HMS
FINANCIAL GROUP

WEALTH MANAGEMENT & FINANCIAL PLANNING

EYE ON MONEY

MAR
APR
2015

SHOULD YOU CONVERT TO A ROTH ACCOUNT?

STRATEGIES TO MAXIMIZE YOUR SOCIAL SECURITY BENEFITS

WHEN TO REVIEW YOUR ESTATE PLAN

THREE THINGS TO KNOW ABOUT GIFT TAXES

1 **You can give any number of people up to $14,000 each per year without your gift being subject to the federal gift tax,** thanks to the annual gift tax exclusion. Married couples can combine their exclusions and give any number of people up to $28,000 each. Plus, they can generally make unlimited gifts to each other. The annual exclusion for 2014 and 2015 is $14,000.

2 **If you gave gifts to someone other than your spouse that totaled more than $14,000 in 2014, you most likely have to file a gift tax return.** The return is due April 15, 2015 (October 15, 2015 if you request a 6-month extension of time to file).

3 **You may not owe gift tax even if you have to file a gift tax return.** That's because each of us has a lifetime exclusion, in addition to an annual exclusion. The lifetime exclusion amount, as of 2014, was $5.34 million. So as of 2014, you can give away up to $5.34 million (in addition to those amounts you give away using the annual exclusion) during your lifetime or after death without owing a cent in federal gift or estate taxes. The lifetime exclusion amount is adjusted annually for inflation and was bumped up to $5.43 million at the start of 2015. ■

For more information, please consult your tax advisor.

©iStock.com/Kasiam

inside

UP FRONT

FEATURES

FYI

©iStock.com/Nastia11

MAKING THE MOST OF YOUR TAX REFUND

ADDING TO SAVINGS AND PAYING down debt are the two most popular uses for a tax refund, according to annual surveys by the National Retail Federation. Last year's survey indicated that among people expecting a tax refund, 46% planned to direct some of it to savings and 38% planned to pay down debt.

If you are expecting a tax refund this year, consider how you can make the most of it. Save it? Use it to pay down debt? Here are a few ideas.

Invest in your future. Whether you are saving for retirement, college for the kids, a new home, or some other goal, a tax refund is a golden opportunity to add to your savings.

The average refund in 2014 was about $2,700, according to the IRS, which may add up to a tidy sum over time if invested. For example, if you invest $2,700 and it earns 5% annually for the next 20 years, you've parlayed a $2,700 tax refund into about $7,300 in savings. (This is a hypothetical example, and your results will be higher or lower. It is possible to lose principal when investing. This example assumes that the refund was invested within a tax-deferred account.)

Invest in yourself. Your ability to earn an income and your health are two of your greatest assets. Consider spending part of your tax refund to potentially improve the return on these assets by taking a class, pursuing a degree, or participating in a health improvement program.

Invest in your home. If your savings are on track, consider investing your refund in your home. While your refund may not be enough to redo the kitchen, it may be more than enough to tackle some repairs or add curb appeal. By making repairs now before the problems escalate, you may avoid more expensive repairs down the road. And if you are planning to move soon, adding some curb appeal may make it easier to sell your home.

Pump up your emergency fund. Ideally, you should have several months' worth of living expenses in liquid savings to deal with emergencies, such as job losses. If your emergency fund is not adequately funded, use your tax return to pump it up so that you have a financial cushion to fall back on when emergencies occur.

Pay off high-interest debt. If you are carrying a balance on your credit card, use your refund to pay it off. And if you carry a balance on more than one card, it is generally a good idea to pay off the card with the highest interest rate first while making minimum payments on the other cards.

Have fun with it. If your savings are on track and your current finances are under control, consider devoting a reasonable part of your tax refund to something that gives you lasting pleasure. Maybe it's time to tick something off your bucket list!

If you expect a sizable refund this year, consider adjusting your withholding (by updating your Form W-4) so that you receive larger paychecks and can pursue your financial goals throughout the year. ■

*

You have until April 15, 2015 to...

File your 2014 personal income tax return or request a 6-month extension of time to file. To avoid interest and penalties, taxes must be paid by April 15 even if you request an extension.

Contribute to an IRA for 2014. The 2014 contribution limit is $5,500 for individuals under age 50 and $6,500 for individuals age 50 or older. (Additional limits may apply.)

How are stock funds categorized?

Understanding how stock funds are categorized is essential in building a well-diversified portfolio.

MARKET CAPITALIZATION

Stock funds are often categorized by the size of the companies they invest in, as measured by their market capitalization. Market capitalization, or "market cap", is the total value of a company's outstanding shares. It is calculated by multiplying the number of shares a company has issued by the current share price. For example, a company with 100 million shares outstanding and a share price of $50 each has a market cap of $5 billion.

Companies are generally divided into three groups—large cap, mid cap, or small cap—according to their market cap. The boundaries of each group vary depending on who is doing the categorizing. Roughly speaking, large-cap companies have a market cap in excess of $5 billion or $10 billion, small-cap companies have a market cap under $1 billion or $2 billion, and mid-cap companies fall in the middle.

Knowing the market caps in a stock fund gives investors a clue about how the fund may perform because market-cap groups have different return potential and price volatility. In general, the smaller the market cap, the greater the return potential and price volatility. By diversifying your investments among market-cap groups, your potential long-term returns may be higher than if you invested only in large-cap stocks and the price volatility may be lower than if you invested only in small-cap stocks.

