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FINANCIAL GROUP

WEALTH MANAGEMENT & FINANCIAL PLANNING

EYE ON MONEY

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2017

HOW TO CREATE A FINANCIAL SAFETY NET

WHAT YOU CAN DO TO PREPARE FINANCIALLY FOR LIFE'S UNWELCOME SURPRISES

plus

TAX TIPS FOR HOMEOWNERS

AM I ELIGIBLE TO CONTRIBUTE TO AN IRA?

ABLE ACCOUNTS FOR INDIVIDUALS WITH DISABILITIES

IMPORTANT DEADLINES FOR TAXPAYERS, RETIREES, AND SAVERS

March 15

Do you have a flexible spending account (FSA) with a grace period? Use your remaining 2016 funds.

If your employer's flexible spending account plan offers a 2½-month grace period, you have until March 15, 2017 to use the funds remaining in your account from 2016. *(Some grace periods may be shorter than 2½ months.)*

April 1

Take your first RMD if you reached age 70½ in 2016.

If you reached age 70½ in 2016, you have until April 1, 2017 to take your first required minimum distribution (RMD) from your IRAs (traditional, SEP, and SIMPLE) and generally your other retirement plan accounts, such as 401(k) accounts.

April 18

File your federal income tax return.

If you need extra time to complete your federal return, be sure to request a 6-month extension of time to file by April 18, 2017. The extension only applies to the filing of the return and does not extend the time to pay your taxes. Taxes not paid by April 18 will be subject to interest and perhaps penalties.

April 18

Contribute to an IRA, health savings account, and Coverdell education savings account for 2016.

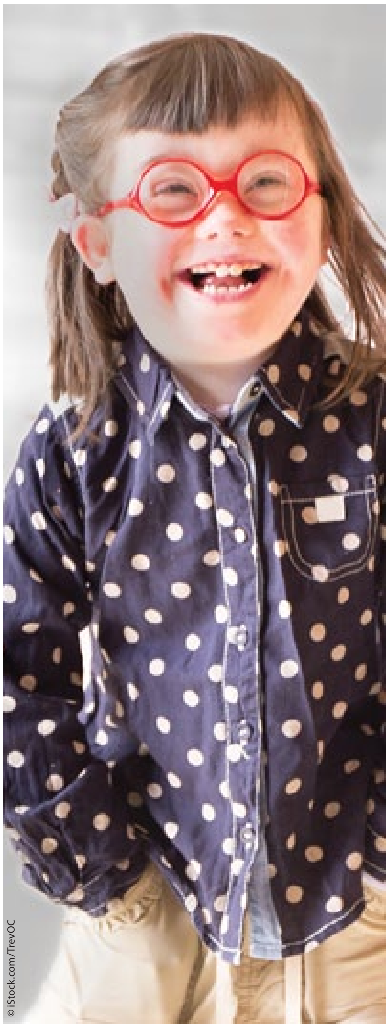
These tax-favored accounts permit contributions for the prior year up to the due date (not including extensions) of that year's tax return.

PLEASE CONSULT YOUR TAX ADVISOR.

inside

FIVE THINGS TO KNOW ABOUT ABLE ACCOUNTS

Achieving a Better Life Experience (ABLE) accounts are new tax-favored savings accounts offered by states that enable certain individuals with disabilities to save for qualified expenses without losing their eligibility for means-tested federal benefits.



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1 The first ABLE programs opened in 2016.

Ten states launched ABLE programs in 2016 with more states expected to follow suit in the future. Although a state may choose to limit enrollment to state residents only, eight of the first ABLE programs—Alaska, Michigan, Nebraska, Ohio, Oregon, Rhode Island, Tennessee, and Virginia—are open to the residents of any state.

2 ABLE accounts offer tax-free growth potential.

Investment earnings are not taxed while in an ABLE account and can be withdrawn tax-free if used for qualified disability expenses, such as education, transportation, housing, employment training, and assistive technology.

3 Only one account may be opened per beneficiary.

To be eligible for an ABLE account, the beneficiary must have become blind or disabled before age 26. Plus, he or she must be entitled to Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) or certify that he or she meets certain other eligibility requirements.

4 Up to $14,000 may be contributed annually per beneficiary.

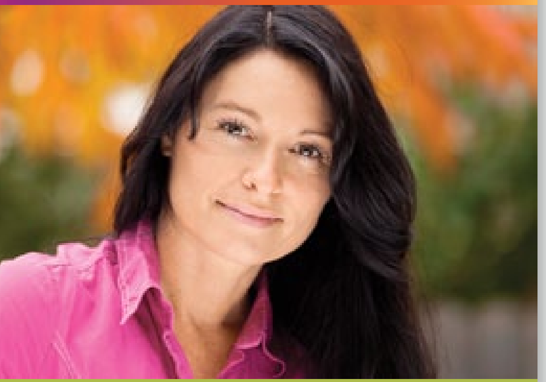
The annual limit applies to the total contributions from all sources. In addition to the annual contribution limit, each program has its own account balance limit, which may be as high as a few hundred thousand dollars. Please note, though, that when the account balance goes over $100,000, SSI benefits (but not Medicaid benefits) will be suspended until the balance drops below $100,000.

5 Leftover savings may be claimed to reimburse Medicaid.

After the beneficiary's death, savings remaining in the account after all outstanding qualified disability expenses have been paid may be claimed by the beneficiary's state as repayment for the Medicaid assistance that it provided to the beneficiary during the time the account was open. ■

PLEASE CONSULT YOUR FINANCIAL ADVISOR REGARDING HOW TO PLAN FOR A LOVED ONE WITH SPECIAL NEEDS.

PLEASE NOTE: *For more complete information about an ABLE program, including investment objectives, risks, fees, and expenses associated with it, please carefully read the issuer's official statement before investing. It can be obtained from your financial advisor. Some states may offer state residents additional benefits, such as a state tax deduction for contributions to the program. Any state-based benefit offered with respect to a particular ABLE program should be one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax, or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state or any other ABLE program to learn more about the features, benefits, and limitations of that state's ABLE program.*



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What are capital gains and losses?

WHEN YOU SELL AN INVESTMENT, the difference between the price you receive from the sale and your basis (generally what you paid for it) is either a capital gain or a capital loss. If you sell at a profit, you have a capital gain. If you sell an investment for less than you paid for it, you have a capital loss.

Up until the time you sell investments, changes in their market values are unrealized capital gains or losses and have no effect on your taxes. But when you sell a stock, bond, mutual fund, or other security, a capital gain or loss is realized and may affect your taxes.

CAPITAL GAINS IN TAXABLE INVESTMENT ACCOUNTS

Capital gains realized in a taxable account are taxable and must be reported on your tax return. Capital losses realized in a taxable account can be used to reduce the amount of capital gains you must pay tax on.

The rate of tax that you pay on a capital gain depends on your tax bracket and how long you owned the security. If you owned it for one year or less, the gain is short-term and is taxed as ordinary income. If you owned it for more than one year, the gain is long-term and qualifies for a lower tax rate than ordinary income.

If you hold mutual funds in a taxable account, you will likely have to contend with capital gains even before you sell your shares. That is because mutual funds distribute to their investors the capital gains that the fund realizes from selling securities in its portfolio.

CAPITAL GAINS IN RETIREMENT ACCOUNTS

One advantage of using an IRA or other retirement account is that capital gains and other investment earnings are not taxed while in the account—and may escape taxation altogether with a Roth account.

With a Roth account, your withdrawals (including capital gains) are tax-free in retirement, as long as the rules for Roth accounts are followed.

With a traditional tax-deferred account, withdrawals are taxed as ordinary income, so your capital gains will eventually be taxed as ordinary income when they are withdrawn from the account.

