

Why Investing Like the Boys Can Be a Very, Very Bad Thing

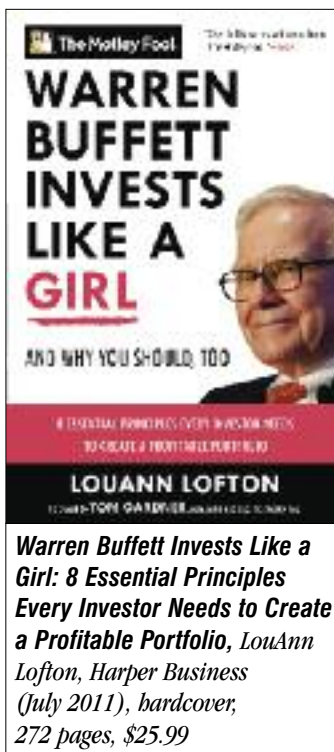
Warren Buffett, in Touch With His Inner Feminine

by Angele McQuade

According to author LouAnn Lofton, if you want to see real results in your portfolio, forget following male-centric Wall Street's example and try the more feminine style of one of the world's most successful investors instead. In *Warren Buffett Invests Like a Girl: 8 Essential Principles Every Investor Needs to Create a Profitable Portfolio*, Lofton examines Buffett's investment philosophies and illustrates how closely they mirror the temperament of female investors.

“When compared to the research on men's and women's investing styles, Buffett's investment style looks very similar to those strategies employed by women,” Lofton writes. Of course, she knows she can't convince us it's better to invest like a “girl” without first teaching us what that means, which she does through an explanation of the gender-defined differences in investor temperament and action. Our lesson begins with a summary of the latest relevant research, taking us through a range of studies that show how women investors tend to be less influenced by peer pressure and less likely to panic when the market falls while also being more risk-averse, more patient and more realistic about their investments.

After identifying eight traits of female investors that tend to lead to high returns, Lofton devotes a chapter to each trait in turn, analyzing how well Buffett's own behavior aligns. It will come as no shock that Lofton concludes that hey, guess what — he really does invest like a girl (er, woman). The Oracle of Omaha's been the subject of dozens of books over the years, but the author manages to share her analysis of Buffett's strategy in a way



that makes a familiar topic both topical and valuable.

What I liked: Lofton's lively summary of the latest research on the role gender plays in investment decisions. She covers both quickly and enthusiastically material that could easily have brought the book to a standstill with dryness and data overload. This is the latest investment book created by financial education empire The Motley Fool, and Lofton gives it the lighthearted-verging-on-sassy tone anyone familiar with Fool.com would expect.

What I loved: An appendix that's much larger than usual that includes not only a handy recap of the female investor's temperament and how it correlates to Buffett's own investment philosophies, but also three interviews with high-profile women money managers. There's also an extensive recommended reading list divided into categories depending on the reader's level of investment know-how.

What surprised me: Lofton's advice that women can learn quite a bit from men, too, especially when it comes to taking action on their investments instead of waiting for the perfect time. Make a move already, ladies!

What made me smile: The tough love treatment she reserves for male readers. “Men, trade less,” she says. “Take less risk. Tone down your overconfidence.” It's not hard to picture her wagging a finger in this section, but it's clear she's doing it in a warm way that shows she wants us all to succeed, regardless of which chromosomes we carry. **B**

Angele McQuade is the author of two books, including *Investment Clubs for Dummies*.