

La Vida Cheapo

AARP Magazine, By Barry Golson, March-April 2004

For 600 bucks a month, retirees in Mexico can live in a three-bedroom home, with a gardener. For a cool thousand...well, you won't believe it



GUADALAJARA

On a balmy afternoon in Guadalajara, my wife, Thia, and I are relaxing with Janet Levy in the garden of her rented stucco home in a quiet, leafy part of the city. A former assistant to the chief executive of a Washington, D.C., nonprofit organization, Levy, 69, settled in Guadalajara in the early '90s—and life since then, she says, has been nothing less than grand.

For starters, there is her standalone three-bedroom house with a maid's room, the kind that might rent for \$2,500 a month in an upscale D.C. suburb. "I pay \$600 a month," she says. "And that includes the gardener." Levy points out that Wal-Mart, Costco, Sam's Club, and Blockbuster all have stores in Guadalajara, Mexico's second-largest city, with a population of 5 million. So when she's not puttering in her garden, Levy can indulge in American-style shopping.

Levy is also keen on Mexican health care, which, as we find, is a popular topic among expats. Though U.S. citizens living in Mexico are not covered by Medicare for doctors' visits and medical services (unless they travel back to the U.S.), the national insurance program is available to foreigners and costs about \$300 a year. There is private insurance as well, at prices considerably cheaper than in the U.S., though costs have been rising.

As for hospitals, Levy informs us that Guadalajara boasts several excellent facilities, including Hospital San Javier (which has a branch in Puerto Vallarta), Hospital del Carmen, and Americas Hospital. The custom in Mexico is for a family member or friend to stay at the hospital with the patient. Many doctors speak English, but most nurses don't, so some Americans take a Mexican friend who can translate.

Levy says Americans she knows, many on modest incomes, pay for medical expenses out of pocket, because fees and lab costs are so reasonable. They'll use insurance only for major procedures. "I've had back surgery and my gall bladder out, and the care was excellent," she says. Virtually all drugs except controlled substances are available without prescriptions. "I pay \$40 an office visit," Levy says. "And did I mention how nice it is to sit and really talk to a doctor?"

Why are we in Guadalajara? Well, after 30 years with only a few weeks off each year, my wife and I both suddenly found ourselves between jobs. Ordinarily, I'd have done what I've done in the past—immediately hit the pavement in search of work. But this time it struck me: What's the hurry?

So, while we're not ready for retirement ourselves, having just skittered past the midpoint of our 50s, we thought we'd use the extended downtime to travel and check out possible places to settle.

We had another reason for traveling south of the border: to see what it would cost. According to my research, something like half of the people in my generation haven't saved enough to retire comfortably. Meaning, if we hope to kick back in the lifestyle to which we've become accustomed, one of three things will have to happen. We'll have to either a) save a lot of money fast or b) win the lottery.

Or, alternatively, we could move to Mexico. I'd read a few of those how-to-retire books that claim you can live in Mexico on \$400 a month, with all the frioles you can eat, and my skeptical reaction was, "Oh, really?" So, I checked some other sources and found that, while our own lifestyle would take a considerable hit if we tried to get by on \$400 a month, the cost of living well in Mexico can be quite low indeed. Our curiosity was piqued.

Barry Golson's book *Gringos in Paradise* was published in November 2006. Visit our Books channel to read a review and an excerpt.

As for the language barrier, I retain a ragged fluency in Spanish, having lived in Mexico for a few years as a child. Thia speaks only the Spanish she's picked up from restaurant menus. In other words, we were about as proficient as most American couples considering a move to Mexico. We charted a course through a "retirement belt" that stretches from central Mexico to the Pacific coast and is an increasingly popular destination for thousands of Americans seeking to settle in sunnier climes and less expensive venues. The plan was to meet, chat with, and generally poke our noses into the lives of retirees.

We make Guadalajara our first stop because the State Department estimates that more than 50,000 Americans live in the area. We find a lot to like about what guidebooks call the "most Mexican of cities," not least of all its graceful architecture, matchless Orozco murals, and extremely friendly and accommodating citizens. We spend several days sightseeing, listening to street corner mariachis, and antiquing and boutiqueing in the arts-and-crafts suburb of Tlaquepaque. We eat well, with dinners for two—including appetizers and a cocktail apiece—rarely topping \$25.

We are surprised to learn, therefore, that the majority of American transplants no longer settle in Guadalajara proper. Instead, retirees generally head south to the Lake Chapala area, about 45 minutes away by car. "The city once was a draw for retirees, but no more," says Michael Forbes, a trim, transplanted Brit in his 40s, over a breakfast of huevos rancheros. Forbes is the editor of western Mexico's most widely read English-language weekly newspaper, *The Guadalajara Colony Reporter*, and has witnessed the routine: "People come down and look around, but 95 percent of them head elsewhere. Lake Chapala, with its year-round temperate climate and all those like-minded people, can seem like a paradise."