OTHER CAPITAL GAINS

You may also have a capital gain if you sell other capital assets, such as your home, jewelry, or collectibles, for more than you paid for them.

Please consult your tax advisor for more information about capital gains and losses and their impact on your taxes. ■

PLEASE NOTE: All investing involves risk, including the possible loss of principal.

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

Increasing your retirement contributions by even a small amount can make a big difference over time.

This is due to compounding, which occurs when investment earnings are reinvested and generate earnings of their own.

INCREASE IN ANNUAL CONTRIBUTIONS	**$1,000**	**$5,000**	**$10,000**
ADDITIONAL SAVINGS AFTER **20 YEARS**	$38,696	$193,480	$386,959
ADDITIONAL SAVINGS AFTER **30 YEARS**	$84,128	$420,641	$841,281
ADDITIONAL SAVINGS AFTER **40 YEARS**	$166,787	$833,937	$1,667,873

ASSUMING A 6% ANNUAL RETURN

This is a hypothetical example for illustrative purposes only. It assumes that contributions are made monthly and that the savings are held in a tax-deferred account and earn an annual 6% rate of return. The ending balance estimates are before taxes and fees. Your results will depend on your investments' actual rates of return and will be higher or lower than shown here. Investing involves risk, including the possible loss of principal.

2017 Annual Contribution Limits

	Regular	Catch-Up
401(k), 403(b), and most 457 Plans	$18,000	$6,000
SIMPLE Plans	$12,500	$3,000
Traditional and Roth IRAs	$5,500	$1,000

Please note: Not all workplace retirement plans permit catch-up contributions for individuals age 50 or older. Some retirement plans may permit special contributions not listed here. Other limitations may apply to the maximum amount you may contribute.

WHERE SHOULD YOU INVEST YOUR MONEY FOR RETIREMENT?

RETIREMENT PLAN

If your employer offers a retirement plan, it is generally the first place to sock away some cash. Why is that? Retirement plans, such as 401(k) plans, offer tax advantages, convenience, and the possibility of employer matching contributions.

IRAs

A personal IRA is generally a great choice because investment earnings are not taxed while in the account, which can help your savings grow faster than they would in a taxable account.

TAXABLE INVESTMENT ACCOUNT

Workplace retirement plans and IRAs have upper limits on how much you can contribute each year—regular investment accounts do not. So if you want to save more each year than retirement accounts allow, a regular investment account can help you get on track for retirement.

Withdrawals from a retirement plan or IRA before age 59½ are generally subject to a 10% early withdrawal penalty unless you qualify for an exception.

Please ask your financial advisor for advice on how much to save each year for retirement.

How to Create a Financial Safety Net

What you can do to prepare financially for life's unwelcome surprises.

ARE YOU READY FOR THE FINANCIAL challenges that life may throw your way? The sudden job loss? The health issue that prevents you from working? The roof that no longer keeps the rain out? Without a financial safety net of savings, insurance, and legal documents in place, challenges such as these may have a disastrous effect on your finances.

Here are a few tips on how to create a safety net that can help protect you financially from the challenges you may face one day.

Stash some cash for an emergency.

An emergency fund is an important part of any financial safety net. What is it? Simply put, an emergency fund is a sum of money that you set aside to help cover large, unexpected expenses or to help tide you over after a job loss. With an emergency fund in place, you may be able to avoid dipping into your retirement account or sinking into debt when emergencies happen.

The rule of thumb is to place enough money in the fund to cover your living expenses for three to six months. However, if you think it may take longer than six months to find a new job, it may be prudent to set aside a larger amount.

Your emergency fund should be kept in an account that you can easily access in an emergency. A savings account, a money market account, and laddered CDs that mature at regular intervals are good choices. An investment account containing lower-risk investments, such as money market funds, may also be an appropriate choice.

Protect your income stream with disability insurance.

What will happen to you financially if your paychecks stop because you are too ill or injured to work for a long period of time?

Health insurance will help with the medical bills, but it will not cover your living expenses, such as housing, food, and your other bills. Your emergency fund can help with those expenses, but it will eventually run dry if you are out of work for a long time. Fortunately, there is a type of insurance—disability insurance—that is designed to provide a stream of income when you need it most.

Disability insurance replaces a portion of your income when you are too ill or too injured to work. There are two main types of disability insurance: short-term and long-term.

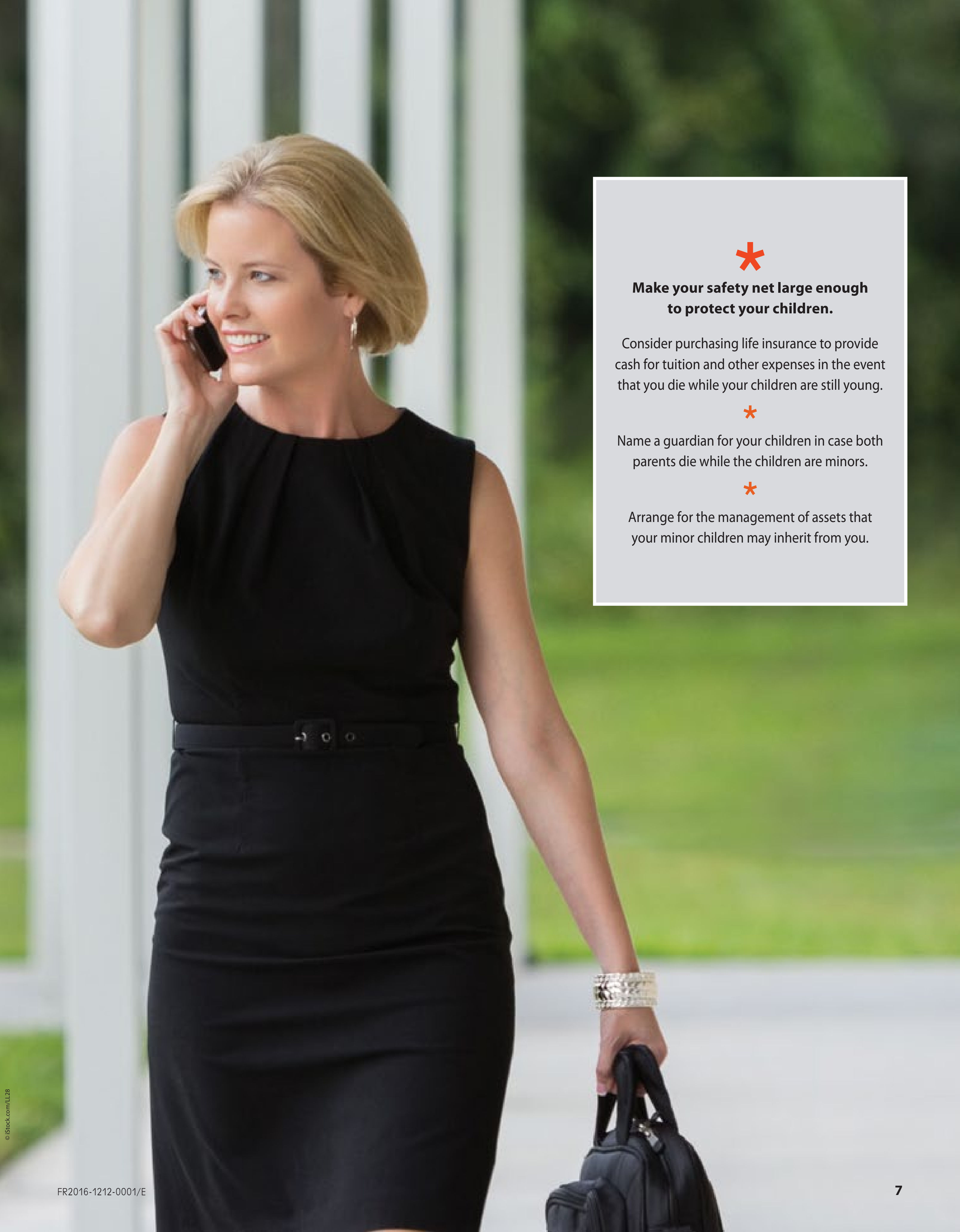
Short-term disability insurance, which many employers offer, typically replaces part of your income for a short period of time, such as three or six months.

