

THESE GIRLS JUST WANNA HAVE FUNDS

*In Women's
Investment Clubs
Around the
Country, Women
Are Having Fun,
While Earning—
and Learning
About—Money*

By Allison Acken, Ph.D.

In 1995, the Beardstown Ladies made a big splash with their book, "The Beardstown Ladies' Commonsense Investment Guide: How We Beat the Stock Market—and How You Can, Too." This club of older women, who had learned about investing one step at a time, was making a substantial return on their money. Imagine that!

Women were fascinated, and other women's investment clubs proliferated. Through the end of 1999, women's clubs had average lifetime gains of 32 percent a year, doing nine percent better than men's clubs and almost five percent better than co-ed clubs, according to the National Association of Investors Corporation (NAIC). Since then, the markets have stumbled and taken a fall, and many individual investors have become disenchanted with the stock market. How has that affected women's investment clubs? **MAKING BREAD** talked to members of four clubs and found that women are still researching, investing, and having fun making money together.

Carter Grandy Bernert of Norfolk, Virginia, founded FIT—Financial Investment Team—14 years ago, and the club is still going strong. "Banks and trust departments treated me like I didn't have a brain. I was so incensed. I had watched my mother's helplessness. My father tried to teach her about money, but she wouldn't learn, and when he died, she couldn't cope," she says. "I always had a sense of money; but a lot of women don't, and they need to know how to manage it.

"Some friends had wanted to start a book club, but I suggested an investment club. Actually, first I tried to get my son to do it; he was at boarding school with such interesting people, [stock broker] Peter Lynch's son and others. They had access to great resources," continues Bernert, "but he really didn't want to, so I thought, 'Why don't I do

it?'" And she did—big-time. She has since helped four or five other clubs get started.

To get started, FIT used the resources of the National Association of Investors Corporation (www.better-investing.org). The club members educated themselves in the stock market by taking NAIC's course. (The cost to join NAIC is a very reasonable \$40 per club, plus \$25 for each individual member.) Bernert says the material "was interesting, like a college course with charts and graphs; it was highly mathematical. In those days, we did all the calculations by hand. I think it helped us understand it better. We set up study groups and taught ourselves," she recalls. "We'd meet in the boardroom at a broker's office once a month. I felt it was important that we be in a businesslike environment." Any attrition? "Yes, we lost a couple of members who were wrong from the get-go; they thought it was too serious. We were left with a core group who enjoy the social aspect but are really bright and serious about learning. Each month we study four companies in one sector, and in the summer we research business books. It is hard work."

FIT's 18 members do a lot of traveling, attending annual meetings of the companies they invest in and visiting financial centers where they have contacts. These women will often spend the week in one location doing research and learning, and their husbands will join them on the weekend to round out each trip. For instance, Bernert says, "In Chicago, we had lunch at the 1st National Bank, visited the Chicago Board of Trade, had breakfast in the Sears Building, and attended the annual meeting of Morton Salts. We have been to New York City and on the floor of the New York Stock Exchange. University of Virginia's Darden School of Business arranged a private conference in Charlottesville; professors came to speak to us, and the woman who over-

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THINKING ABOUT STARTING YOUR OWN CLUB?

An investment club is a group of people who pool their money to make investments. The stocks, bonds, mutual funds or other investment properties that will be bought and sold with the pooled money are selected by majority vote, after much research and discussion. Investment clubs are generally legally structured as partnerships. Under certain circumstances, depending on the number of

members, value of the club's portfolio, ownership rules and other factors, the club may have to register with the Securities and Exchange Commission. It's a good idea to consult a securities attorney as you go about forming a club.

First things first: gather together a group of friends who want to learn about investing and increase their net worth. Then the fun starts: pick a name for your club. Score points for creativity—one of our favorites is the L.A.-based Girls Just Wanna Have Funds, a group of 13 Latina and black women who started their club two years ago. Next, decide how much money each member will contribute initially to get the pool started and how much each will add to that amount every month. It can be as little or as much as you like. Identify your goals for the club: education, wealth management, building retirement savings. Will you be aggressive or risk averse in your investing? There's much to learn and talk

about—preferably over good food and drink.

