

## Chapter 1

# Finding Investor Stuff on the Net

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### *In This Chapter*

- ▶ Creating your own online information system
  - ▶ Using search engines
  - ▶ Joining newsgroups
  - ▶ Subscribing to Internet mailing lists
  - ▶ Accessing online databases
  - ▶ Finding Web sites that fit your unique needs
- 

**T**he Internet has more than two billion Web pages and is still growing. This information overload has sent some timid investors to full-service brokers, where they pay high commission fees for brokerage services and investment advice. Smart online investors can avoid information overload by developing their own information systems.

This chapter shows how you can take maximum advantage of the Internet's many investment tools, links, and resources. The chapter explains the Internet basics of using search engines, finding investor newsgroups, subscribing to investor mailing lists, accessing online databases, and using Web sites tailored to your specific needs to maximize your personal wealth.

## *Building Your Own Online Information System*

Investments provide opportunities to make money in both a *bull* market (that is, an up market) and a *bear* (down) market. No one ever knows for certain whether the market will go up or down, but investors can develop an information system to watch indicators for potential price changes and investment opportunities. This chapter introduces the elements you can use for building an online investment information system that meets your specific needs.

Investment indicators often signal future market trends. For example, changes in bond prices and interest rates often reflect trends that may affect stock prices. That is, if bond yields decline, investors often rush to purchase stocks, causing stock prices to increase.

Investors need this information to decide whether they should buy, sell, or hold. Gathering, organizing, and saving this information can be time-consuming. However, using your own online information system can make the process more efficient.

Successful investing involves five basic steps:

1. **Identifying new investments**
2. **Analyzing investment candidates**
3. **Purchasing investments**
4. **Monitoring investments**
5. **Selling investments — and reaping your rewards**

The following sections summarize online sources of the information you need for each step. Knowing what type of information you need and where to get it online can help you build your personalized online information system.

## *Identifying new investments*

Before investing, you need to clearly state your financial objectives and know your risk-tolerance level. This information can help you determine your required rate of return. By doing this type of homework, you can determine which categories of financial assets you may want to consider investing in. For example, if you're selecting investments for your Individual Retirement Account (IRA), you don't want to invest in tax-exempt municipal bonds (because being tax-exempt twice isn't the best way to make use of tax exemptions).

Here are some examples of online sources for identifying investment opportunities:

- ✓ **Company profiles** describe a firm's organization, products, financial position, chief competitors, and executive management. (See Chapter 10 for details.)
- ✓ **Direct purchase plans** (DPPs) show how to purchase stock in a company without paying a broker's commission. (See Chapter 15.)
- ✓ **Directories of investor sources** provide hard-to-find information that's necessary for investment decision-making.

- ✓ **Dividend reinvestment plans** (DRIPs) describe how to join dividend reinvestment programs to purchase company stock at a discount and without a broker. (Chapter 15 shows you how to get started.)
- ✓ **Initial public offerings** (IPOs) are new opportunities for investor profits. (See Chapter 15.)
- ✓ **Investing e-zines** (electronic magazines) provide educational articles and pertinent facts for beginning and experienced investors. (See Chapter 2.)
- ✓ **Mailing lists** provide opinions and investors' insights about investment candidates. (I discuss mailing lists later in this chapter, in the section, "Uncovering Investor Information from Mailing Lists.")
- ✓ **News reports** on the Net can provide information about new investment opportunities. (See Chapter 11.)
- ✓ **Newsgroups** are informal, online groups of individuals who share their ideas about a common interest. You can find dozens of investment-related newsgroups with topics ranging from specific types of investments to investor strategies. (See "Understanding How Newsgroups Can Help You," later in this chapter.)
- ✓ **Online databases** (free and fee-based repositories of information) provide historical stock prices, economic forecasts, and more. (See the section "Using Free and Fee-Based Online Investor Databases," later in this chapter, for examples of what's available.)
- ✓ **Search engines** (specialized Internet programs that seek the data you desire) provide you with links to the Web pages that have the investor information you want. (I discuss search engines later in this chapter, in the section "Setting Up Your Basic Investment Search Strategy.")
- ✓ **Stock recommendations** from professionals enable you to find out what brokers and analysts are saying about your investment selections. (See Chapter 11.)
- ✓ **Mutual fund and stock screens** for selecting specific securities enable you to sort through thousands of investment candidates in seconds to find not only the right investment but also the best investment available. (I discuss Internet-based mutual fund screening in Chapter 6 and stock screening in Chapter 9.)

## *Analyzing investment prospects*

The process of analyzing investment prospects includes examining groups of investments or individual securities. For this task, you need information to forecast the timing and amount of future cash flows of investment candidates. That is, the price you pay today is based on the future income of the asset.

