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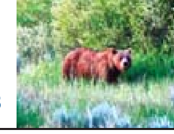

Kiplinger
RETIREMENT REPORT
Your Guide to a Richer Retirement
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Retirees and others could see a 27% cut in benefits.

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The Looming Crisis for Social Security

Congress has 10 years to fix the program supporting 67 million Americans.

BY DAVID CAY JOHNSTON

WHEN DARLENE FRIEL WAS 14, her father died. Soon, her grandparents received monthly checks for Darlene as part of the Old-Age, Survivors and Disability Insurance program, the formal name of Social Security.

Friel collected about $500 a month until she graduated from high school at 18. Today, at 53, the Absecon, N.J., office manager worries about getting by when she is too old to work. "I fear the only Social Security money I will ever collect was after dad died," she says.

Like millions of other Americans, Friel worries that there will be a day when Social Security isn't there anymore.

We're just 10 years from a full-blown Social Security crisis. The system now pays out more in benefits than it collects in payroll taxes. The 12.4% tax—half of the tax is paid by workers, half by em-

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ployers—doesn't quite equal benefits.

If Congress does nothing to fix the system, benefit checks to 67 million retirees, surviving spouses, orphaned children and disabled people will have to be cut 27% beginning in 2034, program trustees estimate.

But like many Americans, Friel doesn't trust Congress will meet the crisis. "I just don't believe Congress will do anything," she says.

I'm also concerned, having reported on Social Security, public finance and taxes since the 1960s and always doing my own economic analysis in articles, columns and books. I know we can get real reforms, but we have to demand them from Congress.

Benefit payments last year totaled almost $1.1 trillion—a sixth of federal spending. Revenue ran short by 3.7%, forcing the Social Security Administration to tap $41 billion from the $2.7 trillion trust fund that's built up since the 1980s.

Twenty years ago, the Social Security trustees estimated the trust fund would last until 2042. The trustees now say it will run dry at the end of 2033.

Miriam Alexander, who runs a small data analytics firm in Los Angeles, worries that even if Congress does act, it may may loot Social Security under the guise of reform, especially harming lower-earning workers.

"There's a bunch of money-grubbing, selfish people who don't see the value of living in a society where we care for each other," the businesswoman says.

Reason Magazine writer Eric Boehm has a very different idea. "The ultimate libertarian approach would be to do away with Social Security entirely," he said last year. "If Congress wanted to propose that, I would probably support it—depending on the specifics."

IN THIS ISSUE

How '80s Reforms Worked

The last time Congress undertook a significant overhaul of Social Security, during the Ronald Regan administration, it changed the program's finances from a pay-as-you-go system to a pay-in-advance program.

Instead of collecting just enough in taxes to pay benefits, as it had since 1935, Congress adopted a proposal by a special commission requiring workers to pay about one-quarter more than needed in order to build up the trust fund. The commission—headed by Alan Greenspan, who would later chair the Federal Reserve through four administrations—said the fund would adequately fund retirements for the Baby Boomers, who'd be paying the increased taxes.

Congress gave the Social Security Administration non-tradeable Treasury bonds earning an average of about 2.4% and then used those excess payroll taxes to compensate for the much lower income tax rates that have prevailed since the 1980s.

So far, the trust fund has assured benefits for the Boomers. But—along with some bad timing—it has also helped to weaken the overall retirement infrastructure.

Prior to the 1980s, comfortable retirements were built like a three-legged stool held up by company or union pensions, Social Security and individual savings.

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But the pay-in-advance plan severely curtailed Boomers' capacity to save. Personal savings rates declined, roughly matching the extra Social Security taxes. That led to less individual savings while, at the same time, unions were declining and corporations were replacing pensions with less generous 401(k) retirement plans.

What Happened? And Why?

The Social Security crisis is not just a case of too few workers supporting too many retirees. To understand why Social Security is teetering, you have to understand some of the ways the U.S. economy has changed since the 1980s—especially incomes, which are the source of Social Security revenues.

The Greenspan Commission concurred with a Congressional recommendation that 90% of all salaries and wages be subject to the Social Security tax. That was the case in the early 1980s, but over time the rate slowed down. Only about 82% are taxed today.

That created the $41 billion shortfall in 2022. Had 90% of wages been taxed, my calculations show, the system would have had a $64 billion surplus.

But over the long haul, restoring the 90% rule may not bring in enough money and won't allow increased benefits to the poorest workers. That's because something else has happened to incomes.

Since the early 1990s, workers far up the pay ladder have received the lion's share of pay raises. The formula the Social Security Administration uses to calculate the maximum pay subject to the payroll tax didn't anticipate an economy in which executives and professionals with salaries already well above the taxable income cap—currently $168,600—would take bigger slices of the national wage pie.

In 2020, for instance, 63% of the money paid out in raises went to just 184,000 people making $1 million or more, my annual analysis of W-2 wage report data found. Their average raise was $84,000, none of which was subject to the Social Security tax. The average pay raise for the other 167 million workers was just $570. So, most of the increase in wages has not been subject to Social Security taxes, further draining the money available to pay benefits.

Finally, another unanticipated change in the econo-

FROM THE EDITOR

AS I WRITE THIS MONTH'S LETTER, THERE'S BUZZ about an astounding first-person story by *New York* magazine writer Charlotte Cowles.

The short version: "Someone I didn't know called me on the phone, told me to take $50,000 cash out of my bank, put it in a shoebox, stand on the street and put the box through the window of a passing car."

I won't go into details here. Suffice to say, the entire episode took place in just one afternoon, and the writer recognized she'd been scammed moments after tossing the money into the white Mercedes. The story is worth reading (*www.thecut.com/article/amazon-scam-call-ftc-arrest-warrants.html*).

It was as courageous of her to tell her story as it was foolish of her to fall for the scam. I genuinely empathize with her shame and her loss. I'm also quite judgmental: How in the world could she, a personal finance writer no less, fall for such an obvious fraud?

Then again, as streetwise as we all feel we are, getting scammed is easier than we're probably willing to admit. I know a tech savvy older man who was giving his bank information to a phone caller when a friend overheard and stopped him. I know a recent college graduate who tried to help out a supposedly stranded traveler and wound up pulling $800 out of an ATM and handing it over to the stranger.

No one is so smart they can't be outsmarted. Anyone can be taken in by a con artist, if the schtick hits the right spot at the right time.

Criminals target people our age because, frankly, we have money and we aren't always as sharp as we think. Sooner or later—probably sooner—we'll need to make sure we can't get to our money too easily. Like the man said: "Be careful out there."

See you next month.

David Crook

David Crook
Write to me at retire@kiplinger.com.
Please put "To the editor" in the subject line.

my was a shift of income sources away from work and toward investment gains. IRS data show that wages and salaries accounted for 78% of national income in 1993 but only 61% in 2021. The rest came from increased business profits, capital gains, dividends and some royalties—none of which is subject to Social Security taxes.

So, what to do? Here are comments on some of the proposals on the table in Washington:

End Social Security

When Mike Lee of Utah ran for the U.S. Senate in 2010, he declared, "It'll be my objective to phase out Social Security, to pull it up by the roots and get rid of it." Lee said that retirees and those nearing retirement should collect, but the program should be closed to young people. Senator Lee (R-Utah) has never again called for abolishing Social Security.

Senators Rand Paul (R-Ky.) and Ted Cruz (R-Texas) haven't called for shutting down Social Security, but they have been among those who want to end the payroll tax that funds it. Neither has suggested how to finance Social Security without its dedicated payroll tax.

Ending Social Security or cutting benefits would affect more than 58.6 million retirees and their dependents and 8.5 million disabled people.

Families could help make up for the lost benefits. But Social Security is the sole source of income for about 40% of retirees, estimates the National Institute on Retirement Security.

If Congress ended Social Security this year, it would plunge almost 23 million people into poverty, census data show, and shift costs and taxes from the federal level to local governments.

Many beneficiaries would end up on welfare rolls administered by states and counties. For each dollar paid in benefits, the Social Security Administration spends less than a penny running the system. It's unlikely 3,000 county welfare offices could run more cheaply.

Privatize Social Security

President George W. Bush proposed partially privatizing Social Security on the theory that younger workers would do better investing some of their tax dollars. Opposition, mainly from retirees citing the inherent risks in investing, prompted Bush to drop the proposal.

