EYE ON MONEY

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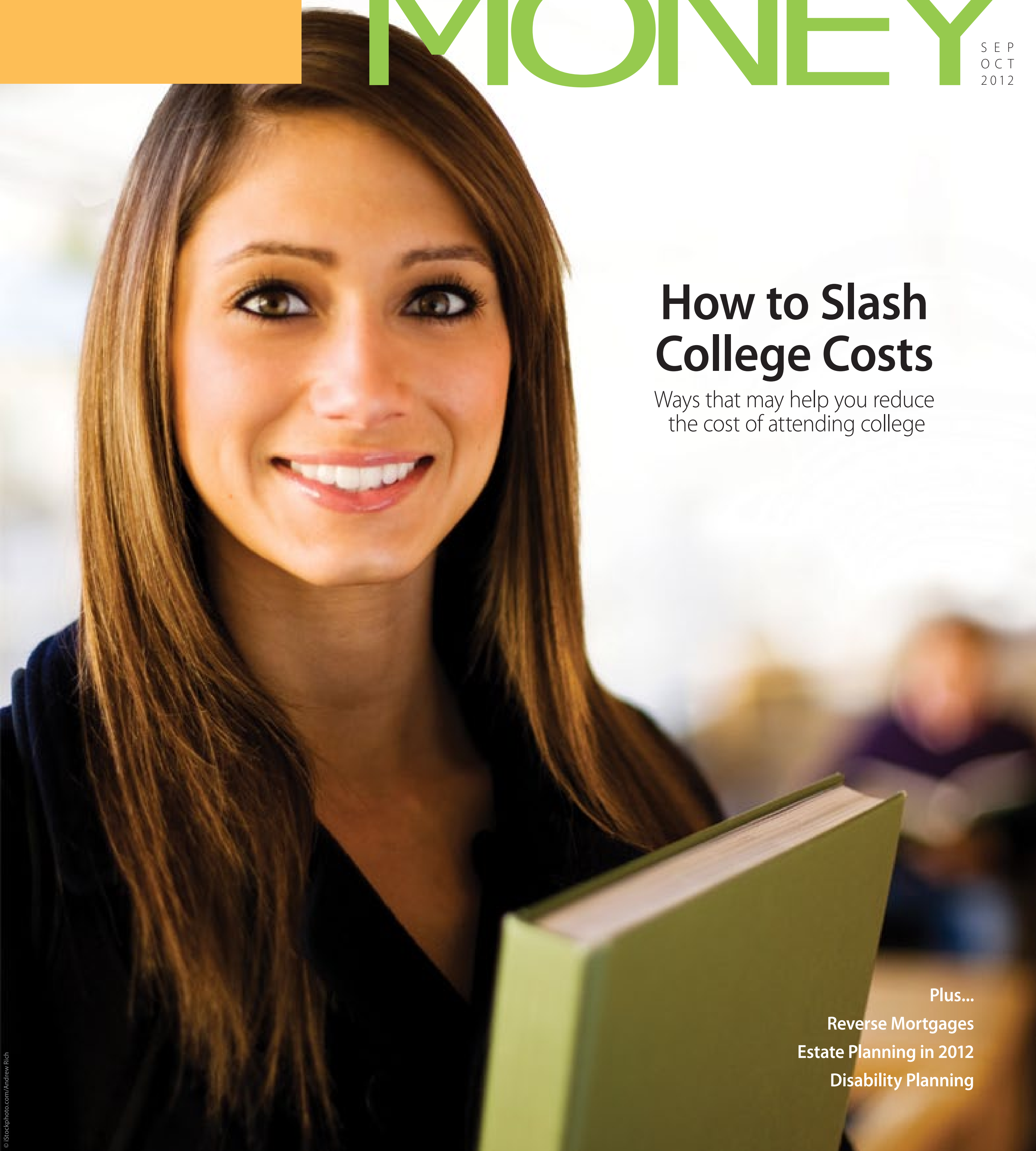

How to Slash College Costs

Ways that may help you reduce the cost of attending college

Plus...

Reverse Mortgages

Estate Planning in 2012

Disability Planning

With tax rates potentially increasing in 2013, **converting to a Roth IRA now may be a smart move.**

WHEN YOU CONVERT or roll over a tax-deferred retirement account to a Roth IRA, you must pay regular income tax on the converted amount that was not previously taxed. If the federal income tax rates are allowed to increase in 2013 as scheduled, you may pay less tax on a conversion this year than you would in future years.

Accounts that can be converted or rolled over to a Roth IRA include:

- A traditional IRA.
- 401(k) or 403(b) accounts that you have with former employers.

Benefits of a Roth IRA:

- Earnings grow tax-free in a Roth IRA.
- Withdrawals are tax-free as long as you follow the rules.
- Annual distributions are not required for the account owner.
- A Roth IRA may continue to grow tax-free for your heirs.

What to consider before converting:

- Converting to a Roth IRA is worth considering if your income tax rate today is lower than what you expect it to be in retirement. (Although no one can predict what tax rates will be in the future, rates are near historic lows now.)
- Because the tax bill for a conversion is based on your tax rate, a year when your taxable income and tax bracket are lower than usual may also be a good time to convert to a Roth IRA.
- To help preserve the tax-free growth potential of the money you convert, it is generally better to pay the tax on the conversion with money from outside of the converted account.
- Withdrawals within five years of a conversion and before age 59½ are generally subject to tax and a penalty.

Please consult your financial advisor.

inside

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It's back!
Your Social Security Statement is now available online.

