

Recruiting Members for Your Investment Club

SEPTEMBER 2023



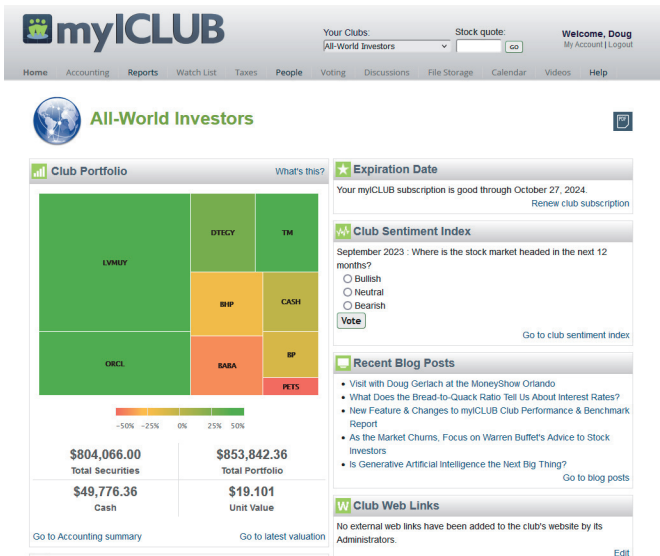
Doug Gerlach

Russell Malley

Sean Pulrang



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myI CLUB Your Clubs: All-World Investors Stock quote: Welcome, Doug
Home Accounting Reports Watch List Taxes People Voting Discussions File Storage Calendar Videos Help

All-World Investors

Club Portfolio What's this? **Expiration Date**
Your myI CLUB subscription is good through October 27, 2024. Renew club subscription

LVMUY	DTECY	TM
BRP	CASH	BP
ORCL	RABA	PETS

Club Sentiment Index
September 2023: Where is the stock market headed in the next 12 months?
 Bullish
 Neutral
 Bearish
Vote

Recent Blog Posts
• Visit with Doug Gerlach at the MoneyShow Orlando
• What Does the Bread-to-Quack Ratio Tell Us About Interest Rates?
• New Feature & Changes to myI CLUB Club Performance & Benchmark Report
• As the Market Churns, Focus on Warren Buffett's Advice to Stock Investors
• Is Generative Artificial Intelligence the Next Big Thing?

Club Web Links
No external web links have been added to the club's website by its Administrators.

Total Securities: \$804,066.00
Cash: \$49,776.36
Total Portfolio: \$853,842.36
Unit Value: \$19.101

This Webinar Brought to You by
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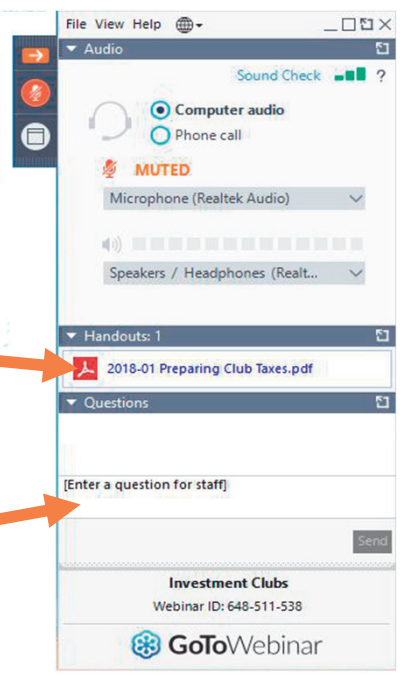
The World's Most Popular Website for Investment Club Accounting & Operations.

www.myI CLUB.com

Handout & Questions

Handout in PDF format is available in Handouts tab.

Type questions in Questions box.



**RECRUITING MEMBERS FOR
YOUR INVESTMENT CLUB**

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Without New Members...



**Your club will
eventually run
out of gas!**



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Value of New Club Members



- Replace withdrawing members to maintain activity & investment levels.
- Provide fresh insight & enthusiasm.
- Teaching often provides learning for instructors as well as students.
- Increases capital & decreases expenses as % of capital.

Recruitment Efforts Should Be Ongoing



- Don't wait for your membership to decline!
- Get organized with your recruitment program today.
- Focus on new member recruitment as regular operating task in club.
- Most successful clubs often have waiting list of members.
 - Few things are as enticing as club that you can't join!

