HOW TO CREATE WEALTH

C.J. Burton

A SPECIAL REPORT FROM THE EDITORS OF *Kiplinger's Personal Finance*

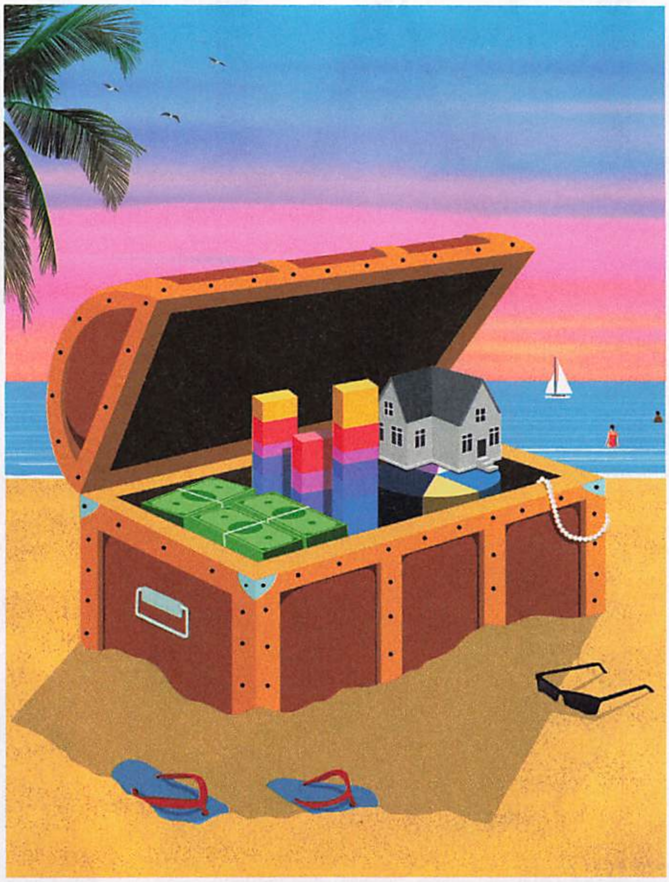
Investing: Keep calm in rough seas

By Anne Kates Smith

Last year's financial markets provided a vivid reminder of why good investing hygiene is important all the time. Investors are grappling with a host of market scourges at once—Russia's invasion of Ukraine, an inflation surge, and rising interest rates. But a well-maintained portfolio should weather such storms over the long haul, especially if you remain patient while also taking advantage of the opportunities that the market offers.

You should not change your game plan when stocks wobble—and that advice applies both to exiting the market in fear and to rushing to buy every dip. Your asset allocation should be appropriate to your age and your risk tolerance in terms of what your financial situation can reasonably bear and what allows you to sleep at night. For example, a fully invested, aggressive investor with more than a decade to invest might allocate 85 percent to stocks and 15 percent to bonds. A conservative investor or one with a short time to invest might target 70 percent in bonds and 30 percent in stocks, with a preference for dividend-paying stocks.

The market has also recently reminded us that stock leadership can pivot in a heartbeat. A table of investment returns over the 20 calendar years through 2022 compiled by investing consultant Callan shows that U.S. large-company stocks logged the best returns in three of those years; U.S. small caps and real estate stocks each came in first four times; and emerging-markets stocks led in five of the 20 years. That shows that a diversified portfolio should contain multiple asset classes, and within those, several investing styles, sectors, and industries. If you follow that script, when one part of your portfolio is struggling, other investments will likely pick up the slack.



What to do now: When seeking out the stocks, investors will need to be brave and patient in regard to timing, as well as agile as the market eventually transitions from bear market to bull market. For stocks, the turn from tighter monetary policy to easing will be a compelling all-clear signal—as will rock-bottom valuations in prices.

