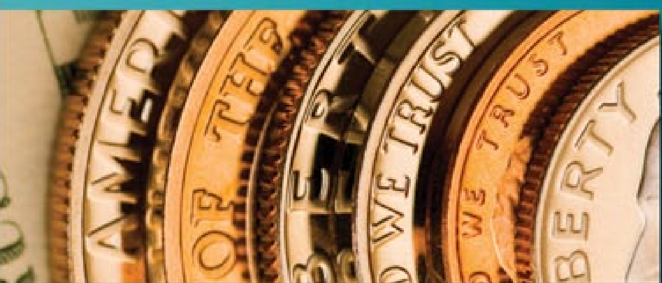
EYE ON MONEY

JUL
AUG
2023



40 Financial Things to Know by Age 40

40 things to help you manage your finances today and lay the groundwork for the next 40 years.

plus

CERTIFICATES OF DEPOSIT: WHAT THEY ARE AND HOW THEY WORK

4 THINGS ABOUT THE NEW RMD RULES

THE NEW 529-PLAN-TO-ROTH-IRA ROLLOVER OPTION

HOW BONDS PAY INTEREST

FINANCIAL

3 Financial Tips for Newlyweds

1 **Review your insurance**. You may be eligible for lower premiums if you bundle your home and auto insurance with one company. And if you each have your own health insurance plan, check to see if family coverage under one plan will meet your needs and cost less than two individual plans.

2 **Consider updating the beneficiary designations** on your bank, retirement, and investment accounts, as well as your life insurance policies. Also, you may want to update your will, health care proxy, and other estate planning documents after you marry.

3 **Review your tax withholding.** Getting married can change your tax situation and result in too little or too much federal income tax being withheld from your paycheck. The tax withholding estimator on the IRS website (irs.gov/W4App) can help you determine if you need to adjust how much tax your employer withholds from your paycheck. ■

inside

UP FRONT

FEATURES

FYI

NEW! Money in a 529 Education Savings Account Can Be Rolled Over to a Roth IRA

The Secure 2.0 Act of 2022 adds a new option for how to handle leftover money in a 529 account.

IF YOU HAVE MONEY LEFT OVER in a 529 education savings account because the beneficiary decided not to go to college or did not use all of the money while in college, you will soon have a new option for how to handle it.

Beginning in 2024, you may be able to roll over money from a 529 account to a Roth IRA for the beneficiary. Here are some details about the new option.

- Up to $35,000 can generally be rolled over federally tax-free and penalty-free to the beneficiary's Roth IRA, where it has the potential to grow tax-free and be withdrawn tax-free in retirement.
- The annual contribution limit that applies to Roth IRAs will apply to the amount that can be rolled over each year. The 2023 limit for someone under age 50 is $6,500. So if you want to roll over more than $6,500 (or whatever the annual limit is at the time), you'll need to do it over the course of a few years.
- The 529 account must be open for at least 15 years before any money can be rolled over to a Roth IRA.

The new rollover option is part of the Secure 2.0 Act of 2022, which was signed into law in December 2022. For more information about how it works and whether it may be a good choice for you, please consult your financial professional.

Of course, there are other options you may want to consider for how to handle any money remaining in a 529 account. For example, you can cash out the account. Just be aware that when you withdraw money for something other than a qualified education expense, income tax and generally a 10% penalty will apply to the earnings portion of the withdrawal.

If you prefer to avoid the tax and penalty, you can change the beneficiary on the account to a member of the beneficiary's family so that he or she can use the remaining funds for their own qualified education expenses. Or you can use the funds to repay qualified student loans for the beneficiary and the beneficiary's siblings, up to a lifetime limit of $10,000 per person.[1]

And with the addition of the Roth IRA rollover option in 2024, you have a third way to avoid federal tax and a penalty on leftover 529 funds—a way that also provides the beneficiary with a head start on saving for retirement. ■

1. There may be state tax repercussions in some states that do not recognize student loan repayment as a qualified education expense.

For more complete information about a 529 education savings plan, 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 professional. Some states offer state residents additional benefits, such as a state tax deduction for contributions to the plan, reduced or waived program fees, matching grants, and scholarships to state colleges. Any state-based benefit offered with respect to a particular 529 education savings plan 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 professional 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 529 education savings plan to learn more about the features, benefits, and limitations of that state's 529 education savings plan.

© iStock.com/skodonnell

3 Ways That Bonds Pay Interest

When you receive interest from your bonds and whether the interest amount is fixed or variable depends on the type of bond you choose: fixed rate, floating rate, or zero coupon.

FIXED RATE

A fixed-rate bond pays interest periodically at a specified rate that does not change during the life of the bond. Interest is typically paid every 6 months, and the bond's face value is repaid at maturity. For example, a 10-year fixed-rate bond with a $1,000 face value and a 3% coupon (annual interest rate) will generally pay $15 interest every 6 months for 10 years. When the bond reaches its maturity date at the end of 10 years, the interest payments stop and the investor is paid $1,000, the bond's face value.