Long-term disability insurance is designed to replace part of your income for a longer period, generally after a waiting period of six months or so after a disability. It may provide coverage for a specific number of years or until retirement age, depending on the policy.

Long-term disability insurance is sometimes offered through employers, although you may have to chip in for the cost. It can also be purchased from an insurer—an ideal solution if it is not available through your workplace or if the workplace policy is not adequate for your needs.

When reviewing long-term disability insurance, be sure to evaluate:

- **The waiting period.** How long will you have to wait after you are disabled before benefits begin? Three months? Six months? Longer? Typically, the longer the waiting period you select, the lower the premiums.
- **The maximum monthly benefit.** Disability insurance generally replaces a portion—say, 60% or 70%–of your base salary up to a specific maximum amount per month. Let's say your employer's group plan caps the benefit at $5,000 monthly, or $60,000 annually. That may be acceptable if your salary is $100,000 or less, but if your salary is greater, your monthly benefit may not come close to replacing 60% of your salary. If your employer's plan does not meet your needs, consider supplementing it with an individual policy from an insurer.
- **What the benefits are based on.** Are they calculated on base salary alone? If a good portion of your compensation is from incentive pay, such as commissions and bonuses, consider supplementing your employer's group plan with an individual disability policy from an insurer that protects a percentage of your overall compensation.



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Make your safety net large enough to protect your children.

Consider purchasing life insurance to provide cash for tuition and other expenses in the event that you die while your children are still young.

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Name a guardian for your children in case both parents die while the children are minors.

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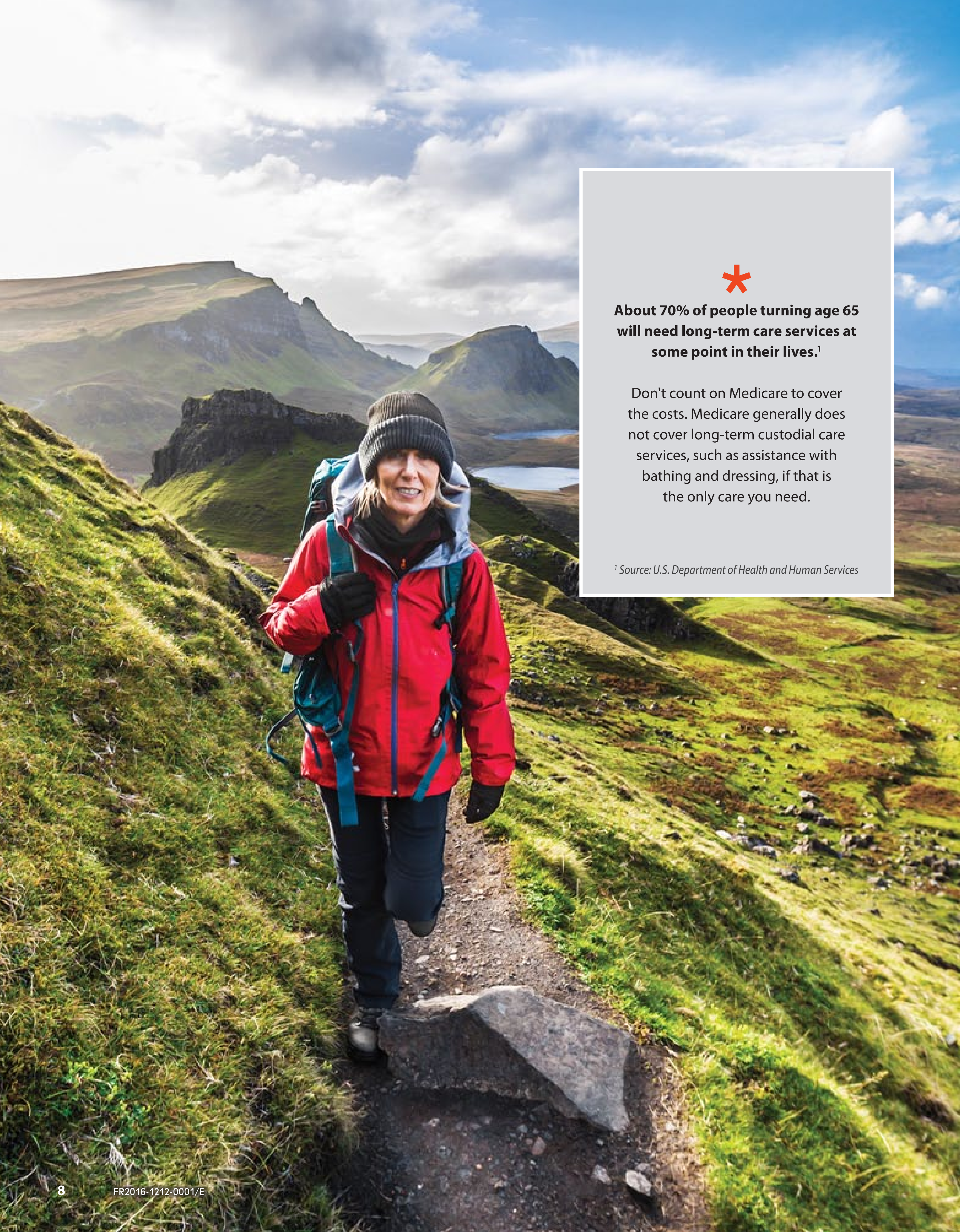
Arrange for the management of assets that your minor children may inherit from you.



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About 70% of people turning age 65 will need long-term care services at some point in their lives.[1]

Don't count on Medicare to cover the costs. Medicare generally does not cover long-term custodial care services, such as assistance with bathing and dressing, if that is the only care you need.

[1] *Source: U.S. Department of Health and Human Services*

Keep your business open when you are unable to work with business overhead expense insurance.

If you own a small business and are responsible for generating much of its revenue, an illness or injury that prevents you from working may make it difficult for your business to survive. Can you afford to keep your business going without the revenue you personally generate? Business overhead expense (BOE) insurance can help.

This type of insurance helps cover overhead expenses, such as employee salaries and benefits, rent, utilities, and insurance, for a period of time if the business owner cannot work due to illness or injury. And depending on the coverage you choose, BOE insurance can even help cover the salary of someone to temporarily replace you while you recuperate.

Plan for the possibility that you may need long-term care.

Long-term care (LTC) is the type of care you may need if you ever need help with basic activities of daily living, such as eating, bathing, and dressing, due to an illness, injury, or cognitive impairment, such as Alzheimer's disease.

While we all hope that we will never need LTC services, it is important to plan for the possibility that we may because:

- More than two-thirds of people turning age 65 will need long-term care services at some point in their lives.
- LTC services are generally not covered by Medicare.
- They can be expensive.

How expensive? LTC costs vary dramatically from one part of the country to another. To get an approximate idea of the cost of LTC services in your area, visit the website, www.longtermcare.gov. Then wind your way through the site to the *Costs of Care in Your State* page and click on your state to get an estimate of the cost of services in your area in various settings (your home, adult day care centers, assisted living facilities, and nursing homes).

If it turns out that you are one of the people who will one day need LTC services, how will you pay for them? Here are a few options.

