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## Central America Wants U.S. Retirees

By JULIANA BARBASSA The Associated Press

Published: Sep 16, 2006

SAN FRANCISCO - High in a downtown hotel, Nicaraguan folk dancers twirl in lacy white dresses, their bare feet creating rhythms on the wooden stage, giving their buttoned-down audience a bit of tropical warmth on a foggy afternoon.

Their flounce and easy smiles before this roomful of travel experts are part of an effort to promote Nicaragua to Americans who might choose to retire there, attracted by its pristine beaches and colorful culture.

Then there are the tax breaks and other incentives, which baby boomers may find even sweeter than the tropical fruit the dancers carefully balance in baskets on their heads.

"They're a growing market with disposable income looking for a place to live, and Nicaragua has that," said the country's young minister of tourism, Maria Rivas. She's putting her Harvard-honed business skills to work highlighting the country's safety, its modernizing infrastructure, and the laws enacted to attract foreign investment and retirees.

In spite of the country's gorgeous coastline and undisturbed forests, Rivas' job has its challenges.

Mention of Nicaragua and other Central American countries still is more likely to conjure images of dictators and guerrilla warfare than of cozy retirement homes. And glitches remain, such as uncertainty over upcoming elections and occasional power outages.

Rivas said tremendous growth has taken place in recent years under the democratic government.

"It's an adventure, not just the United States transferred," said Lynn Mangum, a retired executive. He and his wife split their time between homes in New York, New Jersey and Nicaragua.

Seeking a warm and inexpensive place to retire is nothing new to Americans. Costa Rica and Mexico long have laid out a welcome mat to retirees.

Several nations have sought to increase their appeal by passing laws meant to attract retirees, investors and others who can pump cash into the economy.

In Nicaragua, anyone older than 45 who earns at least \$400 a month can import their out-of-country earnings and household goods tax-free. A car can be brought in every five years, then resold, without a sales tax deduction.

It's even easier to invest. Those willing to put money into the country's tourism industry, such as setting up a seaside cafe or resort, qualify for tax breaks of up to 100 percent on everything from construction material to furniture for up to 10 years.

Honduras and Belize have passed similar measures. Panama sweetens the deal by throwing in discounts of up to 50 percent on all the comforts an American abroad could desire: movies, restaurants, airline tickets, even prescription medication and hospital stays.

"What these countries are realizing is the tremendous value in this baby boomer market," said Jeff Hornberger, international development manager for the National Association of Realtors.

Buying property in foreign countries can be intimidating and tricky, and those who are not familiar with local practices can fall prey to swindlers or demands for graft. Many countries don't regulate real estate agents, and the buying process can involve translators, lawyers and unfamiliar negotiating tactics.

Still, the numbers show Americans are increasingly willing to take their chances.


The number of Social Security checks drawn abroad has risen steadily, from 188,000 in 1992 to 255,000 in 2004.

And a growing number of retirees have been seeking out Central America and the Caribbean. More than 15,000 Americans drew their Social Security checks there in 2004. And the number of people who spend part of the year in the region is probably much greater, experts said.

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