IT HAS BEEN MORE THAN A YEAR SINCE most of us have received a Social Security Statement in the mail. The Social Security Administration (SSA) suspended the mailings in March 2011 due to budget constraints. In February 2012, it resumed mailing paper statements, but only to workers age 60 or older who were not already receiving benefits. Although the SSA expects to begin mailing statements later this year to workers in the year they reach age 25, the rest of us will generally need to access our statements online at **www.socialsecurity.gov/mystatement**.

It is a good idea to review your statement each year. Not only does the statement include an estimate of your future benefits, it also lists the amount you have earned each year. This feature is important because your Social Security benefits will generally be based on your average earnings over your lifetime. If your earnings record is not accurate, you may not receive all of the benefits to which you are entitled.

To access your online statement, you will need to create a "My Social Security" account at **www.socialsecurity.gov/mystatement**. The SSA has set up two identity verification steps to help keep your private information secure. First, you will need to enter basic information about yourself—name, address, social security number, and so forth—which must match the information already on file with the SSA. Then you will need to answer a few multiple choice questions about your credit history, such as the name of the bank with which you have a home equity line of credit. These answers must match the information that the credit-reporting agency Experian has on file about your credit history.

With all questions answered successfully, you can then set up your user name and password for your “My Social Security" account. All told, it takes just a few minutes to create your account and view your statement.

If the verification questions are not answered successfully, you may request that a paper statement be mailed to you. You may also visit your local Social Security office with proof of your identity in order to create an online account.

So, unless you are receiving paper statements or Social Security benefits, you may want to mark your calendar as a reminder to go online each year to check the earnings record on your Social Security Statement. ■

Who Gets . . .

Paper Statements:

Workers will automatically receive paper statements in the mail:

- in the year they reach age 25, or
- if they are age 60 or older and have not begun receiving Social Security benefits.

Online Statements:

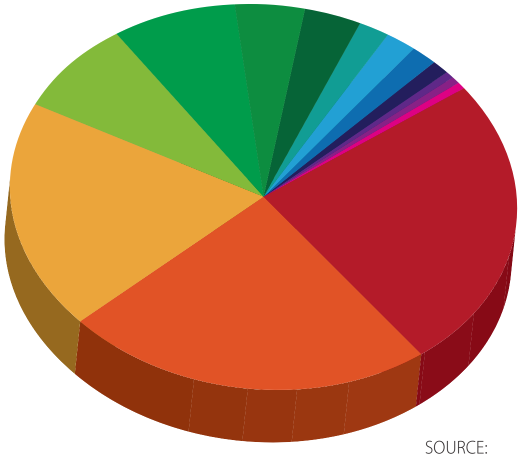
All workers other than those listed above will generally need to access their statements online at **www.socialsecurity.gov/mystatement**.

How Your Tax Dollars Are Being Spent

Ever wonder how much of your federal income tax payment is spent on national defense? Or education? Or law enforcement? Here's a list of how the federal government divvied up the tax payments among the major spending categories for fiscal year 2011.

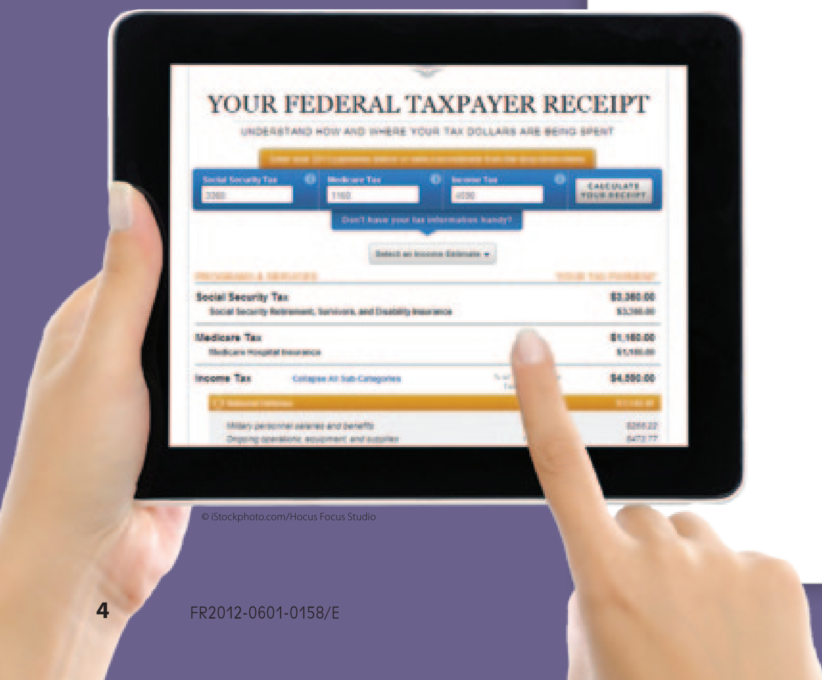
Federal Spending by Category

Fiscal Year 2011



SOURCE: www.whitehouse.gov

24.93 %	National Defense
23.66 %	Health Care
19.12 %	Jobs and Family Security
8.12 %	Net Interest
7.86 %	Additional Government Programs
4.49 %	Veterans Benefits
3.58 %	Education and Job Training
2.04 %	Natural Resources, Energy, and Environment
1.98 %	Immigration, Law Enforcement, and Administration of Justice
1.61 %	International Affairs
1.04 %	Science, Space, and Technology Programs
0.73 %	Agriculture
0.48 %	Community, Area, and Regional Development
0.36 %	Response to National Disasters



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Want more detail about how your federal tax payments are being spent?

