

Which Investment Club Should You Join? Is it a Safe Stock Market Investment Club?

Would you join a safe stock market investment club where you met regularly with friends to have a good time, learn something, and hopefully make some money? If you said yes to that statement, you might want to consider joining, or starting your own, investment club.

An investment club is simply a group of people who share an interest in the stock market pooling their resources into one large investment. Investment clubs are long-term commitments. They are a wonderful way to get to know the stock market, have a good time, and, over time, make some money. But making money should not be the primary reason to join an investment club - since investing is always, even in a shared setting, a risky venture.

Generally, an investment club has between 10 and 40 members, though many seem to settle around 16 as a good number. Decisions on investing are made democratically, either in a one person, one vote fashion; or with weighted votes, where each person's voting strength is determined by the amount they have invested in the safe stock market investment club. Safe Stock Market Investment Clubs can be partnerships, or corporations, though partnerships are more common. They can meet monthly, or twice monthly. They set up different committees, they research stocks in different ways, they each have their own investment goals.

Investment clubs are as individual as the investors that make them up. What they have in common is a desire to get to know the ins and outs of the stock market. To come together with like-minded people to realize more from your investment capital, over the long-term, and to enjoy yourself while you are doing it.

Enjoyment is a key part of an investment club. If you're not having fun while you are participating in the safe stock market investment club, it's probably not the safe stock market investment club for you. And it should go without saying that if you are looking to make a quick profit, an investment club is not the place to be.

Unfortunately, it's often difficult to join an established investment club. Many of them have been operating for years, even decades, with the same members and they aren't likely to grow. Which leaves many hopeful club members with the option of starting their own safe stock market investment club. This is a great option, but it should be considered carefully. Make sure that you fully understand what needs to happen for your safe stock market investment club to be successful, and be sure you are starting for the right reasons. Here are a few points you might want to consider:

Are you being realistic?

If you're starting an investment club to make a large profit in the stock market, you'll likely become very disappointed. The goal of an investment club is to learn more about the stock market, and to have fun. If you have dreams of becoming rich you'll be starting the safe stock market investment club for the wrong reasons. Remember, joining an investment club means joining for a long period of time.

Are you willing to be an amateur?

Starting an investment club won't make you an expert in the stock market overnight. In fact, an investment club is ideal for a group of amateurs who want to learn about how the stock market works and what it can do for them. An investment club is a safe environment in which you can invest without the worry of losing a large amount of your hard earned dollars when something unexpected happens.

You can start with a little.

Don't think that you need a lot of money to start an investment club. You can set a minimal fee for each month's contribution that will fit into your budget. You can determine what that minimum monthly contribution should be when you have your first meeting of the investment club.

There is strength in numbers.

On your own you may not have enough money to invest in the stock market in a way that will let you realize a reasonable profit. However, when you combine your investment dollars with the dollars of others in the safe stock market investment club you'll have a significant amount of money to invest in the stocks that you think may be successful. Keep in mind that just as there is strength in numbers there is also a shared sense of security when you're not investing alone.

Do you like democracy?

One thing that you should keep in mind is that your voice will be part of the larger group and you may not always get your way. If you're unable to sit back when you've been outvoted on a favourite stock, and let another investment choice be made, then an investment club might not be for you.

Can you be satisfied with a learning experience?

You should be prepared to never realize a profit from the stock market. One of the key parts of an investment club is the benefit of studying the stock market with other people with the same interests as yourself. If you never make a penny you should still be happy with your participation as part of an investment group.

Investment clubs are great ways to get to know the stock market in a safe, supportive, and fun environment. Starting your own investment club will make sure that you have a safe stock market investment club that will closely reflect your interests, though there will be compromises in any group setting. Friends, fun, a chance to study something you are keenly interested in, and a chance to make money. An investment club can be the best of all worlds.

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About the Author

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