tax on Military Pension: Full Weight
- WalletHub [Taxpayer](#) Ranking: Full Weight
- Veteran-Owned Businesses per 1,000 Inhabitants: Full Weight
- Dollars in Defense Department Contracts per 100 Residents: Full Weight
- Job Opportunities for Veterans: Full Weight
- Number of Military Bases & Installations per 100,000 Veterans: Full Weight
- Housing Affordability: Full Weight
- Cost of Living Index: Full Weight

Quality of Life – Total Weight: 5

- Number of Veterans per 100 Inhabitants: Full Weight
- Number of VA Benefits Administration Facilities per Number* of Veterans: Full Weight
- University System Score: Full Weight
- Arts, Leisure & Recreation Establishments per 100,000 Inhabitants: Full Weight
- Percentage of Population Aged 40 & Older: Full Weight
- Number of Homeless Veterans per Number of Veterans: Full Weight
- WalletHub [Weather](#) Ranking: Full Weight

Health Care – Total Weight: 5

- Number of VA Health Facilities per Number* of Veterans: Double Weight
- Number of Federal, State & Local Hospitals per 100,000 Inhabitants: Full Weight
- Number of Physicians per 1,000 Inhabitants: Full Weight
- “Patients’ Willingness to Recommend the Veteran Hospitals” Score (Used as a Proxy for the Quality of VA Health Facilities): Full Weight
- Emotional Health: Full Weight

*For the number of veterans, we used the square root in order to avoid overcompensating for small differences.

Source: Data used to create these rankings were obtained from the U.S. Census Bureau, the U.S.

Bureau of Labor Statistics, the Tax Foundation, the U.S. Small Business Administration Office of Advocacy, Transparency.gov, Indeed.com, the Department of Veterans Affairs, U.S. News & World Report, Gallup Healthways, the Department of Defense, Missouri Economic Research & Information Center and the U.S. Department of Housing and Urban Development.

Author

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John Kiernan is Senior Writer & Editor at Evolution Finance. He graduated from the University of Maryland with a BA in Journalism, a minor in Sport Commerce & Culture,...

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Discussion

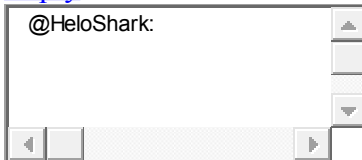


By: [HeloShark](#)

Sep 28, 2014

I like the fact that you have a methodology developed for your assessment. With your methodology, the State of Maryland gets a ranking of 18. If you live in Maryland, however, it feels more like 42. The taxes here are some of the highest in the country, as is the cost of housing and overall cost of living. For those and other reasons, a great many veterans leave the state of Maryland when they do... [read more](#)

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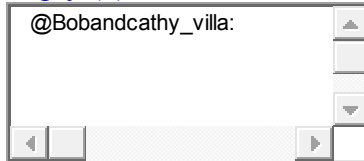
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By: [Bobandcathy_villa](#)

Aug 26, 2014

This article is seriously flawed. Example you list California as 51. California offers some excellent veterans benefits that drastically increase the veterans quality of life and income. Example 100% FREE tuition at any state school for all dependents of a service member with a 0% disability rating or higher saving veterans thousands upon thousands of dollars. They have special CalVet home loans for farms and rural purchases, property tax exemptions for qualifying vets, free vehicle... [read more](#)

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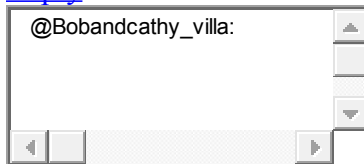
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By: [Bobandcathy_villa](#)

Aug 26, 2014

@bobandcathy_villa: What do you get in the #1 state of Wyoming, hmmm a free fishing license.

[Reply](#)



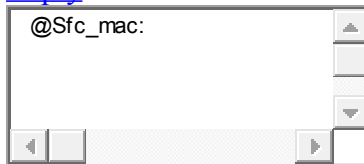
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By: [Sfc_mac](#)

Sep 6, 2014

@bobandcathy_villa: I'm a retired vet and I would never live in California. Between all the illegal aliens, gangs, sky-high taxes, debt, crime, DemProgs, leftwing contaminated "education", jackbooted anti-Second Amendment nuts, and to top it off, Governor Moonbeam, it's not a place I would ever visit let alone live. Business are leaving in droves and no one can blame them. It's a cesspool of socialist idiocy. I don't live in Wyoming, but I have been there... [read more](#)

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By: [Steve_pozza](#)

Aug 24, 2014

This is a great analysis of some important factors for military retirees. However, each individual's needs are different and there are intangibles particular to each person that cannot be

included in a summary analysis such as this. I am a military retiree and my girlfriend is about to retire, too. Would it be possible to get the data set so we can adjust to our particular situation?

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