



Warren Buffett Invests Like a Girl; Should You?

Description

Gentlemen, unfortunately I've got some bad news.

We tend to come up short against the ladies in quite a few ways. Sure, we've generally got them beat at things like upper body strength and promising to cut the grass later, but those are the exceptions, not the rule. Women are more attractive than us, smell nicer, are far more nurturing, exhibit greater patience, and are even more likely to attend college, with current enrollment numbers skewed to approximately 60% women. Frankly, we're lucky they even put up with us.

It also turns out women may be beating us at one more thing — investing.

There are a number of factors that contributed to this conclusion. First of all, women are less likely to sell when markets turn negative. According to a survey done by Vanguard, it turns out that men were approximately 10% more likely to sell during the market lows of 2008-09. Selling during market lows is generally a pretty bad move.

Also, women tend to trade less than men do. By being patient and not selling as often, studies have shown that portfolios managed by women outperform by a pretty significant amount, as much as 1.4% annually. Considering stock markets only tend to return between 8 to 10% in an average year, 1.4% is some serious outperformance.

So overall, women tend to be patient, buy-and-hold investors who don't trade a lot, who outperform their competitors. Does that remind you of anyone?

It should. Those characteristics describe Warren Buffett perfectly. In fact, The Motley Fool wrote a bestselling book on this very topic a few years back with the same title as this article, [Warren Buffett Invests Like a Girl](#).

The Oracle of Omaha is famously a patient, cautious investor. He's owned some of his top holdings for decades. He hardly ever sells a stock, even going as far as saying his favorite holding period is "forever". And we all know how well Buffett's record has held up over the years.

To be successful, investors should be looking at rock solid companies that have a history of outperforming over the long-term, no matter what gender. Here are a couple of stocks to get you started.

Shaw Communications Inc.

Shaw Communications Inc. ([TSX: SJR.B](#))([NYSE: SJR](#)) is one of Canada's leading television, internet, and home phone providers, serving over 3 million customers, primarily in the west. It also has a history of performing well: \$5,000 invested in the company 15 years ago would be worth nearly \$22,000 today, assuming all dividends were reinvested.

Shaw is suffering a bit from customers cutting the cord and getting rid of cable, but so far it has been able to push through price increases to counter those losses. The company is also investing big in its network of wi-fi hotspots, which give customers a reliable internet connection in nearly 30,000 different locations across the west. Focusing on internet customers is a good strategy.

Plus, the company pays a generous 3.7% dividend, paid monthly. Investors have also enjoyed an annual dividend hike for more than a decade, another reason to buy and forget about Shaw.

Royal Bank of Canada

Another terrific buy-and-hold investment is **Royal Bank of Canada** ([TSX: RY](#))([NYSE: RY](#)), Canada's largest and North America's sixth largest bank. Royal Bank has more than 1,200 Canadian branches, plus it has exposure in the United States and the Caribbean. The company has been around longer than Canada has been a country, incorporating in 1864.

Royal Bank is a truly diversified financial. It is a leader in capital markets, it has approximately \$200 billion of mortgages on the books, and also has solid wealth management and insurance divisions. Plus, the company pays a 3.7% dividend, which has a history of growing — excluding a brief blip in 2009.

Doing anything “like a girl” shouldn't be frowned upon. Especially investing. By stealing some secrets from successful investors, both genders can increase their returns.

CATEGORY

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TICKERS GLOBAL

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2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:RY (Royal Bank of Canada)
4. TSX:SJR.B (Shaw Communications)

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