

Is the investment success the chicken, or is it the egg?

Today's woman doesn't need anyone to tell her that she has what it takes to invest. Women have long been earning and managing their own money to support themselves and others often as the family's primary breadwinner. So it's not a question of whether you can invest. It's only that you may still need to know how to invest.

Unfortunately, the languages of investing can turn off both novices and experienced investors with its technical jargon, ticker tape numbers, and news reports full of dry pronouncements about third quarter results and percentages. But you will be glad to know that keeping track of the day to day jolts of the markets is less important to your investment success than understanding why you're investing and how investing works.

Smart, strategic, informed investing has the potential to help you accomplish the things you need and secure the future you want. Do you want to buy a home? Send your kids to college? Retire in comfort? Some women want to fund scholarships or make gifts to charity and some dream of traveling around the world. The difference between a dream and a goal is the action you take. And the best time to start is now.

No matter what your own financial goals are you have the potential to achieve them by creating a sound financial plan and an investment strategy to match.

A women's touch

For the most part, women don't need different investment advice than men do. The basic principles of investing are the same, no matter what your gender or station in life. However, that's not to say that women and men view investments the same way and invest under the same conditions. For instance, on average women do more research before making a decision and they trade less frequently than men do. As a result, women's portfolios actually tend to outperform men's. Aside from differences in the ways they invest, women and men also face different circumstances. Women live longer – 79.8 years, compared with 74.4 years for men, according to the National Center for Health Statistics. And the US Bureau of the Census Reports that the average woman earns just 76% of what the average man makes. Those numbers are gradually changing for the better, however: Younger women tend to earn wages on par with what their male counterparts earn and a growing number of married women are now earning more than their husbands.

The bottom line is that if you're earning money, you should be doing your best to make the most of it. Historically, the most effective way to make your money do more is by investing it.

On your Own

Some women put off investing- and learning about investing – because they have husbands or partners who are willing to handle the family finances. Others put off investing because they are afraid of tying up money for the future that they could use for the present.

But stalling is a mistake. Whether you're supporting yourself or sharing finances with someone else, you should prepare to take care of your own financial needs. No matter what the future holds, you'll be better off if you learn now how to invest wisely as part of your biggest financial plan for life.

After all, the odds are that you'll have to take care of yourself eventually, whatever your situation is now. Many women marry late in life or never. Half of all marriages end in divorce

and of those that last; the wife usually outlives the husband. Establishing your financial independence makes sense.

So whether you are married, divorced, single, or partnered-whether you have kids, a job, a business, or an inheritance – whatever age you may be, it's important for you to learn the ins and outs of investing. The more you know now, the better prepared you'll be to shape your own future.

The power of Investing

None of the factors that define you – your age, marital status, educational or occupation – limits what you can learn about investing or the uses to which you can put your investment knowledge. The difference between women who make the most of investment opportunities and those who don't isn't necessarily the amount they invest. Most of the time, it's how carefully they plan, how soon they start investing, the investment choices they make, and how consistently they stick with it.

Putting knowledge to work

Learning investing, like learning anything else, works best when you put your knowledge to work right from the start. It might help to compare learning about investing to learning how to handle a job or play a sport. You certainly weren't born with those skills and chances are you had some help on your way to mastering them. But you did it. The same is true of learning about investing.

The first time investors:

1. Identify a goal and one type of investment that may help you reach it- perhaps a mutual fund or stock.
2. Narrow your choice to a specific investment by talking to your financial advisor.
3. Invest promptly, reinvest any earnings and add new money regularly
4. Track how well your investment performs by reading the information you get in the mail, checking its price, and asking your advisor for regular updates
5. After a year evaluate how well your investment has performed in comparison with similar investments, with how well you expected it to do and with what you had been earning on your money before you invested
6. If the investment is meeting your objectives, keep building it systematically. If not consider a different investment

Different Paths

The best way to learn about investing depends a lot on your personality, your lifestyle and your financial goals. That's true whether you pursue the information on your own or with the help of a financial advisor.

If you prefer to develop your investment skills independently, you might take an adult education course at a local school, ask your bank or legal advisor about investment seminars designed for women, or begin reading personal finance columns in the magazines and newspapers you subscribe to.

Whatever your initial approach, you'll probably find it makes sense to work with a professional advisor in developing your investment plan into action.

The more you know

Research conducted by Oppenheimer Funds, Inc., has confirmed that in the past women have tended to invest too conservatively and therefore less profitably than they might have. But women who are more confident about their investment knowledge regularly commit more of their income to investing and are more confident about making investment choices.

Some of that increased confidence is the product of greater commitment in the financial community to meeting women's needs. Some of it results from the experiences of women in the work force and some from a widespread sense that employer support for people who are retired is being scaled back.

Part of your responsibility as an investor is to keep learning. New ways to invest emerge all the time, some of which may be appropriate for you. Tax laws change, which may mean rethinking what investments to make for your tax-deferred accounts. There's little question that staying on top of what's happening can be a major advantage as you make far-reaching financial decision.

The gender issue

Some things really have changed. More women invest than ever before. A growing number of women participate in employer sponsored retirement plans. Women who invest actively express confidence about their ability to make informed choices and manage their assets. The majority of those women tend to invest more wisely than their male counterparts, in part because they are less inclined to take too much risk.

This investing evolution that has occurred since the early 1990s doesn't provide a complete picture, though. Many women still work in jobs where no retirement plan is offered. What's more the majority of people – haven't saved enough to provide a comfortable retirement. But there are ways to continue to move towards resolving the fear that many women share of outliving their income.

Investing Styles

Women investors as a group, tend to be more conservative than men. In broad terms, that means they are less likely to buy investments they don't understand act on tips from friends, or put primary emphasis on making a lot of money quickly. It also means that they buy and sell more deliberately than speculative investors, which may help make their portfolios more stable.

These characteristics have sometimes been criticized, or even presented as a derisive explanation for why women in general- though not all women – weren't accumulating more investment wealth. But in the economic downturn that followed the boom years of the 1990s a more deliberate approach, with an emphasis on asset allocation and diversification, seemed increasingly the mark of a good investor.

There is a connection though between successful investing measured by increasing net worth and confident investing, according to an OppenheimerFunds, Inc., research study. The more assets a woman has the more interested in investing she tends to be, the more she typically knows about investing and the more assured she is in making investment decisions. What there's no way of knowing is which came first. Is the investment success the chicken, or is it the egg?