Janet Levy disagrees. She likes Guadalajara's many fine museums, the symphony, the big-city life. "I'd get bored at Lakeside," she declares, using the name Americans have given the large expatriate colony around Lake Chapala. "Why, there are people there who never even come into Guadalajara." This is the first volley we witness of the popular retirement sport—putting down where other retirees live.

We decide to scope out Lakeside for ourselves.

LAKESIDE

We pack our bags and taxi south to Lake Chapala, a \$30 ride. The view as we approach is breathtaking—a 50-mile-long lake, no urban haze, all sun and hills and marshes. Idyllic, but looks can be deceiving: the lake is polluted by industrial waste upriver. Where once there was fishing and water sports, the lake is now a view, nothing more. There have been ongoing efforts to clean it up, including a hands-around-the-lake protest several years ago, but significant results seem a long way off.



The retirement zone comprises two communities along the lake, a few miles apart: the funky, more Mexican village of Chapala, where gringos and locals live mostly side by side, and Ajijic (pronounced ah-hee-heek), where many Americans and Canadians live apart from the natives in pricey gated communities. Ajijic straddles a highway strip whose shop signs are half in English, half in Spanish, but the town does have its Mexican charms: a few blocks in from the main highway, for instance, you'll find small plazas, quaint churches, and solemn donkeys pulling carts.

Our guide at Lakeside is Ruth Ross-Merrimer, 69, an irrepressible dame with a sardonic wit. A Californian who worked in documentaries, Ross-Merrimer has lived here for 20 years and has reported on the social scene for several local English-language publications. She has also self-published a novel called *Champagne and Tortillas*, which pokes satirical fun at a retirement community not unlike Lakeside.



She can be tart about the goings-on around the lake, but also boasts about the amateur theater, the October concerts, and the opera season, as well as the charity work done by the gringo population, which includes a large number of Canadians. "Some people do live in gated bubbles," she says at the lively Ajijic Grill, where we meet. "But most had enough of an adventurous spirit to move to Mexico in the first place. They were doers, and they pour a lot of that energy into local charities. It's either that or Margarita City."

Whether you move to Guadalajara, Lakeside, or elsewhere in Mexico, Ross-Merrimer advises, be prepared for culture shock. "The two cultures have opposing attitudes toward wealth, death, time, and taxes," she says. "Americans tend to flaunt their wealth. Mexicans shield it, sometimes behind walls with spiked glass. Americans consider death the end of life; Mexicans consider it a part of life. Americans obsess about time; Mexicans are casual about it—and that's understating it, honey. Americans pay their taxes without protest; Mexicans put them off or ignore them."

Thia and I meet a wide range of retirees over the next several days. We see gorgeous homes, landscaped with all of the dazzling garden foliage the climate encourages ("Stick a clothespin in the ground here, and it'll grow," says Ross-Merrimer). And while we didn't collect data in a formal way, we were struck by how consistently retirees spoke of the reasonable cost of living in Lakeside compared with where they'd lived before. Here are a few of the comments we recorded. On housing: "A house that costs \$600,000 in Phoenix might cost \$300,000 here." On taxes: "Real estate taxes in a New York suburb can run \$12,000 a year for a house this size; here they're \$67." On utilities: "Gas and electricity are \$600 a month in Chicago; here it's \$100." (Electricity in Mexico is expensive, but at Lakeside, there's little need for air conditioning.) And finally, on amenities: "A maid in New Jersey, if you can afford one, can be \$100 a day. Here, it's \$5 to \$10 a day."

In Lakeside, as in other Mexican retirement havens, you can live as cheaply or as extravagantly as you've a mind to. Karen Blue, who at 52 "chucked corporate life" in San Francisco's Bay Area to settle in Ajijic in 1996, runs seminars for newcomers to the area with her business partner, Judy King, 59, who unlike Karen needs to work for a living. They also host a helpful subscription website for people thinking of moving to the Chapala area.

Blue and King join us for lunch to talk about life in Lakeside for those without fat pensions or golden parachutes. Our first question: "Can Americans live comfortably here on their Social Security checks?" The answer is an unqualified yes.

"Truth is," says Blue, "there are lots of respectable homes you can rent for about \$600, and then you add maybe \$100 for a gardener and maid—which makes for a very competitive housing package, no matter what your financial circumstances." Adds King: "I actually know a fair number of people who do it on less than that. They've looked around, gotten a decent little place for \$350. They may not go out to eat much, they eat more tacos than steak, but they have a very nice life here. So, yes, you can live here on your Social Security check."

On our last day in Ajijic, we gather at a lush garden home with several transplanted residents, including retiree John Bragg, 69, and his wife, Mary, 57, Californians who moved to Mexico 11 years ago. I mention to John that we are planning to visit legendarily arty San Miguel de Allende next. "Oh, I'd never live in San Miguel," says Bragg, engaging in the ever-popular sport of bashing other retirement havens. "The town is filled with Texans. You can't even go to a bar and hear any Spanish. Some blond lady's gonna come up to you and say, 'Y'all must be new in town. Wouldn't you lahk to go on a house tour?'"

As it happens, one of the first people we'll meet in San Miguel is a lady who runs—you guessed it—house tours.