A calculator on the White House's website will provide it for you in the form of a Federal Taxpayer Receipt. To get your receipt, visit **www.whitehouse.gov/2011-taxreceipt** and enter your 2011 Social Security tax, Medicare tax, and federal income tax payments. The calculator will then display how much of your tax payments went to health research, housing assistance, NASA, and so on. ■

If you become too ill to work for a few years, could you still afford to pay your bills?

© iStockphoto.com/Dmitry Kutlayev

EVENTS THAT **SIGNAL** THE NEED FOR A **DISABILITY INSURANCE REVIEW**

AS YOUR LIFE CHANGES, so may your need for disability insurance—the type of insurance designed to replace part of your income if you become too ill or injured to work. To help ensure that your coverage stays in sync with your changing needs, it is important to periodically review it, especially when changes occur in your life. Here are a few events that generally signal the need for a review.

A new job. Not all companies offer disability insurance to their employees—and among those that do, policies can vary significantly. Therefore, it is a good idea to review your coverage whenever you change employers. (Your financial advisor can help you assess your coverage.) If your new employer offers disability insurance, take a look at how much of your income will be replaced if you become disabled, how long you must be disabled before the benefits start, and how long the benefits will last. Does the policy offer the degree of income protection you need? If the policy falls short or if coverage is not available from your employer, you may want to purchase an individual disability insurance policy from an insurer.

A salary increase. As your salary increases, it is a good idea to check whether your disability insurance benefits are keeping pace. Let's say, for example, that the coverage offered by your employer will replace 60% of your salary, up to a maximum of $5,000 per month, or $60,000 annually. That may be acceptable if your annual salary is $100,000 or less, but if your salary is greater, the policy may not come close to replacing 60% of your salary. For example, if your annual salary is $200,000 and the monthly benefit is capped at $5,000, only 30% of your salary will actually be replaced if you become disabled. Can you afford to live on just 30% of your salary? If not, consider supplementing your workplace policy with an individual policy from an insurer.

Starting a business. If the cost of starting a business took a big bite out of your savings, disability insurance can help patch the financial safety net your savings once represented. With a policy in place, your income stream is protected if you become unable to work due to illness or injury. Also, adding disability insurance to your employee benefit package can help you attract and retain employees.

A new addition to your family. As the size of your family increases, so may the size of your bills. It is a good idea to check whether your current disability coverage is sufficient to cover your increasing expenses. ■

If it has been awhile since your disability insurance was last reviewed, please contact your financial advisor. Your advisor can help you determine whether you have the appropriate coverage for your situation.

How to Slash College Costs

Ways that may help you reduce the cost of attending college.

THE COST OF ATTENDING COLLEGE has more than doubled over the past three decades. As a result, more college students are relying on loans and the balances on those loans are increasing. In 2010, two-thirds of college seniors graduated with loans. The average loan balance? $25,250, according to The Project on Student Debt. For people just starting out, that amount of debt can be a serious impediment, holding them back from starting a business, buying or renting a home, starting a family, or saving for retirement.

Although you cannot control the price of college tuition—other than to choose a less expensive school—there are steps that parents and students can take to reduce their college costs. Here are a few ideas.

Graduate in three years rather than four. One way to cut college costs by thousands of dollars is to complete a bachelor's degree in three years rather than four.

Recently, some colleges have begun offering three-year bachelor's degree programs as a way to make college more affordable. Students participating in an accelerated program will generally need to take on a larger course load each semester and perhaps attend extra semesters in January or during the summer. Colleges offering three-year degree programs include Hartwick College (NY), Ball State University (IN), and Florida State University (FL), among others.

Of course, a formal three-year program is not necessary to earn a degree in three years. Students entering college with college credits from advanced placement courses may be able to complete a degree in less than four years. Or students who map out their course work very carefully, taking extra courses each semester, may also be able to reduce the time and the costs associated with completing a degree.

Snag every scholarship you can. There are more than a million scholarships available to college students. And while most scholarships will not fully cover the cost of attending college, they can help chip away at the cost to the tune of a few hundred to a few thousand dollars per year. The key is to find those scholarships that the student has a chance of winning and apply for them.

The Internet is a good place to start your search. The U.S. Department of Education's website (**www.FederalStudentAid.ed.gov/scholarship**) lets you conduct free scholarship searches based on a key word you enter, such as the student's field of study, sport, or ethnicity. Fastweb (**www.fastweb.com**) is another free website that matches students to potential scholarships based on information found in the student's profile.

Take care when searching the web—scholarship scams abound. If you are asked for your credit card or a payment in return for finding scholarships, think twice before proceeding. Because free advice on scholarships is readily available from a variety of sources, the request for a payment may be the sign of a scam.

In addition to the Internet, your high school guidance office may be able to point you toward scholarships, particularly local ones that may not be listed online.

Your college financial aid office and its website will generally have a list of scholarships specific to your college.

You should also explore businesses and organizations with which you have a relationship. Does your employer offer scholarship money to the children of its employees? Are you a member of any civic or community organization, such as the Elks or Rotary Club, that offers scholarships? How about your church or place of worship? You may be surprised about how many scholarship opportunities are available to your student once you begin looking for them.

Choose federal loans before private loans. If you borrow money for college, you will have two main choices: federal loans or private loans. Federal loans generally offer lower interest rates and more favorable terms so it is a good idea to exhaust your federal loan options before turning to loans from banks and other private sources.

