



Lifestyle Feature: The Realities of Retiring Abroad

By John Curry

“Before I turned 50, I asked myself what I wanted to do before I died,” says Amy Mortimer, a real estate broker and business owner in Blacksburg, Virginia. “One of my answers was to become fluent in Italian.”

Mortimer studied in Italy in college, an experience that stayed with her throughout her life. Years later, her lingering interest in Europe turned into a real question: What if I lived abroad?

Today, Amy and her husband Michael divide their time between the U.S. and—no, not Italy, but Spain. They’re part of a wide community of Americans who have retired—or are planning to retire—abroad, and their path reflects a broader shift in how people are thinking about life, work, and place.

The Practical Pull

The U.S. State Department estimates that roughly 9 million American citizens live outside the country, and more than 700,000 Social Security beneficiaries receive their monthly payments outside the U.S. Typically, relocation is driven by work or by retirement. For many, it begins as a question about lifestyle.

Most people who have moved abroad will tell you the appeal is less about romance and far more about practicality. Cost of living is a common catalyst, particularly for retirees who worry their savings won’t support the lifestyle they envisioned in the U.S.



“Affordability is what gets people thinking about this in the first place,” says Kathleen Peddicord, founder of the resource hub Live and Invest Overseas and a longtime relocation researcher who has spent more than three decades helping Americans explore life outside America.

A generation ago, retirees often relocated to lower-cost U.S. cities. Today, online tools make it easy to compare housing, health care, and daily expenses across borders. Places like Mexico, Panama, Costa Rica, Colombia, Portugal, and Thailand now appear regularly in retirement conversations, not as fringe ideas but as plausible options.

For the Mortimers, extended time in Spain brought those comparisons into sharper focus. Everyday expenses—from groceries to transportation—felt more manageable, especially when they lived like locals rather than tourists. They realized their money could stretch further while supporting a lifestyle that felt fuller and more connected.

From Dream to Due Diligence

What begins as a financial calculation soon becomes a deeper question of identity and lifestyle.

Peddicord, who splits her time between Panama City, Panama, and Paris, encourages people to begin by thinking about priorities instead of specific destinations. Factors such as weather, walkability, culture, cost, public services, and pace of life often matter more than national borders. Once those priorities are clear, the list of viable locations naturally narrows.

[Melissa Cella](#), a CAPTRUST financial advisor in Folsom, California, has helped several clients plan for and manage international lives. She says her first priority when talking with someone who wants to live internationally is to understand whether the idea is still exploratory or beginning to feel concrete.

Few people do it all at once, she says. More often, the plan unfolds gradually through short trips, longer stays, and a growing sense of what fits and what doesn’t. They might rent apartments in different cities for a few weeks or months, shop at neighborhood markets, learn the local transit systems, or linger in public spaces long enough to observe daily rhythms.

“Spend some time in the new country and speak with those who have already made the move,” says Cella. The goal is to experience ordinary days.

For the Mortimers, it was Italy that sparked the idea. Extended stays in multiple countries over several years helped refine it. And over time, their firsthand experiences answered questions that cost-of-living charts and visa guides never could.

“Somewhere along the way, we realized we wanted to be in a larger city with a lot of cultural opportunities—restaurants, shows, museums—and easy transportation to other places,” Mortimer says. “We also wanted to be on the Mediterranean and close to an international airport.” Barcelona felt like the best possible fit.



Life Happens Locally

Of course, choosing a country is only the beginning. Daily life doesn't unfold at the level of national borders. It happens on specific streets, in familiar restaurants, near certain parks and stores, and along particular transit lines. As a result, relocation decisions have become increasingly granular, shifting focus from countries to neighborhoods.



“Your lifestyle is completely different depending on where you are in a country,” Peddicord says. “Living in Panama City is a totally different experience than living in Panama on the coast or in the mountains. Weather, cost, neighbors, housing—everything changes.”

The same logic applies across Europe, South America, and Asia. In any country, different neighborhoods can feel like separate worlds. Some cater to visitors or expatriates. Others center on schools or markets. Those distinctions shape daily life and rhythms.

For the Mortimers, the final layer of decision-making came down to neighborhood feel. They landed in Barcelona’s Eixample district, drawn by its walkability, safety, access to cafés and markets, and proximity to transportation.

Two Buckets

Once the emotional decision is made, the questions turn practical. This is where some people stall, as the life they imagine collides with paperwork, unfamiliar systems, and timelines that don’t conform with American hustle.



The dream and the logistics can feel inseparable. Peddicord suggests treating them as two distinct pieces.

One is about the life you want to live—daily rhythm, community, culture, and pace. The other focuses on the logistics required to support that lifestyle, including residency rules, banking, real estate, taxes, utilities, and documentation. Trying to solve both at once can create

unnecessary friction, but separating them makes the administrative work more manageable.