Resist the bargain-basement appeal of the most beaten-up stocks and focus instead on high-quality shares. **Amazon.com (AMZN, $103.29)** is so cheap these days that the managers at the Dodge & Cox Stock fund, who are sticklers about price, scooped up shares of the e-commerce and cloud-computing juggernaut. A recession would dent near-term results, but the company's dominant role in its key markets will buoy it in the long run. After a sum-of-the-parts analysis, Shyam Patil, of investment firm Susquehanna International Group, recently set a 12-month price target on shares of $150, representing implied upside of about 45 percent. Another pick might be **T-Mobile US (TMUS, $144.84)**, the second-largest wireless carrier in terms of U.S. market share. But it is sprinting ahead of the others in terms of growth, says analyst Keith Snyder, at investment research firm CFRA.

Consumer discretionary stocks have had a tough time in recent years—and this challenging environment could continue in the near term. Still, the sector boasts strong fundamentals and attractive valuations, and through mid-March was behind only technology and communications in performance. One option in the sector now: **Tapestry (TPR, $43.11)**, the retail holding company for luxury brands Coach, Kate Spade, and Stuart Weitzman. According to Ian Schatzberg, co-founder of brand agency General Idea, Tapestry continues to remake itself to be more relevant with Gen Z and Millennial shoppers and "has really focused on modernizing the way in which they behave." It is also reasonably priced, trading at 10.1 times forward earnings, below its five-year average of 11.6.

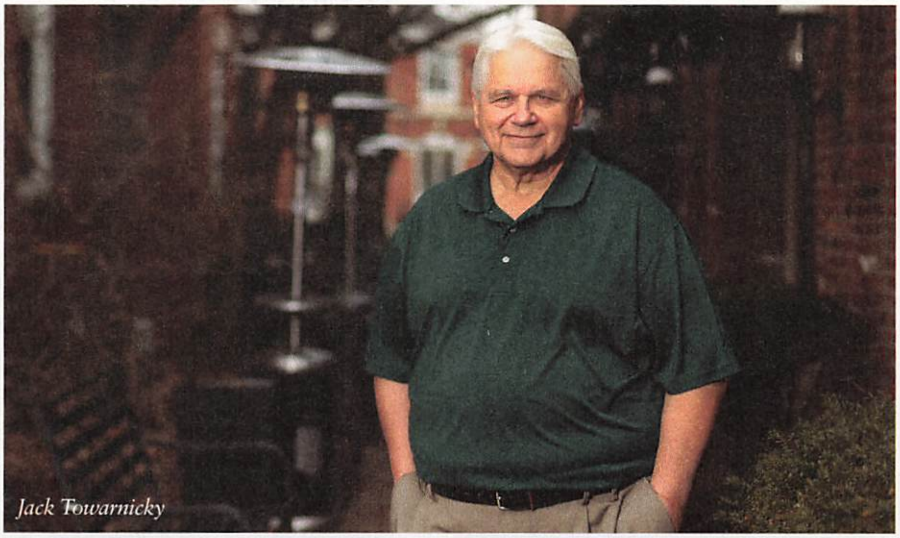
In 2022, extreme volatility sparked substantial (and in some cases, record-setting) losses across the bond market. But bond funds remain a key part of any portfolio, and one that is lacking in many portfolios. The **Vanguard Total Bond Market ETF (BND, $73.83)** is a massive fund that ranks as the largest dedicated bond ETF, as well as one of the 15 largest U.S.-listed ETFs of any flavor. About 67 percent of BND's portfolio right now is allocated to U.S. government bonds. Those are as solid an investment as you can get but also offer more-modest yields, so some investors prefer to focus on corporate debt. With more than 2,500 high-quality bonds, the **iShares iBoxx Investment Grade Corporate Bond ETF (LQD, $109.61)** is one of the primary ways to do that—without taking on risky loans to fly-by-night companies.