Federal Stafford Loans are an option for undergraduate, graduate, and professional

Federal student loans typically offer lower interest rates than private student loans.

students. Federal PLUS Loans are available to graduate and professional students who have exhausted their Stafford Loans and to parents of dependent undergraduate students.

To determine eligibility for a federal loan, the student must fill out the Free Application for Federal Student Aid (FAFSA) each year. The school uses the information in this application to award federal student loans and other types of financial aid. Parents and students interested in PLUS loans must also complete a Direct PLUS Loan Application.

Choose a college that fits your budget. Your best bet for cutting college costs is to choose a college with lower tuition, fees, and room and board.

Among four-year schools, choosing an in-state public college rather than an out-of-state or private college may save you a bundle. In 2011-12, the total annual published price for in-state public colleges averaged $12,600 less than out-of-state public colleges and $21,500 less than private colleges.[1]

You may be able to reduce your costs even further by doing the first two years of study at a two-year public community college, where tuition and fees average 63% less than four-year in-state public colleges.[1] In some states, students can complete a four-year degree at a community college, helping to keep costs down for all four years.

Live at home. With room and board averaging nine to ten thousand dollars a year, living at home can cut your college costs, provided there is a college or university nearby. Granted, it does not offer the same experience as living on campus, but if the choice is between living at home or not attending college, living at home becomes a more attractive option.

Take advantage of education tax breaks. Claiming a tax credit or deduction for part of the college expenses you pay can help reduce your college costs. The federal government currently offers a choice of two tax credits; your state may also offer a deduction or a credit.

The American Opportunity Tax Credit from the federal government has the potential to put the most money (up to $2,500 per eligible student) back in your pocket if you are eligible to claim it. As with most tax credits, your income must be less than a certain amount in order to claim the credit. In this case, the income limits are rather generous, permitting the credit to be claimed by single individuals with modified adjusted gross incomes (MAGIs) less than $90,000 and married couples who file jointly with MAGIs less than $180,000. (The amount of the credit is reduced if your MAGI exceeds $80,000 if single or $160,000 if married filing jointly. Other restrictions also apply.)

The American Opportunity Tax Credit is scheduled to change back into the Hope Credit—which means lower income limits and a lower maximum credit amount—at the end of 2012 unless the federal government acts to extend it.

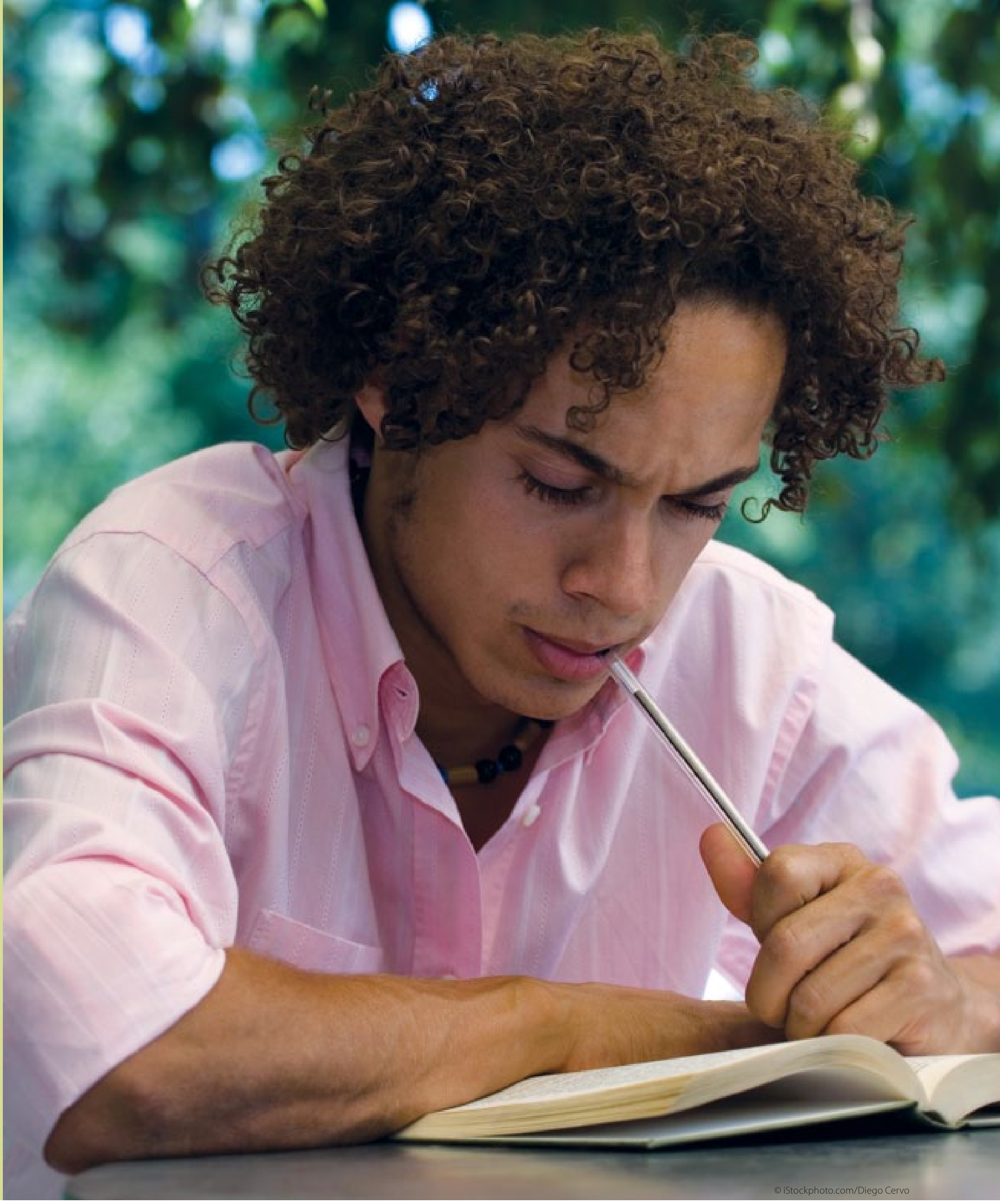
Tuition at in-state public colleges costs 71% less on average than at private colleges.