FLOATING RATE

A floating-rate bond pays a variable rate of interest that is reset periodically based on a benchmark interest rate, such as the LIBOR or U.S. Treasury bill rate. As a result, the interest payments from floating-rate bonds increase when interest rates rise and decrease when they fall.

ZERO COUPON

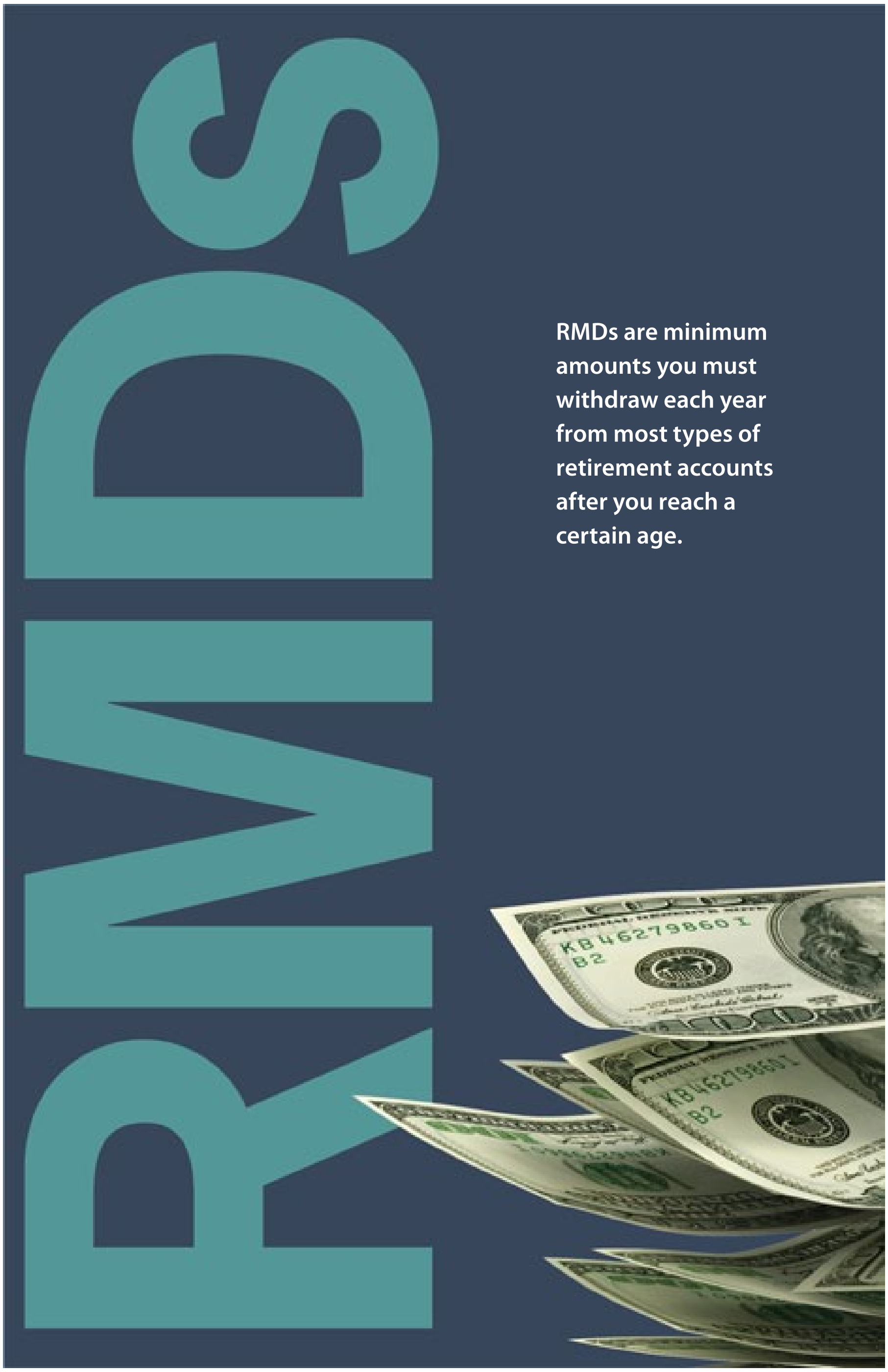
Unlike the other two types of bonds, zero-coupon bonds do not pay interest periodically. Instead, all of the interest is paid when the bonds mature. It generally works like this: Investors purchase zero-coupon bonds at a discount to their face value and receive the full face value when the bonds mature. For example, let's say an investor pays $750 for a $1,000 bond that matures in 10 years. During those 10 years, the investor does not receive any interest payments. When the bond matures at the end of 10 years, the investor receives $1,000, the bond's face value. The difference between the discounted price paid for the bond and the face value received at maturity is the interest. ■

Please consult your financial professional for investment advice.

Please note: Bonds are subject to interest rate risk. When interest rates rise, bond prices usually fall. The effect is usually more pronounced for longer-term securities. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties.