If you are a veteran, the U.S. Department of Veteran Affairs may provide LTC services in certain situations.

If your income and assets are extremely limited, you may be eligible for Medicaid, a government program that pays for some LTC services.

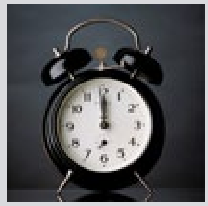
If you have substantial retirement income, savings, and assets, you may be able to comfortably pay LTC expenses from your own resources without threatening your future financial security and that of your family.

If you are concerned that your income and savings may not be sufficient to cover a long period of LTC services without prematurely draining your savings, consider purchasing LTC insurance to supplement the amount you can afford to pay.

LTC insurance can help you cover the cost of LTC services that you receive at home or in a nursing home, assisted living facility, or adult day care center.

LTC insurance policies differ, but you will generally have a choice of the maximum amount the policy will pay per day, how long the benefits will be paid, how long you must pay for LTC services out of your own pocket before benefits begin, and whether the benefit amount will be adjusted annually for inflation. The choices you make will influence not only your potential benefits, but how much you will pay in premiums for the policy.

Talk to your financial advisor about how to plan for long-term care costs and whether LTC insurance is appropriate for you.



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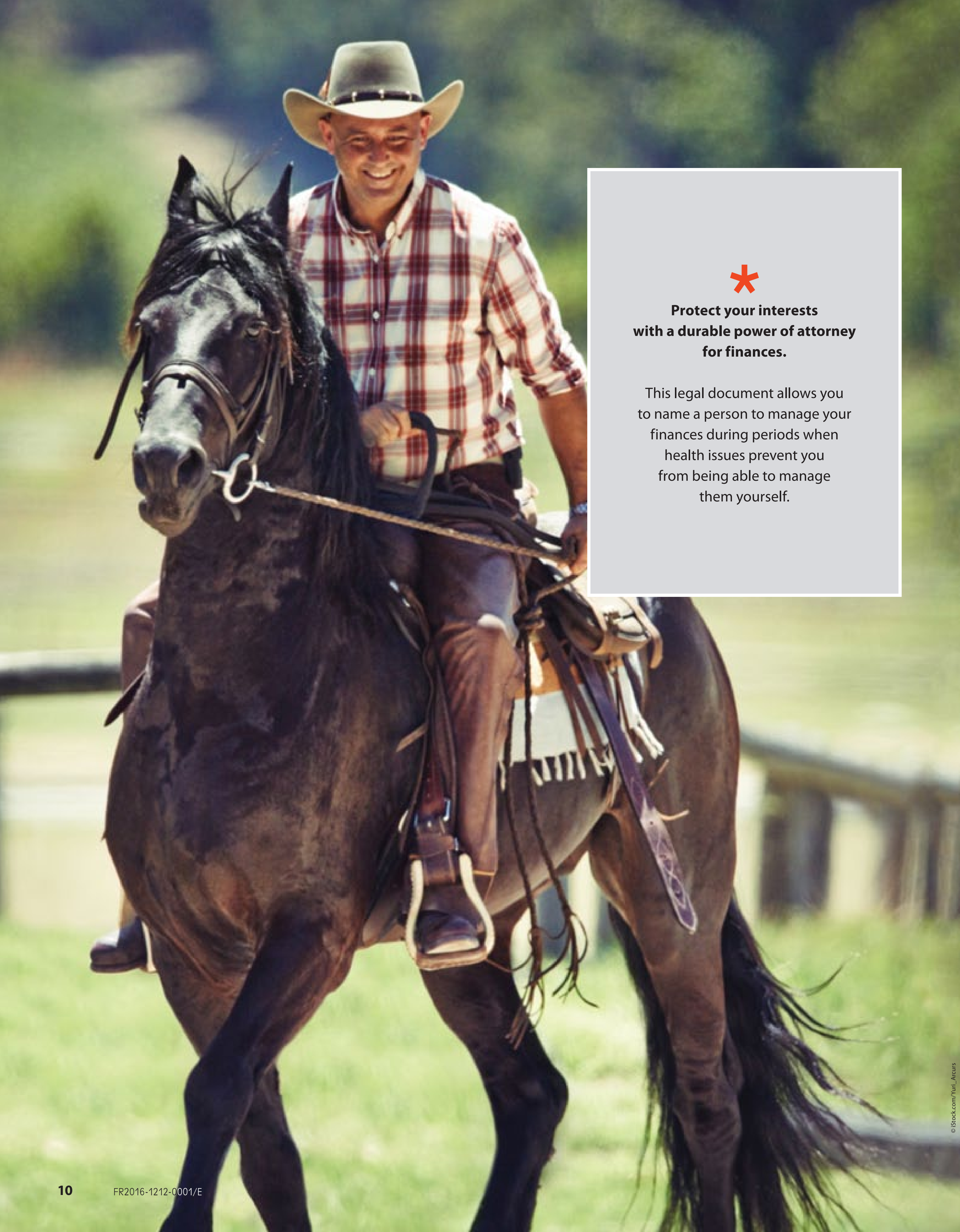
Buy long-term care insurance before you need it.

If you wait until the onset of a chronic disease, such as Alzheimer's or Parkinson's disease, insurers may be unwilling to sell you a policy.



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Protect your interests with a durable power of attorney for finances.

This legal document allows you to name a person to manage your finances during periods when health issues prevent you from being able to manage them yourself.

Choose someone to handle your finances if you are ever unable to do so.

There may come a time in your life when you are not able to manage your own finances. That time may sneak up on you, as is often the case with Alzheimer's disease, or it may happen in the blink of an eye, as the result of a serious accident. It may last for a few days, or it may linger on for many years.

Because you never know if and when you may experience such a time, it is important to make arrangements now for someone you trust to manage your finances in the event you are ever unable to do so yourself.

Using a legal document known as a durable power of attorney for finances, you can grant a person you trust the power to handle your financial affairs if you become incapacitated.

Not to be confused with a *non-durable* power of attorney that becomes invalid upon incapacitation, a *durable* power of attorney remains in effect after incapacitation so that the person you name can immediately step in and begin paying your bills, managing your investments, filing your tax returns, and any of the other financial tasks you authorize in the document.

Even married couples need durable powers of attorney. Although your spouse has some authority over property you own jointly, that authority is often limited. For example, while your spouse can pay bills from a joint checking account, he or she may not be able to sell jointly owned property. And if you own property in your name only, your spouse cannot manage or sell it.

If you become incapacitated without having a durable power of attorney in place, your spouse or other close relative may need to ask the court to appoint someone to handle your financial affairs. Wouldn't you rather make that choice yourself?

Use life insurance to strengthen your family's financial safety net.

If your spouse, children, or other loved ones count on your income, consider adding life insurance to your financial safety net to help them maintain their financial security after you are gone.

In the event of your death, life insurance pays cash to your beneficiaries that can help them in many ways.

- The cash can help your family cover their daily living expenses and maintain their current lifestyle.
- It can help with larger expenses, such as paying off the mortgage or other large debts.
- It can help pay your children's college tuition so that they can afford the education you envisioned for them.
- It can help support your spouse or parents in retirement.

Life insurance has the potential to help in so many ways, not the least of which is easing your mind about your family's future financial security.

There are a few different types of life insurance available, each designed to help meet specific needs.

Term life insurance may be a good choice if your goal is to purchase coverage for just those years when you are raising a family or paying a mortgage.

A whole life or universal life insurance policy may be a good choice if you prefer a policy that provides lifelong coverage and builds a cash value that you can draw on if you need some cash for, say, retirement or emergencies.