2011-12 College Prices

	Two-Year Colleges	Four-Year Colleges and Universities		
Average annual published price for . . .	Public	In-State Public	Out-of-State Public	Private Nonprofit
Tuition and fees	$3,000	$8,200	$20,800	$28,500
Tuition, fees, and room and board	–	$17,100	$29,700	$38,600

Note: Many students pay less than the published price once grants are factored in.
Source: College Board Advocacy & Policy Center's Trends in College Pricing 2011

Why pay four years of tuition when you can get a degree in three years?



Get an early start on saving for college. Paying for college out of savings and current income can cut your college costs if it reduces or eliminates the need to borrow. Think of it this way. Saving $200 a month for ten years will cost you $24,000, but may yield roughly $31,000 if it earns 5% interest each year. Borrowing $31,000 and repaying it over ten years will generally cost you $357 per month and roughly $43,000 overall, assuming a 6.8% interest rate.

The key is to begin saving as early as possible to allow your savings the longest opportunity to grow. Remember, even small amounts have the potential to grow exponentially over time, thanks to compound interest. For example, saving $50 a month from birth (for a total contribution of $10,800) may result in $17,460 by the time the student reaches age 18, assuming a 5% interest rate.

Don't despair if you have not begun to save and college is just a few years away. There is still time. Just keep in mind that every dollar you save between now and college is one dollar less you will need to borrow. ■

(The hypothetical examples used here are for illustrative purposes only. Your results will depend on your savings' or investments' actual rate of return and may be higher or lower than shown here. All investments involve risk.)

Seek professional advice.

Talk with your financial advisor about the best way to save and pay for a college education.

1 Source: *College Board Advocacy & Policy Center's Trends in College Pricing 2011*

Estate Planning Considerations for 2012

The current tax rules are about to expire. Here's what you should know.

THE FAVORABLE FEDERAL TRANSFER TAX provisions put in place in 2010 are scheduled to expire at the end of 2012 unless new legislation is passed. Here are a few items to consider before the end of the year.

Take advantage of the generous federal gift tax exemption. $5.12 million—that is the amount that you can currently exempt from the federal estate, gift, and generation-skipping transfer taxes. After 2012, it is anyone's guess what the exemption amount will be. If the current provisions are allowed to simply expire, the exemption amount will decrease to $1 million and the maximum tax rate will increase to 55% from the current 35%. Even if new legislation is passed, there is no guarantee that the new provisions will be as favorable as the current ones. So, if you are planning to make a major gift during your lifetime, say, to your children, 2012 may be the optimum year to do it.

Making a gift during your lifetime offers two main benefits. First, your gift reduces the size of your taxable estate. Second, all future appreciation on the gift occurs outside of your estate. Let's say, having never used any part of your gift tax exemption before, you make a $5 million gift to your children in 2012 and then you live for another twenty years. If the gifted assets appreciate 8% annually for the next twenty years, you will have sheltered more than $23 million from the federal estate tax.

It is important to note that when the legislation increased the exemption amount through 2012, it did not address what may happen if the exemption amount is decreased in future years. For example, if you use all of the $5.12 million exemption now and the estate tax exemption is lower when you die, will the difference be subject to estate taxes? No one knows the answer at this time, but it is certainly something to discuss with your estate planning advisor if you are interested in making major gifts this year.

Plan for state taxes. Although the federal estate tax exemption is currently $5.12 million, people with more modest estates may still need to plan for estate taxes if they live in a state with an estate or inheritance tax. In most instances, the exemption amounts allowed by states are far less than $5.12 million. Your estate planning advisor can fill you in on the details regarding your state.

Married couples may want to take steps to preserve their exemptions. The tax relief act that increased the federal exemption amount also made the gift and estate exemption "portable" between spouses—but only for 2011 and 2012. So if one spouse dies in 2011 or 2012, the executor of the estate can elect on the estate tax return to transfer the unused portion of the exemption to the surviving spouse.

Let's take a look at a hypothetical married couple, Joe and Susan, who have not used any part of their gift tax exemptions. Let's say that Joe dies in 2012 and leaves his entire $8 million estate to Susan whose own assets are valued at $2 million. Thanks to the marital deduction, the assets that Joe leaves his spouse are not subject to federal estate taxes. The executor of Joe's estate elects to transfer the unused part of Joe's exemption (in this example, $5.12 million) to Susan. Since Susan has not used any part of her own exemption, she now has a combined exemption of $10.24 million to use for either lifetime gifts or her estate. Susan dies later in 2012, and her entire $10 million estate is exempted from federal estate taxes. (Please note that the surviving spouse may not use the deceased spouse's exemption for generation-skipping transfer tax purposes.)

Prior to 2011, married couples had to plan ahead to ensure that the exemption of the first spouse to die was not wasted. For example, if Joe had died in 2010 without making any plans to preserve his exemption, only Susan's exemption would have been available when she died in 2012, and as a result nearly half of her estate would have been subject to the federal estate tax.

