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When people plan to retire, they typically focus on their financial security, health and well-being, and how they will spend their golden years. Another consideration is where they will live, and for millions, that has meant relocating to states such as Florida, Arizona, California, and Colorado, where they can enjoy warm weather, proximity to water, or access to active lifestyles. But today, as people plan for retirement, they now face a new and urgent consideration that previous generations didn't: climate change. The environment a senior lives in will have a critical impact on their finances, health, and lifestyle—yet this has historically been taken for granted. With the accelerating effects of climate change now wreaking havoc across many parts of the U.S., which have been retirement meccas for generations, this new reality has now become one of the most important factors when deciding where and how to live in retirement.

We often think about climate change in terms of rising temperatures and sea levels, but the rising costs and dangers for retirees should have everyone's attention. The convergence of extreme weather, property damage resulting in stressed insurance markets, and public health threats is creating a perfect storm that directly impacts the foundations of retirement security.

Finances: The Rising Cost of Risk

Retirees have traditionally based decisions about where to live on factors like lifestyle, taxes, cost of housing, and proximity to amenities. Now, climate volatility must be added to the list. For those living in flood and fire zones, the cost of insurance is rising rapidly—and in many areas, coverage may become unaffordable or unavailable. Oceanfront properties and other high-risk areas are seeing federal insurance subsidies disappear, with private premiums often exceeding $700 annually for flood coverage alone (FEMA, 2024). Yet only 27% of Americans have flood insurance (Insurance Information Institute, 2024).

According to a recent PricewaterhouseCoopers (PwC) study, insurers in wildfire-prone and hurricane-prone regions are increasing insurance premiums by double digits, cancelling policies, or refusing to renew them (2024). California, for example, experienced a nonrenewal rate of 31% compared to the year before, and across the nation, insurers are refusing renewals in many high-risk areas at alarming levels. With many insurers pulling out of high-risk zones (e.g., California, Florida), "insurance deserts" are emerging where homebuyers may be unable to secure mortgages without insurance coverage—leading to massive home equity erosion (PwC, 2024; Financial Times, 2024; Wikipedia, 2024).

Insurance deserts are created as insurers leave high-risk zones, mortgages become harder to secure, property values fall, and tax bases shrink. All of these factors harm public services like schools, police, and fire departments (Columbia Business School, 2024). As insurers raise prices or exit, some regions may become uninsurable not only for homeowners, but life

and health insurers may also retreat from high-health-risk areas or demographic segments as climate-related health burdens intensify (PwC, 2024).

Seniors living on fixed incomes are particularly vulnerable to these financial shocks. The loss of property or employment due to a catastrophic event can disrupt retirement income and permanently damage financial plans. Homeowners in vulnerable areas should pay close attention to local real estate markets and consider the risks to their equity and their ability to sell or relocate. In some cases, it may be wiser to rent in higher-risk areas rather than invest in property.

Also, "danger zone inflation" driven by climate-related disruptions—like the impact on food, water, and utilities—is eroding financial stability for residents. Not only are insurance premiums increasing, but grocery prices are rising, electricity costs are surging, and building materials are more expensive and harder to procure in disaster-prone areas.

Facing these realities, retirees in high-risk locations should consider a couple of safety measures: first, maintain a couple of years of living expenses in liquid, cash-equivalent accounts such as money market funds to stay financially flexible in case of a sudden disaster. Second, have an evacuation and communication plan that provides details about how family members will stay in touch and how seniors will be helped to safety in an emergency. These two steps can be relatively simple to do, and they can ultimately be lifesaving.

Home Is Where the Risk Is: Property Values & Insurance Disruption

Homes—once the bedrock of retirement wealth—may become a financial liability in high-risk zones. Property insurance premiums have surged across the U.S., rising by double digits in thirty-one states from 2022–2023. In high-risk ZIP codes prone to wildfires or flooding, homeowners now pay on average nearly double the annual premium compared to low-risk areas—$2,321 vs. $1,277 (MarketWatch, 2024).

A wise man once said that climate change will be real when the insurance companies say so. Well, insurers have made up their minds and are not just charging more—they're leaving. In states like California, Florida, and Louisiana, companies are cancelling policies in droves. State Farm, for example, non-renewed 70% of policies in LA's Pacific Palisades after recent wildfires (TIME, 2025). Many homeowners are being pushed into state-run FAIR Plans, which are less comprehensive, more expensive, and financially undercapitalized. California's FAIR Plan holds just $200 million in cash while remaining exposed to $450 billion in risk (TIME, 2025).

When state FAIR Plans buckle, the financial burden spreads across all policyholders—and potentially the federal government. Florida's post-Hurricane Ian "Hurricane Tax" is a taste of what could become a national phenomenon (TIME, 2025; Columbia Business School, 2024).

Homeownership remains a central part of financial planning in retirement. It provides shelter and builds equity—but climate change is upending this model. Insurance coverage for climate-related damage may no longer be available. Repairs from disasters can be costly and, for many, even impossible, driving home values in vulnerable zones to crash as conditions worsen. The implications are stark, with property values in uninsurable areas dropping by up to 12%, weakening retirement equity. In this environment, lenders will deny mortgages without insurance, creating "stranded" or unsellable homes (Columbia Business School, 2024; Deloitte, 2024; PwC, 2024). PwC forecasts that without insurance reform and climate adaptation, the U.S. could lose $1.5 trillion in home equity over the next 30 years.