Your financial advisor can help you determine whether life insurance should be part of your financial safety net. If it is an appropriate addition, your advisor can also help you determine the best type of policy for your situation and financial goals, as well as the amount of coverage you may need to help meet those goals. ■

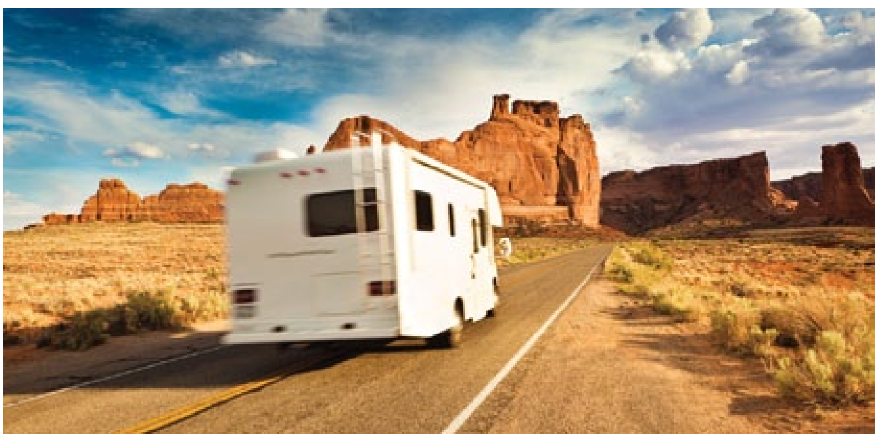
Please consult your financial advisor for advice on how to create a financial safety net that can help protect you financially when confronted with life's challenges.

Tax Tips for Homeowners

Homeownership offers an array of potential tax breaks. These tips may help you take advantage of some of them. Please seek advice about your specific situation.

1. The mortgage interest deduction may apply to more than you realize. If you itemize deductions on your tax return, you can generally deduct the interest you pay on up to $1 million of home acquisition debt ($500,000 if you are married and file separately), provided the loan is secured by your main home or your second home. But what you may not realize is that:

- In addition to deducting the interest you pay on your mortgage, you can also generally deduct the interest you pay on up to $100,000 of home equity debt ($50,000 if married filing separately).
- Boats and recreational vehicles (RVs) may qualify for the mortgage interest deduction. As long as the boat, RV, or other property has sleeping, cooking, and toilet facilities, is used as your main home or second home, and acts as security for the loan, you can generally deduct the mortgage interest you pay on it.
- A charge for a late mortgage payment or a penalty for prepaying your mortgage may also generally be deducted as mortgage interest provided they are not for a specific service performed in connection with your mortgage.
- Interest that you pay on a disaster home loan from the Small Business Administration is generally deductible as mortgage interest.



2.
Keep your home improvement receipts—they may help you avoid tax when you sell.

When you make improvements to your home, such as those listed below, you can generally add the cost to your home's basis—and a higher basis can help you avoid or reduce tax on any profit you make when you sell the home.

Additions
Flooring
Insulation
New roof
Kitchen remodel
Wiring upgrades
Heating system
Central air
Water heater
Security system
Swimming pool
Fence

3. Claim a 30% tax credit for installing alternative energy equipment in your home. Did you add solar panels, a solar water heater, a geothermal heat pump, a small wind turbine, or a residential fuel cell to your home in 2016? If so, you may be eligible to claim a tax credit equal to 30% of the cost of the qualifying equipment and the labor to install it.

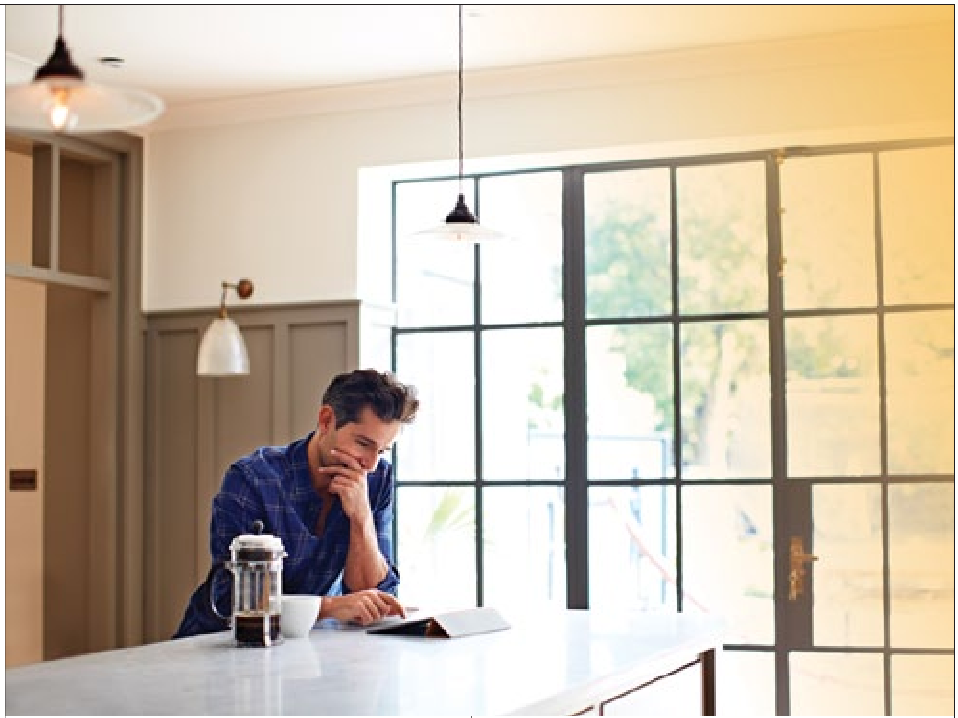
To qualify for the Residential Energy Efficient Property Credit, the equipment must be installed in your main or second home in the United States. For fuel cells, the credit is limited to main homes only. Also, the value of the credit for fuel cells is 30% of your cost, up to $500 per 0.5 kilowatt of power capacity.

Deductions reduce the amount of income you are taxed on.

Credits reduce your tax liability dollar for dollar.

4. Claim a tax credit for making your home more energy efficient. Did you add windows, doors, insulation, a heating and cooling system, or a water heater to your home in 2016? If they meet specific energy standards, you may be eligible for the Nonbusiness Energy Property Credit. The credit has a lifetime limit of $500, of which only $200 may be used for windows.

Unless Congress extends the two residential energy credits, 2016 is the last year for which they can be claimed, except for the credit for solar panels and solar water heaters, which is available in a modified form through 2021.

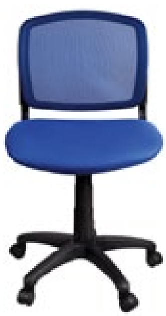


5. Your home office may be deductible. If you use part of your home regularly and exclusively for business purposes, you may be able to claim a deduction for a home office.

Calculating the deduction amount can be as easy as multiplying your workspace's square footage (up to 300 square feet) by $5. Or you can track your actual expenses (mortgage interest, real estate taxes, rent, insurance, utilities, repairs, and certain other expenses) and allocate them between business and personal use.

This deduction can be claimed by renters, as well as homeowners.

To determine whether you can deduct expenses related to the business use of your home, please see IRS Publication 587 or check with your tax advisor.



6. Unreimbursed casualty losses may be deductible. If your home was damaged in a flood, fire, hurricane, or other sudden, unexpected event and you were not fully reimbursed for your losses by insurance or other sources, you may be able to deduct the portion of your unreimbursed losses that exceed 10% of your adjusted gross income.

Individuals will need to itemize deductions to claim this one!

7. Unreimbursed casualty losses from a federally declared disaster can be claimed on the preceding year's return. If your loss was from a federally declared disaster, you can either claim the loss on the tax return for the year the disaster occurred or the year immediately preceding it, giving you the ability to choose the year that offers you the greater tax benefit. ■

Please consult your tax advisor regarding the tax aspects of home ownership.