If exemption portability is allowed to expire at the end of 2012, advance planning will once again be necessary for those married couples who want to make use of each of their exemptions. Even if exemption portability is extended into future years, some couples may prefer to use other estate planning tools rather than simply rely on exemption portability.

Returning to the earlier example, if Susan inherits Joe's estate outright, she has the right to leave it to whoever she chooses. If Joe wants to control how his estate is ultimately distributed, he may be better off with a credit shelter trust that enables him to use his estate tax exemption, provide financial support for Susan, and direct how the assets in the trust are to be distributed when Susan dies.

The bottom line is that it is important to stay in touch with your estate planning advisor as the federal tax rules continue to change. Your advisor can help you identify opportunities presented by the changing rules, as well as implement the best estate planning strategies for your specific circumstances and goals. ■

Key Federal Transfer Tax *Facts and Figures*

	2012	2013
Estate and gift tax exemption	**$5.12 million**	**$1 million**
Maximum tax rate	**35%**	**55%**
Can use deceased spouse's unused exemption for estate and gift taxes	**Yes**	**No**

Unless Congress acts, the current tax provisions will expire at the end of 2012.

Tapping Your Home Equity with a Reverse Mortgage

An introduction to this potential source of income for older homeowners.

BY THE TIME YOU RETIRE, you may have a considerable portion of your wealth tied up in your home; wealth you may need one day to supplement your income or to make a major purchase. While there are several ways to tap the equity in a home, including selling the home or borrowing against it, a reverse mortgage can be a good choice in some situations.

A reverse mortgage is a type of home loan that enables homeowners age 62 or older to convert some of the equity in their main home into cash without having to move or to make loan repayments each month. The cash you receive from a reverse mortgage can be used for any purpose and generally does not need to be repaid for as long as you live in the home.

The amount you can borrow with a reverse mortgage depends in part on the age of the youngest borrower, the applicable interest rates, and your home's appraised value. In general, the older you are, the lower the interest rates, and the higher the value of your home, the more you can borrow.

Cash from a reverse mortgage can be paid to you in several ways. You can receive it as a series of fixed monthly payments that last for a set number of months or for as long as you live in the home, a line of credit that allows you to draw on the cash as you need it, or a lump-sum payment. You can also combine payment methods, such as pairing a fixed monthly payment with a line of credit.

With a reverse mortgage, the loan becomes due when you (the borrower) stop using the home as your principal residence, such as when you sell it, move away, or pass away. At that time, the home is typically sold to repay the loan balance.

You and any other borrower, such as your spouse, can continue to live in the home for the rest of your lives, providing the loan obligations continue to be met. In general, you are required to pay the property taxes and home insurance, as well as maintain the home. If you fail to meet these obligations, the mortgage may become due and you may lose your home through foreclosure. So before you sign a reverse mortgage contract, be sure to consider whether you will be able to afford the taxes, insurance, and maintenance for as long as you live in the home.

Most reverse mortgages are made under the Federal Housing Administration's (FHA) reverse mortgage program and are known as Home Equity Conversion Mortgages (HECMs).

HECM loans are available through private lenders, but are insured by the FHA. This insurance protects you and your heirs from owing more than the value of your home. If the proceeds from the sale of your home are not enough to cover the loan balance, FHA insurance pays the difference. Conversely, if the proceeds exceed the loan balance, the excess goes to you or your heirs.

HECM loans currently have a home value limit of $625,500. If your home is worth more, you can still get a HECM loan, but the amount of cash you can borrow will be based on $625,500 rather than your home's actual appraised value.

The costs associated with a reverse mortgage can be steep. There are upfront fees due at closing, most of which can be financed and paid from the proceeds of the loan. There are also ongoing fees—interest, servicing fees, and annual mortgage insurance premiums—that are added to your loan balance over time.

It is usually the upfront fees that garner the most gripes from consumers and financial pundits. The upfront fees for a HECM Standard loan generally include closing costs of a few thousand dollars, a loan origination fee that can run as high as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Pros and Cons of a Reverse Mortgage

Pros

- **A reverse mortgage does not need to be repaid until you stop using the home as your principal residence.** Because you do not have to make monthly loan repayments, your retirement income may stretch further each month.
- **You can continue to live in the home and cannot be forced out,** as long as you continue to maintain the home and pay the property taxes and insurance.
- **With a FHA reverse mortgage (HECM), you and your heirs will never owe more than the value of your home.** If your home is sold for less than your loan balance, FHA insurance covers the difference.
- **The cash available to you with a HECM line of credit will increase over time** as interest is paid on the unused portion of your line of credit.

A reverse mortgage is a major financial decision. Please consult your financial advisor first.

Cons

- **Reverse mortgage costs can be high.**
- **A reverse mortgage reduces your family's inheritance** as you use up the equity in your home.

$6,000, and an upfront mortgage insurance premium equal to 2% of the lesser of your home's appraised value, $625,500, or the sales price.

Recognizing that the steep upfront fees were a deal breaker for many seniors, the FHA introduced a second reverse mortgage option—known as the HECM Saver—in 2010. The HECM Saver reduces the upfront mortgage insurance premium to 0.01% of the property's value instead of the 2% premium charged by the HECM Standard. For example, the upfront premium for a $500,000 home is $50 for a HECM Saver loan and $10,000 for a HECM Standard loan. The trade-off for the lower upfront cost is that you cannot borrow as much with a HECM Saver loan. The maximum loan amount will be 10–18% less than what you might borrow with a HECM Standard loan. But for a homeowner who does not need to borrow the maximum amount of cash, a HECM Saver loan is an attractive option.