There are other problems with privatizing even a portion of the funds flowing through the system. Social Security already pays out more than it takes in, so in order to maintain current benefits any diversion of taxes to private accounts would have to be made up some other way—presumably with new taxes.

Converting part of the trust fund into market investments would give the government an unwelcome presence in the boardrooms of public companies.

Besides, any substantial portion of Social Security tax money flowing into investment accounts would have an enormous impact on the stock market. Share prices would likely inflate with the influx of new money, creating a market bubble that might then eventually collapse and take retirement funds down with it—all while Wall Street collects its management fees.

Raise the Retirement Age

When Social Security began, the retirement age for full benefits was 65. It's now 67 for anyone born since 1960. That's a two-year, $42,000 benefits cut to someone receiving the average monthly payout.

Now Washington is alive with talk about raising the full retirement age to 69 or 70 years. But raising the age favors office workers over people who do physical labor and may be unable to work into their late sixties.

One solution to this disparity would be to create a two-tier system that gives workers in certain occupations or whose earnings are below a set level the ability to retire sooner with full or even increased benefits. But such a reform would be complicated and subject to legal challenges as Congress, in effect, would be creating separate and unequal Social Security benefits systems.

Raise the Tax Rate

Raising the 12.4% tax rate to about 15% should generate enough money to pay full benefits for decades.

By the end of this century, the last of the Boomers will be long gone, easing financial pressures. But rapid changes in technology could upend any workplace projections. The effects of artificial intelligence and other technological innovations are far from clear. Software may replace vast swaths of jobs.

Raising the tax rate would likely encounter political opposition. President Joe Biden vowed to reject any tax increase for people making less than $400,000 yearly, roughly the threshold for the top 2%. Donald Trump says he supports Social Security but has been vague about what he would do to stabilize the program.

Raise the Tax Cap

Congress could lift or eliminate the $168,600 ceiling on wages subject to the Social Security tax.

Nancy Altman, who worked on the 1983 commission staff, favors a version of this option. She is now president of Social Security Works, a nonprofit that favors increasing benefits.

"Raising the cap on taxed wages to $250,000 would be a substantial step in securing Social Security's long-term future," Altman says. But, she adds, why not apply the tax to all wages, including the 504 highest-paid employees, whose average pay in 2021 was $151 million each?

Applying the tax to all pay in 2022 would have raised an additional $235 billion, my calculations show, enough to raise benefits significantly for everyone.

A short-term problem with this idea is President Biden's line-in-the-sand stance on higher taxes. Any reform, then, would no doubt require a Medicare Part D-type doughnut hole. The tax would apply to wages up to $168,600, then untaxed until wages reach $400,000, and then taxed above that level—no doubt appealing to the nine million or so workers whose pay would be partly in the tax-free donut hole.

The strongest political argument against Altman's idea is the prospect that, under the standard benefits formula, some retirees could collect more than $1 million annually. But a cap on benefits of two or three times the current maximum benefit of almost $60,000 a year could address that concern.

Tax All Pay

The best solution, I think, is applying the Medicare policy of taxing 100% of compensation to Social Security. If designed like the Medicare tax with a higher rate on incomes above $200,000, or even $1 million, it would allow lower tax rates for most workers and enable retirees who earned low wages to collect increased benefits.

Asked to choose between cutting benefits or raising taxes, twice as many people, 61%, favored higher taxes, a recent Gallup Poll found. Support for maintaining the system crosses party lines, Gallup noted.

There's also an easy way to make such a change broadly popular. Congress could stop taxing the Social Security benefits of 75% of retirees.

Making those benefits income tax-free would reduce income tax revenues by about $47 billion, which would be more than offset by imposing the Social Security tax on all pay. And cutting the income tax, most of it paid by people with middle-class incomes, would be a benefits increase for a substantial number of voters.

Pulitzer Prize winner David Cay Johnston writes frequently on economics, politics and finance.

BUILT-IN BENEFITS CUTS FOR RICHER RETIREES

Social Security applies some complicated arithmetic to determine benefits. Basically, low-wage earners receive more money over their retired lives than they paid in during their working lives while high-wage earners receive less.

High earners, who presumably saved more over their careers, are then hit with income taxes that further reduce their benefits.

Based on her life expectancy at retirement, a waitress who never earned more than $30,000 a year can expect to receive about $1.51 for every dollar she paid in Social Security tax over her highest-earning 35 years at work, according to a study by the Tax Policy Center.

Low-earning men can expect $1.35 for every dollar paid in. Men collect less because they typically live fewer years than women.

In contrast, a corporate vice president who paid the top Social Security tax for her entire career can expect to receive 74 cents for every dollar paid in. A high-earning man would collect 69 cents.

A low-income married couple who together never made more than $66,000 a year would collect $1.43 on each dollar of tax paid. A couple whose combined pre-retirement pay was $172,000 a year would get back 98 cents.

Today, three-quarters of Social Security retirees pay income tax on their benefits under a 1983 law signed by President Ronald Reagan. Taxes were raised again during the Bill Clinton administration.

Currently, a married couple earning $32,000 a year—including half of their Social Security benefits as well as pensions, retirement account distributions, salaries and other sources—pays income taxes on half of their Social Security benefits. If the couple makes more than $44,000, Congress taxes 85% of their benefits—equivalent to a benefit cut of over 20%. (Very high-earners' benefits are further cut by increased Medicare premiums.)

Fortunately, 41 states don't tax Social Security benefits at all.

—DCJ

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INVESTING

Inflation? The Fed? War? Biden or Trump?

Insider market indicators point to where the smart money is going now.

BY SIMON CONSTABLE

EVEN FOR WALL STREET WHIZ KIDS, THERE'S a lot to wrestle with this year. The worry list includes the Federal Reserve's continued battle with inflation and the ongoing conflicts in Ukraine and the Middle East, plus, a deeply divided U.S. set to elect a new president in November.

To bring some clarity around what to expect, *Kiplinger Retirement Report* asked the experts what economic signals are telling them about the economy, stocks and politics.

Jobless Claims Historically Low

The news is generally good, but unpacking the economic indicators can be tricky. "Let's not run too far into forecasting an imminent recession," says Steven Blitz, chief U.S. economist at TS Lombard in New York City.

For instance, continuing claims for unemployment benefits through February reached approximately 1.9 million, up from 1.8 million a year earlier. "It has gone up, but it isn't anywhere near close to recessionary levels," Blitz says. The more recent levels are similar to the continuing claims figures in 2018. "No one was saying in 2018 that the labor market was recessionary," he says. In other words, the labor market remains healthy.

That's probably a good sign for retail companies that sell discretionary purchases—items or services that aren't necessary but are nice to have. With that in mind, investors might consider purchasing the **Consumer Discretionary Select Sector SPDR** exchange-traded fund (stock symbol: XLY.) Among other stocks, it holds shoe manufacturer **Nike** (NKE) and coffee chain **Starbucks** (SBUX).

Manufacturing Better Than It Seems

Likewise, Blitz says that the Philadelphia Fed Manufacturing Business Outlook Survey, which recently turned positive, may be even better than it seems. It measures the current and possible future strength of the manufacturing sector in the Pennsylvania, New Jersey and Delaware area.

The Philly Fed "current conditions" index jumped to 5.2 in February, a positive figure that bucks the trend of overwhelmingly negative readings in 2022 and 2023. Negative readings mean the sector is contracting. Better still, the outlook, which looks around six months ahead, is even more positive with a reading of 7.2, up from minus 4 in January.

The February figures are far below where they might be, but they're above zero and that's a good thing. Blitz explains that the manufacturing business is a global effort, and weakness outside the U.S. is reflected in the current and forecast data. That's because U.S.-based manufacturers mostly buy components from lower-income countries and assemble those parts in America.

The largest part of the manufacturing sector in the U.S. is computers and electronics, which includes chip manufacturing for cars, computers and smartphones. The foundation of many of these items are chips or semiconductors. With that in mind, it might be worth considering an investment in the **VanEck Semiconductor ETF** (SMH), which holds a basket of chip makers, including **Nvidia** (NVDA), which accounts for 25% of the total holdings in the fund. Nvidia's chips are one of the leaders in the race to develop artificial intelligence.