Am I eligible to contribute to an IRA?

Contributing to a traditional or Roth individual retirement account (IRA) can be a great way to save for retirement, but are you even eligible to contribute? Here's some information on the requirements for contributing to an IRA and deducting the contributions.

Please consult your financial advisor for advice on saving for retirement.

Traditional IRA

- ✓ **Your contributions may be deductible.**
- ✓ **Your earnings can grow tax-deferred.[1]**
- ✓ **Required minimum distributions must be taken each year beginning at age 70½.**

CAN I CONTRIBUTE?

You can contribute to a traditional IRA if:

- You are under age 70½ at the end of the year, and
- You, or your spouse if you file jointly, receive taxable compensation (wages, commissions, etc.) during the year.

CAN I DEDUCT MY CONTRIBUTION?

You can deduct the full amount you contribute to a traditional IRA if you (and your spouse if you are married) are not covered by a retirement plan at work.

If you or your spouse is covered by a retirement plan at work, the amount you can deduct may be limited if your income is too high. Here's the deal. If your modified adjusted gross income (MAGI) is below the phase-out range for your filing status (shown below), your contribution is fully deductible. If your MAGI is within the phase-out range, you may only be able to deduct part of your contribution. If your MAGI is above the phase-out range, your contribution is not deductible.

If your filing status is:

- Single or head of household and you are covered by a workplace retirement plan, the phase-out range is $62,000 to $72,000 for 2017 ($61,000 to $71,000 for 2016).
- Married filing jointly and you are covered by a workplace retirement plan, the phase-out range is $99,000 to $119,000 for 2017 ($98,000 to $118,000 for 2016).
- Married filing jointly and you are not covered by a workplace retirement plan, but your spouse is covered, the phase-out range is $186,000 to $196,000 for 2017 ($184,000 to $194,000 for 2016).
- Married filing separately, you lived with your spouse during the year, and you or your spouse is covered by a workplace retirement plan, the phase-out range is $0 to $10,000 for 2016 and 2017.

[1] You pay tax on your investment earnings and deductible contributions only when they are withdrawn from the account. A 10% tax penalty may apply to withdrawals made before age 59½ unless you qualify for an exception to the penalty.

Roth IRA

- Your earnings can grow tax-free.
- Qualified withdrawals are tax-free.[2]
- Withdrawals are not mandatory for the account owner at any age.

Limits

Traditional and Roth IRA Annual Contribution Limits for 2016 and 2017

Under age 50	$5,500
Age 50 or older	$6,500

Additional limits may reduce the maximum contribution amount.

You have until **April 18, 2017** to make a contribution that counts for 2016.

CAN I CONTRIBUTE?

You can contribute to a Roth IRA at any age if:

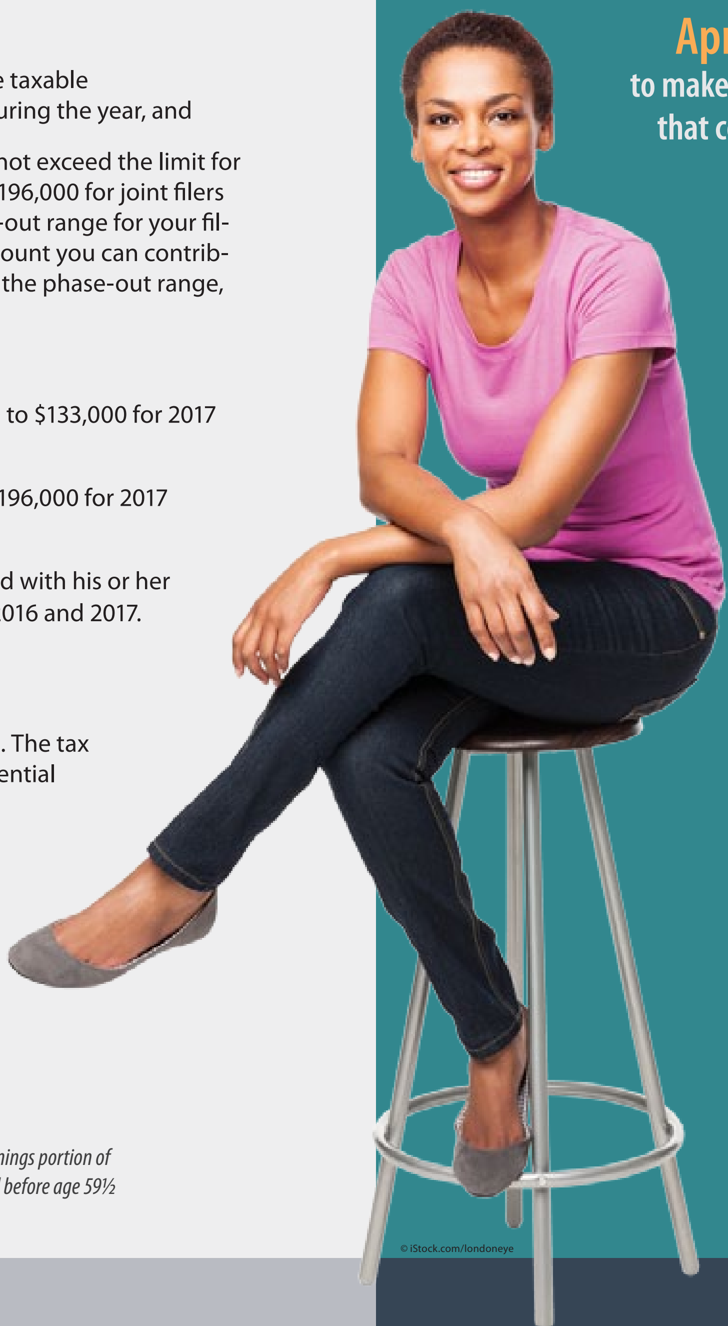
- You, or your spouse if you file jointly, receive taxable compensation (wages, commissions, etc.) during the year, and
- Your modified adjusted gross income does not exceed the limit for your filing status ($133,000 for singles and $196,000 for joint filers for 2017). If your income is within the phase-out range for your filing status (shown below), the maximum amount you can contribute will be reduced. If your income is above the phase-out range, you cannot contribute any amount.

The income phase-out range for a:

- Single or head of household filer is $118,000 to $133,000 for 2017 ($117,000 to $132,000 for 2016).
- Married couple filing jointly is $186,000 to $196,000 for 2017 ($184,000 to $194,000 for 2016).
- Married individual filing separately who lived with his or her spouse during the year is $0 to $10,000 for 2016 and 2017.

CAN I DEDUCT MY CONTRIBUTION?

Contributions to a Roth IRA are not deductible. The tax advantages of a Roth IRA come later on as potential investment earnings grow tax-free and savings can be withdrawn tax-free in retirement.



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[2] *Your contributions can be withdrawn tax-free at any time. The earnings portion of a withdrawal made before the account has been open five years and before age 59½ may be subject to tax and a 10% tax penalty.*

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THE OREGON COAST | Between Wind and Water

BY BRIAN JOHNSTON

Hit US Highway 101 along the coast of Oregon for a wild driving holiday featuring windswept beaches, rainforest, rolling countryside, and stormy beauty.

A TRUCK-CHOKED HIGHWAY LEADS you out of Portland, but in no time at all you leave behind the whiff of exhaust fumes and fast-food chains. The highway shrivels from four lanes to two, then just one. You're enveloped in a buxom curve of hills. Trees crowd in, and the air smells of pine resin and big skies. Wind down your windows, let the North Pacific breeze redden your cheeks, and take your foot off the accelerator. A drive down the Oregon coast is a holiday in the slow lane, measured out in seaside rambles, lazy lunches, and unhurried sunset drinks.