—with Will Ashworth and Jeff Reeves

Alexander Glandien

Turbocharge your retirement savings

By Sandra Block



Jack Towarnicky

Jack Towarnicky, an employee benefits consultant, has changed jobs 13 times over the past 30 years, but one aspect of his career has remained consistent: If an employer offered a 401(k) plan, he enrolled and contributed the maximum allowed. His wife, Debbie, a retired teacher, also contributed to her retirement plan. Thanks to their disciplined savings habits, "we have a lifetime of savings in 401(k) and 403(b) plans, and this son of a firefighter is certain to become part of a middle-class millionaire household someday," Towarnicky says.

More than 299,000 participants in 401(k) plans managed by Fidelity Investments, plus 280,000 Fidelity IRA participants, had balances of more than $1 million in the fourth quarter of 2022. A total of 65,494 participants in the federal government's Thrift Savings Plan had more than $1 million in their savings plans as of Sept. 30.

Saving $1 million for retirement may seem out of reach, particularly if you have competing demands on your money, such as student loans and credit-card debt. Inflation presents another hurdle. An analysis by Moody's Analytics found that the average American household is spending an additional $276 a month on goods and services because of higher prices.

With that in mind, it's important to take advantage of all the savings incentives available to you. Perhaps the most generous incentive comes in the form of a matching contribution from your employer. Employers that offer this benefit typically match 3 percent to 6 percent of your pay, but you usually must contribute to qualify. So even if funds are tight, try to contribute at least enough to get the match—otherwise, you're leaving free money on the table.

Uncle Sam offers plenty of incentives, too. One of the most lucrative—and often overlooked—is the Saver's Credit. If you fall within the income limits, you can claim a tax credit of up to $1,000 for singles or $2,000 for joint filers. The credit is based on 10, 20, or 50 percent of the first $2,000 ($4,000 for joint filers) you contribute to a 401(k), traditional IRAs, or a Roth IRA. For 2023, single filers with adjusted gross income (AGI) of $36,500 or less may be eligible. Married taxpayers who file a joint return must have an AGI of $73,000 or less. To determine whether you're eligible, go to *www.irs.gov/help/ita/do-i-qualify-for-the-retirement-savings-contributions-credit*.

As your income rises, you should be able to stash more in retirement plans. In 2023, you can invest up to $22,500 in your 401(k) plan, or $30,000 if you're 50 or older. Contributions are tax-deferred if you invest in a traditional 401(k). If your employer offers a Roth 401(k), contributions are after-tax but tax-free when you take withdrawals in retirement.

Boost your saving

If you can afford to invest even more money—by saving more, reducing your spending, or a combination of both—there are other steps you can take to feather your retirement nest egg.

■ Take advantage of retirement plans for self-employed workers. In 2023, you can contribute 20 percent of your self-employed net income, up to a maximum of $66,000, in a SEP IRA. SEP IRAs are widely available at financial institutions that offer IRAs. If you have a side gig, you can contribute the maximum to your employer's 401(k) and contribute to a SEP based on your self-employment income.

■ Another option for self-employed savers is a solo 401(k) plan. In 2023, you can contribute up to $66,000 in one of these plans, or $73,500 if you're 50 or older (you can't make catch-up contributions to a SEP IRA). You can stash that much money in your plan because you're making contributions as an employer and an employee.

■ Make after-tax contributions to your retirement plan. Some employers allow workers who have maxed out on tax-advantaged contributions to make additional after-tax contributions to the plan, up to a maximum of $66,000. While the contributions won't reduce your taxable income, earnings on your investments are tax-deferred until you take withdrawals. Some plan providers will allow you to convert that money to a Roth 401(k) through what's known as an in-plan conversion.

■ Invest in taxable accounts. While it's nice to get a tax break, taxable accounts play an important role in saving for retirement, too. Taxes on long-term capital gains range from 0 to 20 percent, and these accounts offer more liquidity than retirement plans—you won't be penalized if you take withdrawals before age 59½. —**S.B.**

Kirk Irwin

Lower your taxes

By Sandra Block

You don't need to be a billionaire with a stable of accountants to come up with strategies to reduce the amount of income and savings consumed by federal and state taxes.