For more information about starting an investment club, visit the following resources. They're among the best available online:

National Association of Investors Corporation (www.better-investing.org), based in Michigan, was founded in 1951 to provide investment information,

education, and support to individuals and clubs. Of 23,360 investment clubs nationwide, 54 percent are female, 38 percent are co-ed, and a mere eight percent are all male. Become an NAIC member and receive extensive learning materials, portfolio management and stock analysis software, and a directory of club chapters nationwide. You might be able to find an existing one operating near you. For those who want to get started investing a small amount monthly in quality stocks without the benefit of a club, NAIC offers a "Low Cost Investment Plan."

Women's Financial Network (www.wfn.com) was founded by the first lady of investments, Muriel Siebert, who, in 1967, became the first woman to be accepted as a member of the New York Stock Exchange. Her site provides investment information, discount brokerage services, a directory of investment clubs (find one near you or list your own), a free Web page for women's investment clubs, investment club accounts—which make it easy to manage club transactions—and a place to practice trading.

Chicks Laying Nest Eggs (www.chickslayingnesteggs.com) is a playful site, offering serious investment advice and the tools to start your own online club. Dozens of women's investment clubs in various stages of development communicate through the site's message boards. The 10 chicks who started this site, after forming the Chicks Laying Nest Eggs Investment Club, soon figured out that "a woman can do much more than lay an egg." They've written a book on how to start your own club, based on their experiences. You can even buy Chick pajamas to wear as you check your stock portfolio every evening before bed.

—A.A.

sees investing for the University explained its investment approach. Our next educational component will be in Boston, focusing on the healthcare area, because Boston is a center of bio-tech and medical research. We have such a good time, people want to join. Three years ago, our buy-in—the amount members contribute to the investing pot—was \$10,000."

'Each month we study four companies in one sector, and in the summer we research business books. It is hard work,' says Financial Investment Team's Carter Grandy Bernert.

How has the market fluctuation affected their returns? "We lost some money, because we had begun to explore tech stocks, but we are coming back," says Bernert. "We are shrewder now and do a more thorough analysis. We are increasing our good holdings. It's been an education, and we're continuing to learn."

AN INVESTMENT IN FRIENDSHIP

Not every club requires such a large initial investment—according to the NAIC, members on average invest \$84 per month. Some use imaginary money. Lucie Coffie is a Certified Life Coach based in Atlanta, Georgia, whose nine-year-old investment club has transitioned to virtual status—meaning not that they meet virtually (online), but that they are tracking a virtual portfolio. "Initially, a friend mentioned the idea of an investment club, and I thought it was interesting. I used to hate to listen to financial stuff, but we got in when the market was great and it seemed like anything we touched made money. But when the market went down, and we were losing money, it wasn't as much fun. I hated talking about the stocks, and I wasn't alone," admits Coffie. "We are a lovely, congenial group of women who love being together. One woman suggested that we become a needlework club. We were pretty tired of stocks, and the downturn was the cause."

What did they decide? "We were so cohesive in other ways. We would fly up to

New York on the weekends, giggling and laughing. We decided to monitor a virtual portfolio. We invest our time investigating other financial avenues—real estate and other financial products. We still meet together and take our New York trips, but

we are using our pretend portfolio as a learning tool. It certainly takes care of the accounting problems," Coffie says, lightheartedly. At this point, they contribute \$300 a year to cover food and coffee.

'JUST START ONE!'

Has there been a downturn in investment clubs? "When the market was up, our members numbered 13,000; now we're down to 8,000. But it's coming back," explains Annette Spence, the Director of Publicity at the Los Angeles Chapter of NAIC. "At the height of the market, our membership was 56 percent female." NAIC's philosophy is to "buy corporate America" and to "have a good time and make money," she says. "It's not easy to learn how to handle money; that's why there are so many rich money managers."

Spence put **MAKING BREAD** in touch with two of the newer clubs in the L.A. area. Gatha Hayes is the president of TYME, an investment club of African-American women based in L.A. They started three years ago and presently have 11 members, aged 52 to 70. They're a mix of women—mothers, married, single, and widowed, working and retired. Hayes sent out a form letter to her friends to see who might be interested in investing an initial fee of \$100 and a recurring fee of \$25 per month.