INVESTMENT STYLE

Stock funds are also categorized by investment style—growth, value, or blend—based on the stocks they choose to invest in.

Growth funds invest primarily in companies that fund managers believe have high earning potential and may grow faster than average. Growth companies tend to reinvest their profits in growing their business rather than paying dividends. By reinvesting their profits, growth companies hope to increase their earnings and ultimately their share prices.

Value funds invest in companies that managers believe are undervalued and think may increase in value. Value-oriented companies tend to pay dividends, providing investors with income, as well as the potential for higher share prices over time.

Blended funds invest in both growth companies and value companies, or companies that have both growth and value characteristics.

Growth funds generally have greater return potential than value funds and also tend to have greater price volatility, meaning that their share prices tend to fluctuate more widely than value fund prices in the short term.

SECTORS

Stocks are categorized according to the sector of the economy or the industry that the company does business in. Examples of sectors include consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecommunication services, and utilities.

While some stock funds invest in stocks from a broad range of sectors, others invest in a narrower range or even just one sector. Funds that invest in one sector are known as sector funds.

Sector funds enable investors to target those sectors and industries that they believe may perform better than others for a period of time. Due to their reliance on the performance of a single sector or industry group, sector funds are generally more volatile than funds that invest in a broader range of sectors, industries, and companies, as well as more susceptible to industry-specific risks.

GEOGRAPHY

Stock funds are also categorized according to the part of the world where the companies they invest in are based.

There are three broad geographic categories. Domestic stock funds invest primarily in U.S. companies, international stock funds invest in companies outside of the U.S., and global stock funds invest in companies throughout the world, including the U.S.

Stock funds may also focus on companies in a specific region of the world, such as Europe or Asia, and may even be country-specific. Keep in mind though, that the narrower the geographic focus of a foreign fund, the greater the risk.

When investing in stocks and stock funds, you can reduce risk and volatility in your portfolio by spreading your money among different market caps, investment styles, sectors, and geographies. Your financial advisor can recommend a mix that is appropriate for you. ■

PLEASE NOTE:

Diversification does not ensure a profit or protect against loss in declining markets.

Before investing in mutual funds or ETFs, investors should consider a fund's investment objectives, risks, charges, and expenses. Contact your financial advisor for a prospectus containing this information. Please read it carefully before investing.

Foreign investments involve special risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards, and other factors. Investing in emerging markets involves greater risk than investing in more established markets.

Please consult your financial advisor for help in developing and implementing an investment plan.

Should You Convert to a Roth Account?

Transferring tax-deferred retirement savings to a tax-free Roth account can be a smart move for many people. But is it the right move for you?

Why consider a Roth conversion?

If you like the idea of paying tax now on your retirement savings so that any future growth is income-tax-free and can be withdrawn tax-free in retirement, consider converting your traditional retirement account to a Roth retirement account. Given the right circumstances, you may pay less tax overall by converting now, as well as gain flexibility in how your savings are distributed.

Before deciding whether to convert, it is important to understand how traditional and Roth accounts are taxed.

With a traditional account, income tax is deferred on your investment earnings, and perhaps on your contributions, until the money is withdrawn from the account. Any money that was not taxed previously is subject to income tax when it is withdrawn.

With a Roth account, contributions are made with income that you have already paid income tax on. So to convert traditional savings to Roth savings, you will need to pay income tax in the year of the conversion on the converted amount that was not taxed previously. Once in a Roth account, earnings grow tax-free and withdrawals are tax-free in retirement, provided the rules for Roth accounts are followed. Over time, the tax-free earnings may more than offset the upfront tax cost to convert and result in more money for you in retirement.

And while annual distributions from traditional IRAs and workplace retirement accounts are generally mandatory after age 70½, Roth IRA account owners are not required to withdraw money at any age. With a Roth IRA, you have the freedom to leave the account intact in order to maximize its tax-free growth potential. This may be an attractive option if you want to leave your heirs an income-tax-free asset. Your heirs can stretch the tax benefits—tax-free compounding and withdrawals—over their lifetimes by taking annual distributions based on their life expectancies.

To sum it up, a Roth conversion offers tax-free growth potential, tax-free withdrawals in retirement, freedom from required minimum distributions for Roth IRA owners, and the potential to stretch the tax benefits into the next generation.

Can you do it?

All account owners—regardless of income—are eligible to convert traditional savings to Roth savings. The question is are your savings eligible to be converted?

If you have money in a traditional, SEP IRA, or SIMPLE IRA, great! Money in these accounts can be transferred to a Roth IRA, although a SIMPLE IRA must be open for at least two years before it can be converted.

If you have money in an old 401(k), 403(b), or 457(b) retirement plan, you can transfer it to a Roth IRA as long as you no longer work for the employer who sponsors the plan.

If you have money in your current employer's 401(k), 403(b), or 457(b) plan, you generally cannot move money out of the plan, but you may be able to do an in-plan conversion if the plan offers designated Roth accounts and permits conversions. In-plan conversions have only been an option for a few years, and not all plans have adopted this option yet.

If your employer's plan allows in-plan conversions, you can convert your vested savings to a designated Roth account. Contributions you make to the plan are always fully vested and are generally eligible to be converted. You may need to complete a few years of work before your employer's contributions are fully vested and able to be converted.