There is a third HECM option—the HECM for Purchase loan—designed to help seniors purchase a new home (perhaps closer to family or more suited for their physical needs) and obtain a reverse mortgage in a single transaction, thus saving them one round of closing costs.

Although most reverse mortgages today are HECM loans, it is important to recognize that the cost of borrowing can vary significantly from lender to lender. For this reason, it is a good idea to shop around before choosing a lender.

All things considered, reverse mortgages are complex. So complex, in fact, that the U.S. Department of Housing and Urban Development (HUD) requires you to speak with a government-approved housing counselor before you are eligible for a HECM loan. The counselor will discuss with you the financial implications of using a HECM, your obligations as a borrower, the cost of obtaining the loan, and alternatives you may wish to consider. You can locate a HECM counselor by searching online at www.hud.gov or by calling (800) 569-4287.

You should also speak with your financial advisor before applying for a reverse mortgage. Your advisor can review your financial situation and help you identify ways that may improve your cash flow in retirement. ■

Uses for a Reverse Mortgage

Supplement your income. Reverse mortgages are typically used by seniors with dwindling financial resources to supplement the Social Security and other retirement income they receive.

Pay for major expenses. A line of credit from a reverse mortgage can help cash-strapped seniors pay for major expenses, such as home improvements and repairs.

Retire your current mortgage. Homeowners with significant equity in their homes who are still making monthly mortgage payments can put an end to those payments—and lower their monthly expenses in the process—with a reverse mortgage.

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Alternatives to a Reverse Mortgage

Downsize. Is your current home more home than you really need? Selling it and using the proceeds to purchase a smaller home—with smaller property taxes, insurance premiums, maintenance costs, and utility bills—may help bring your housing expenses into line with what you can afford. Or consider using the proceeds to rent a smaller place, which offers the added benefit of leaving the property maintenance to someone else.

Relocate to a less expensive area. Selling your home and moving to an area with lower home prices and a lower cost of living may free up enough cash to meet your needs.

Take on a housemate. Is there a relative or friend with whom you might share your home and expenses?

Home equity loan or line of credit. A home equity loan or line of credit can be a source of extra cash, provided you have the financial resources to make the monthly loan payments. If you can't make the payments, you risk losing your home.

To find public programs that assist older adults, visit ***www.eldercare.gov.***

A deferred payment loan from your local or state government. If you cannot afford to repair your home, contact your local and state government housing departments. Many of them will lend a qualified homeowner a one-time lump sum for repairs that does not need to be repaid while you live in the home.

Property tax deferral loan. If you cannot afford to pay the property taxes on your home, contact the agency to which you pay your taxes. Many communities offer loans to qualified homeowners (typically low-income and elderly homeowners) to help pay their property taxes. These loans generally do not have to be repaid while you live in the home.

Languedoc: Perfectly Wonderful

BY BRIAN JOHNSTON

The Languedoc-Roussillon region is one of the great old provinces of France, lying along the Mediterranean coast between the Rhône and the Pyrenees and encompassing well-known towns such as Montpellier, Toulouse, Nîmes, and Carcassonne. This is a region where you drift through marvelous landscapes under a hot sun. The Mediterranean waters are as blue as a hip cocktail, and rugged hills pose in the hinterland, streaked with lavender and vineyards. The wine is rough and the food hearty with regional specialties, such as bull meat in a rich wine sauce. As for its history, count on Roman amphitheatres, medieval fortresses, and elegant chateaux overlooking vineyards that have been cultivated for hundreds of years.

Head south in Europe and things always seem to me to be more intense, and Languedoc is no exception. This is no buttoned-up Paris. The old men seem more wrinkled, the passions more rowdy, the regional accent thick enough to be incomprehensible. Policemen's moustaches bristle, and there is a flamboyant disregard for punctuality.

Make a start in Montpellier, one of France's fastest-growing cities. With a full quarter of its population attending its renowned thirteenth-century university, it has a lively youthfulness that belies its age.

The medieval walled town of Carcassone, left. Wild horses wade through marshes, top right, in the Camargue. The Fountain of the Three Graces, bottom right, graces the area in front of Montpellier's Opera House.

In the ranks of cafés in the main square, men sit under awnings fiddling with tiny cups of coffee. They sit in rows, all facing outwards, narrowing their eyes like Parisian detectives and swiveling their necks as women walk past. A merry-go-round whirls in colored lights as trams shunt by in bright blue.

A warren of pedestrian streets leads off from the square, built in soft, crumbling limestone in butter yellow, and punctuated with the odd grandiose church and civic monument. The alleyways are host to a curious mix of fancy shops—from Bang & Olufson to Esprit and other boutiques—and seedy juice bars and pubs that make for some excellent exploration. Also not to be missed is the town's recently renovated Musée Fabre, one of the best regional art galleries in France.

Save plenty of time for nearby Carcassonne, a highlight of medieval Europe. The immense fortress city rises against the Pyrenees like something out of a fairy tale. Its churches glow with marvelous stained glass, turrets and towers jumble on the skyline, while its museum details the thousand-year history of the town. Packed with tourists during the day, Carcassonne really comes into its own in the evening, when day trippers depart and floodlights illuminate the ancient citadel with a soft glow.