Interest Rates Likely to Be Cut

The Federal Reserve will likely cut interest rates before the end of the first half if the unemployment rate edges up to around 4% from its recent 3.7%, says Jack Ablin, chief investment officer and founding partner at Cresset Capital in Chicago. The rise in unemployment will be a key indicator that the economy has cooled enough to ensure that inflation is somewhat tamed. Unless a financial crisis emerges, don't expect rate cuts in July, August, September or October because any actions could be viewed as interfering with the election, he says.

Rate cuts will be good for investors. The bond market should rally as the price of fixed-income securities tends to rise when rates fall. Savvy traders might want to consider investing in **iShares iBoxx $ Investment Grade Corporate Bond ETF** (LQD), which holds a broad basket of fixed-income securities.

In addition, stocks, in general, tend to do well when interest rates fall. The positive impact is multiplied for smaller-cap companies, such as stocks in the **iShares Russell 2000 ETF** (IWM). They typically don't get as generous loan deals as do large-cap companies such as

Apple and Google. "Anything that can loosen that noose could help the smaller players," Ablin says.

Leading Indicators Point to Better Times

Some analyses don't just look at what is going on now. Instead, they focus on what will likely happen in the coming months. These leading indicators are a way to see the future of the economy.

The American Institute for Economic Research Business Conditions Monthly Leading Indicator (www.aier.org/topics/business-conditions) has 12 components, including housing starts and new business orders, both of which indicate future economic activity. A reading above 50 indicates a future expansion of the economy; below 50 means a contraction.

In 2022 the average monthly reading was 39, clearly a bad sign. However, in the year through December (the latest available figures at press time) the reading averaged 58. And the data for November and December was in the 60s.

"Broad sentiment has shifted away from expectations of a recession and toward that of a soft landing," states a recent report from the institute. In other words, no recession is likely in the foreseeable future.

Pete Earle, an institute senior economist who compiles the business conditions leading indicator, says the recent data forecasts a mild expansion. While that's good, like all forward-looking metrics it misses other important factors. "The December and November data releases are good, but how long before it makes a difference to the economy?" he says. Of course, there is also the question of how much better the economy will perform. It's hard to know, he says.

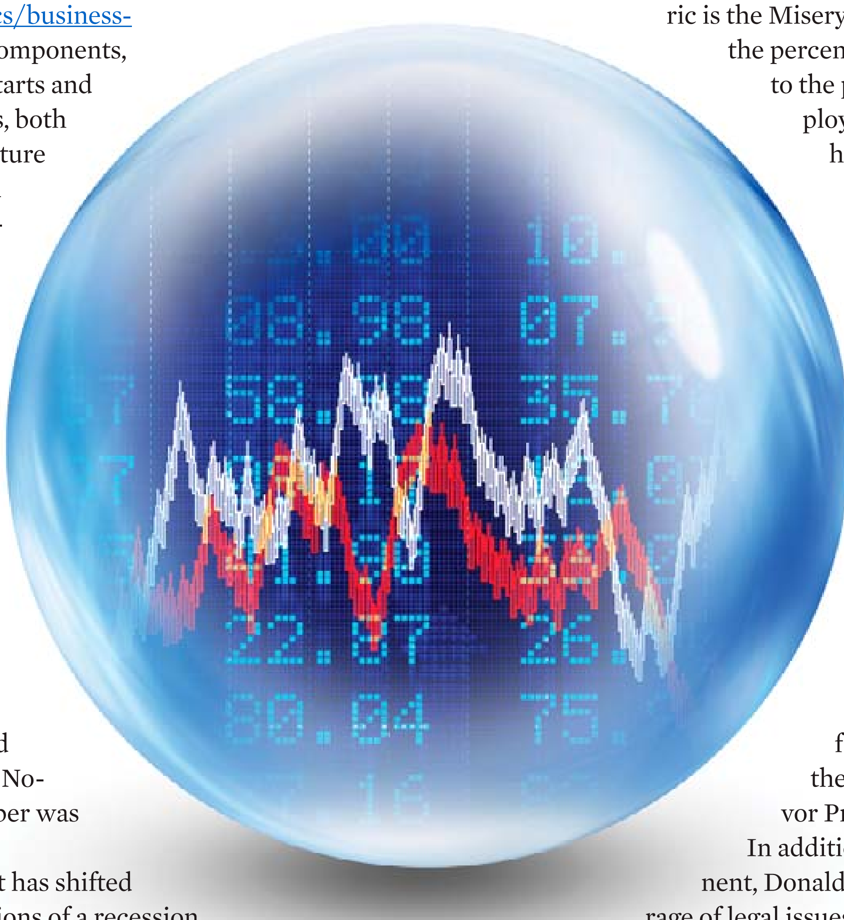
Another issue that makes using any economic indicator less than 100% reliable is that the economy changes. Years ago, the health of General Motors was synonymous with national economic health. That's no longer true as manufacturing isn't the driving force in the economy.

Forecasting the Next President

One of the trickiest forecasts this year is the result of the presidential election. One common metric is the Misery Index, which adds the percentage inflation rate to the percentage unemployment rate. The higher the index, the more misery in the economy.

If the level of financial misery increases during a president's first term, it's likely that the electorate will give the incumbent the boot in favor of the other candidate. So far, the misery index has fallen and would therefore seem to favor President Joe Biden. In addition, his likely opponent, Donald Trump, faces a barrage of legal issues. including more than $400 million in judgments. However, there are still months to go until election day and anything could happen.

Whoever wins, investors should consider buying defense stocks, such as those held in the **Invesco Aerospace & Defense ETF** (PPA). It tracks **RTX**, formerly known as Raytheon, (RTX) and **Northrop Grumman** (NOC) among many other holdings. Not only do some of America's allies need war materiel, but the U.S. is facing a growing threat from foreign adversaries. Defense spending across the NATO alliance is already set to reach record levels.



From wars to a U.S. presidential election, there's a lot of uncertainty in 2024.

GETTY IMAGES

10 THINGS YOU SHOULD KNOW ABOUT ... REITS

Be a Landlord Without the Hassles

BY DAVID RODECK

REAL ESTATE CAN CREATE A MORE BALANCED investment portfolio. A mix with between 5% and 20% of real estate has better returns and less risk than a portfolio only of stocks and bonds, according to a meta-analysis of academic articles by Morningstar. But for most investors, that might not justify the headaches of managing tenants and repairs. A real estate investment trust, a.k.a. a REIT, could be a convenient solution.

"A REIT is a fund that buys real estate for investors," says Lee Harbaugh, a real estate agent in Mansfield, Texas. "It's a passive way to get real estate exposure where you don't have to worry about buying or selling properties yourself."

REITs first emerged in the 1960s and now have more than $4 trillion in assets. That's still a fraction of the money in stocks and mutual funds. "Asset managers like REITs for portfolio reasons, but I don't typically have clients asking about them. They're underutilized," says Justin Stivers, a financial adviser and estate planning attorney in Coral Gables, Fla.

Here's what to know about REITs:

1 REITs operate like mutual funds for real estate. REITs raise a pool of money from many investors and then buy and run income-generating real estate properties. Some possibilities include apartment buildings, shopping malls, hospitals, office parks, warehouses and storage units. "There's no way you could buy a mall on your own, but through a REIT, you can invest in one," says Harbaugh.

As an investor, you purchase shares of a REIT. You then receive a portion of the profits from rental income and property sales as dividends. For example, **Digital Realty Trust** (stock symbol DLR) invests in data centers. It pays a quarterly dividend with a quarterly yield of 3.6% that has gone up every year since 2005 while shares are up more than 20% over the past year. **CubeSmart** (CUBE) runs self-storage facilities. It has a 4.67% dividend yield and an 11.03% three-year return.

Professionals working for the REIT research, manage, buy and sell properties on behalf of the investors. In exchange, the REIT could charge fees when you buy shares, ongoing annual management fees and fees for buying and selling properties. The fee structure depends on the REIT.

2 REITs must prioritize short-term income for investors. By law, a REIT must distribute at least 90% of its taxable income annually to shareholders. "They pay out stable dividends, provided the properties are doing well," says Stivers, the financial advisor from Florida.

In exchange for more ongoing income, REITs have less to invest for future returns than a growth mutual fund or stock. "REITs are better for short-term cash flow and income versus long-term upside," says Stivers.