Let's start with the amount you have withheld from your paycheck (assuming you're an employee). The average tax refund as of early March was $2,933, and while it's nice to get a check from the IRS every year, there are more-effective uses for your money that will help you build wealth.

If you received a big refund, give yourself a raise by adjusting your withholding. The IRS offers a tool at *www.irs.gov/individuals/tax-withholding-estimator* that you can use to figure out how much to adjust your withholding and submit a new W-4 form to your employer. Once you've decreased the amount withheld for taxes, use the extra money to pay off high-interest debt, build up your emergency fund, or increase contributions to your retirement savings.

Unless you filed for an extension, you've probably finished your taxes by now. Don't stash your 1040 form in the back of a file cabinet or file it somewhere in the cloud that you don't plan to visit soon, because this document can also provide a road map for reducing your taxes in the future. It will show you, for example, how much the contributions to your 401(k), deductible IRA, or health savings account lowered your taxable income, which could motivate you to save more in those accounts. Or, if your return shows that you paid taxes on a large capital gains distribution from mutual funds in your taxable account, you may want to shift to more tax-efficient investments.

The majority of taxpayers claim the standard deduction, but even non-itemizers are eligible for a long list of credits and deductions. As mentioned, saving for retirement is one of the most effective ways to lower your taxes—either now, as is the case with pretax contributions, or in the future, as is the case with contributions to a Roth IRA or Roth 401(k). But if you're a parent of a child or college-bound student, there are lots of tax breaks available to you, too, even if you don't itemize.

Do you have a child starting college this year? Save those tuition receipts, because there's a good chance you'll be eligible for the American Opportunity credit. This tax credit is available for up to $2,500 of college tuition and related expenses (but not room and board) paid during the year.

Polish and protect your credit

By Lisa Gerstner

Good credit is key to getting the lowest possible interest rate on loans. A strong credit profile can also help you rent a home, lower your auto insurance premiums, and even land a job.

To judge whether to grant you credit and what rate to offer, lenders often peek at your credit score, a three-digit number derived from your credit history. Many versions of your credit score exist, and you may not have access to the one a lender plans to view. But you can get a good idea of where you stand by using a free site such as CreditKarma.com, which provides VantageScore credit scores from credit bureaus Equifax and TransUnion, and FreeCreditScore.com, which provides a FICO score from credit bureau Experian. Your bank or credit-card issuer may offer free score updates to customers, too.

Standard credit scores run from 300 to 850, and a score of about 750 typically qualifies you for the best loan terms. The most important move you can make to boost your score toward the top of the scale is to pay all your bills on time. Another sizable factor is your credit-utilization ratio—a percentage that reflects the balance on your credit cards as a proportion of your card limits. (The ratio is calculated both on individual cards and in the aggregate across all your card accounts.) The lower the ratio, the better for your score; aim to keep it at 20 percent to 30 percent or less.

Finally, avoid opening several new credit-card accounts at once. Each card application creates a hard inquiry on your credit report, and the presence of several card inquiries in a short time signals to lenders that you may be a risky prospect as a borrower, lowering your score.

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Check your insurance coverage

By Lisa Gerstner

Insurance is a critical tool to shelter you from crushing expenses if assets such as your home or car are damaged or if you are responsible for harm to someone else or their property. Given rising construction costs, it's especially important to make sure that the dwelling coverage in your homeowners policy is adequate to rebuild your home in case it's destroyed, says Jill Roth, executive vice president of insurance agency Ahart, Frinzi & Smith, in Alexandria, Va. "Just to replace a window these days is so much more expensive than it was five years ago," she says. Make sure you update your coverage to reflect renovations that increase the value of your home, too. To calculate your home's replacement cost, multiply local building costs per square foot (check with homebuilders in your area for an estimate) by your home's total square footage.

If you live in an area susceptible to wildfires, hurricanes, or other disasters, take special care that your home and possessions are covered for damage from increasingly intense events. Standard homeowners policies don't cover flood damage, and people in areas at high risk of flooding may have to purchase a separate policy (for more, go to www.floodsmart.gov). Many insurers are backing out of California because of heightened wildfire risk, says Roth. An independent agent—who works with several insurance carriers rather than just one—can help you find a policy. Search for an agent at www.trustedchoice.com.