4 Things to Know About the New RMD Rules

Signed into law in December 2022, the Secure 2.0 Act of 2022 made a few changes to the rules for required minimum distributions (RMDs). Here are four things to know about the changes. Your tax and financial professionals can tell you more.



1 The starting age for RMDs has increased to 73.

The Act increased the age when account owners generally must begin taking RMDs from workplace retirement plans and traditional IRAs. In recent years, the starting age was 72. As of January 1, 2023, the starting age is 73.

The new age applies to account owners who reach age 72 after 2022. For example, if you turn age 72 in 2023, you do not have to take an RMD for 2023. Instead, your first RMD will be for 2024 (the year you turn age 73) and can be taken as late as April 1, 2025. (RMDs for all years other than the first one must be taken by December 31 each year.)

2 The starting age will increase again in 2033.

In 2033, the starting age will increase to age 75—giving younger account owners even more time before they have to begin taking money from their retirement accounts and paying income tax on the taxable amounts they withdraw.

3 The penalty for not taking an RMD has been reduced from 50% to 25%.

And if the failure to take an RMD is corrected quickly, the penalty may be reduced to 10%.

4 RMDs will no longer be required from Roth 401(k)s after 2023.

Currently, RMDs are not required from Roth IRAs during the account owner's lifetime, but they are required from designated Roth accounts in 401(k), 403(b), and 457(b) retirement plans. That is about to change. Beginning in 2024, account owners will no longer have to take RMDs from their designated Roth accounts. ■

Please note that this article pertains to the RMD rules for account owners. The rules for beneficiaries are different. Also, you may be able to delay the start of RMDs from a non-IRA retirement plan beyond age 73 if you are still working for the company that sponsors the plan, the plan permits the delay, and you do not own 5% or more of the company.

40 Financial Things to Know By Age 40

These 40 things can help you manage your finances today and build a strong financial foundation for the next 40 years. For specific advice, please consult your financial professional.

INVESTING

The appropriate asset allocation for you at age 40.
Choosing the proportions of stocks, bonds, and cash investments that you hold in your investment portfolio is not a set-it-and-forget-it proposition. Things change over time and the asset allocation that you used in your twenties and thirties may no longer be appropriate as you draw closer to the time when you will need your money or if your goals have changed. Your financial professional can help you determine an appropriate allocation at this point in your life.

The importance of diversification.
Spreading your money across a range of investments can help reduce risk in your portfolio by lessening the impact that a fall in any one market, sector, region, or individual investment may have on the overall performance of your portfolio.

How to qualify for a lower tax rate on your capital gains.
When you sell a stock, mutual fund, or other security in a taxable account for more than you paid for it, the profit is known as a capital gain. The tax rate you pay on it depends on your taxable income and how long you owned the security. If it was a year or less, the capital gain is short-term and is taxed as ordinary income at rates up to 37%. You can get a lower rate on your capital gains simply by holding the security for more than one year before selling it so that it qualifies as a long-term capital gain and is taxed at 0%, 15%, or 20%. (An additional 3.8% net investment income tax may apply for higher-income taxpayers.) Please note that the strategy of holding a security for longer than one year only applies to securities held in taxable accounts (not retirement accounts).

Asset allocation and diversification do not ensure a profit or protect against loss in declining markets.

RETIREMENT PLANNING

How much you may get from Social Security.
To learn how much you may receive each month in Social Security benefits when you retire, take a look at your Social Security Statement, which includes a personalized benefit estimate. You can review it online by creating a "my Social Security account" on the Social Security Administration's website, www.ssa.gov/myaccount. Although your retirement may be decades away, getting an estimate of your future benefits now can be helpful in planning for retirement.

The savings you may need to retire.
Once you have an idea of how much you may receive from Social Security each year, add to it the retirement income you expect from other predictable sources, such as pensions. Any gap between the income from these sources and the amount you expect to spend annually will generally need to be filled by your savings. Retirement planning calculators on the internet can provide a rough estimate of the savings you may need. And of course, your financial professional can provide an idea of how much you may need in savings and how much you may need to contribute to your savings each year to potentially reach your goal.

You can contribute to a retirement plan at work and an IRA on your own.
You can contribute to a traditional or Roth IRA even if you participate in a retirement plan at work, such as a 401(k), 403(b), SEP IRA, or SIMPLE IRA plan. So if you'd like to save more than the retirement plan at work allows, you have the option to save additional amounts in an IRA. Keep in mind that your income must be under certain limits to contribute to a Roth IRA. And if you or your spouse is covered by a retirement plan at work, your income must be under certain limits to deduct your traditional IRA contributions.

Health savings accounts are a great retirement savings tool.
If you have a high-deductible health plan, consider opening a health savings account (HSA) and using it to save for your medical expenses in retirement. The tax benefits offered by HSAs cannot be beat.

If you haven't already started saving for retirement, the next best time to start is now.