3 REITs use a special structure to help with taxes. Unlike most corporations that pay income tax on profits and then investors pay tax again on dividends, most REITs avoid double taxation by paying out 100% of their taxable income to investors—who then pay ordinary income tax rates rather than lower capital gains rates.

But the REIT could choose to reduce taxes further by claiming depreciation and amortization deductions for the properties. This turns a portion of your dividend into a tax-free return of capital. It reduces how much you owe per year for the dividend income, but also reduces your tax-basis in the REIT.

You'd owe a larger capital gain for selling the shares at a profit in the future. You can defer all those taxes if you buy a REIT through your Individual Retirement Account (IRA) or 401(k).

4 Publicly traded REITs are liquid, private REITs are not. Publicly traded REITs register with the SEC as securities. They can then be listed and traded on the major stock exchanges. Anyone can buy and sell them.

Private REITs, which are are open only to high net worth accredited investors, generally offer a higher return in exchange for less liquidity. Private REITs do not register with the SEC and do not allow investors to trade shares freely.

Instead, you buy and sell directly from the company running the REIT. Private REITs lock up your money with minimal liquidity. You typically agree to keep your money in the REIT for three to 10 years. The private REIT might allow some early redemptions to cash out before then, but it might not.

Some REITS specialize in particular types of properties.

5 REITs can specialize in different real estate investments. Equity REITs focus only on buying properties. They are the most common. There are also mortgage REITs that invest in mortgage loans and mortgage-backed securities. Finally, there are hybrid REITs that invest in both properties and mortgages.

Large public REITs typically include various property types across different regions. Some REITs specialize in certain areas and properties. For example, a hospitality REIT might only invest in hotels, motels and resorts. "As an investor, you could lean into a market where you have a specialty understanding. Perhaps if you were an office park manager, you'd prefer an office REIT," says Ken Johnson, real estate economist and business professor at Florida Atlantic University in Boca Raton.

6 REITs help with diversification and inflation. Real estate as an asset class performs differently than stocks. The FTSE All Equity REITs Index sums up the return of all publicly traded U.S. REITs. Over the long haul, the annual return is similar to the S&P 500. In 2023, the FTSE All Equity REITs only grew by 11.4% versus 26.29% for the S&P 500 due to high-interest rates.

REITs and real estate usually do well as an inflation hedge, a situation when stocks and bonds have historically struggled. In 2021, when post-pandemic inflation was soaring and bonds were crashing, the FTSE All Equity REITs grew by 41%, outperforming the S&P 500.

7 Returns depend on interest rates. When interest rates go up, REITs tend to struggle. Higher rates increase real estate borrowing costs and push down the value of properties. REITs have taken hits over the past couple of years as the Fed rapidly increased rates to control inflation. If the Fed stops tightening and starts lowering interest rates, that could boost the future performance of REITs, says Johnson, the real estate economist from Boca Raton.

8 Commercial property REITs are in trouble. The commercial real estate property market has taken a pounding from high vacancies due to the rise of remote work. The number of commercial properties in financial distress hit a 10-year high in late 2023, the highest since the financial crisis. This is dragging the performance of commercial REITs.

For example, the **Gladstone Commercial Corp.** (GOOD) specializes in office space. It's down nearly 14% over the past year and is liquidating its commercial properties to focus on retail and industrial properties. On the other hand, **Park Hotels and Resorts** (PK) is up around 22% over this same period as consumer demand for travel and entertainment remains strong.

9 The fund matters for performance. Some REITs are better run and earn more than others. "You need to trust the companies running the properties know what they're doing, especially with the ongoing slowdown in commercial real estate," says Stivers.

Before investing in a REIT, pull up its historical returns for the past few years to compare against other REITs. Many REITs list their properties on their corporate web sites. "We do a Google search for reviews on the properties to see what tenants think," says Stivers. You could check a fund's credit rating and debt for stability. Too much debt could be a sign that a REIT is overextended.

Finally, REITs report their market price to funds from operations. A lower ratio is a sign that the REIT is a better value in the same way that a low price-to-earnings ratio is a sign of a better-valued stock.

10 REITs usually match the returns of owning properties. Buying your own properties involves much more work than a REIT but doesn't generate extra returns for most investors. "If you're the go-to house flipper in your community with lots of local connections, you could make more. But 99% of investors interested in real estate make just as much if not more with a REIT," says Harbaugh, the Texas real estate agent.

With a REIT though, you aren't able to deduct all the tax breaks you get from buying your own properties, such as depreciation, the cost of repairs, property taxes and mortgage interest. Operating REIT properties is up to the fund manager. "Some people enjoy having the ultimate say of what gets bought, the tenants and how a building is run," says Harbaugh. "If you want to be in control, you've got to do it yourself." K

Should You Let the IRS Do Your Taxes?

BY KELLEY R. TAYLOR

YOU MAY HAVE HEARD ABOUT A DIRECT FILE pilot program launched by the IRS this tax filing season that is shaking up the tax preparation landscape. This limited test initiative allows taxpayers to file their federal tax returns directly with the IRS, free of charge, without accountants or commercial software. The pilot program was initially available to a small number of selected taxpayers, mainly state government workers in 12 states. However, if the test initiative proves successful, the IRS could expand participation nationwide.

Though currently unavailable to most people, Direct File is unlike the traditional IRS Free File, which focuses on taxpayers with income under $79,000. Direct File targets a wider income range and promises a user-friendly experience. However, the initiative, which has sparked debate in Congress and among tax prep giants like H&R Block and TurboTax, faces some operational challenges.

Some Republicans in the U.S. House of Representatives argued after a hearing that Direct File is "based on questionable polling practices, and unilaterally makes the IRS the tax preparer, filer, and auditor for the American people."

Despite these objections, the IRS has committed to providing improved services, citing interest among taxpayers for a free, IRS-provided filing tool.

Meanwhile, the Federal Trade Commission has recently criticized Intuit, maker of TurboTax, and H&R Block for allegedly using misleading advertising to trick customers into paying for tax prep services they thought were free.

What About Free File?

Direct File promises to be comparable to commercial tax preparation software. It is supposed to alleviate the financial burden associated with tax preparation, with IRS data showing that individuals typically spend around $250 on tax preparation services.

IRS Free File, on the other hand, is targeted at taxpayers with low and moderate incomes. For the 2023 tax year, Free File is allowed if your adjusted gross income (AGI) was $79,000 or less, regardless of filing status. (That is a $6,000 increase over last year's income limit.) The Free File program operates with tax preparation providers with various eligibility rules and products.

While IRS Direct File holds promise for simplifying tax filing, the program faces challenges. Operational hurdles, technical expertise and coordination with states are among the key issues the IRS must address. Additionally, taxpayers' concerns about trust and the potential impact on IRS audits and tax enforcement linger.

For now, the IRS is offering Direct File to a limited number of taxpayers. Notably, you are not eligible if you had income from pension and retirement account distributions. To see if you can use Direct File, go to *https://directfile.irs.gov*.

Uncomplicated Returns

For the 2024 tax filing season, the Direct File pilot program only processed returns with little to no investment income and that claimed the standard deduction. However, taxpayers claiming certain credits, including the earned income tax credit (EITC) or the child tax credit, could use Direct File.

As the tax season comes to a close and the program nears the end of its first pilot phase, its success and impact on tax preparation remain to be seen. In the meantime, if you're not keen on filing your taxes directly with the IRS, several tax-free filing options and resources exist besides Free File and Direct File.

The IRS offers tax counseling for people age 60 and older. That counseling program, known as TCE or Tax Counseling for the Elderly, operates in partnership with the AARP Foundation's Tax Aide program and utilizes IRS-certified volunteers who specialize in pensions and other retirement-related concerns. To find a provider, go to *https://irs.treasury.gov/freetaxprep*.

Additionally, if you make $60,000 or less, have a disability, or speak limited English, you may be eligible for Volunteer Income Tax Assistance offered in community centers, libraries, malls, and similar locations. Certain military Veterans can file online for free with MilTax. And, if you are comfortable doing your taxes without guided prompts and have AGI over $79,000, you might consider IRS Free File Fillable Forms. The Fillable Forms system has some limitations, such as not being able to attach statements, but the system supports most IRS forms and schedules commonly filed with the 1040 or 1040-SR. You can find it at *www.irs.gov/e-file-providers/free-file-fillable-forms*.