Astoria is a good place to start. It sits almost at the mouth of the mighty Columbia River and squints across at Washington, as far north as you can go on the Oregon coast. Besides the town, founded by fur trapper and soon-to-be millionaire John Jacob Astor in 1811, has a quaint appeal. Old breweries and canneries turned hipster cafés line the waterfront and, above town, hillside shingle mansions sit among foxgloves and roses.

Oregon's coastline extends from here 363 miles south to redwood country in California. Sand dunes rise 500 feet in places, breakers pound great rock stacks, forests shiver, and smooth driftwood is coughed up on the shoreline. Even better, you don't have to miss an inch of it when driving. None of Oregon's beaches are private, and U.S. Highway 101—also called the Coast Highway—parallels the ocean much of the way, only occasionally veering inland into just as lovely cow-chewed countryside. Byways loop around capes and are so close to beaches that sand often drifts across the roadway.

Drive south from Astoria and stop at aptly-named Seaside, one of those old-fashioned seaside resorts painted in bright colors, with baskets of petunias hanging from lampposts and a tatty assortment of tarot readers, games halls, diners, and souvenir shops redeemed by a great beach and fine promenade. Walk out past motels and you'll find shingle homes with pretty little windswept gardens behind picket

The Oregon Coast is a photographer's dream, featuring miles of breathtaking beauty, such as Cannon Beach with its often-photographed Haystack Rock (left) and the Heceta Head Lighthouse (below), perhaps the most photographed lighthouse in the United States.

fences, and stretches of sand to make you wiggle your toes.

True, you have to be hardy if you care to swim in Oregon's chilly waters, and rain and fog aren't uncommon. August, September, and early October provide the most reliable weather. If you have poetry in your soul, though, you'll find that the moody climate only adds to the grandeur and sense of exhilaration. Let's face it, you won't be kicking back under a palm tree with a margarita, but you might fly a kite, go fishing and crabbing, or hike across windswept headlands to blow away the cobwebs of life's regular stresses. At the end of the day, Oregon's micro-breweries and impressive inland vineyards will keep you supplied with well-earned drinks.

As you drive south, Ecola State Park is an opening overture to the grand opera of coastal scenery about to unfold. A hike here—or just a drive to the viewing points—provides fabulous outlooks over sea stacks and golden beaches frothing with waves. Inland temperate rainforest is lush with ferns and salmonberries beneath towering Sitka spruce.

The nearby town of Cannon Beach is a bemusing yet pleasing contrast for its domesticity. It's a more upmarket version of Seaside, with large pastel-colored houses hunkered behind hydrangea bushes and—of course—white picket fences. Hanging baskets of flowers are wanton along the main street, along which you can explore cafés, art galleries, ceramics shops, and independent bookstores.

Offshore, rocky outcrops rise from a seething ocean. Haystack Rock is the most photographed, no doubt because you scarcely need to stray onto Cannon Beach's sands to admire it. Drive on south, though, for an increasingly spectacular display. On one side, hillsides are covered in pine trees, felled in places in great patches like an eccentric buzz cut. On the other, surf and rock and sky collide: you just have to pull over at Neahkahnie Mountain Wayfinding Point for an awesome display right from your car window.

At Nehalem, the road swings inwards around a bay and across a river with superb views to inland mountains. Then the landscape flattens just before Tillamook, veering through verdant fields where cows wade in the grass. They supply

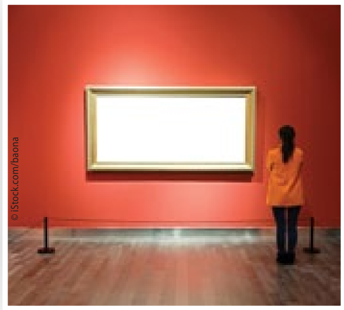
milk for Tillamook cheddar and for ice cream, with wild blackberry surely being the appropriate flavor of choice.

The harried and impatient could drive Oregon's coast in two days, racing down Highway 101 with scant regard for scenery. That would be a shame. Any drive here cries out for frequent roadside stops, not to mention exploratory detours. Of all the side roads, don't miss the Three Capes Loop which follows an out-thrusting of the coastline through alder and pine trees. Forest walks bring you to cliff tops from which you can spot whales wallowing. The final cape of the three, Cape Kiwanda, is another glorious sweep of beach backed by extravagant dunes and shingle cottages window-deep in windblown sand. Sandstone cliffs glow orange at sunrise and sunset.

Lincoln City and Newport are next. Newport has an excellent aquarium and great shacks selling smoked salmon or crab salads. After Newport, the highway snakes south and could hardly be closer to the ocean without being right on the sands. If the wind is blowing inland, put your windshield wipers to work against the salt spray. Stop at Sea Lion Caves, a curious leftover from the early days of motoring tourism, where old-fashioned facilities give you a glimpse of sea lions in their own environment.

Heceta Head Lighthouse, built in 1894, is the brightest light on the Oregon coast and another excuse to stretch your legs and take a scenic stroll. It's just 12 miles out of Florence, an agreeable town on the Siuslaw River spanned by an interesting bridge with Art Deco, Egyptian, and Gothic influences. Just across the bridge, you'll find 500-foot sand hills in America's largest expanse of dunes: let loose on dune buggies or enjoy a more contemplative look at the extraordinary scenery on foot or horseback. Bring your camera, since a million years of wind and rain have created sculptured masterpieces, shockingly splendid in late afternoon light.

The Oregon coast is far from over, but you might consider turning eastward here towards the town of Eugene, a tidy *Truman Show* town of lovely parks, old-fashioned stores, and manicured college-campus grounds. From here you can make your way back north to Portland through the Willamette Valley, which unrolls 110 miles of purple hills, vineyards, and orchards, with volcanoes brooding on the horizon. Oregon's inland is just as extravagant as its coastline, making a round trip an exhilarating pleasure. ■



What's On at the Art Museums

From the otherworldly landscapes of 17th-century printmaker Hercules Segers to the out-of-this-world costumes of the *Star Wars* films, a world of beauty and creativity awaits you at an art museum.

BENTONVILLE, AR

Chihuly: In the Gallery *June 3–August 14, 2017*
Chihuly: In the Forest *June 3–November 13, 2017*
Crystal Bridges Museum of American Art

This exhibition features new works by renowned glass sculptor, Dale Chihuly, as well as iconic works that span the breadth of his career. Visitors can view the works in a gallery setting (through mid-August), as well as along paths through the museum's north forest.

BOSTON, MA

Matisse in the Studio
Museum of Fine Arts, Boston • April 9–July 9, 2017

This exhibition offers insight into Henri Matisse's creativity by displaying many of the artist's paintings, drawings, bronzes, cut-outs, and prints alongside his studio collection of pots, pitchers, vases, textiles, sculptures, and masks from which he drew inspiration.

DENVER, CO

Star Wars™ and the Power of Costume
Denver Art Museum • November 13, 2016–April 2, 2017

Featuring more than 60 original costumes, this exhibition examines the process of costume design for the iconic outfits, such as Princess Leia's bikini and Darth Vader's black armor, that were featured in the *Star War* films.

NEW YORK, NY

The Mysterious Landscapes of Hercules Segers
The Metropolitan Museum of Art • February 13–May 21, 2017

Hercules Segers (c. 1589 – c. 1638) was a Dutch artist known for his prints of imaginary landscapes, which he printed in varied color schemes and then hand-colored, turning each impression into a unique work of art.