With two or three decades to go before you retire, there is still time to build your retirement savings if you are smart about it. Here are a few tips. Begin now. Save as much as you can. Take advantage of tax breaks for saving by using workplace retirement plans and IRAs. Save additional amounts in regular accounts. Seek advice from your financial professional about what it may take to get on track to the retirement you envision.

CREDIT

Why your credit reports matter.
The information in your credit reports, such as your payment history, how much you owe, and how long you have used credit, is used to calculate your credit score, a gauge that lenders use to judge whether you are a good credit risk. A higher credit score improves your chances of qualifying for credit and loans and may result in a better interest rate for you.

The best ways to improve your credit score.
Paying your bills on time, every time is the most important thing you can do to improve your credit score. It also helps to keep your credit card balance well below your credit limit and to avoid applying for more credit than you need.

TAXES

The fastest way to get your tax refund.
According to the IRS, there are two things you can do to speed up access to your refund: file your tax return electronically and have your refund deposited directly into your financial account. Refunds are usually issued within three weeks if you use these methods in contrast to six months or more if you file a paper tax return.

Why a smaller refund is better than a larger refund.
Remember, a tax refund is simply a refund of money that you overpaid to the government. Rather than giving the government free use of your money for several months, it is generally better to pay as close to your actual tax liability as possible throughout the year. You can adjust how much tax is withheld from your paycheck by giving your employer a new Form W-4.

Best tax advice ever: Hire a tax pro.
The rules regarding taxes are complex and change frequently. Hiring a tax professional to review your situation and prepare your tax returns can save you time and may help minimize your taxes.

TERMS USED ON A TAX RETURN

AGI
AGI, or adjusted gross income, is your gross income minus certain adjustments to income, such as deductible IRA contributions, educator expenses, and student loan interest. Your AGI, or a modified version of it, affects your eligibility for some tax credits and deductions.

Tax credits and deductions
Tax credits reduce the amount of tax you owe. Tax deductions reduce your taxable income. Both are generally based on certain expenditures you make and are often used to encourage taxpayers to do things the government believes are desirable, such as buy a home, improve the energy efficiency of your home, give to charity, save for retirement, and pay for your children's college education.

Itemized deductions
Itemized deductions are amounts you can use on your tax return to reduce the amount of income you are taxed on. They are based on the amount you spend during the year on deductible expenses, such as state and local taxes, property taxes, mortgage interest, charitable contributions, and more. Limits apply to some deductions.

Standard deduction
The standard deduction is a specific dollar amount based on your tax filing status and whether you are age 65 or older and/or blind that you can use to reduce the amount of income you are taxed on. In most cases, you can either claim the standard deduction or itemize deductions on your tax return. When choosing between the two, it is usually best to use the one that offers you the larger deduction.

Phaseout
Phaseouts are designed to prevent higher-income taxpayers from claiming tax breaks intended only for lower- and middle-income taxpayers. Most phaseouts gradually reduce the value of a tax benefit, such as a tax credit, for taxpayers with incomes above a specified amount. For example, if you are single, your modified adjusted gross income (MAGI) must be $80,000 or less to claim the full American Opportunity Tax Credit. If your MAGI is between $80,000 and $90,000 (the phaseout range for this credit), you receive a reduced amount. And if your MAGI is over $90,000, you cannot claim the credit.

MISSING MONEY

Where to look for missing money.

If you've ever forgotten to cash a check or lost track of an old bank account, your state may be holding the funds for you. You can find out by doing a quick online search of your state's unclaimed property database, which you can link to from the website Unclaimed.org. Or you can search multiple states at once at MissingMoney.com. Types of missing property you may find include uncashed checks, bank accounts, refunds, trust distributions, security deposits, insurance payments, and safe deposit box contents.

COLLEGE PLANNING

Saving may cost less than borrowing.
Although you or your child can take out loans to pay for college, it is generally cheaper to save for college than to borrow money that will need to be repaid with interest.

How to estimate how much to save.
One option is to use a college savings calculator on the internet. After entering your child's age, the calculator will generally estimate how much college may cost by the time your child reaches age 18. It may also help you estimate how much you may need to save each month to potentially cover a specified portion of college expenses. A better option is to consult your financial professional who can incorporate saving for college into your overall financial plan.

The importance of shifting a college fund to more conservative investments as college nears.
To avoid potentially having to sell stock when the market is down in order to pay tuition, it is generally a good idea to shift to a less risky mix of investments, such as bonds and cash, the closer your children get to college age. If you are using an age-based or enrollment-date portfolio, the portfolio will change automatically over time to less risky investments. If you are using other investments, you may want to check with your financial professional for advice on making the shift.

Where to find information about preparing for college.
The website StudentAid.gov offers a wealth of information for families with college-bound students, including an overview of financial aid, considerations when choosing a college or a career, checklists of what needs to be done in the years leading up to college, and much more.

Where to find and compare colleges.
The website CollegeCost.ed.gov is a good place to start. A link on the site takes you to the College Navigator where you can search for and compare colleges on criteria such as costs, majors offered, and school size. Another link takes you to the College Scorecard where you can compare colleges based on their cost, graduation rate, and median annual earnings after attending.

