



## Smart WomenSmart Money

BY EMMY HERNANDEZ *Certified Financial Planner® Practitioner, Attorney at Law*

**Q:** Good Morning, Emmy. Do you think Warren Buffett invests like a girl?

**A:** That's an interesting question. It took me a few minutes to recognize the context: Several years ago, a book with that title was published by LouAnn Lofton. I do indeed agree with several of her written opinions.

In short, her logic is that women make investment decisions for different reasons than many men might. To quote Martha Stewart – "It's a Good Thing." Mr. Buffett has stated that it's "temperament, not intellect" that makes for a successful investor. We of the female persuasion are more likely to hold a long-term outlook. We do more research and trade less. These are attributes of skilled investment decision-makers.

Contrary to common narrative, women tend to be better at controlling their emotions. Many people in the financial industry can be over-confident. Some get enthused by the prospect of the Next Big Thing – which often leads to gambling against the odds. Shunning such excessive risk could lead to less market volatility. Who wouldn't prefer a stock market graph that resembles a steady mountain climb as opposed to a shark's jagged smile? In case the answer to that rhetorical question is too obliquely implied: adrenal junkies – of either gender.

There's sometimes a propensity to trade on a hot stock tip instead of researching a company and its management

team first. From my perspective, this qualifies as speculation more than investing. Statistically, men make more trades than women do. Frequent trading drags down investment results by running up transaction costs that cut into earnings.

Women make less money and live longer than men. The data doesn't lie. Some women are acutely aware of being in this situation - having to make do for longer with less money. Whether consciously or not, this vantage point forces us to take our investment decisions just a little more seriously.

Here's an anecdote that sums up something important: A stay-at-home grandmother enjoyed watching QVC. She'd order items that piqued her interest or seemed useful. Usually she was pleased with her purchase. In the early-nineties a light bulb went off. This home shopping thing was a rather lucrative business and she wanted in on it. Her husband, charming man,

ridiculed her women's acumen. But she quietly, with her daughter's assistance, invested ten thousand dollars in the company. It turned out to be a sound decision. Long story short, within a decade she sold the stock and used the proceeds to buy her husband a Lincoln Town Car. She still claims that car offered her the most comfortable ride of her life.

Warren Buffett, way-out there in Omaha, calmly invests in companies he knows about and patiently builds his wealth. As a well-trained woman working in a "manly" profession, I support his methodology - regardless of its gender association.

*Securities and Advisory Services offered through National Planning Corp. (NPC), member FINRA/SIPC, a Registered Investment Advisor. EH Financial Group, Inc. and NPC are separate and unrelated companies. Past performance does not guarantee future result.*



COMPLIMENTS OF  
EMMY HERNANDEZ, ESQ.  
*Certified Financial Planner®*

**EH Financial Group, Inc.**

*"Sustaining Your Golden Years"*

305 N. SAN MARINO AVE  
SAN GABRIEL, CA 91775  
WWW.EHFINANCIAL.COM  
626-943-8833