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INFORMATION TO ACT ON

Medical Tax Deductions You May Not Know About

Struggling to find write-offs as you wrap up your 2023 taxes?

YOU MAY BE SURPRISED WHAT YOU CAN deduct. The tax code contains a slew of obscure medical-expense deductions, reports *The Kiplinger Tax Letter*.

Itemizers can claim medical expenses not reimbursed by insurance, for themselves, spouse and dependents.The cost of treatment for drug use or alcoholism or smoking cessation programs are deductible. You can also write off nutritional counseling for a doctor-diagnosed disease, a weight-loss program and certain special food to help with the treatment of obesity, hypertension, heart disease or other physical illness diagnosed by a physician.

If you, your spouse or your dependent requires long-term care, you may be able to deduct the unreimbursed costs of assisted living, in-home care and nursing home services. The long-term care must be medically necessary for one who is chronically ill. The costs of meals and lodging at an assisted living facility or a nursing home count as medical expenses for people mainly there for medical care. Premiums you pay for a long-term-care policy are deductible medicals, too. But the deduction is capped based on age. The older you are, the greater the write-off.

Also eligible: Certain home improvements to adapt to a disability or illness such as ramps, wide doorways or entrances, railings and wheelchair lifts.

And how about Fido, your trusty service dog? Veterinary costs and food for a service dog to aid people with disabilities are deductible, along with the cost of the dog. Keep in mind that deductible costs must be incurred primarily to alleviate or prevent a physical or mental disability or illness. And medical expenses are deductible only to the extent the total exceeds 7.5% of your adjusted gross income. For more information, see IRS Publication 502 (*www.irs.gov/pub/irs-pdf/p502.pdf*).

Your Taxes

■ **IRS upgrades.** *The Tax Letter* also says the IRS has improved its "Where's My Refund" online tool. Filers of Form 1040 and 1040-SR claiming a tax refund can check the status within 24 hours after e-filing their 2023 return, or four weeks after mailing in a paper 2023 return.

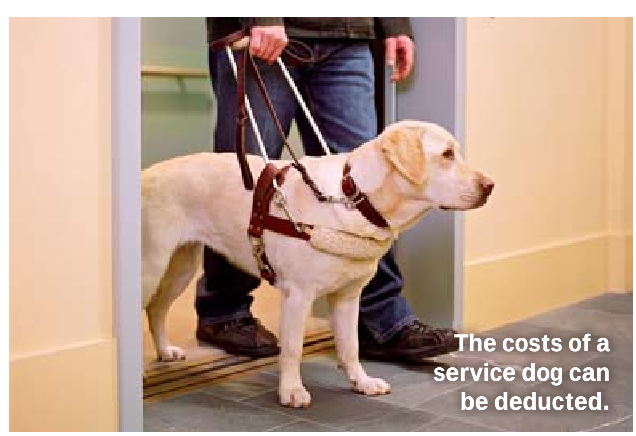
You will need your Social Security number, filing status and the exact refund amount.

If you're using a mobile phone, you can check the refund on the IRS2Go app. The tool will tell you whether your return was received, the refund was approved or the refund was sent. The tool will also let you know whether you should call the IRS about your refund and whether the agency needs additional information in writing.

In addition, letters and notices from the IRS to taxpayers are going through a redesign. The IRS aims to simplify and clarify the correspondence so that recipients can better understand the underlying issues and any actions they need to take. The redesign process is taking place over several years. Thirty-one notices have been revised for this year's filing season. The goal is to redesign most other common notices for individuals by early 2025, with changes to business letters by 2026 or later.

Your Benefits

■ **Shop around for Medigap.** When you first become eligible for Medicare, you might opt for traditional Medicare Part B, which is administered by the government, as opposed to a private Medicare Advantage plan. If you decide to supplement that traditional plan with a private supplemental plan, known as Medigap, you should shop around, as shown by a price comparison prepared by the American Association of Medicare Supplement Insurance, which compiled information about the most popular plan level, G. In Phoenix, for example, a 65-year-old woman could pick from Plan G policies that



The costs of a service dog can be deducted.

GETTY IMAGES

cost from $100 to as much as $406 monthly. Plans at the same level have the same coverage. You can find the details on the association's price index at *https://medicaresupp.org/best-costs-medigap-2024*.

Your Health Care

■ **Drug discontinued.** More than two years ago, Aduhelm was heralded as a breakthrough in the treatment of Alzheimer's disease, the first to target proteins in the brain, seen as an underlying cause. But the drug's effectiveness in slowing the disease's effects came under question, and the Food and Drug Administration's accelerated approval was slammed, along with the high cost of the drug. Now, the maker, Biogen, says it's discontinuing the drug, opting instead to focus on making Leqembi, which is seen as more effective. Leqembi received full FDA approval early last year, something Aduhelm never achieved.

■ **Obesity drugs to treat brain inflammation?** The latest generation of anti-obesity drugs also have a less well-known ability to suppress inflammation. A report in Nature says this is giving researchers hope that the drugs may be effective to treat Parkinson's and Alzheimer's diseases, which are characterized by brain inflammation. The report says evidence suggests that the drugs classified as GLP-1 receptor agonists—a category that includes brand names such as Mounjaro and Wegovy—can reduce inflammation in the liver, kidneys, heart and possibly the brain. More than 20 clinical trials are exploring the drugs as therapies for the two conditions.

■ **Mobile app to detect sleep apnea.** Samsung Electronics has been authorized by the Food and Drug Administration to market a sleep apnea detection feature on its Health Monitor app. According to Samsung, this feature will identify signs of sleep apnea using a compatible Samsung Galaxy watch and phone. It's the first of its kind to be authorized by the FDA, following approval by South Korea's Ministry of Food and Drug Safety in October.

The mobile app uses the smartwatch's built-in sensors to monitor sleep for significant breathing disruptions.The FDA says the app should not replace traditional diagnosing methods. Samsung says the feature will be available on the Galaxy Watch series in the U.S. via the Samsung Health Monitor app in the third quarter.

Sleep apnea is thought to affect 30 million people nationwide, according to the National Council on Aging. A 2018 study in the Journal of the American Geriatric Society found that 56% of people 65 and older have a high risk of developing obstructive sleep apnea.

■ **Recommended vaccines:** The Advisory Committee on Immunization Practices for the Centers for Disease Control and Prevention recommends the following vaccines for people ages 60 and older in 2024:

- **COVID-19:** if previously vaccinated, you should receive one dose of any updated vaccine at least eight weeks after the most recent dose
- **Flu:** one dose annually
- **Respiratory syncytial virus (RSV):** based on clinical decision making with health care provider
- **Tetanus, diphtheria, pertussis (Tdap or Td):** one dose every ten years
- **Shingles:** two doses

APRIL FINANCIAL CALENDAR

1 Required minimum distribution due if you turned 73 in 2023
5 Bureau of Labor Statistics monthly employment report
5 NCAA Women's basketball Final Four
6 NCAA Men's basketball Final Four
8 Solar eclipse; The Masters (golf)
10 March Consumer Price Index released (inflation)
15 2023 income taxes due; last day for 2023 IRA, HSA contributions; first quarter 2024 taxes due; Boston Marathon
23 Passover begins
25 Take Our Daughters and Sons to Work Day
30 Fed Open Markets Committee meets (interest rates)

25 Years Ago (1999)

1 Canadian territory of Nunavit formed
5 Libya hands over suspects in 1988 Lockerbie airliner bombing
20 15 die in Columbine High School massacre in Littleton, Colo.