"What about their timing, moving into the market when others were skittish?" I ask. "TYME stands for Time to Get Started, but

THE BEARDSTOWN LADIES: STILL BULLISH ON WALL STREET



Not only are The Beardstown Ladies—that grandma of women’s investment clubs—“still in action” but, in fact, they are “very active,” reports Donna Striker of the Beardstown, Illinois, Chamber of Commerce. She put us in touch with Doris

Edwards, one of the original members of that redoubtable women’s investment club, founded in 1983, upon which the best-selling “The Beardstown Ladies’ Commonsense Investment Guide: How We Beat the Stock Market—and How You Can, Too” was based. The Beardstown Ladies became an example of the collective power of women as investors.

Doris tells us that there are currently “16 members, 10 of the original members and six new members, a few of them in their late 40s and 50s. We still meet every month on the first Thursday and still put in \$25 a month. Three members present reports and recommendations at each meeting.”

How has the downturn in the market affected them? “Not a whole lot,” says Doris. “We still do our homework, and our return has been pretty good. Do your homework!” she says. It’s the “checking into it” that works.

Want to see the ladies in action? Club members will be speaking at the Hearts of Illinois Investment Fair the second weekend of September. And here’s the best news: three times a year the ladies open their meetings to the public. If you happen to be in Beardstown on the first Thursday of October, February, or June, you are invited to join the ladies for their meeting at the City Hall. For more information, visit www.beardstownil.org/ladies.htm. —A.A.

we spelled it a different way,” says Hayes. “We were late getting started, and I thought it was time to take a chance—to get off our butts and do something. We socialize, but we get work done. I’m hard on them, trust me.”

How is their return so far? “We are excited,” Hayes says. “We are doing well with Starbucks, and we just bought our first real estate stock. We realize this is not a get-rich-quick deal; it’s about longevity and research. It’s not easy, but it’s fun, because we’re learning.”

Any tips for other women who are thinking about starting an investment club? “Just start it!” says Hayes. “It’s so educational, and you meet different people. Make sure you draw on NAIC’s member benefits; they keep us updated and have accounting software for our reports. It’s a great resource,” she advises.

MOTHER-DAUGHTER BONDING OVER STOCKS & BONDS

Dale W. Hill describes herself as “a true novice at investing, but sick-and-tired of being sick-and-tired. I have just started an investment club called Mothers and Daughters Breaking the Cycle Investment Club in Los Angeles. When I say ‘just start-

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ed,’ I truly mean just started. In August, we had our first meeting, where we basically determined who we were, our purpose, goals, and expectations of the club, and how/what we would commit to the club. At this month’s meeting, we will write our



Some clubs track virtual portfolios while they learn, without spending a dime.

bylaws and elect officers.”

How did she choose the other women and talk them into joining? “I sent an e-mail out to all of my friends, explaining to them that I was tired of being in the financial situation that I was in and that I had decided, with my husband’s blessings, to finally do something about it. I invited them to join the club *only* if they would be committed to the club. I told them up front that our dues would be \$50 per month. Those who responded were those who were serious,” she says.

How is the mother-daughter thing—a great idea—working so far? Hill is optimistic. “There are three daughters in the club: my 16-year old, another 16-year old, and one 15-year old, who will be 16 this month,” she says. “So far, so good. Their monthly dues will be \$15. It has been made clear to them that they are fully expected to participate in the club with input and research, and they have accepted the challenge.”

Photo by Creatas

downturns, historically, the market has outperformed all other investments. All the club members realize and accept that there is risk involved, particularly these days, with a volatile world situation that can send the

‘There are three daughters in the club: my 16-year old, another 16-year old, and one 15-year old, who will be 16 this month,’ says Dale Hill of Mothers and Daughters Breaking the Cycle Investment Club. ‘Their monthly dues will be \$15. They are fully expected to participate, and they have accepted the challenge.’

market into a tizzy at a moment’s notice. No one knows what the future holds. But the strong research that these women advocate and their constant monitoring of their portfolios—necessary components of any investment club—go a long way toward ensuring good returns. The fun, the camaraderie, and the financial education that members get from their investment-club experience are priceless dividends. □

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