You need at least enough auto coverage to meet the minimum insurance amounts your state requires for injuries or damage that you cause to other people and vehicles. But you'll need higher coverage levels to have sufficient protection. It's often recommended that a policy should cover up to $100,000 for the medical bills of each person that you injure in an accident, up to $300,000 per accident in liability for bodily injuries, and up to $100,000 to repair other drivers' cars and property that you damage, says John McCormick, editorial director of Insurance.com. To fine-tune your own liability coverage amounts, consider your life stage, says Roth. She would typically recommend higher coverage limits for someone who is well established than for a young adult who is just starting out with few assets.

Umbrella insurance provides extra liability coverage in case your homeowners or auto insurance claims exceed the limits of your existing policies. It even protects you if you're sued for slander or libel. If you have significant assets or an above-average likelihood of being sued, or you are otherwise vulnerable to exhausting your regular coverage—say, because you own a swimming pool or have a teen driver in the family—an umbrella policy is worthwhile. You'll pay about $150 to $350 a year for $1 million in coverage.

Educate the next generation

As your children start their own wealth-building journeys, teaching them to be good stewards of their money will pay off in spades. A record 47 percent of parents are having money conversations with their kids at least once a week, according to the 2022 Parents, Kids & Money survey from T. Rowe Price. Those conversations can start earlier than you may expect. While grocery shopping with young kids, for example, you can discuss how the price of food affects what you buy and whether you choose to eat at home or dine out, says Roger Young, a CFP with T. Rowe Price. "Many decisions we make every day involve money," he says. As the kids get older, you can introduce topics such as saving for college and compounding interest.

The T. Rowe Price survey also shows that three-fourths of parents give their kids an allowance, with 59 percent requiring children to earn it. Offering kids a chance to make decisions about money can give them real-life practice with money management while the stakes are low, says Young. Cash is generally a better tool than, say, funds accessed via a debit card.

Using tax-friendly financial accounts for your kids can get them off to a strong start, too. Money that you put into a 529 college-savings plan grows tax-deferred, and withdrawals that you make for qualified higher-education expenses are not taxed. Once your child starts earning money from work, such as a part-time job in high school, you can open a custodial Roth IRA for him or her. Contributions (including any of your own funds that you add on behalf of your child) can't exceed the amount the child earns and are subject to the standard annual limit on IRA contributions, which in 2023 is $6,500. —L.G.

Alexander Glandien

Buy a home

By Daniel Bortz

Purchasing a home is a tried-and-true way to build wealth. As you pay off the mortgage, your equity in the property grows. And over the long term, home values have risen.

Still, last year was a tough one for homebuyers. House hunters wrestled with a severe housing shortage, soaring mortgage rates, and rapidly rising home prices. Those conditions pushed some buyers out of the market and forced others to make trade-offs, such as lowering their budgets.

Richard and Marianne Watt, who purchased a four-bedroom house in Silver Spring, Md., in December for $540,000, discovered that rising mortgage rates had cut into their buying power. "We're fairly conservative in terms of our finances, and because mortgage rates jumped up in such a short span of time, we had to lower our price range from $625,000 to $550,000," says Richard, an architect.

Rocketing mortgage rates, exacerbated by 41-year-high inflation, squeezed many homebuyers' wallets last year, with 30-year rates briefly surpassing 7 percent in the fall. Aspiring homeowners—many of whom were already struggling to put together a down payment—suffered: Only 26 percent of buyers in 2022 were first-timers, the lowest share the National Association of Realtors has ever recorded. And last year the median age of first-time buyers reached a record high of 36, up from 33 in 2021.