Health: A Growing Threat to Senior Well-being

Seniors are at heightened risk from the health consequences of climate change as well. Heatwaves, wildfires, air pollution, hurricanes, and floods all pose serious health threats to older adults—many of whom live alone and/or on fixed incomes and may have mobility challenges or rely on medical devices such as oxygen or dialysis. Chronic exposure to heat, drought, and air pollution—as well as acute disasters like hurricanes and wildfires—is increasing rates of cardiovascular illness, respiratory problems, and even climate-linked mental health conditions like PTSD. These pressures are amplifying life and health insurance claims, especially among older and medically fragile populations (PwC, 2024).

Seniors living in high-risk zones should do all they can to stay physically strong and healthy with a focus on boosting immunity, respiratory capacity, muscular strength, and cardiovascular health to increase their resilience to extreme conditions and disaster recovery.

The New England Journal of Medicine joined 200 other medical journals in 2021 to declare climate change one of the greatest health threats to humanity, citing seniors as particularly vulnerable. Heat-related deaths in people over age sixty-five have increased more than 50% in the last two decades. A recent report from the Natural Resources Defense Council estimated the health-related costs of climate change at $820 billion annually in the U.S., with much of the burden falling on vulnerable populations like seniors (NRDC, 2023).

Insurance companies, already grappling with higher claims, are re-evaluating risk pools and pricing driven by these rapidly escalating environmental hazards. As climate-linked mortality and morbidity rise, we're likely to see reduced access to affordable life and health coverage—or the outright retreat of life and health insurers from high-risk areas (PwC, 2024; Wikipedia, 2024; LinkedIn, 2024).

Lifestyle: Rethinking Retirement Destinations

While areas like Florida, Arizona, Texas, Colorado, and California have long been popular retirement destinations, they are now among the most climate-vulnerable states. The question is—for how long will it make sense to retire there?

Climate change is making traditional retirement meccas increasingly risky. Author David Pogue, in *How to Prepare for Climate Change: A Practical Guide to Surviving the Chaos*, recommends considering more stable areas like the Great Lakes region, including cities such as Madison, Wisconsin, and Duluth, Minnesota. While no place is immune, some locations are less exposed to extreme weather events. As time marches on, expect to see climate change "migrations" of people relocating to more stable environments which will begin to create supply and demand issues with a different set of economic challenges and opportunities for retirees.

Real estate markets in climate-vulnerable zones continue to grow in demand and value—but cracks are starting to appear in these markets and this may be creating a game of musical chairs. Seniors with strong equity in homes in at-risk areas might consider cashing out and relocating to more stable environments. Others may want to explore international options, where some regions offer a lower cost of living and milder climate risks. For those still drawn to high-risk regions, short-term rentals may offer a safer alternative to ownership.

Political Fallout: Federal Government Assistance in Doubt as FEMA is Eliminated

Further complicating the situation for people who live in high-risk zones is the announced end of the Federal Emergency Management Agency (FEMA) by President Trump on June 10th, 2025. In his announcement he said, "We want to wean off of FEMA, and we want to bring it down to the state level," later saying, "A governor should be able to handle it, and frankly, if they can't handle it, the aftermath, then maybe they shouldn't be governor" (CNN, 2025).

The Trump administration has made it clear they expect states to take over the responsibility of handling disaster rescue and recovery efforts. Homeland Security Secretary Kristi Noem, who has oversight responsibility for FEMA, further stated that FEMA "fundamentally needs to go away as it exists." President Trump elaborated by saying, "It's extremely expensive, and again, when you have a tornado or a hurricane or you have a problem of any kind in a state, that's what you have governors for. They're supposed to fix those problems."

Unfortunately for people who live in high-risk zones, it is widely acknowledged that the states do not have the resources to replace the federal government, particularly as the frequency and severity of natural disasters is rapidly growing. As people consider where they will live in retirement they will need to contend not only with expensive, or non-existent, insurance coverage but also the lack of disaster recovery resources as FEMA is eliminated.

A "Code Red" for Retirement Planning

The world has reached a "Code Red" moment, and for those entering or living in retirement, climate change should now be woven into their planning process. Climate change isn't a distant concern—it's here now, and it's accelerating. Seniors must prepare for the negative impacts it will have on their finances, health, and lifestyle. Ignoring these risks is no longer an option. By facing this reality head-on and adapting accordingly, seniors can protect their well-being and their financial security in the years to come.

The climate crisis isn't just an environmental issue—it's a retirement planning emergency. Whether choosing to retire in the U.S. or internationally, climate change must now be among the top considerations. Oceanfront properties and flood zones are already seeing the effects of rising sea levels and more intense hurricanes. Meanwhile, heatwaves, droughts, and wildfires pose growing risks to personal safety, financial security, and quality of life. Through higher insurance premiums, home value loss, rising costs of living, and threats to life and health, retirees are increasingly on the frontlines of a financial and health shock wave. Whatever someone's beliefs are about the causes of climate change, reality can't be ignored when it comes to people's lives. The climate has changed—and will continue to change at an accelerating pace—and of all those affected, seniors will be among the most vulnerable. The time for proactive planning about the growing threats of climate change to a safe and secure retirement is the only way forward. •CSA

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