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Who Is Responsible for Recruitment?



- Everyone in club should ideally be involved in member recruitment.
- Can be beneficial to have one member take lead in initiatives.
- May assign responsibilities to current officer position as often happens with Education & Portfolio Management tasks in clubs.

Who Are Best Club Members?



- Individuals who share these common traits often make best members:
 - Desire to learn.
 - Commitment to long-term aspects of investing.
 - High interest level in learning how to invest in individual stocks.
 - Willingness to pull their own weight.
 - Come from diverse backgrounds (occupational, experiential, educational, etc.).
 - In sync with club's investment approach.
 - Ability to contribute to club financially.

Who May Not Be Good Candidates?



- Individuals who have lengthy experience with investing or trading that doesn't follow BI principles.
 - Following disciplined investing approach is better than scattershot decision-making or fractured member objectives.
- Anyone who needs to be convinced to join.
- Person who doesn't want to participate.

Traditional Sources of Members



- Friends.
- Family.
- Co-workers.
- Church members.
- Neighbors.
- BetterInvesting & other local investment group meetings.
- Fraternal or civic club members.
- Book or other club members.
- Alumni groups.

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Newer Sources of Members



- Think outside box about who most needs financial education.
- Spread word about club to friends of friends using social media.
- Private discussion groups.
- BetterInvesting's **new Investment Club Connect** program.



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BetterInvesting's *Investment Club Connect*



- Free, for BI members only.
- Individual members express interest in joining a club, and BI maintains confidential list of these individuals, along with clubs open to adding members.
- Matching technology considers factors like gender & distance to present individual member information to existing clubs.
- Clubs decide whether to connect & reach out directly.
- No obligation for either party.
- More information on BetterInvesting website:
www.betterinvesting.org/members/investment-clubs/club-connect



Make a Recruitment Document



- Prepare short introductory letter to be handed to prospects by any member:
 - History of club.
 - Expectations of members:
 - Participation, Attendance, Financial contribution.
 - Club investment philosophy/investment policy statement.
 - Meeting schedule.
 - Emphasize educational & social aspects.
 - Leave space for current members to put in their current contact info.

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Invite-A-Friend Night



- At one monthly meeting each year, hold an “Invite-A-Friend” night (with refreshments!).
 - Each member invites one (or more) friends to attend meeting.
- Prepare special agenda for meeting, with introductory education session, stock presentation, portfolio review – no new business or administrative tasks.
- Keep it casual – purpose is not necessarily to recruit members, but introduce them to sound investing principles.

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Member Recruitment



- Probably acceptable to place notice in **private** publications to announce “open house” program, or to welcome “guests” to attend meeting to learn more about how club operates.
 - Church bulletin.
 - Work newsletter.
 - Alumni newsletter,.
- Always get to know “cold” prospects before offering membership.

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Create New Member Packet



- Prepare document with specific membership requirements:
 - Meetings to attend before being formally considered.
 - Entrance requirements (such as preparing stock study or presentation).
 - Initial minimum payment & regular monthly payment.
 - Required/suggested software/subscriptions/memberships.
 - Participation requirements.
- **Always abide by Partnership Agreement provisions on adding members.**

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myICLUB.com Visitors



- Invite **Visitors** to club website from **People** tab.
- Visitors may:
 - View club's accounting info (including transactions & reports).
 - View & contribute to the Watch List.
 - View list of members & visitors (but not personal info).
 - View files in File Library.
 - View Calendar.
- Admin can give visitors more access from People page.
- Private Messages List always restricted to members.

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MEMBER RECRUITMENT PITFALLS

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Excessively-High New Member “Buy-In”



- Some clubs require new members to contribute large initial amount when joining.
- This can “price out” some individuals who might be exceptional members.
- Each club needs to balance needs of having new members demonstrate commitment against financial ability to pay lump sum.
- Starting point for discussion: require new members to initially pay 12x minimum monthly amount

Equal Membership Never Works



- Clubs who require all members to contribute “equally” will find it increasingly hard to add members when equal share grows to considerable amount.
- Even then, new member’s “buy-in” in equal dollars will not purchase equal numbers of units.

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Recruitment No-Nos



- Do not advertising in local newspaper that you’re looking for members.
- SEC rules say that clubs with 100+ members that advertise for members may be considered to be making public offering—which means they must register with SEC.
- Clubs with passive members may also need to register with SEC.
- Random people attracted this way may not be easy to qualify.