Wonderful though Carcassonne is, it has more ice-cream and plastic-sword shops than real life. Perhaps the region's most charming city is Nîmes. Its pedestrian streets lead into café-cluttered squares, overlooked by elegant limestone buildings. In the evening, the town's tapas bars come alive, castanets click, and flamenco dancers stomp, a reminder that Spain isn't far away from this passionate part of France.

Nîmes was founded as a Roman town and has a near-perfect Roman temple plunked right in its town center, blackened with age and flapping with pigeons. The scattered remains of baths and more temples lie in the Jardin de la Fontaine. The highlight, though, is Nîmes' excellently preserved amphitheatre, with soaring arches and dizzying steps that you can clamber up like a bit actor from *Gladiator.* Twelve miles out of town, the Pont du Gard is a spectacular Roman aqueduct that spans a valley of gnarly olive trees and rosemary-scented scrub.

And so to the wetlands of the Mediterranean coast, known as the Camargue. Wild horses wade knee-deep through the marshes, and herds of Camargue bulls wander the countryside. (Smaller, swifter, and more excitable than Spanish bulls, they are used in events where competitors try to lift rosettes from between a bull's horns.) This is a flat and alien landscape where showy flamingos strut on long legs in the shallows and piles of salt glitter unbearably in the sun, surrounded by checkered saltpans. Aigues-Mortes is the country's most perfectly preserved medieval town, while Port Camargue is a designer resort with not a little touch of the Austin Powers in its 1960s architecture.

Aim to spend the night in Sète, with its waterfront where fishermen mend fishing nets and shake their heads at the bare-bellied teenagers sashaying past. The town has a lively, lived-in feel and a busy fish market, but also boasts lovely canals lined by Art Deco and Second Empire buildings. The facades are covered with layers of different colored paint, splotches of faded green and blue and pink: perfectly wonderful. ■

What's On At The Art Museums

Atlanta, GA

Fast Forward: Modern Moments 1913»2013 *High Museum of Art · October 13, 2012–January 20, 2013*

Featuring approximately 100 works of art, this exhibition traces the development of modern and contemporary art from 1913 to the present day. Among the artists represented in this exhibition are Umberto Boccioni, Salvador Dali, Willem de Kooning, Roy Lichtenstein, and Jeff Koons.

Boston, MA

Ori Gersht: History Repeating *Museum of Fine Arts, Boston · August 28, 2012–January 6, 2013*

This exhibition surveys the works of Ori Gersht (b. 1967), an artist who weds old masters to new technologies in large-scale photographs and videos that are imbued with beauty and violence.

Denver, CO

Becoming Van Gogh *Denver Art Museum · October 21, 2012–January 20, 2013*

Becoming Van Gogh brings together more than 70 paintings and drawings by Vincent Van Gogh, along with works by other artists, to illuminate Van Gogh's unconventional path to becoming one of the world's most recognizable artists.

Milwaukee, WI

Rembrandt, Van Dyck, Gainsborough: The Treasures of Kenwood House, London

Milwaukee Art Museum · October 12, 2012– January 13, 2013

Forty-eight masterpieces, normally displayed in London's Kenwood House, will be exhibited in Milwaukee this autumn. The paintings are part of a collection amassed by Edward Cecil Guinness (the Guinness brewery heir) in the late 1800s and later donated to the nation.

New York, NY

Picasso Black and White *Guggenheim Museum · October 5, 2012–January 23, 2013*

Comprised of 110 paintings and a selection of sculptures and works on paper, this exhibition examines Pablo Picasso's recurring use of the black and white motif throughout his lengthy career.

San Francisco, CA

The William S. Paley Collection: A Taste for Modernism

The de Young Museum · September 15, 2012–December 30, 2012

Particularly strong in French Post-Impressionism and Modernism, this exhibition from the Museum of Modern Art in New York includes multiple works by Cezanne, Matisse, and Picasso, as well as significant works by Degas, Toulouse-Lautrec, Gauguin, Derain, and Rouault.

Washington, DC

The Art of Video Games *Smithsonian American Art Museum · Through September 30, 2012*

This exhibition explores the 40-year evolution of video games as an artistic medium. It features still images, video interviews with developers and artists, historic game consoles, and a selection of playable games. The exhibition will also travel to ten cities in the United States, including Boca Raton (FL), Seattle (WA), Yonkers (NY), Toledo (OH), Flint (MI), Memphis (TN), and Miami (FL). ■

World Capitals

1. Pierre Charles L'Enfant is credited with designing the layout of this capital city:

A. Ottawa, Canada
B. Washington, D.C., United States

2. Hundreds of miles of tunnels, abandoned limestone quarries, catacombs, a small pond, canals, and an aqueduct lie under this capital city:

A. Paris, France
B. London, England

3. The Indira Gandhi International Airport serves this capital city:

A. New Delhi, India
B. Jakarta, Indonesia

4. This Middle-Eastern capital city, inhabited since the Neolithic period, was once known as Philadelphia:

A. Cairo, Egypt
B. Amman, Jordan

5. A wall divided this European capital city from 1961 to 1989:

A. Madrid, Spain
B. Berlin, Germany

6. In 1912, Chicago architect Walter Burley Griffin's design for this capital city was selected in an international competition:

A. Canberra, Australia
B. Wellington, New Zealand

7. Lions, giraffes, and black rhinos roam the national park adjacent to this capital city:

A. Nairobi, Kenya
B. Lima, Peru

8. This capital city hosts the headquarters of the European Union and NATO:

A. Amsterdam, Netherlands
B. Brussels, Belgium

9. Emperors once ruled from the Forbidden City compound in this capital city:

A. Beijing, China
B. Rome, Italy

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