How to estimate how much financial aid your child may receive.
To get an idea of how much a specific college may cost after scholarships and grants are figured in, check out the net price calculator on the college's website. After entering some information about your family, income, and assets, the net price calculator provides an early estimate of the financial aid your child may receive and how much you may be expected to contribute.

How to apply for financial aid.
The first step is to file the Free Application for Federal Student Aid (FAFSA). This application determines the student's eligibility for federal aid, as well as most state and college aid. You can fill it out online at fafsa.gov. Some colleges and states may use additional aid applications. For example, some colleges use the CSS Profile to award institutional aid, which is aid that comes from the college itself.

INSURANCE

Whether you need life insurance.
Not everyone does. You may not need it if you do not have a spouse or young children or if you have saved enough to provide for your loved ones. But if you have people who depend on you financially and who would struggle without your income, purchasing life insurance may be a smart move.

How much your disability insurance will pay out.
Disability insurance replaces part of your income for a period of time when you can't work due to an injury or illness. If you have a policy through your employer, it's a good idea to find out whether it is adequate for your needs. If the amount is not enough to cover your day-to-day expenses or if you don't have disability insurance, consider purchasing a supplemental or individual policy.

How to increase your liability coverage.
The more you own and earn, the more you have at risk from a lawsuit if someone is injured on your property or while you are driving. Primary insurance policies, such as homeowners, auto, and boat, generally limit liability coverage to $100,000, $300,000, or $500,000. You can expand your coverage and help protect your assets in a major lawsuit with personal umbrella insurance—a type of policy that provides additional liability coverage beyond the limits of your primary insurance policies.

Most homeowners insurance does not cover damage from flooding.
For this type of coverage, you will generally need a separate flood insurance policy, which can generally be purchased from your insurance company or agent.

NET WORTH

How to calculate your net worth.

Your net worth is the difference between what you own and what you owe. An increase in your net worth from year to year is a good sign that your financial health is improving. To calculate it:

1. Add up the current market value of everything you own, such as your homes, vehicles, financial accounts, art, jewelry, furniture, business interests, and other assets.
2. Add up what you owe, such as mortgages and home loans, vehicle loans, student loans, credit card debt, and other debts.
3. Subtract what you owe from what you own. The result is your net worth.

ESTATE PLANNING

Everyone needs a will.
A will is a key part of every estate plan. It is used to transfer property that you own that is not being transferred by other means, such as beneficiary designations, joint ownerships, and trusts.

How to name a guardian for your children.
You name a guardian for your children in your will. If you do not name one and both parents die, the courts will decide who will raise your children without any input from you.

Beneficiary designations take precedence over your will.
This means that the people you name as beneficiaries on your financial and retirement accounts will generally inherit the assets in those accounts regardless of instructions to the contrary in your will. For this reason, it is important to review your beneficiary designations at least once a year and when major changes occur in your life (for example, marriages, divorces, and deaths) to help ensure that your beneficiary designations reflect your current thoughts on who should inherit those assets.

An estate plan helps protect you during your lifetime.
In addition to directing how your assets will be distributed, an estate plan can protect you during your lifetime by arranging for people you trust to manage your finances and make your medical decisions for you if you ever become incapacitated.

Your estate planning documents may need to be updated if you move to a new state.
The laws governing estates differ from state to state so it's a good idea to have an attorney in your new state review your estate planning documents.

FRAUD

What to do if your credit or debit card is lost, stolen, or used fraudulently.
If your card is lost or stolen or if you notice unusual activity on your account, notify the card issuer immediately by phone or using their online banking or mobile app. The card issuer will typically cancel the card and mail a replacement card to you.

What to do if your identity is stolen.
If you suspect that someone is using your identity to make purchases or open new accounts, the Federal Trade Commission recommends that you do these things right away.

- Call the companies where the fraud occurred and ask them to close or freeze your accounts. Also change your logins, passwords, and PINs for those accounts.
- Place a fraud alert on your credit reports by contacting one of the three major credit reporting agencies (Equifax, Experian, TransUnion). This will make it harder for someone to open any more accounts in your name.
- Get your free credit reports from Equifax, Experian, and TransUnion at annualcreditreport.com. The reports can help you spot other transactions or accounts you did not authorize.

The website IdentityTheft.gov can guide you through the additional steps you may need to take to recover your identity.

How to protect your account information.
The Federal Trade Commission offers these tips.

- Don't give your account number over the phone unless you are the one who made the call.
- Use multi-factor authentication to add an extra layer of security when logging into your accounts. A one-time passcode via text or email, an authenticator app, or a security key are common methods of multi-factor authentication.
- Regularly check your account activity and immediately report any unusual activity to your bank, credit union, or card issuer.
- Carry only the cards you'll need.
- Commit your PIN to memory. Do not carry a written copy of it with your card.
- Cut up your old cards and throw away the pieces in separate bags. ■

FRAUD

How to place a fraud alert on your credit reports.