FORT WORTH, TX

A Modern Vision: European Masterworks from The Phillips Collection
Kimbell Art Museum • May 14–August 13, 2017

A stunning array of European paintings and sculptures from The Phillips Collection, America's first museum of modern art, awaits visitors to the Kimbell Art Museum from mid-May through mid-August. The exhibition, *A Modern Vision,* includes works by Courbet, Corot, Daumier, Delacroix, Ingres, Cézanne, Degas, Gauguin, Van Gogh, Manet, Monet, Sisley, Kandinsky, Matisse, Picasso, and others.

PHILADELPHIA, PA

American Watercolor in the Age of Homer and Sargent
Philadelphia Museum of Art • March 1–May 14, 2017

Featuring works by Winslow Homer, John Singer Sargent, and other American watercolorists, this special exhibition examines how watercolor became a powerful and versatile "American" medium in the years between 1860 and 1925.

SEATTLE, WA

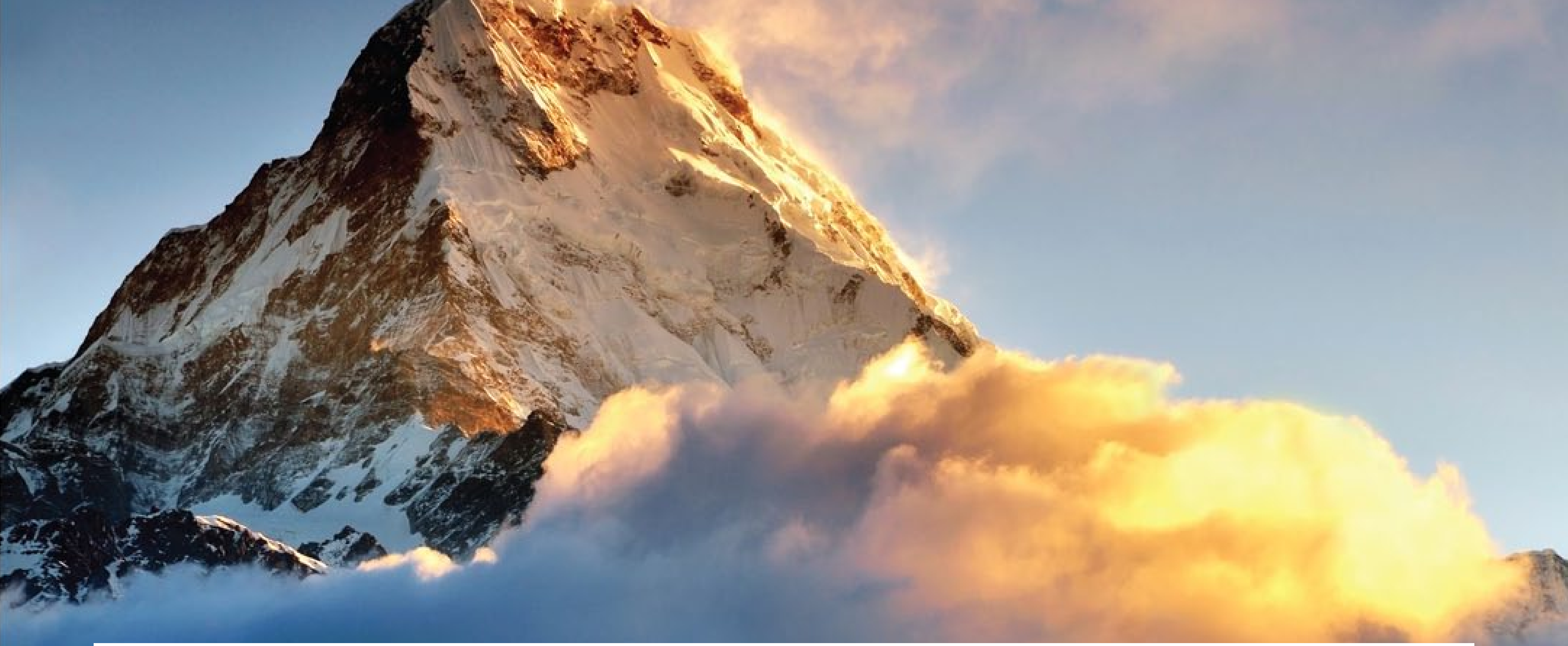
Seeing Nature: Landscape Masterworks from the Paul G. Allen Family Collection
Seattle Art Museum • February 16–May 23, 2017

This wide-ranging exhibition of landscape paintings includes Jan Brueghel the Younger's allegorical series of the five senses, a group of Venetian scenes by Canaletto, Manet, Monet, Turner, and others, and works by 20th-century artists, such as Georgia O'Keeffe, Edward Hopper, and David Hockney.

WASHINGTON, DC

Della Robbia: Sculpting with Color in Renaissance Florence
National Gallery of Art, Washington • February 5–June 4, 2017

This exhibition features more than forty terracotta sculptures from the Della Robbia workshop and their competitors. ■



QUIZ

MOUNTAINS

1. The tallest mountain in the contiguous United States is:

A. Mount Whitney
B. Pikes Peak

2. Mount Rainier is part of the:

A. Appalachian Range
B. Cascade Range

3. Known as the Home of the World's Worst Weather, the winter conditions on this mountain in New England rival those on Mount Everest:

A. Camel's Hump
B. Mount Washington

4. If measured from its base, deep under the ocean, this mountain would be the tallest in the world:

A. Mauna Kea
B. Mount Etna

5. The mountain overlooking the city of Cape Town in South Africa is:

A. Sugarloaf Mountain
B. Table Mountain

6. First climbed in 1953, this mountain is the tallest in the world:

A. Mount Everest
B. K2

7. This mountain, the highest in Africa, rises over 19,000 feet:

A. Mount Kenya
B. Mount Kilimanjaro

8. The tallest mountain in Colorado is:

A. Mount Elbert
B. Pikes Peak

9. Each year, more than 100,000 people hike to the summit of this mountain, the highest point in the British Isles:

A. Ben Nevis
B. Snowdon

10. The mountain range that runs through Vermont is:

A. The Green Mountains
B. The White Mountains

11. This iconic, cone-shaped mountain is the tallest in Japan:

A. Mount Kita
B. Mount Fuji

12. A scenic parkway runs along much of this mountain range in Virginia and North Carolina:

A. Blue Ridge Mountains
B. Sawtooth Mountains

ANSWERS: 1-A, 2–B, 3–B, 4–A, 5–B, 6–A, 7–B, 8–A, 9–A, 10–A, 11-B, 12-A

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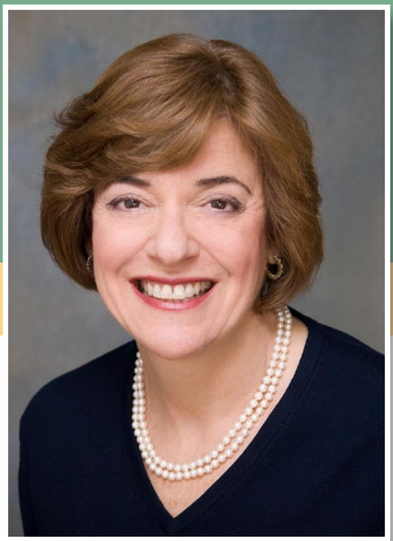

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Our founder and Vice-President, Herb Shapiro, passed away in October 2016. His core values of providing personal service, maintaining market objectivity, and high standards of integrity and honesty with the clients he served, are deeply ingrained in 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 was the Treasurer of the Massachusetts Council of Economic Education. Barbara also co-authored a book, 'He Said: She Said:' a practical guide to finance and money during divorce, which was published in 2015. She is continually interviewed and quoted in all of the major financial publications.

Barbara 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.

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