Should you do it?

While a Roth conversion can be a smart move for some people, it is not the right move for everyone. Here are a few things to consider when deciding whether a Roth conversion is right for you.


© iStock.com/Yuri

The benefits of a Roth account

- Tax-free growth potential.
- Tax-free withdrawals in retirement.
- Roth IRA account owners are not required to take minimum distributions, so you can leave your savings in the account to compound tax-free for your lifetime, if you wish.
- An income-tax-free asset for your heirs.

Three ways to minimize tax on a Roth conversion

- Convert in a year when your taxable income is lower than normal so that you are in a lower tax bracket and the converted amount is taxed at a lower rate.
- Convert when your account balance is down so that there is less to pay tax on.
- Convert only enough each year to avoid being pushed into a higher tax bracket.

When you convert to a Roth account, you must pay income tax in the year of the conversion on the pre-tax amount that you convert. So are you better off paying tax on your savings now or waiting until you withdraw money in retirement? The answer depends in part on your future tax rate. If you think you will be in a higher income tax bracket in retirement, you may pay less tax by converting and taking the tax hit now while your marginal tax rate is relatively low and your balance lower than it may be in retirement. On the other hand, if you are in your peak earning years and expect to be in a lower tax bracket in retirement, you may pay less tax if you leave your savings in a tax-deferred account and pay the tax as you make withdrawals in retirement.

Of course, no one knows for certain what your marginal tax rate will be in retirement, so your decision may be based simply on which way you *think* your tax rate is headed. Plus, it is important to note that income tax rates, and perhaps the rules for Roth accounts, may change during your lifetime.

Speaking of marginal tax rates, be sure to consider the impact that a conversion may have on your tax rate. Remember, the pre-tax amount that you convert will be added to your taxable income in the year of the conversion and may push you into a higher tax bracket with a higher tax rate. To avoid paying tax at a higher rate, consider converting smaller amounts over a few years—converting just enough each year to bring your taxable income to the top of your current tax bracket.

It is also important to consider whether you can afford to pay the tax on the amount you convert. Ideally, the tax should be paid from funds outside of your retirement account so that the full amount you convert is available to compound tax-free. A conversion may be a less attractive proposition if you need to dip into your tax-favored savings to pay the tax.

Also, be sure to consider your age and when you will need your savings. If you are under age 59½, the money you convert generally must remain in the Roth account for at least five years to avoid a 10% early distribution penalty. The penalty does not apply once you reach age 59½.

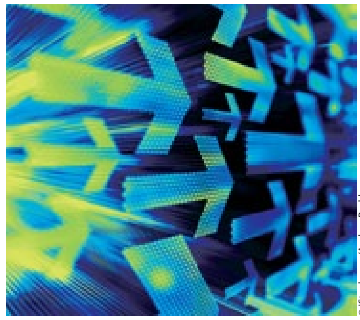
How do Roth IRAs differ from other Roth accounts?

There are two major differences between Roth IRAs and Roth 401(k), 403(b), and 457(b) accounts.

The first difference is that Roth IRAs do not require account owners to take annual distributions beginning at age 70½, but all other types of Roth accounts do. If you want to avoid having to take annual distributions, consider transferring the money in your Roth 401(k), 403(b), and 457(b) accounts to a Roth IRA after you leave your employer.

The second difference is that you can undo a Roth IRA conversion if you change your mind, but you cannot undo conversions to other types of Roth accounts. With a Roth IRA, you generally have until October 15 of the year following the conversion to change your mind and “recharacterize” your Roth savings by transferring them to a traditional IRA.

Why might someone want to undo a Roth IRA conversion? Let’s say your Roth IRA loses value in the months after it is converted. By recharacterizing the amount in your Roth IRA, you avoid having to pay tax on the conversion—including the amount that was lost in value. You can reconvert the money to a Roth IRA at a later date, if you’d like. ■



Given the right circumstances, converting to a Roth account can be a smart move. To help assess whether it may be a good move for you, please consult your tax and financial advisors.

Strategies to Maximize Your Social Security Benefits

When and how you claim your Social Security benefits has a great impact on the monthly amount you receive.

UNTIL YOU BEGIN RECEIVING SOCIAL Security benefits, the base for your monthly benefit amount is not carved in stone. The age when you begin receiving benefits and whether those benefits are based solely on your own earnings (personal benefits) or your spouse's earnings (spousal benefits) influence the benefit amount. These variables provide opportunities to maximize your benefits. Here are three potentially benefit-boosting claiming strategies to consider.

Get higher payments by starting later. The age that you begin Social Security benefits has a great impact on the amount of your monthly benefit. If you start receiving your personal benefits at full retirement age, somewhere between age 66 and age 67, you will receive what is known as your primary insurance amount. Start benefits sooner, say, at age 62 when you are first eligible, and your monthly benefit amount will be permanently reduced. Start benefits later, up until age 70, and you will accrue delayed retirement credits for each month that you postpone the start of your personal benefits. These credits permanently increase your monthly benefit amount.

How much can the start date affect a monthly benefit? For someone entitled to a $1,000 monthly benefit at a full retirement age of 66, starting at age 62 reduces the benefit to $750 while waiting until age 70 increases the benefit to $1,320.