If you are a victim of identity theft, you can place a fraud alert on your credit reports by contacting one of the following credit reporting agencies.

Equifax:
(800) 685-1111 www.equifax.com/personal/credit-report-services

Experian:
(888) 397-3742 www.experian.com/fraud/center.html

TransUnion:
(888) 909-8872 www.transunion.com/fraud-alerts

Please consult your financial professional.

Your financial professional can provide planning and advice to help you pursue your goals and build a strong financial future.

Certificates of Deposit: What They Are and How They Work

Whether you are saving for a short-term goal, need a place to park cash, or simply want a low-risk way to preserve your savings and generate some income, a certificate of deposit can help. Here are a few things to know about this type of account.

What are certificates of deposit?
Certificates of deposit (CDs) are a type of deposit account issued by banks. What distinguishes them from other types of deposit accounts is that CDs are issued and pay interest for a specific period of time, such as 6, 12, or 24 months, and you are expected to leave your deposit in the CD for the full term. Because access to your deposit is limited, CDs typically pay a higher rate of interest than regular savings accounts.

There are two main types of CDs—bank CDs and brokered CDs.
Bank CDs are CDs that you purchase directly from the issuing bank. Brokered CDs are CDs that you purchase through a brokerage firm. Although both types of CDs are issued by banks, there are differences in how they work.

How bank CDs generally work.
Banks typically issue a range of CDs with various terms and interest rates. You choose the term you want and your deposit earns interest for that term. The interest rate generally remains the same for the entire term, although some banks offer CDs with interest rates that change over time.

At the end of the term, you can withdraw your money or you may be able to let the money automatically roll over into a new CD at whatever interest rate is in effect at the time.

If you need your money back before the end of the term, you will generally have to pay an early withdrawal penalty equal to a few months of interest. To avoid forfeiting interest, it's a good idea to only use traditional CDs for money that you know you will not need during the term. If there is a chance you may need your money sooner, consider using a no-penalty CD instead. This type of CD typically pays a lower rate of interest than a traditional CD, but allows you to withdraw your money without penalty usually starting about a week after the account is funded.

How brokered CDs generally work.
Purchasing CDs through a brokerage account may also be an option. Many brokerage firms sell CDs issued by a wide range of banks. This can make purchasing CDs from multiple banks very convenient. Rather than opening accounts at several banks, you can buy CDs from a variety of banks all within one brokerage account.

With a brokered CD, you purchase the CD with the term and interest rate you want, the CD earns interest for that period, and your money is returned to you at the end of the term. Sounds similar to a bank CD? It is in some ways, but there are differences.

One difference has to do with liquidity. If you need your deposit back from a bank CD before the end of the term, you can usually forfeit some interest and get it back. If you need your money back from a brokered CD before it matures, you may be able to sell it in the secondary market. (The secondary market may be limited.)

If you sell a brokered CD, the price you receive for it may be higher or lower than the price you paid. Like bonds, the price of CDs generally moves in the opposite direction of interest rates. For example, when interest rates rise, the price of existing CDs generally falls. Of course if you hold your CD until maturity, you will receive back the full principal regardless of any price changes along the way.

Some CDs are callable.
A callable CD is a CD that the issuing bank has the right to "call" or redeem before its maturity date.

A bank may decide to call a CD when interest rates fall below the interest rate they are paying on the CD. This way, the bank can stop paying interest at that rate and issue new CDs with a lower interest rate.

If you own a CD that is called before maturity, you get your money back, but because interest rates have fallen, you may not be able to buy a new CD paying interest at the rate you had been receiving.

To help compensate you for the risk that your callable CD may be redeemed early, callable CDs sometimes offer a higher interest rate than non-callable CDs.

Many CDs are FDIC-insured.
CDs issued by FDIC-insured banks are generally protected in the event of a bank failure. FDIC insurance protects up to at least $250,000 per depositor, per FDIC-insured bank, per ownership category.

If you want to deposit more than the limit, consider opening CDs at different FDIC-insured banks so that your balance remains under the limit at each bank. And keep in mind that the $250,000 coverage applies to your total deposits at the same bank, not each CD or savings account.

Other considerations.
CDs can be a low-risk way to earn interest on money you won't need for a while, but before you purchase a CD, it's a good idea to check a few things. Is it FDIC-insured? Is it non-callable or callable? Is the interest rate fixed or variable? How long is the CD's term? How can you get your money back if you need it before the end of the term?

You may also want to check with your financial professional to find out if CDs are a good fit for you. ■

Please consult your financial professional for advice about whether CDs should be part of your investment portfolio.

A TASTE OF ITALY | Emilia-Romagna, Italy

BY BRIAN JOHNSTON

Emilia-Romagna is a region of slow food, fast cars, and beautiful small cities, yet is curiously overlooked by many visitors.