Mortgage rates will play a big role in the direction of home prices. The 30-year fixed-rate average roughly doubled in 2022, closing out the year at 6.42 percent. "The Federal Reserve raised [its benchmark rate] seven times last year to try to rein in inflation, but how quickly mortgage rates went up caught everyone by surprise," says Jeff Ostrowski, a mortgage analyst at Bankrate. One piece of potentially good news: Economists who *Kiplinger's* spoke with say mortgage rates will tick down this year.

Advice for buyers

Look into mortgages with low down-payment requirements.

■ The average down payment across the nation's 50 largest metro areas clocked in at $62,611, based on data collected from January through October 2022, a LendingTree study found. That was up 35.3 percent from the average based on data collected from January through September 2021. Homebuyers in San Jose shelled out the most money, with the city's average down payment notching up to $142,006.

■ Many financial experts recommend that conventional-loan borrowers put at least 20 percent down to avoid paying private mortgage insurance, but nearly two-thirds of Millennials plan to put down less, according to a December survey by Real Estate Witch, a website with information for homebuyers and sellers. Fortunately, a conventional loan isn't the only mortgage product out there.

■ If you're a first-time buyer, you may be eligible for Freddie Mac's HomeOne loan program or Fannie Mae's similar HomeReady program, which permit down payments of as low as 3 percent. There are also zero-down mortgages, such as U.S. Department of Agriculture (USDA) Rural Development loans for qualified homebuyers in towns with a population of 20,000 or less (or 35,000 or less in special cases), and U.S. Department of Veterans Affairs (VA) loans for active-duty service members, veterans, and surviving spouses.

■ Talk to a mortgage lender to see what types of home loans you qualify for based on factors such as your income, down payment, and credit score. A lender can also help assess the pros and cons of each loan product. "Loan programs are constantly changing, and the incentives may be different for a detached home versus a condo," says Wendy Wright, a real estate agent at Keller Williams in the greater Washington, D.C., metro area.

Protect yourself with contingencies.

■ Many buyers waived home inspection and appraisal contingencies in the past couple of years. Buyers are abandoning that strategy, says Denise Supplee, a real estate agent at Long & Foster in Doylestown, Pa. "Contingencies are back in full force," she says. A November Zillow survey found that more than 4 out of 10 real estate agents said buyers are including more contingencies in their offers.

■ Last October, Jordan Lyndaker and Isela Walldez made an offer on a three-bedroom ranch-style house in Charlotte, N.C., contingent on a home inspection and appraisal. The home appraisal justified the sales price, but the inspection uncovered several problems. The first-time buyers used the inspection results as leverage to negotiate a price reduction.

Find a seasoned real estate agent.

■ It's been a hot seller's market since mid-2020, but now that things are shifting, you should pick an agent who also has experience in a more balanced market.

■ That said, you'll also want an agent who is active on social media—that's where a lot of home transactions start. Dig into an agent's online reviews from past buyers. And find someone who is plugged in to your local market and knows what's coming up for sale. "We see off-market opportunities in our area a lot," says Jennifer Reddington, a Compass real estate agent in Rye, N.Y. It's something she always keeps an eye out for, she says. —**D.B.**

Getty

Plan your estate (and share the wealth)

By Sandra Block

You've saved enough for a comfortable retirement, with something left over for your heirs and favorite charities. Are you finished? No way. Unless you take steps to protect your estate, your legacy could be decimated by taxes, probate costs, and family dissension.

Start by making sure you have the basics covered. You need a will, and you should designate a power of attorney for your finances and a health-care proxy. These individuals will be empowered to manage your money and make decisions on your behalf should you become incapacitated. You should also periodically review beneficiaries for your life insurance policies, bank accounts, and retirement savings plans to make sure they reflect any life changes, such as the death of a spouse or a remarriage.

Next, consider whether you need a revocable living trust. A trust will let you avoid probate and ensure that your money goes to the people you choose.