So by waiting until age 70 to begin receiving your own benefits, you can permanently increase the amount of your monthly benefit by as much as 32%. Of course, you will have missed all of those payments between age 62 and 70. So is it better to receive lower payments for a longer time or higher payments for a shorter time?

In part, the answer depends on how long you live. By the time you reach the average life expectancy for someone your age, the lifetime benefits will be about the same regardless of when you started. And if you live past the average life expectancy, delaying the start of benefits will result in higher lifetime benefits.

File a restricted application. If you have reached full retirement age and are eligible for spousal benefits and your own benefits, you can generally file a restricted application for just spousal benefits. This tactic enables you to receive spousal benefits for a few years while delayed retirement credits continue to pump up the amount of your own monthly benefit, which you can switch to at age 70.

File and suspend. This strategy may make it possible for either you or your spouse to receive spousal benefits for a few years, while both of your personal records continue to accrue delayed retirement credits. Here's how it typically works.

If you have reached full retirement age, you have the option to file for your benefits and then suspend them so that delayed retirement credits continue to accrue, resulting in a higher monthly benefit when you resume benefit payments, typically at age 70.

Why bother filing in the first place if you don't intend to start receiving benefits until age 70?

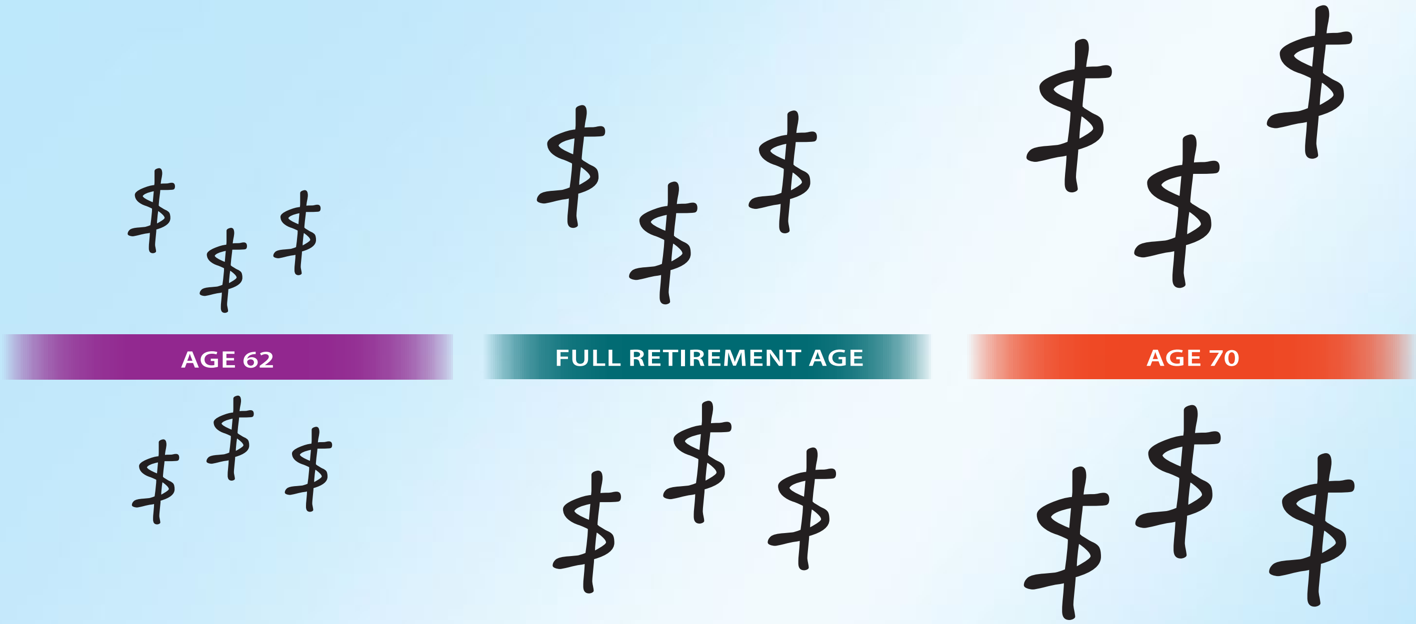
One reason is so that your spouse can file for spousal benefits, which is not possible until after you've filed. By filing and then suspending your benefits, your spouse can receive spousal benefits while you wait for your own benefit to increase.

And if your spouse reaches full retirement age before filing for benefits, he or she can file a restricted application, limiting the benefits to just spousal benefits. This way, your spouse's own record will accrue delayed retirement credits while he or she receives spousal benefits. At age 70, each of you can begin benefits on your own record, which will be higher thanks to the effects of the delayed retirement credits.

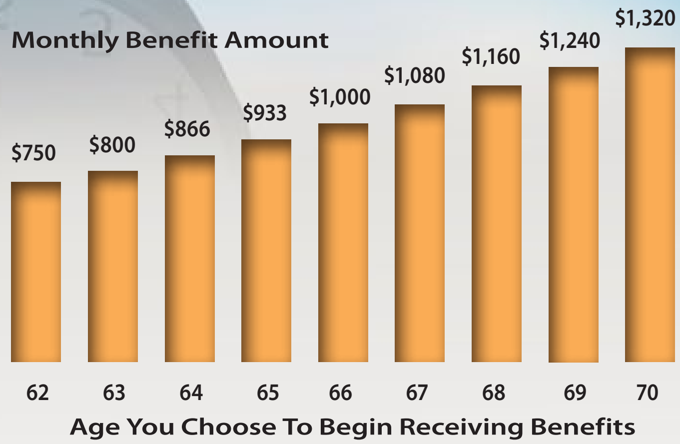
Even single individuals may benefit from filing and suspending. How so? Filing and suspending offers you the flexibility to change your mind later on about having delayed the benefits and request a lump-sum payment back to your suspension date. Although you will give up the credits you accrued while your benefits were suspended, in some circumstances (such as if you are single and terminally ill) an immediate lump sum may be more desirable than future higher payments.