ALBINELLI COVERED MARKET in central Modena is perfumed with fresh flowers, plump peaches, and fat tomatoes. You can sit at a bar counter, have a glass of violet-colored Lambrusco wine, and nibble on a platter of pecorino cheese and mortadella ham as you watch locals cannily checking the glossiness of the market's eggplants.

Housewives stock up on purple-striped borlotti beans, platters of candied orange peel, and hanks of melt-in-your-mouth ham shaved off the bone. They make sure to buy young zucchinis that still have their blossoms attached as proof of their freshness. On some days, you might be the only foreigner in a hubbub of everyday Italian activity.

Modena is just one of the towns of Emilia-Romagna, a region wedged between the Veneto and Tuscany that somehow manages to avoid the tsunami of tourists that overwhelms more famous Italian destinations. If you're after a friendlier, slower paced, more everyday yet still gorgeously beautiful Italy, Emilia-Romagna effortlessly delivers.

Even better, this region sits astride the divide between the south's oil-based Mediterranean cuisine and northern Europe's dairy-leaning richness. It has Italy's best food. Some of Emilia-Romagna's restaurants twinkle with Michelin stars and are cited on lists of the world's best eateries, but you can eat like a king in covered markets and gelato shops too. Even its flatbread-based piadina street food is renowned.

Bring your appetite with you. This rich agricultural region produces some of the country's most famous foods, including balsamic vinegar, Parma ham, Piacenza salami, and Parmesan cheese. You can visit over 20 museums devoted to one food or another, such as salami and olive oil, as well as visit cellar and farm doors.

At Acetaia Leonardi, an old family producer of balsamic vinegar outside Modena, you can learn about the manufacturing process, inspect the ageing barrels, and taste thick, sweet vinegar 150 years old. Italians use aged balsamic as a condiment with cheese or even ice cream. Drizzle its thickened goodness onto ripe strawberries and you'll be a convert for life.

LEFT: **A view over the city of Bologna, capital of the Emilia-Romagna region.**
BELOW: **Local produce fills the stalls of a market in Modena.**

Then head to a Parmesan manufacturer, where you'll see local milk transformed inside copper cauldrons and brine-floating molds into Parmigiano Reggiano, which matures in huge wheels for a minimum of twelve months. Most producers are housed in unprepossessing breezeblock buildings, but the parmesan they conjure up is the real deal.

A tasting will demonstrate how the cheese has a different color, texture, and taste depending on its age: bland and creamy when young (best for grating over pasta) and increasingly dark, grainy, and potent as it ages. After 36 months, Parmigiano Reggiano has become dry, salty, and dark yellow, and is reserved as a table cheese. Have it dipped in aged balsamic vinegar and you'll agree the experience is worth your jet lag.

The food scene surely culminates in Bologna, the deli-dense capital of Italy nicknamed 'La Grassa' (the fat). The city provided the world with tortellini (eaten here in broth) and spaghetti Bolognese—though in its original, much better local form: tagliatelle al ragù.

Every cobblestone square features café tables where you can sit under flamboyant church or palace facades while the fragrance of coffee floats and sun glints off ice-cream bowls. The city's espressos are dark, strong, and knocked back in a single gulp from tiny cups, while gelato comes in interesting contemporary flavors such as candied fennel or caramelized strawberry.

Alleyways off Piazza Maggiore have shaded wine bars tucked in among vegetable stalls and fishmongers: the place to prowl, sniff, and taste your way around the region's produce. Then wander on into the old Jewish Quarter for a quieter atmosphere, interesting architecture, and wine bars frequented by locals.

It isn't all about food. Bologna is a city of red-brick medieval towers and colonnaded squares, and home to Europe's oldest university, founded in 1088. Its big student population provides a youthful vibe that contrasts with some of Italy's more staid, middle-aged main tourist cities.

The scruffy, graffiti-covered university district is graced with centuries of architecture and crammed with bookstores and bars. Don't miss the university's fabulous multi-tiered 1637 Anatomical Theatre and the Museo di Palazzo Poggi, with its eclectic displays of optics and paleontology. Also worth visiting is the

Pinacoteca Nazionale art gallery, hung with canvasses by Raphael, Giotto, and other Italian greats, but far less crowded than Italy's more renowned art museums.

Bologna's famous Fountain of Neptune in Piazza Maggiore provided the inspiration for the trident logo of motor company Maserati. Lamborghinis and Ducati motorcycles are also manufactured in Emilia-Romagna. Various supercar manufacturers offer museums and factory visits, and you can test-drive cars at Modena Autodrome.

Enzo Ferrari Museum, built around the Ferrari founder's Modena home, relates his life and has a notable car collection. Seven miles outside town, the sleek Museo Ferrari takes a look at another notable Emilia-Romagna motorcar, with some fabulous historical Ferrari models on display and the chance to climb into a Formula One simulator.

This is a great reminder that Italy isn't only about dead popes and ancient Romans—or even just about food—but provides a glimpse into the country's dynamic present and famous design icons. The car industry helps make Emilia-Romagna one of Italy's wealthiest regions, which bequeaths it a fine gastronomic scene and polished town centers.

