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When Norma Cooper turned 60 and was ready to move away from Buffalo, N.Y., she headed north, instead of south.

Cooper, 78, had a son living in Alaska. "I came up to visit him one summer, and that did it," Cooper said. "Three years later, I came up here and retired and opened a new business."

For many years, older Alaskans fled to warmer, less expensive places when they retired, and many still do. But a growing number of retirees are, like Cooper, heading the other direction—north to Alaska.

The number of retirees in Alaska is growing, and fast. The Institute of Social and Economic Research at the University of Alaska Anchorage reported recently that Alaska's age-65-and-older population grew by 60 percent from 1990 to 2000. That compares to just 12.5 percent growth in that population nationwide.

From 2000 to 2010, that population is expected to continue growing rapidly — 61 percent in Alaska, compared to 15 percent nationwide. And another 55 percent growth in that age group is expected between 2010 and 2020 in Alaska.

Part of the increase is due to more Alaskans choosing to stay here after they retire. It's also due to retirees moving from other states, often to join children in Alaska.

ISER's Scott Goldsmith and Jane Angvik looked at the economic impact of the growth—and it's significant. They calculated that the 52,000 retirees age 60 and older put nearly \$1.5 billion into the state's economy in 2004. Three-quarters of that was from Social Security and other pensions. Most of the rest of it was from spending on health care, some of which came from the government and some from private insurance companies.

"They are contributing to the economy in a major way," said Denise Daniello, executive director of the Alaska Commission on Aging.

The ISER report indicates that retiree spending is responsible for nearly 12,000 jobs in Alaska. The \$1.46 billion in retiree spending is more than the \$1.3 billion paid to Alaska fishermen for 2005 seafood harvests and more than the \$1.34 billion value of Alaska mineral production in 2004. It approaches the \$1.8 billion in tourist spending in 2001, according to ISER.

"The economy is bigger, and I would argue, more stable because of their presence," Goldsmith said in an interview. Seniors add stability because their spending is year-round, and they are distributed throughout the state, he said.

Older Alaskans also contribute to their communities by volunteering. The report estimates retired Alaskans' formal and informal volunteer work is worth up to \$52 million a year, and their caregiving work is worth about \$47 million.

The percentage of Alaska's population that is over 65 is still lower than other states; it's just 6 percent, compared to 12 percent nationwide. And still more people over 65 leave Alaska than arrive here.

But Daniello said it's a different world for retirees than it was when she moved to Alaska 30 years ago.

"I just remember back then, when people hit the age of 60, they flew south," she said. "They moved to Florida or California or someplace warm."

Several factors have made it more attractive for Alaskans to remain here after retiring, according to the ISER report. The gap in the cost of living between Alaska and the rest of the country has narrowed. Also, more people think of Alaska as a permanent home than once did.

Fred Bennett of Soldotna is one of those. "I spent 40 years in Alaska, and that's why I retired here," the 84-year-old Bennett said. "This is home."

There are also economic incentives that, if they don't attract people here, at least make it easier for them to stay. The Alaska Permanent Fund dividend program provides about \$1,000 a year to all residents, and Alaska collects no personal income tax or sales tax. The state has ended the Longevity Bonus Program, a program that provided monthly payments of up to \$250 to some older Alaskans. But a new program, SeniorCare, provides financial help to some older Alaskans based on income.

Also, local governments in Alaska are required to exempt senior citizens from paying property taxes on the first \$150,000 of their property's value. Governments can choose to provide a more generous exemption, as well. The area of the state with the fastest growing senior population—the Kenai Peninsula Borough—exempts the entire value of a senior citizen's primary residence from local taxes, although there is talk of paring that back.

Some retirees say they appreciate the benefits, but that's not why they are in Alaska.

It's the friendly people and the things to do, 81-year-old Mary Lane said. She moved from Moses Lake, Wash., to Alaska in 1991 to join her children. "And I'm not leaving," she said.

She paints, she does needlework and she dances—including line dancing, tap dancing, clogging and hula—with a group of women from the Soldotna Senior Citizens Center.

For Carl Baker, 63, of Palmer, the perks Alaska provides its senior citizens helped tipped the balance in favor of staying in Alaska after retiring instead of moving to Montana, where his retirement income would be taxed.

“They have all kinds of benefits for seniors up here,” Baker said. In addition to the property tax exemption, older Alaskans pay nothing for hunting and fishing licenses or for license plates on one vehicle.

Like other older Alaskans, though, Baker said it’s not only the economic incentives that keep him here. He has family and friends here, and he’d much rather live in a cold place than in the heat of California, where he was born and raised.

“It’s just a beautiful country to live in, and a lot of good people up here,” Baker said.

The Matanuska-Susitna Borough, where Baker lives, is just behind the Kenai in growth of its senior citizen population. While most parts of Alaska still lose more retirees than they gain, almost as many seniors moved to the Mat-Su between 1995 and 2000 as moved out.

Goldsmith speculates older Alaskans may gravitate toward the Mat-Su for the same reason people of other ages do. Homes are less expensive there than in Anchorage.

Goldsmith said the population of older Alaskans is distributed throughout the state in roughly the same proportions as the overall population: 75 percent live in Anchorage or other urban areas; 9 percent live in remote rural areas that aren’t on the highway or the marine highway systems; and 15 percent live in less remote rural areas, such as Cordova, Valdez, or Sitka.

Most don’t live alone. About half of Alaskans 65 and older are living with a spouse or partner, according to the ISER report. Another 20 percent live with people other than spouses, such as their children. A quarter of older Alaskans live alone. Just 5 percent live in nursing homes or assisted living homes.

Older Alaskans are younger on average than senior citizens in the rest of the country, which is one reason few older Alaskans live in nursing homes. About 36 percent are younger than 65, and only 5 percent are 85 or older.

That compares to 10 percent who are age 85 or older in the nation as a whole, and only about a quarter who are under 65.

While the growing population of older Alaskans provides economic benefits, the state also spends money providing services for them. The state spent \$141 million, or about 6 percent of the state's general fund, on programs for older Alaskans, according to the report.

Goldsmith said the researchers did not attempt to calculate whether there was a net economic benefit from the growing senior population. The report notes that all Alaskans—regardless of age—receive more in government services than they pay in taxes. Alaskans in general receive about \$5,000 in general state services and pay about \$400 a year in state taxes. That's because oil revenues pay for most state spending.

Daniello, of the Older Alaskans Commission, said the state needs to plan for continued growth of the senior citizen population, by addressing issues such as transportation needs and a growing need for services to keep older Alaskans in their homes and out of nursing homes.

The ISER report predicts that health care spending for older Alaskans, on a per-person basis, could nearly double by 2030. That's because the population of Alaskans over 85 is expected to grow by 219 percent between 2005 and 2030, and health-care expenses at that age often skyrocket.

The growth in the population of older Alaskans has spurred a bit of a boom in construction of senior housing projects, particularly on the Kenai and in the Mat-Su.

The Alaska Housing Finance Corporation, which is involved in financing, ownership or management of some 1,500 senior citizen apartments statewide, saw about 940 of those apartments built in the last decade. And more are on the drawing board, said Mark Romick, AHFC's director of planning.

Homer Senior Citizens has 73 housing units for older Alaskans, and is applying for financing to build another nine-plex, said Fred Lau, the administrator for the non-profit.

"When we have an apartment come open, we have it filled within a two-week period," Lau said. "If the housing's here, people will tend to stay."

At 63, Lau is looking ahead to retirement himself, but he doesn't see a condo in Arizona in his future. He's lived in Alaska 35 years, and his children are here.

"I'm not planning on leaving," Lau said.