Strategies to maximize delayed retirement credits may not be available forever. President Obama, in his 2015 budget, called for their elimination, but some pundits think such a change is not apt to happen any time soon.

Choosing when and how to start your Social Security benefits can be a complex decision, and the strategies mentioned here may not be appropriate for you. Please consult your financial advisor for advice. ■



The longer you wait to start receiving your own Social Security benefits, up until age 70, the higher your monthly benefit.



This example assumes a monthly benefit of $1,000 at a full retirement age of 66.

SOURCE: Social Security Administration

How to Prepare Financially for a Natural Disaster

What You Can Do to Help Ensure That Your Finances Weather the Storm

IF A TORNADO, HURRICANE, FLOOD, or other natural disaster were to strike your area today, would you be ready financially? The following tips can help you get your financial records and insurance coverage in order so that a natural disaster does not turn into a financial disaster for you. And remember, the best time to act on these tips is while the sun is still shining so that you are ready if Mother Nature sends destruction your way.

1. Assemble a financial emergency kit. Gather the financial records that you may need in one spot where you can quickly grab them if you ever need to evacuate your home in a hurry. Be sure to include copies of your insurance policies—homeowners, flood, and auto—and the contact information for the insurance companies. If you do not normally carry a mobile device that can take photos, include a camera in your kit so that you are prepared to document the damage to your home for insurance purposes.

2. Keep cash on hand. If power is knocked out in your area, you may not be able to withdraw money from an ATM or pay with a credit card. For this reason, it is a good idea to include some cash in your emergency kit that you can use to cover your immediate travel and living expenses. You may also find it helpful to include some checks.

3. Inventory your possessions. If your home is damaged or destroyed in a disaster, having a home inventory can help expedite your insurance claims and substantiate a tax deduction for unreimbursed casualty losses. To create your inventory, go room-by-room throughout your home, listing your belongings, including their brands, models, and serial numbers. Include receipts for high-price items. Take pictures or videos of each room and the things in it. Then store a copy of your home inventory off-site where you can access it if necessary. For example, consider uploading it to cloud storage or leaving it with a trusted family member who lives in a different area. Also keep a copy of it in your emergency kit. As you purchase new items or make renovations to your home, be sure to update your home inventory.

4. Store important documents off-site. To prevent your important documents from being destroyed if your home is damaged, it is a good idea to keep the original documents in a safe location other than your home. For example, a safe deposit box can be a good location for deeds, titles, birth and marriage certificates, divorce decrees, contracts, and copies of those documents whose originals are stored elsewhere. Your attorney may provide storage for your will and trust documents. Your safe deposit box may not be the ideal location for your will and trust documents if you live in a state that seals safe deposit boxes after the account owner's death.

5. Back up your financial data regularly. Consider uploading your statements and other financial data to a secure location in cloud storage or copying the files to portable media, such as a USB flash drive, that you can store off-site in a safe location. Also consider adding a list of your financial accounts and the contact info for them to your emergency kit.

6. Review your insurance coverage annually. A lot can change in a year… Your home can increase in value due to a remodel. A major purchase, such as new furniture, can boost the value of your home's contents. You may have begun using your home for business purposes. To help ensure that your insurance coverage stays in sync with the changes in your home, it is a good idea to review your coverage once a year with your insurance agent.

7. Consider purchasing flood insurance. Most homeowners insurance policies do not cover flood damage. You can help protect yourself financially from the ravages of flooding with a flood insurance policy. This type of insurance is available through the National Flood Insurance Program and can be purchased from an insurance agent, provided your community participates in the program. Excess flood insurance is also generally available if you need more coverage than is offered by the program. ■

Please contact your insurance agent for advice on your insurance coverage. And if your home is ever damaged in a disaster, please consult your tax advisor about how to deduct unreimbursed casualty losses.

After the Storm Passes

- **Take photographs of the damage to your home** once it is safe to do so to help document your insurance claim.
- **Report your loss** to your insurer who will generally supply you with the forms needed to file a claim.
- **Keep your receipts** if you need to relocate. You may be able to file a claim for additional living expenses that you incur as a result of a disaster.
- **Apply for federal disaster aid**, such as a low-interest disaster loan, if your home is damaged in a federally declared disaster.
- **Deduct unreimbursed casualty losses** on your tax return.

When to Review Your Estate Plan

A professional review of your estate planning documents can help ensure that they will meet your goals and objectives.

WHEN WAS THE LAST TIME YOU reviewed your estate planning documents? One year ago? Five years ago? Never? To help your estate plan stay in sync with changes in your family, finances, and the law, it is important to review the documents on a regular basis, as well as when major changes occur in your life or the law.