You don't need to wait until you're gone to share your wealth with your favorite charities, and contributions made while you're alive could lower your taxes. If you're 70 1/2 years old or more, you can donate up to $100,000 a year from your IRAs to charity via a qualified charitable distribution (QCD), and after you turn 73, the QCD will count toward your required minimum distribution. A QCD isn't deductible, but it will reduce your adjusted gross income (AGI), which along with lowering your federal and state tax bill could reduce taxes on items tied to your AGI, such as Social Security benefits and Medicare premiums.

Donor-advised funds are another tax-advantaged way to donate money and securities in your taxable account. These funds, offered by most major financial firms, let you contribute cash or securities, claim the deduction, and decide later how you want to distribute the money to charity.

Finally, take advantage of a provision in the tax code that permits you to help family (and friends) while reducing the size of your estate. In 2023, you can give away up to $17,000 per person to as many people as you'd like without having to file a gift tax return. Estates valued at up to $12.92 million ($25.84 million for a married couple) are exempt from federal estate taxes. But unless Congress acts, the exemption will drop to $5.5 million in 2025. In addition, 12 states and the District of Columbia impose an estate tax and some have much lower exemptions than the federal level.

Hire a pro

By Lisa Gerstner

- A financial adviser can alert you to opportunities as you build wealth—for example, notifying you if it's a good time to convert your traditional IRA to a Roth or to shift your investment portfolio's asset mix. An adviser can also guide you through decisions such as how much to save for retirement compared with other goals, how to minimize taxes on your investments, and how to make a debt-payoff plan. Even if you don't use a financial adviser on a regular basis, getting occasional help may be useful—especially if you're going through a transition such as getting married or divorced, having a child, or preparing to retire.

- A certified financial planner (CFP) can create a holistic financial plan for you. CFPs must act as fiduciaries when providing financial advice, putting their clients' best interests first. You can look for one at www.letsmakeaplan.org. If you need tax help, a certified public accountant (CPA) may prepare your tax return or assist with tax strategies. At www.aicpa.org/forthepublic, you can search for a CPA who has the personal financial specialist (PFS) credential. A chartered financial analyst (CFA) specializes in investments; look for one at www.cfainstitute.org/en/membership/directory. An adviser with any of those credentials must undergo rigorous education and testing.

- You may be charged a percentage of assets managed, through a subscription or retainer, or on an hourly basis. A fee-only financial planner does not collect commissions by selling financial products to clients and may be less subject to conflicts of interest. At www.napfa.org, you can search for a fee-only adviser in your area. If you prefer a fee-only planner who doesn't require asset minimums, you can look for one who charges by the hour at www.garrettplanningnetwork.com or who provides monthly retainer services at www.xyplanningnetwork.com.

Review of reviews: Books

Book of the week

Bottoms Up and the Devil Laughs: A Journey Through the Deep State

by Kerry Howley

(Knopf, $28)

Kerry Howley's "extraordinary" new book is about the slow death of true privacy, said **Jennifer Szalai** in *The New York Times*. Howley focuses on individuals who have tangled with today's national security state and lost—people such as Reality Winner, Edward Snowden, and the "American Taliban" John Walker Lindh. But as she recounts the stories of these dissidents, Howley "also writes about the strange experience of living, and how it gets flattened into data that can be turned into portraits of static beings—creatures who would be unrecognizable to ourselves." Her subjects made themselves vulnerable to the government's characterization of them when they, like most of us, entrusted the internet with personal information. Her complaint is not that these people are innocent. It's that their digital trails misrepresent them.

Winner back home in Texas, in 2021

"To the extent that *Bottoms Up* has a main character, it's Winner," said **Peter C. Baker** in *The New Yorker*. The improbably named Texas native was working as a defense contractor at age 25 when she leaked a five-page classified document about Russian interference in the 2016 U.S. presidential election to the left-leaning website *The Intercept*. Winner eventually received the longest-ever prison sentence for violations of the century-old Espionage Act, and the evidence used against her included jokes she'd made online that, shorn of context, painted the former Air Force enlistee as rabidly anti-American. Howley portrays Winner instead as a passionate young woman who was trying to figure out her place in the world, and who continues to be many people at once. "When Reality is on the page, we feel the intimacy of a novel."