Among the best towns are Modena and Parma. Both were formerly independent duchies with pan-European connections, whose diminutive size belies their historical importance. Local life is carried on beneath yellow-painted palazzi and swooning saints from the good old days—fabulous as an opera set if it weren't for scuffling schoolkids and Vespa fumes.

Each mini-city has significant architectural and artistic treasures, yet a fraction of the tourist hordes that plague Florence or Venice. Parma's cathedral, baptistery, and Farnese Theatre are all Renaissance masterpieces, while Modena favors a light, playful form of local baroque architecture centered on its Palazzo Ducale. Parma also has a rich musical heritage and is associated with composer Giuseppe Verdi and influential conductor Arturo Toscanini.

On the coast, Ravenna served as the capital of the Western Roman Empire and is crammed with fifth- and sixth-century Christian art, most notably its stunning Byzantine mosaic work in green and blue and gold. The most fabulous are in the octagonal Basilica of St Vitale. Ravenna might be the only city in Emilia-Romagna where you'll see herds of tour buses. Otherwise this region of lovely delights is enjoyed by more independent, inquisitive travelers. Tuck in, and enjoy. ■

FYI

Disney100: The Exhibition at The Franklin Institute in Philadelphia. *Rendering courtesy of The Franklin Institute © Disney*

What's On at the Museums

From Disney magic to Impressionist masterpieces, there's a lot going on at the museums this summer.

DALLAS, TX

The Science Behind Pixar

November 16, 2022–September 4, 2023

Visitors to this exhibition at the Perot Museum of Nature and Science can explore how beloved characters such as Buzz Lightyear, Mike, Sully, and Dory are brought to life in Pixar films. The exhibition features dozens of hands-on activities, firsthand accounts from production teams, and life-size recreations of some favorite Pixar characters.

FORT WORTH, TX

Lives of the Gods: Divinity in Maya Art

May 7–September 3, 2023

Nearly 100 sculptures, vessels, precious ornaments, and other works depicting the life cycle of the Maya gods are on display at the Kimbell Art Museum this summer. Created in what are now Guatemala, Honduras, and Mexico between AD 250–900, the works evoke a world in which the divine, human, and natural realms are intertwined.

LONDON, ENGLAND

Luxury and Power: Persia to Greece

May 4–August 13, 2023

This major exhibition at the British Museum explores the relationship between luxury and power in the Middle East and southeast Europe between 550–30 BC and brings together ancient artifacts of gold, silver, and glass.

LONDON, ENGLAND

After Impressionism: Inventing Modern Art

March 25–August 13, 2023

This exhibition at The National Gallery focuses on European art created between 1886 and 1914, a period when artists were breaking away from conventional representations of the external world. It features about 100 paintings and sculptures, including works by Cezanne, Van Gogh, Rodin, Picasso, Matisse, Klimt, Kandinsky, and Mondrian.

NEW YORK, NY

Van Gogh's Cypresses

May 22–August 27, 2023

Some 40 works by Vincent van Gogh (1853-1890) illuminate the artist's fascination with cypress trees in this special exhibition at The Metropolitan Museum of Art. Among the iconic paintings on view are *Wheat Field with Cypresses* and *The Starry Night*.

PHILADELPHIA, PA

Disney100: The Exhibition

February 18–August 27, 2023

Created for the 100th anniversary of The Walt Disney Company, this exhibition at The Franklin Institute celebrates the iconic characters and stories of Disney with a display of more than 250 original artworks, artifacts, costumes, props, and other memorabilia. ■

QUIZ

Boston

1. This charming and historic neighborhood in Boston features brick row houses and narrow streets lit by gas lamps:

A. Beacon Hill
B. Society Hill

2. Ruggles, Back Bay, and Downtown Crossing are all names of:

A. Subway stations in Boston
B. Streets in Boston

3. This annual sporting event is held in and around Boston on Patriots' Day, the third Monday in April:

A. The Head of the Charles Regatta
B. The Boston Marathon

4. Two lanterns were hung in the bell tower of this Boston church in 1775 to signal that the British troops were moving "by sea" to Lexington and Concord:

A. The Old North Church
B. The King's Chapel

5. The biggest art heist in history took place in this Boston museum in 1990:

A. Isabella Stewart Gardner Museum
B. Museum of Fine Arts Boston

6. The 37-foot-high left field wall at Fenway Park is nicknamed:

A. The Red Porch
B. The Green Monster

7. The Back Bay Fens, a park that is part of Boston's Emerald Necklace, was designed by:

A. Frederick Law Olmsted
B. Capability Brown

8. The annual hockey tournament between four Boston-area colleges is called:

A. The Beanpot
B. The Frozen Four

9. Established in 1634, this park is considered to be the oldest public park in the United States:

A. Franklin Park
B. Boston Common

10. The pro basketball team based in Boston is:

A. The Boston Bruins
B. The Boston Celtics

11. The river that flows into Boston Harbor is:

A. The Hudson River
B. The Charles River

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