50 Years Ago (1974)

3 Record tornado outbreak in 13 states and Canada kills 319
5 *Carrie*, Stephen King's first novel, published
6 ABBA wins 19th Eurovision Song Contest with *Waterloo*

- **Pneumococcal:** if you have not previously received

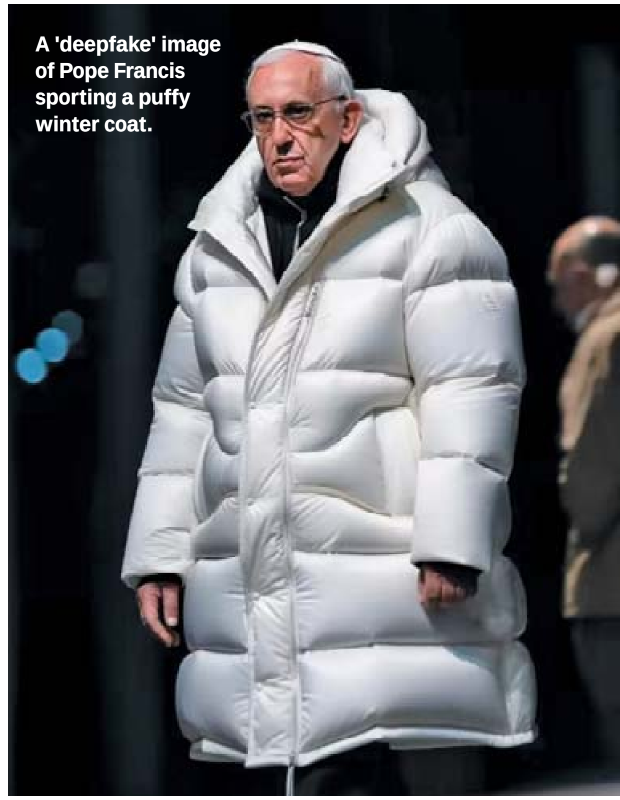
There are additional recommendations, such as monkeypox, for people with risk factors. See: *www.cdc.gov/vaccines/schedules/hcp/imz/adult.html*

Your Money

■ **Top scams identified.** Artificial intelligence "deepfakes," identity theft and fake charity schemes are among the biggest scams targeting individuals and businesses in 2024, reports **Kathryn Pomroy** for Kiplinger.com.

Deceptive deepfake content, ranging from emails, voice and video and fraudulent websites, is increasing in particular due to generative artificial intelligence (A.I.), according to a report from credit reporting agency Experian. Deepfakes are synthetic media that have been digitally manipulated to replace a person's likeness with that of another.

Generative A.I. has made fraud more accessible and


A 'deepfake' image of Pope Francis sporting a puffy winter coat.

put consumers and businesses at risk. Besides escalating deepfake content, fraudsters may also use A.I. to engineer schemes duping people out of hundreds, if not thousands, of dollars. Using stolen identities, fraudsters can create fake identities online and through social media and interact with these new profiles that look real to the consumer.

For information about Experian's fraud prevention suggestions go to *www.experian.com/business/solutions/fraud-management*.

■ Too many real estate agents. If you're thinking of getting a real estate license to earn some money in retirement, this may not be a great time. The Consumer Federation of America says the country has too many real estate agents for the number of homes that sell. "The fact that over 1.5 million agents typically sell 5-6 million homes each year" means that this "high agent to sales ratio virtually guarantees that most agents cannot support themselves only from sales commissions," the report says.

This imbalance has resulted in "widespread agent incompetence and pressure to maintain 5% to 6% commissions," says the report, which notes that in most states a real estate license is fairly easy to obtain through a process that takes six to 10 weeks at a median

Who Are You Calling Old?

As this year's presidential race heats up, much attention is being paid to the ages of the candidates. President Joe Biden will turn 82 shortly after the November election, and his likely opponent, Donald Trump, will be 78 in June. No spring chickens, to be sure, but are they really too old to run the United States government? Well, they wouldn't be the first elderly men running a major enterprise. *Investors Business Daily* scoured companies in the S&P 1,500 and found octogenarians and beyond commanding CEO suites. Here are 10 of them:

CEO	COMPANY	AGE*
Warren E. Buffett	Berkshire Hathaway	93
Ellen R. Gordon	Tootsie Roll Industries	91
Bernard Francis Saul	Saul Centers	90
Nick A. Caporella	National Beverage	87
Roger S. Penske	Penske Automotive	89
Ernest Sylvan Rady	American Assets Trust	86
Alan B. Miller	Universal Health Realty Income Trust	86
Lecil E. Cole	Calavo Growers	83
Robert Y. Greenberg	Skechers U.S.A.	83
Albert H. Nahmad	Watsco	82

SOURCES: S&P Global Market Intelligence, Investors Business Daily
* As of February 16, 2024

PHOTO ILLUSTRATION CREATED BY MIDJOURNEY cost of $600. Yet, "major firms continually advertise for and hire new agents, then often fail to adequately train and mentor these licensees. One result is that most agents sell few or no properties each year."

Your Lifestyle

■ **Best places to retire.** Wallethub has released its 2024 list of best states to retire and (surprise!) Florida is on top. While the site notes that Florida has a relatively high cost of living, it says the state snagged the top ranking "due to its relatively low taxes for retired people, including no estate, inheritance or income taxes. The cost of adult day health care and homemaker services are also lower than in most other states."

Florida's environment is also described as ideal for retirees. "There are plenty of ways for seniors to stay healthy and happy, which is reflected in the fact that Florida has one of the lowest death rates for people age 65 and older in the country." Colorado, Virginia, Delaware and Wyoming round out the top five states.

■ **Best health care overseas.** When it comes to health care for expats, five countries stand out for offering world-class care at a low cost, according to a report from the editors of International Living. The report, which cites the Annual Global Retirement Index for 2024, says Portugal is the top country in this category with an "extensive tax-funded public healthcare system ... along with a sizable private healthcare network. Foreigners who reside full-time in Portugal have access to both. Private health insurance in Portugal is easily accessible and affordable, with plans starting at around $50 a person." Also singled out: Costa Rica, Spain, France and Colombia. To learn more: *https://internationalliving.com/countries-best-healthcare-world*

Correction: Researchers evaluating Medicare billings for short-term stays in nursing homes documented total net revenues of $126 billion in 2019 involving a population of about 12,000 nursing homes, not that number of patients, as reported in an item in the March issue.

HEALTH & WELLNESS

Can Alzheimer's Be Reversed? BY MARTHA McCULLY

What if cognitive decline were preventable, or even reversible? According to one neuroscience researcher, it is.

Dale Bredesen, a California physician who has spent his career studying neurodegenerative disease, says cognitive decline is "the area of greatest biomedical therapeutic failure. Everyone knows a cancer survivor," he says. "No one knows an Alzheimer's survivor."

In a new documentary about Bredesen's work, *Memories for Life*, patients improve after following his regimen of diet, lifestyle changes and stress reduction. One woman featured in the film regained her ability to read music and speak Chinese.

"It's not magic," Bredesen says. "It's just biochemistry."

His research focuses on what he calls network insufficiencies in the brain. "This is the 21st century approach to disease," says Bredesen. "It's not just one thing."

He claims there are 36 contributors to cognitive decline, from bacteria and fungi to sleep apnea that "insult" the brain. Amyloid—a protein found in Alzheimer's patients' brains—is part of your innate immune system, Bredesen says, and tries to "sequester and kill the insults." And yes, excess amyloid can harm the brain, he says, but it's there to correct the insults, and when it's overproduced, it's damaging.

Bredesen says a poor diet, sleep issues and changes in the oral and gut microbiome create the brain insults. He counters them with a mostly plant-based diet, exercise with oxygen, quality sleep, stress reduction, brain training, detoxing and targeted supplements.

Not surprisingly, Bredesen's approach has earned criticism. When Bredesen came out with his book in 2017, *The End of Alzheimer's*, critics said it was built on anecdotal case studies and a lack of scientific evidence. An especially stinging critique of the new film comes from the Alzheimer Society of Canada: "There have been no clinically validated systems, medications or lifestyle changes proven to reverse Alzheimer's disease."

Fundamentally, critics claim, Bredesen's alternative medicine gives false hope to sufferers. Bredesen acknowledges the criticism but flips their disapproval around. "It's *no alternative* medicine," he says, "because there is no alternative."

TRAVEL

‘Get Back to the Land, Set Your Soul Free’

It’s camping season—pitch a tent, build a fire and sleep under the stars.

“THOUSANDS OF TIRED, nerve-shaken, over-civilized people are beginning to find out that going to the mountains is going home, that wildness is a necessity and parks are fountains of life.”
— Naturalist John Muir, Our National Parks, 1909

BY YVETTE C. HAMMETT

GREG WINSLOW FOUND HIS LOVE OF camping later in life. “I just had an interest in spending more time outdoors and being with nature,” he says. When he was 51, Winslow bought a tent and a motorcycle, and off he went. He is far from alone.