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Supervisors & Employees in Same Club



- Military clubs usually prohibit new members if they are above or below other existing members in chain of command.
- Same rule might be applicable to any workplace club – bosses & staff may not work cohesively



WHEN NEW MEMBERS HAVE JOINED

Add to myICLUB



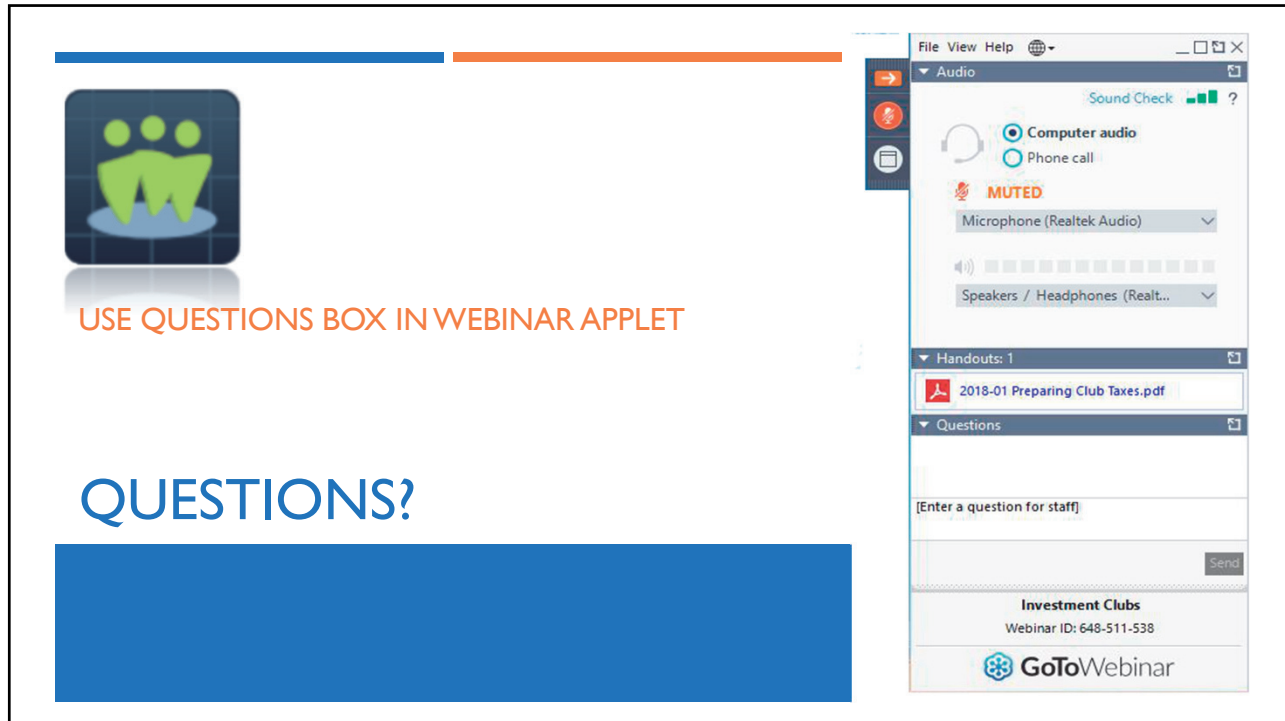
- For Visitor, click “Upgrade to Member” from Visitors tab on People page of myICLUB.
- For non-Visitor, click “Add Members” from People page on myICLUB.
 - Then member will show up in Accounting & can be credited with member deposits.

Mentor New Members



- Assign current member to be “mentor” to help train new member.
- Recommend software and subscriptions they need to start analyzing stocks.
- Suggest web sites, webinars, books, & local chapter education events from them to attend, view, read.

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QUESTIONS?

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See Me at the Money Show in Orlando



- **October 29-31, 2023 at Omni Orlando Resort at Championsgate, FL.**
- Maximizing Dividend Yield in a High-Quality Stock Portfolio.
Sun, Oct 29, 5:30-6:15 pm.
- The Best Stock Picks for 2024.
Tues, Oct 31, 9:15-9:35 am.
- <https://conferences.moneyshow.com/moneyshow-orlando/>

Thank You!



**Doug
Gerlach**



**Russell
Malley**



**Sean
Pulrang**