In general, it is a good idea to review the documents (wills, trusts, powers of attorney, health care proxies, and living wills) with a professional every few years. Your estate planning attorney or CPA can recommend an interval that is appropriate for your situation.

In between professional reviews, consider reading over the documents yourself every year to determine whether you have changed your mind about any aspects of your plan. If you would like something changed, discuss it with your estate planning professional.

In addition to a periodic review, consult a professional when your life or the law undergoes a major change. Here are a few examples of changes that typically signal the need for a review and possibly changes to your documents.

A change in your marital status. Getting married or divorced is definitely an occasion to review and update your estate plan. At the very least, you may want to change the beneficiaries in your will and trusts, as well as for your financial accounts and life insurance policies. If you named your ex-spouse as the person to make health care or financial decisions for you in the event you are ever incapacitated, you may want to create a new power of attorney and health care proxy naming someone else.

A change in your family. Births, deaths, and marriages in your family may also signal the need for a review. For example, you may want to change how your estate is divided after the arrival of a new child or grandchild or the death of a beneficiary. And in the case of a new child, you may need to amend your will to include the name of a guardian.

Upon the death of a guardian, executor, or trustee. If someone you chose as a guardian, executor, or trustee dies or is no longer willing or able to serve, your estate planning documents will need to be updated with the name of your new choice.

When a family member becomes disabled. An inheritance may make a disabled person ineligible for means-tested government benefits, such as Supplemental Security Income (SSI) and Medicaid. If a member of your family becomes disabled, please consult an estate planning professional about how to provide for that individual without jeopardizing his or her eligibility for public assistance.

A major change in your assets. If your estate has changed significantly in size or composition since the documents were created, your estate planning goals and objectives may have also changed. A review can help determine whether adjustments to your plan or documents are needed.

A move to another state. Laws affecting your estate can vary significantly from state to state. If you move to another state, be sure to have your estate planning documents reviewed by a professional who can determine whether they are valid in your new state or whether changes are needed. A review is especially important if you move to or from a community-property state.

Changes in the law. Both federal and state governments occasionally change the laws that impact taxes and estates. When changes occur, it is a good idea to check in with your estate planning professional to see whether a review of your estate planning documents is advisable.

If it has been a while since your estate planning documents were reviewed by a professional, or if you have experienced any of the events mentioned here, please contact your estate planning attorney or CPA for advice. And if you have not set up an estate plan yet, there is no time like the present to get started! ■

*

It is a good idea to review the following estate planning documents every few years and when major changes in your life occur.

- **Last will and testament.** In this document, you name the beneficiaries that you want to receive your assets after your death, as well as a guardian for your minor children.
- **Trusts.** Trusts are designed to help you meet a variety of estate planning goals, such as avoiding probate on the assets in the trust and keeping the details of your estate private.
- **Durable power of attorney for finances.** If you ever become too ill to manage your own affairs, this document gives your chosen person the authority to manage all or part of your business and personal affairs.
- **Health care proxy.** Also known as a durable power of attorney for health care, a health care proxy is where you name an individual to make medical decisions on your behalf in the event you are unable to do so.
- **Living will.** This document conveys your wishes regarding hydration, feeding, and resuscitation in end-of-life circumstances.

MILAN, ITALY | Style City

BY BRIAN JOHNSTON

GIVEN THE COMPETITION, IT'S PERHAPS no surprise that Milan gets overlooked by visitors to Italy, despite its superlative art museums and internationally-renowned opera. True, this northern industrial city isn't quite sun-drenched, lacks romantic ruins, and is inhabited by hard-working, driven people. But Milan is a richly rewarding, dynamic city that brings visitors up-to-date with the best of modern Italy, rather than dwelling on dead Romans and Renaissance popes.

Most of all, that modernity is represented in the top-end fashion, cutting-edge furniture design, and cool contemporary art scenes. Just wandering the streets is a lesson in inimitable Italian style. Barmen moonlight as Versace models, heads swivel at beautiful pedestrians, and this year's window decorator might, like Giorgio Armani, be the next big thing.

Start with shopping because the downtown Golden Quadrangle is the fashion epicenter of the world. Framed by four streets—Via Montenapoleone, Via Sant'Andrea, Via della Spiga, and Via Gesù—this chic downtown district puts the superlative into shopping, whether you're after Alessi homewares, perfumes, kitchen knives, Frette linens, or sumptuous Etro textiles. All the top Italian fashion brands have outlets here, including Ferré, Prada, Moschino, Aramni, Versace, and Dolce & Gabbana, whose changing rooms sport gold thrones. Even if these fashion labels are available back home, it's worth a look here, since many offer styles that aren't available in the USA.

You'll also have one of the best people-watching experiences on the planet: women in suits pinstriped with silver heading to work, dowagers wafting by on clouds of Fendi perfume, and waiters gliding around marble-topped tables with all the grace of catwalk models. Saturday afternoons are particularly fashionable, as Italian celebrities stroll past on high heels that look like knife points. Boutiques are as graceful as art galleries, and passers-by define eye candy; fatto la brutta figura (being badly turned out) is unforgivable in Milan.