"Howley's capacity for incisive empathy extends to those whom most would dismiss as kooks," said **Tarpley Hitt** in *Bookforum*. She "finds something of value even in QAnon," as well as the subject of the viral 2014 video that gives the book its title—a woman who had assembled scattered data points to argue that Monster Energy drinks are spreading satanism. That woman, after all, hopes to vanquish Satan. The "only real villains" in Howley's book are the intelligence agents, prosecutors, or reporters who are heedlessly or willfully blind to other individuals' complexity. You might assume that any of us would be less at risk of being unfairly tarred given all the digitized self-documentation we leave behind, in texts, photos, browsing histories, and more. The problem is, "we don't get to choose who listens or which parts they hear."

Novel of the week

Wandering Souls

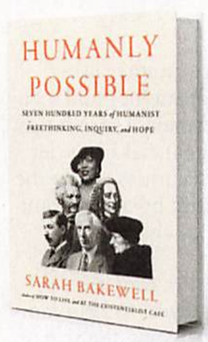
by Cecile Pin

(Holt, $27)

"Cecile Pin's debut novel is a tender-hearted story about the least tender of experiences," said **May-lee Chai** in the Minneapolis ***Star Tribune***. In the aftermath of the U.S. war in Vietnam, three siblings, ages 16, 13, and 10, flee the country and quickly become orphaned. Living in refugee camps first in Hong Kong, then in England, the children grow up longing for family. Pin's love for her young protagonists, whose journey may have been inspired by her mother's, is "apparent on every page." At first, the narrative appears to be straightforward, said **Stuart Miller** in the ***Los Angeles Times***. But it soon becomes "intricately layered," as Pin weaves in news clippings and other voices to widen the perspective. Some chapters are narrated by a ghost. Later, the oldest sibling's daughter enters as a narrator, offering hope that the wounds of trauma can heal. A book focused solely on hardship "might have caused people to turn away." Instead, Pin leaves us "feeling admiration for what these refugees endure, survive, and achieve."

Humanly Possible: Seven Hundred Years of Humanist Freethinking, Inquiry, and Hope

by Sarah Bakewell (Penguin, $30)



"It is not humanly possible to include everything in a book like *Humanly Possible*," said **Dominic Green** in *The Wall Street Journal*. As its subtitle indicates, historian Sarah Bakewell's witty but incisive survey of the school of thought known as humanism spans seven centuries. And because humanism can describe any attempt to understand human life or ethics without resorting to the supernatural, "a history of humanism is a history of everything, or at least a history of the modern West." Bakewell, the author of *At the Existentialist Café*, tends to champion humanist thinking even as she acknowledges when it has led the West astray. Still, *Humanly Possible* is "a book of big and bold ideas" that's "readable and worth reading, whether you agree with it or not."

Fittingly, given humanism's focus on lived experience, Bakewell builds her account on a series of potted biographies, said **Kathryn Hughes** in *The Sunday Times* (U.K.). She begins with Petrarch and Boccaccio, who sought to bury the so-called Dark Ages by proposing a moral philosophy built on Cicero's pre–Christian era prescription for a virtuous life. Other of Bakewell's humanist heroes include Michel de Montaigne, David Hume, poet and critic Matthew Arnold, and novelist George Eliot, who all promoted humanist ideals. Bakewell "finishes this bracing book by urging us to draw inspiration from these earlier men and women."

"*Humanly Possible* is not just sweetness and light," said **Jane O'Grady** in *The Guardian*. "It shows how often humanist attempts to counteract war, oppression, and persecution, have been in vain." Too often, humanists implicitly championed only humans who also happened to be white, male, educated, and able-bodied. But Bakewell presents humanism, with its compassion for others and faith in science, free thinking, and progress, as a work in progress rather than a perfected creed. At a time when the very survival of humanity is threatened, she succeeds in making an embrace of humanist thinking seem "more necessary than ever."

Christopher Lee/Redux