It’s April, the beginning of the outdoor season for most Americans, and many of them will be raising tents and building fires in campgrounds across the country. Ten percent of Baby Boomers camped in North America in 2022, according to Statista (*www.statista.com/topics/1319/camping-and-recreational-vehicles*) which collected demographics on camping from 2015-2022. Older Americans are the smallest percentage of campers, but their numbers are rising.

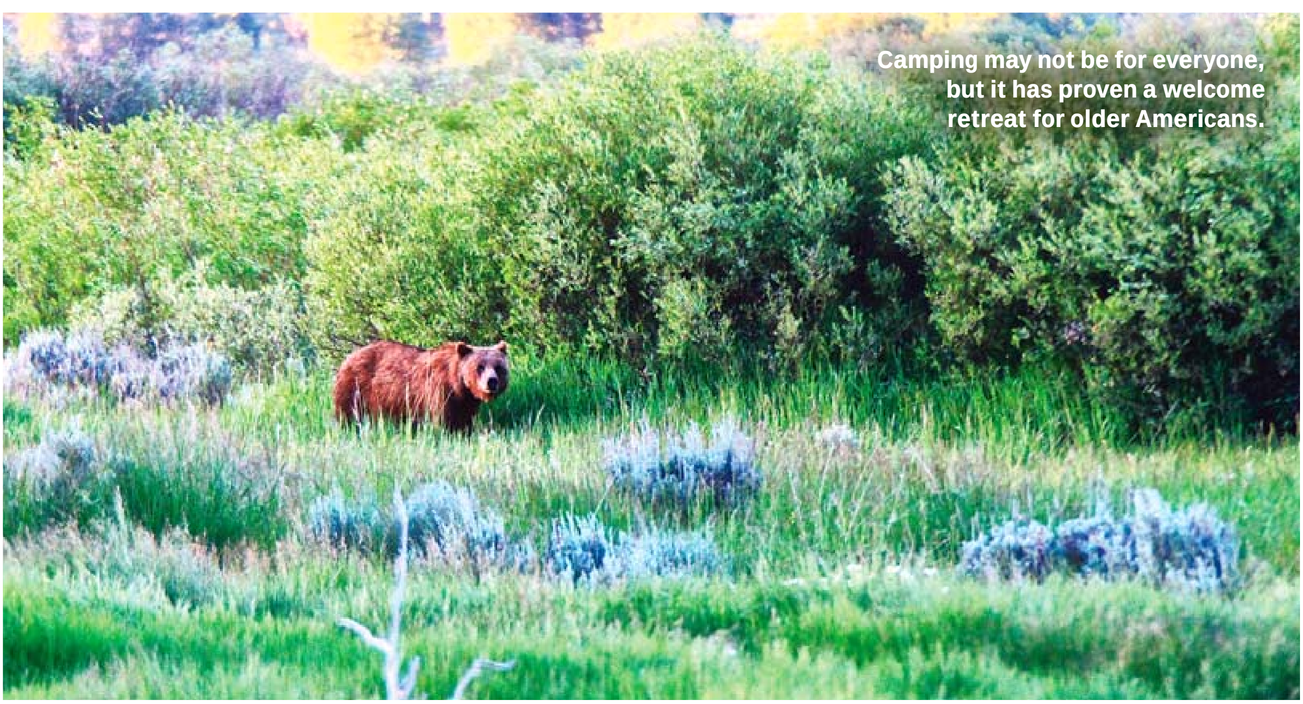
For many of these campers, the thrill of seeing a grizzly bear in its natural setting, an alligator slithering through the Everglades, or a mountain goat on the side of a cliff is an intoxicating experience.

Harvard environmental epidemiologist Peter James says spending time outdoors in nature improves both physical and mental health. “The ability to recover from stress is better in natural settings because that’s where we are meant to be,“ says James, who studies how the environment affects health.

Of course, camping is not for everyone. There are bugs, mud, sometimes rain, sometimes snow and even dangerous animals. But it has proven a welcome retreat for many older Americans. There are many resources to help you get started, including online clubs such as those on Facebook or camping groups, such as Harvest Host (*https://harvesthosts.com*).

Steve Turner, 71, created the Facebook page “Seniors and Camping” in 2022 (*www.facebook.com/groups/654541695558674*). “It started as an idea, and it just keeps growing. I have 46,000 members,” a mix of tent campers and RVers, who brainstorm on what to take, where to go and how to fix issues along the way.

Camping pages are easy to locate on Facebook, by searching “Seniors and Camping,” “Tent Camping,” “Girl Camping,” and similar topics.



Camping may not be for everyone, but it has proven a welcome retreat for older Americans.

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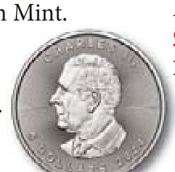
2024 South African Krugerrand: The Krugerrand continues to be the best-known, most respected numismatic coin brand in the world. Struck in 99.9% fine silver at the South African Mint.



2024 Canada Maple Leaf: A highly sought-after bullion coin since 1988, this 2024 issue is the **FIRST** Maple Leaf coin to bear the effigy of King Charles III. Struck in high-purity 99.99% fine silver at the Royal Canadian Mint.

2024 British Silver Britannia: One of The Royal Mint's flagship coins, this 2024 issue carries the portrait of King Charles III for only the second year ever. Struck in 99.9% fine silver at The Royal Mint.

2024 China Silver Panda: China Silver Pandas have been collectors favorites since their introduction in 1983—noted for their heart-warming one-year-only designs highlighting the maturing of Panda cubs. Struck in 99.9% fine silver at the China Mint.

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Campers don't always have to rough it. High-end 'glamping' sites over plush accommodations with hotel-style amenities.

What You'll Need

Marcia Cohen of Madison, Wis., had just had knee replacements in 2021 at age 67 during the pandemic. "I wanted to be really active," she says. "I like kayaking and hiking, but it was a two-hour drive to go kayaking. If I went overnight, I could camp."

After friends suggested she get a multi-person tent for herself, she bought a CORE six-person instant tent (around $185), a cot (Coleman cots cost around $50), an air mattress to put on top, and a foam pad. "I have a commode ($50-150) inside my tent."

She considers her tent, her cot, and her commode her three most important camping items.

"There are a couple of things that draw me to camping," Cohen says. "I am old, but I am not decrepit. It's very empowering."

Don Diehl and his wife, from Wernersville, Penn., bought a rooftop tent they haul on a trailer (anywhere from $280 to $2,000). They recently trekked to the Arctic Ocean, which included traversing 580 miles of dirt roads. "We've been wanting to do that trip for years. It's one of the most beautiful places I've seen in my life. You are truly on top of the world, and it is an exhilarating experience."

For Jerry Plaatan, 78, of Green Cove Springs, Fla., camping in a place to indulge his fly fishing passion is key. He likes to share his list of equipment on Facebook. "I'm always looking for something lighter and more compact," he says.

What You'll Spend

- A tent. Plaatan likes the Bass Pro Shop Eclipse, which is large at 12x10 feet (around $80)
- A lantern or two ($20-50)
- A stove—Plaatan opted for the two-burner Jet Boil ($280-400)
- A comfortable camp chair (around $85-150)
- A cot or air mattress with a sleeping pad
- A sleeping bag for the right temperature (Coleman's Mummy bag is $70)
- A screen room with vertical walls rather than slanted walls to keep water out ($85 to $600)

"It's going to be an evolution," Plaatan says. "You will find things you don't like and replace them."

People 65 and older in Florida can camp at a state park for as little as $8 per night, half the normal price. RV camping is a bit pricier, averaging $30 to $45 per night, according to letstravelfamily.com. It depends on whether you need a full water, sewer, and electric hookup, and it also depends on location. Private campgrounds on the beach can run more than $100 per night for RVs.

But there are also free options, known as boondocking sites. Many areas, especially in western states, offer an abundance of spots for boondocking from riverside shorelines to deep forests. Some sites offer pit toilets, where waste is collected and composted onsite, but not much else, so you must bring everything you need.

Those 62 and older can purchase an America the

GETTY IMAGES

Beautiful Senior Lifetime pass for $80 at *https://store.usgs.gov/recreational-passes*, or $20 annually to visit some of the nation's most beautiful natural areas. The pass provides admittance to more than 2,000 sites managed by six federal agencies, including the National Park Service.