If you're going to check out just one shopping experience, make it Galleria Vittorio Emanuele, which isn't just one of the city's most select retail spaces but a sight in itself. Opened in 1865, this mall

Milan's Galleria Vittorio Emanuele (left) is an ideal place to people watch from a cafe table, as well as to shop. The Duomo (below) is a fabulous concoction of turrets, statues, and opulent ornamentation.

has mosaic-covered floors and immense glass and cast-iron ceilings. Nicknamed 'the drawing-room of Milan', it's the place to linger late afternoon at a café table in order to watch the after-work crowd sashay through as if auditioning for bit parts in a sultry Italian movie.

You don't necessarily have to spend big in Milan, however. La Rinascente is Italy's largest department store and, as you might expect, has a large range of clothes, as well as household items. The in-store restaurant and snack bar on the seventh floor also boasts fine views over the city's roofs. (If you happen to be in Milan in December, La Rinascente is famous during that month for its glorious Christmas decorations both in the shop windows and inside the shop itself.) For affordable fashion and designer knock-offs, head to the shops and market-style stalls along Corso Buenos Aires.

The city's great sightseeing draw card—and a reminder of things spiritual—is its immense marble Duomo (cathedral) which took five centuries to complete and erupts architectural design from gothic to baroque to modern stained glass. D. H. Lawrence likened it to an 'imitation hedgehog' but poet Elizabeth Barrett-Browning called it 'a sort of romantic snow dream', due to its fabulous concoction of turrets, statues, and opulent ornamentation made of white marble. The view from its ornamented roof is marvelous (you can sometimes see the Alps), and the piazza below is another fine place to linger. The crypt houses the remains of a local sixteenth-century saint, Charles Borromeo, a cardinal who worked among the city's poor. He lies in a glass coffin, regally dressed in vestments and jewels, with a gold crown on his head said to have been designed by Cellini, the renowned Renaissance goldsmith.

Near the cathedral stands La Scala opera house, one of the world's most famous. It was opened in 1778, and the opera season still runs every year between early December and May. This is followed by a concert season, with a brief ballet season in September. Shows are invariably sold out, so book well before arriving in the city. No one, though, should miss the small museum,

© iStock.com/rcaucino

which must be one of the most eccentric anywhere. Exhibits include composers' death masks and plaster casts of various conductors' hands, Anna Pavlova's ballet shoes, Verdi's spinet, and Rossini's eyeglasses. There's also a statue of Puccini dressed in his own rather voluminous overcoat. You can take a peek into the red-velvet auditorium of the opera house itself and, if you're lucky, catch a glimpse of a rehearsal in progress.

Art lovers and conspiracy theorists alike flock to fifteenth-century Santa Maria delle Grazie, where Leonardo da Vinci's famous *Last Supper* covers the wall of a monks' refectory. The restored fresco powerfully portrays betrayal. The church has other treasures and pleasant cloisters.

For sightseeing with a difference, Milan's Monumental Cemetery is the resting place of Milan's high society, bursting with after-life design. Extraordinarily inventive Greek temples, obelisks, baroque angels, and fine Art Nouveau sculpture decorate tombs, while more questionable artworks include a sculpted *Last Supper*.

Beyond the *Last Supper*, few people think of Milan when it comes to art, yet Museo Poldi-Pezzoli holds an outstanding personal collection that includes Bellinis, Tiepolos, and Botticellis. Pinacoteca di Brera displays the best north Italian art anywhere. There are works by Veronese, Tintoretto, and Bellini, as well as a Pietà by Carpaccio, said to be one of the most moving paintings in the whole history of Western art.

For something utterly different, however, trek out to the former Pirelli factory in northeast Milan to inspect Hangar Bicocca. Here contemporary artists take advantage of huge open spaces and soaring ceilings to create the most outsize artworks you'll ever see. A permanent 50-foot-high installation by German artist Anselm Kiefer, *Seven Heavenly Palaces*, is made of concrete and lead. Cleverly curated temporary shows highlight the best of contemporary art, design, and innovation from both well-known and emerging artists, often in interactive ways that include performance and music.

When it's time to unwind, head to the Navigli district. Here, just south of the city center, run three canals that once formed part of Milan's port; the 12th-century Naviglio Grande is the oldest navigable canal in the world. Railways killed the district off, but Navigli's canal-side warehouses are now redeveloped into artists' studios and interesting design boutiques. The neighborhood has a lively atmosphere reminiscent of southern Italy thanks to street markets and restaurants. Weekend evening crowds come for the pubs, wine bars, and nightclubs with good live music, including rock, reggae, and especially jazz.

All Milan is a stage: enjoy the spectacle. ■

© iStock.com/dwphotos

FORT WORTH, TX ▶ **Main Street Fort Worth Arts Festival** *April 9–12, 2015*

The largest arts festival in Texas spans more than 27 blocks in Downtown Fort Worth, showcases the works of more than 200 juried artists, and presents more than 100 performances by musicians, dancers, and street performers for 4 days each April. Visitors can browse through the art exhibits, enjoy live performances by national, regional, and local musicians on 3 stages, and savor tenderloin tamales, Texas BBQ, and other local cuisine from vendors along the way.

MEMPHIS, TN ▶ **Beale Street Music Festival** *May 1–3, 2015*

Set in Tom Lee Park on the shores of the Mississippi River, this 3-day music festival presents an eclectic mix of rock, blues, soul, and modern music on multiple stages. Last year's event featured performances by Kid Rock, Patti LaBelle, Joan Jett & the Blackhearts, Jerry Lee Lewis, Buddy Guy, and many more musicians.