Professional guidance can help reduce confusion, especially as residency programs evolve and cross-border systems intersect. The Mortimers worked with a concierge service to coordinate identification numbers, real estate, and residency requirements. “It didn’t make the process instant, but it did make things clearer,” Mortimer says.

For high-net-worth households, property structures, tax residency, healthcare access, and estate planning often span multiple jurisdictions and require careful coordination. Some choose to purchase real estate to anchor their presence. Others prefer renting. Some retain U.S. property for family or diversification purposes. Others choose to sell.

Cella sees three things that create the most complexity: understanding the full cost and structure of daily life; navigating cross-border tax obligations; and ensuring that estate plans account for assets held in more than one country.

Legal Realities

Living abroad is both a legal and a lifestyle choice. Immigration rules vary by country, but in general, long-term residency paths fall into three broad categories.

One common route is through income-based visas, including work permits, retirement or non-lucrative visas, and digital nomad programs. Requirements vary, but most involve providing proof of financial means, healthcare coverage, background checks, and documentation. Some of these visas can eventually lead to permanent residency or citizenship.

Another path is residency through investment, which is typically tied to real estate purchases or government-approved investment funds. These programs have become more regulated in recent years, but they remain an option in some jurisdictions.

Remember, visa programs are tools, not guarantees. They evolve alongside political priorities and economic conditions. The Mortimers qualified for residency through a real estate purchase under Spain’s Golden Visa program. However, in 2025, Spain phased out the real estate-linked component of that program amid concerns about housing affordability.

A third option, called citizenship-by-descent, offers individuals with qualifying parents or grandparents a more durable legal pathway to citizenship, though documentation can be time-consuming and complex. Countries including Italy, Ireland, Poland, Portugal, Hungary, and Mexico have citizenship-by-descent programs with varying qualifications and documentation requirements.

“Residency programs change, and tax rules evolve,” Cella says.

“The key is building flexibility into the plan so that your lifestyle decisions don’t create unintended consequences.”

Which route makes sense depends on your personal circumstances, including finances, family history, career plans, healthcare needs, and how permanent the move is intended to be.

The Day After

People tend to imagine life abroad at its most polished. What they rarely picture is how disorienting the early days can be. “When you step off the airplane, that’s when you know the least,” Peddicord says. “The first day can be the hardest.”

Americans often arrive with expectations shaped by digital access, speed, and clear instructions. Outside the U.S., those assumptions don’t always translate. Even in places like Puerto Vallarta, Mexico, where many services cater specifically to American retirees, daily life still operates on local terms.

Peddicord’s advice: “Leave your expectations at the border.”

The friction between expectations and reality rarely stems from a single major problem. More often, it comes from a series of small ones. Errands may take longer than expected and require more attention than they ever did back home.

In Cella’s experience, the challenges tend to involve interactions with everyday systems, such as communication across countries, banking, learning transportation systems, and getting used to cultural norms that don’t show up during shorter trips.

Buying groceries, for instance, can become an exercise in both vocabulary and patience. But once you’ve done it, the mystery fades. The second visit is easier. By the third, you know where to go, what to get, and which questions to ask.

In many parts of the world, systems run on relationships rather than efficiency. Processes happen at the pace of tradition, not convenience.

“Nowhere in the world is as easy as the U.S.,” Peddicord says. “But easy isn’t necessarily what makes people happy.”

What changes is your relationship to uncertainty. Over time, curiosity replaces frustration. Those who settle in learn to approach unfamiliar tasks as something to be learned, not something to be fixed. They learn that a system isn’t broken just because it doesn’t match their expectations.

Also, not every relocation becomes permanent.

Some people return home after a year or two, surprised by how much they miss being close to family or the comforts of cultural familiarity. But that doesn’t mean the adventure failed. Moving abroad for a trial run can clarify what matters—whether that’s a change of pace or a renewed appreciation for home.



Tax Facts for Americans Abroad

The U.S. is one of only two countries in the world that practices *citizenship-based taxation*; the other is Eritrea in East Africa.

This means that as long as you hold a U.S. passport, the IRS requires you to report your worldwide income every year, regardless of where you live or where the money was earned. While foreign tax credits often mitigate double taxation, high-net-worth individuals with complex investment structures may face additional reporting and compliance obligations.

Beyond income tax, the administrative bucket includes specialized reporting for foreign assets. If the total of your foreign bank accounts exceeds \$10,000 at any point in the year, you must file a Foreign Bank Account Report (FBAR). Larger assets may trigger additional requirements under the Foreign Account Tax Compliance Act (FATCA). Failure to comply with these requirements can result in significant penalties that quickly erode the cost-of-living benefits of moving abroad.

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