

MOVING ON

Content to Watch Bananas Grow, More Retirees Relocate to Panama

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MIGRATORY retirees have lent more than a touch of gray to Florida, Arizona and Southern California. Next stop on the aging boomer bandwagon: [Panama](#).



Jose Angel Murillo/Polaris, for The New York Times

AT HOME Honey Dodge, front right, and her husband, Larry, back left, who moved to Panama, welcome guests to their bed-and-breakfast. [More Photos »](#)

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With low housing and living costs, a stable political environment, relatively safe streets and that tropical climate, people in their 50's and early 60's are flocking to the Central American nation, rather than working for a few more years to scrape together enough money for a condo on the Florida coast.

"We're seeing a significant number of Americans coming here to retire," said William Ostick, a spokesman for the United States Embassy in Panama City. "Panama as a nation is trying to attract

people who want to build second homes here, but a lot of them are selling their homes in the U.S. and just buying here."

Mr. Ostick said the embassy did not keep statistics on Americans who have moved to Panama to retire, but he said there were 25,000 to 30,000 Americans living there. According to the Panamanian government, four times as many American retirees applied for visas last year as in 2004.

Although Panama, a country of 3.2 million people, can present challenges to those unaccustomed to living in a developing nation, its quirks are, for many, part of its charm.

"This is a place for people who don't need outside stimulus, unless it's looking at the sunrise or watching the bananas grow," said Honey Dodge, who moved to the mountain town of Altos del María with her husband, Larry, a retired sociologist, in 2004.

Ms. Dodge, 58, was the national chairwoman of the Libertarian Party and ran a furniture business with her brother in Dallas just before moving to Panama. She said that she and her husband considered moving to countries in nearly every part of the world before settling on Panama.

"We found charts on various aspects of life around the world — like what percentage of a country's population is in prison, how much corruption there is — and Panama never came out the best on any one chart, but it was always in the Top 10," Ms. Dodge said. "By the time we flew down here, I said if it's half as good as it's supposed to be, it'll be great. Well, it was more like 90 percent as advertised."

Like many retirees, Ms. Dodge said that a chief concern about moving to another country was the quality of its health care and medical insurance. Mr. Dodge, who is 62, "has had a lot of heart trouble," Ms. Dodge said, "and we're to the point where we can't afford health insurance."

While that may be a major problem in the United States, Ms. Dodge said that medical procedures in Panama are inexpensive "and very good." She said that Mr. Dodge has required two heart stents to open clogged arteries: one in Houston cost \$52,000, and one in Panama cost \$11,000, with good results.

Ms. Dodge added that if either she or her husband ever had a debilitating disease like Alzheimer's, she could hire someone to be there full time "to make food, feed and bathe you for \$10 a day."

"If you need someone 24 hours, it'd be \$30 a day," she said. "That's where this place really kicked in."

Kevin Bradley, an insurance agent in Panama City who was born in the country and spent summers in Darien, Conn., while growing up, said that health-insurance companies that cover retirees in Panama do not deny coverage to those with existing illnesses, but any problems associated with those conditions are not covered. A client of his with leukemia, for example, was not covered for any disorders stemming from the disease, he said.

Otherwise, Mr. Bradley said that retirees can qualify for insurance covering "any doctor at any hospital, anywhere in the world, including the U.S., at a pretty reasonable cost."

"Reasonable," in Mr. Bradley's case, is a \$300 monthly payment, but with a \$5,000 deductible.

Overseas retirement specialists said that while Panama is among the hottest foreign destinations, others are growing in popularity, too. Roger Gallo, publisher of EscapeArtist.com, a Web site about international relocation, said that Belize and Argentina have also attracted many American retirees in recent years.

As for Panama, most of the recent American retirees gravitate to one of three regions — coastal areas near the Costa Rican border, like the Bocas del Toro archipelago; the cooler mountain regions of the Chiriquí Province or Altos del María; and, to a lesser extent, Panama City.

According to Bob Adams, who runs RetirementWave.com, a Web site for Americans looking to retire in foreign countries, "For \$200,000 to \$250,000 you can get a very nice condo or home with a beautiful ocean or mountain view."

The cost of living, too, can be significantly lower than in the United States, Mr. Adams and others said. Restaurant meals are typically inexpensive, as is supermarket fare. Gas tops \$3 a gallon. And, yes, the dollar is the Panamanian currency.

Some migrant retirees are surprised to hear that they must still pay United States income taxes even if they live abroad, said Karen A. Brodsky, a senior manager for Deloitte Tax, a division of the consulting firm Deloitte & Touche. "Their tax situation can be slightly complicated," she said. Panama collects no income taxes on money earned outside the country, though, so American retirees living on Social Security checks don't lose a chunk of those earnings.

For many weighing foreign retirement, the political stability of a country is a central consideration. It has been 16 years since the removal of Gen. Manuel Antonio Noriega, Panama's former dictator, and the country's lone area of political instability is in Darien Province, which is isolated from the rest of the country — no road connects it to Panama City and the more populated western provinces.

Now that Ms. Dodge has spent nearly two years in her new home — which she and her husband also operate as a bed-and-breakfast — she said she feels completely assimilated to her adopted country. "I'm not fluent in Spanish, but I can converse enough to get almost everything done," she said. "Everything is so familiar by now, it doesn't seem very foreign to me anymore."