



**Excerpt from *Your Money – Your Future*, by Ivan Gelfand, edited by Miriam Carey**

**Endorsements:**

**Steve Forbes, Editor-In-Chief, Forbes, Inc.**

*"Few people in the media have the grasp on personal finance and the economy. - Ivan does."*

**Delos Smith, Senior Business Analyst, The Conference Board**

*"Ivan certainly knows how the economy and markets operate. And he can explain it too. This is a rare combination."*

## INVESTMENT CLUBS

***Pooling resources to invest with a group of friends can result in lower fees and improved buying power.***

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Investment clubs are designed to give small investors group buying power. The typical investment club is made up of a small group of friends or associates who pool resources for the purpose of making successful investments. Members are assigned to research investments and meet

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regularly to make investment decisions. Money is pooled and each member contributes his or her equal share toward the investments, agreeing to deposit the same amount monthly or

quarterly, depending on the group's arrangements. Clubs enjoy increased buying power and lower trading costs as a result.

The most successful investment clubs establish good governance guidelines. The club makes investment decisions based on majority opinion, which allows for more control than investors might have with a fund manager. Clubs also establish guidelines about the buy-out of a withdrawing party—which may result in extra commission charges—while others may develop guidelines to absorb fees or establish a rule to require the leaving member to pay a penalty fee.

Investment clubs often don't have the expertise of a savvy fund manager to rely on, but an active membership that works hard to accomplish due diligence can make good investments while learning something new at each meeting.

## SOCIALLY RESPONSIBLE INVESTING

***Socially responsible investing helps you  
to target your dollars to your ideals.***

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Socially responsible investing is the practice of investing money only in companies that meet high business practice standards. Investors interested in socially responsible investments look for companies that have strong corporate governance standards, maintain worker-friendly hiring practices and show concern and care for the environment. While it is easy to avoid specific types of companies, such as tobacco firms or gun manufacturers, maintaining high standards over a series of investments can be more challenging.

Socially responsible investments were once regarded as not profitable, but as corporate governance and consumer awareness improves, investors are discovering that it is possible to be true to their consciences while turning a profit.

Some mutual funds have a built-in screening process that will exclude companies from the fund if they don't meet certain criteria. The Domini 400 Social Index excludes companies that earn more than 4 percent of their revenues from alcohol, tobacco, military weapons, nuclear power or gambling. Each fund that offers a socially responsible option maintains a different set of rules, so be sure to read the prospectus carefully to understand which fund best reflects your ideals.

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