NEW ORLEANS, LA ▶ **New Orleans Jazz & Heritage Festival** *April 24–26 & April 30–May 3*

This celebration of New Orleans music and culture attracts 400,000 people each year. The main attraction is the music—and there's plenty of it, performed on multiple stages throughout the venue... Jazz, blues, R&B, gospel, Cajun, zydeco, and most every other type of music associated with New Orleans and Louisiana. And then there is the food... Muffulettas, crawfish etouffeé, Creole stuffed crabs, and many other New Orleans specialties, available for those moments when music alone cannot sustain you.

NEW YORK CITY, NY ▶ **Opening of the New Whitney Museum Building** *May 1, 2015*

The Whitney Museum of American Art will open the doors to its new Renzo Piano-designed home on May 1, 2015. Located in Manhattan's Meatpacking District, the new 220,000-square-foot building approximately doubles the Whitney's exhibition space, enabling the Museum to expand its temporary exhibitions, as well as present more of its collection of 20th- and 21st-century American art. The inaugural exhibition is drawn entirely from the Museum's permanent collection, and will be followed by exhibitions devoted to the work of Archibald Motley, Frank Stella, Laura Poitras, and others.

NORFOLK, VA ▶ **Virginia International Tattoo** *April 23–26, 2015*

About 900 bagpipers, drummers, military bands, dancers, singers, drill teams, and performers gather in Norfolk's Scope Arena each year to present the largest Tattoo—a military musical display—in this country. The 2015 cast includes bands and performers from Australia, Canada, Denmark, Finland, the Republic of Korea, the United Kingdom, and the United States.

OLYMPIA, WA ▶ **Olympia Spring Arts Walk** *April 24–25, 2015*

Hosted by more than 100 businesses in Downtown Olympia, the Olympia Spring Arts Walk typically features the works of local painters, photographers, sculptors, potters, and other visual artists, as well as hands-on family activities and street performances. ■

QUIZ

WHERE IN THE WORLD ARE YOU?

1. If you are driving along the cliffs on the Road to Hana (above), you are in:

A. Maui
B. Costa Rica

2. If you are kayaking among sea lions in the Sea of Cortez, you are off the coast of:

A. The Yucatan Peninsula
B. Baja California

3. If you are shopping in the eight-block area known as The Ginza, you are in:

A. London
B. Tokyo

4. If you are crossing the continental divide at Logan Pass, you are in:

A. Montana
B. Colorado

5. If you are admiring the view from the Top of the Rock observation deck, you are in:

A. New York City
B. Seattle

6. If you cheered from the stands as Germany won the FIFA World Cup last summer, you were in:

A. Argentina
B. Brazil

7. If you are crossing the Charles Bridge on your way to St. Vitus Cathedral, you are in:

A. Prague
B. Venice

8. If you are snorkeling in the crystal-clear lagoon that surrounds this Pacific island, you are in:

A. Bora Bora
B. Barbados

9. If you are dodging icebergs off Cape Horn, you are off the southernmost tip of:

A. Africa
B. South America

10. If you are sliding down a white-water chute in the Salmon River, you are in:

A. Idaho
B. New Hampshire

ANSWERS: 1–A, 2–B, 3–B, 4–A, 5–A, 6–B, 7–A, 8–A, 9–B, 10–A

H|M|S
FINANCIAL GROUP

WEALTH MANAGEMENT & FINANCIAL PLANNING

333 Elm Street, Suite 210
Dedham, MA 02026

11278-04

H|M|S
FINANCIAL GROUP

WEALTH MANAGEMENT & FINANCIAL PLANNING

Barbara Shapiro, CFP, CDFA, CFS & Herb Shapiro

Founded in 1988 as an independent firm, HMS Financial Group is committed to ethical and personal financial planning and wealth management. Operating as an Office of Supervisory Jurisdiction (OSJ) for one of the largest, independent investment broker/dealers* in the United States, HMS does not have proprietary products, and has no vested interest other than the financial success of its clients.

Herb Shapiro, Vice-President and founder, brings more than 44 years of industry experience to the HMS team. He began his career in 1970, and worked for several firms until 1988, when he founded HMS Financial Group. His core values of providing personal service, maintaining market objectivity, and high standards of integrity and honesty with the clients he serves, are deeply imbued in the HMS philosophy.

Barbara Shapiro, President, is a Registered Investment Advisor with the Commonwealth of Massachusetts, is a Certified Financial Planner™ and one of the first Certified Divorce Financial Analysts in Massachusetts. She holds a Master of Science in Finance from Suffolk University and is a Graduate of the Securities Industry Association Institute at the Wharton School. Additionally, she holds a Master of Education in Counseling from Boston University and a Master of Education in Moderate Special Needs from Northeastern University.

Among her many recognitions, Barbara has served as a National Board Member of the Securities Industry Foundation for Economic Education, past member of the Boston Jewish Community Women's Fund, and the Treasurer of the Massachusetts Council of Economic Education. She is continually interviewed and quoted in all of the major financial publications.

She is an active lecturer to diverse groups and educational institutions, and has written and teaches a course on financial planning, investments, and long-term care insurance.

Tel: 781-251-2655 • Fax: 781-251-2656 • Location: 333 Elm Street, Suite 210, Dedham, MA 02026
E-Mail: bshapiro@hms-financial.com