Also, 55+ campgrounds offer quiet spots for mature campers and add age-appropriate conveniences and amenities. Voyager Resort & RV Park in Tucson, Arizona, (*https://rvonthego.com/arizona/voyager-rv-resort-hotel*), for example, offers its own bar, tennis, shuffleboard and heated pools for $105 per night in April.

Joining the Good Sam Club membership at *www.goodsam.com/club*, is $79 for a three-year membership and gets you a 10% discount at 2,400 RV parks.

Where You Can Go

Bill Gunn, 70, of Indian Harbor Beach, Fla., recommends a trip to western North Carolina, or the mountains of Pennsylvania or New York. "The only challenge is you have to plan ahead now because it is so popular." That goes for most popular sites.

National parks are a great option. Here's some basic information for three of the most visited parks:

Yellowstone National Park, Wyoming

Go: Between late spring and early fall. The National Park Service says most reservations are made far in advance, so make reservations as early as possible to ensure your spot.

See: Take a private full-day safari for $350 to see amazing wildlife, including buffalo, grizzly bears, trumpeter swans and pronghorns, as well as giant waterfalls and volcanic thermal features, including Old Faithful. Or drive yourself.

Cost: The seven-day entry fee for a private vehicle is $35. Or purchase an America the Beautiful pass for all parks.

Stay: There are campgrounds and lodges inside Yellowstone, and private accommodations near each park entrance for camping, glamping (glamor camping), Airbnbs or hotel stays.

Yosemite National Park, California

Go: Late spring, summer and early fall for the best weather.

See: Gaze up at the breathtaking El Capitan cliff which may be covered with mountain climbers, and experience the wonder of the waterfalls spilling down into the Merced River.

Cost: Campsites range from $12 to $26 a night. The standard $35 entrance pass is good for day use.

Stay: The park has 13 campgrounds but getting reservations from April through October can be challenging. Try overnight hiking through the wilderness or choose a High Sierra camp spot.

Great Smoky Mountains National Park, North Carolina/Tennessee

Go: Late spring to early fall.

See: Stunning wildflowers, elk herds and wooded trails are among the highlights of this massive park.

Cost: Standard entry fees apply. Camping is $30 per night mid-May to the end of October.

Stay: Reserve a spot in one of 10 park campgrounds. Cades Cove and Smokemont are open year-round while others are seasonal. The Treehouse Grove in Gatlinburg, Tenn., offers The Cedar, a luxury glamping cabin that sleeps four for $399 per night. K

ROUGHING IT VS. GLAMPING

If you enjoy communing with nature, but from a fancy cabin with all the amenities, try glamping—a portmanteau of *glamorous* and *camping*.

While you can expect to get dirty hunching over a faucet to clean dishes when tent camping, you can choose an RV or yurt at a glamping resort with indoor plumbing, electricity, linen sheets and fancy decor. There may be a heated pool and tennis courts.

Glamping tends to be more expensive than classic camping, but for some, it's a great option.

Campers can glamp by simply taking it up a notch and adding items such as high-end folding chairs, canvas side tables with drink holders or solar-powered string lights to hang around their site.

For the more adventurous, rent a hobbit hole for a few days, one that is fully electric, has fancy furnishings, a restroom and air conditioning. Airbnb lists 27 of "the coolest" hobbit holes across the globe for those who wish to experience J.R.R. Tolkien's Middle Earth in an underground rental. For example, The Sassafras in Johnson City, Tenn., at $220 per night, or one tucked in a grassy hillside in Vermont for $450 per night.

Glamping.com lists a covered wagon in Utah for $160 per night and a luxury tent in Big Sur, California for $240 per night.

WINE

Wines to Enhance Your Spring Celebrations

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COMPILED BY ELIE LLOYD ELLIS

UNDER $25

Bonny Doon, Le Cigare Blanc, California 2021 **Score 92**
This complex, unoaked blend of mainly Vermentino, with Grenache Blanc and Clairette, is ripe and juicy, with notes of sweet peach, jasmine and hawthorn. It's fresh and slightly waxy with a leesy roundness*.
Color White **Drink** 2024-26 **Alcohol** 12.4% **About** $15-18

Louis Jadot, Bourgogne Chardonnay, Burgundy, France 2022 **Score 91**
A well-judged combination of seasoned oak and stainless steel gives freshness and depth. Citrus, buttered toast and lemon aromas, then more toasty citrus on the rounded palate; creaminess is balanced by poised acidity.
Color White **Drink** 2024-27 **Alcohol** 13% **About** $15-25

UNDER $40

Allende, Blanco, Rioja, Spain 2018 **Score 93**
Classic style from Rioja Alta, a white displaying evolution but with life ahead of it. Such complexity and enjoyment: intense, toasty, oily and nutty, with some vanilla oak and citrus notes behind. Great length, a real treat.
Color White **Drink** 2024-27 **Alcohol** 13% **About** $25-35

Ernest Vineyards, Edaphos Ossum Epiphanea, Mendocino County, California 2021 **Score 92**
A co-fermented blend of eight red and white varieties, led by Marsanne (25%) and Grenache (22%). High-altitude vineyards impart purity, acidity and a wet slate coolness to the supple palate of red cherry, cola and herb. **Color** Red **Drink** 2024-27 **Alcohol** 13% **About** $26-32

Talking Wine: What are 'lees'?

Lees are predominantly dead yeast cells left over from the fermentation process. Lees aging (whereby wine is left to mature intermingled with the lees) can be used to enhance certain aromas or bring more body and texture to wines.

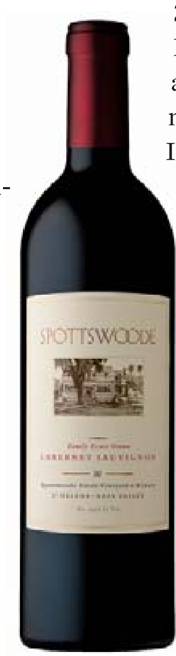
UNDER $70

Babylonstoren, Sprankel Brut, Simonsberg-Paarl, South Africa 2017 **Score 91**
Sprankel means 'sparkle', and this Chardonnay-dominated blend with 55 months of lees aging* came from various parcels in the granite and sandstone soils of the Simonsberg. The nose immediately sends forth juicy, yellow peach and ripe yellow apple. The palate is light and has bright overtones of lemon that complement the ripe fruit and creamy, smooth style. Fruit-driven, bright and fresh with immense juiciness: a joyful aperitif.
Color White **Drink** 2024-28 **Alcohol** 12% **About** $56-70

Château Clarke, Listrac-Médoc, Bordeaux, France 2019 **Score 93**
Floral touches of rose and violet mingle with dark chocolate and black fruit on the nose, with bitter orange flecks. Lively and bright, the acidity makes its mark straightaway then gives way to quite prominent minerality. Sleek, focused and sharply detailed, tannins are beautifully integrated and this carries to a long finish. Elegant and expressive, fresh, juicy, fun and easy to like.
Color Red **Drink** 2024-38 **Alcohol** 13.5% **About** $44-68

INVESTMENT BOTTLE

Spottswoode, St. Helena, Napa Valley, California 2020 **Score 99**



Fragrant blackberry and black cherry, cassis and rich tobacco spices with lovely fresh earth notes and a sweet kiss of new cedar wood. Incredibly concentrated dark berry fruit, fabulously angular tannins, smooth with crisp edges. Purple florals, dried sagebrush and chocolate shavings with lots of graphite and deep iron-like mineral character. And a finish of dark saturated fruit; purple floral notes, too, polished and bright with vivacious acidity and freshness evident from the first sip to the finish. Potential 100-point wine. **Color** Red **Drink** 2024-35 **Alcohol** 13.7% **About** $219-299

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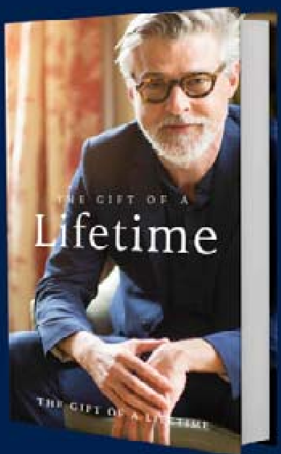

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