Figuring out what the asset will be worth in the future requires some homework, analysis, and luck. Here are a few examples of online sources for this type of information:

- ✓ **Company profiles and annual reports** often forecast the company's future revenues and earnings. (For more information about finding annual reports online, see Chapter 10. You can find more information about company profiles in Chapter 11.)
- ✓ **Databases** (free and fee-based online sources) provide news, market commentary, historical stock prices, economic forecasts, industry standards, and competitor information. I introduce you to these databases in the section "Using Free and Fee-Based Online Investor Databases," later in this chapter.
- ✓ **Earnings estimates** from brokers and analysts give you forecasts of a company's future earnings. (See Chapter 11.)
- ✓ **Industry or business-sector news** can frequently indicate whether an industry is in a downward cycle. (See Chapter 11.)
- ✓ **National economic data** can point you toward a particular investment strategy. For example, if the country is going into a recession, you may want to select stocks that provide you with some defense. (See Chapter 11.)
- ✓ **News databases** offer breaking news that can help you judge whether your stock purchase is a winner or a loser. (Chapter 2 offers a good overview of online news sources.)
- ✓ **Securities and Exchange Commission (SEC) filings** provide you with financial statements from publicly traded companies. These companies are required to file financial statements every 90 days and more often if big events are happening within the firm. More than 7,000 publicly traded firms are now filing online. (For details, see Chapter 10.)

## *Purchasing investments*

After you decide which investments you want to purchase, you have to decide how you want to purchase them. For example, you must decide whether you want a full-service broker or, for online investing, either a premium discount broker who offers online trades and advice or a discount broker that only executes your trades and doesn't offer any recommendations. (See Chapter 4 for details.)

You may participate in an *automatic investment plan* (AIP). With your approval, this type of plan deducts a certain amount from your checking account to purchase mutual funds, savings bonds, or other investments. (Chapter 7 provides step-by-step directions for opening an AIP account.)

## *Monitoring investments*

If you have more than one investment, you likely want to monitor and compare their performances to the market and to similar investments. Here are a few examples of the information and the software you need to accomplish this objective:

- ✓ **Market-monitoring tools** send alerts that you determine. For example, if your stock increases by 25 percent, you may want to consider selling it. You can set up an alert that sends you an e-mail message notifying you that your stock has reached this target.
- ✓ The Internet provides many portfolio management programs that let you know when your investments are in the news.
- ✓ Online portfolio management tools can automatically send you an e-mail message at the end of the day to let you know whether your investments gained or lost value.
- ✓ PC-based portfolio management tools are downloadable software programs that assist you in tracking your investments and record keeping.
- ✓ Your online broker may track your portfolio for you and keep records of your profits and losses.

See Chapter 17 for more details about online portfolio management.

## *Selling investments*

You need to decide what proportion of your personal wealth you want to invest in specific assets, how long you want to hold those assets, and whether now is a good time to sell those assets to harvest your rewards. To that end, you need information about the following topics:

- ✓ **Asset allocation methodologies:** You need to determine what portion of your portfolio should be invested in mutual funds, stocks, and bonds. (See Chapter 3 to find a strategy that's right for you.)
- ✓ **Capital gains and tax issues:** The Smart Money Capital Gains Guide ([www.smartmoney.com/tax/capital](http://www.smartmoney.com/tax/capital)) can assist you in understanding the tax implications of investing activities.
- ✓ **Selling strategies:** Determining when you should harvest your investments requires using specific order execution strategies, mutual fund redemption plans, and analyses. (See Chapters 4, 5, 7, and 17 to explore these topics in more detail.)

## *Setting Up Your Basic Investment Search Strategy*

Search engines are commercial enterprises that collect and index Web pages or Web page titles. You can use them to help you sift through all the Web pages out there so that you can find the information you need.

Some of these enterprises review the sites they collect, and others provide site information unfiltered and unedited. Some search engines (like Yahoo! at [www.yahoo.com](http://www.yahoo.com)) are hierarchical indexes and use subject listings that are similar to the card catalog in a library. Often, you can search hierarchical indexes by *keyword* (a word that sums up or describes the item or concept that you're seeking) and by topic.

Knowing how to use a search engine is a basic Internet skill. Currently, more than 600 different search engines exist on the Net. These Internet tools can be divided into two categories: metasearch engines and search engines.

### *Metasearch engines*

*Metasearch engines* enable you to enter a single search term to query many individual search engines. This kind of all-in-one shopping is used to match your inquiry to the millions of Web pages on the Internet. Metasearch engines often have different approaches to presenting your results. Some metasearch engines just query a wide variety of search engines and report your results without you having to go to several search engines. Other metasearch engines bypass existing search engines and query multiple online sources for your search results. Here are some examples of metasearch engines:

- ✔ **Dogpile** ([www.dogpile.com](http://www.dogpile.com)) searches the Web, Usenet newsgroups, FTP sites (sites for downloading software and data via FTP — the file transfer protocol), weather information, stock quotes, business news, and other news wires. (For more information about Usenet newsgroups, see the section “Understanding How Newsgroups Can Help You,” later in this chapter.) This site also includes a Web catalog.
- ✔ **Momma** ([www.momma.com](http://www.momma.com)) simultaneously queries a series of search engines and properly formats the words and syntax for each source being probed. The search results are then organized into a uniform format and presented by relevance and source.
- ✔ **Metacrawler** ([www.metacrawler.com/index.html](http://www.metacrawler.com/index.html)) works like Dogpile but doesn't search Usenet newsgroups and FTP (file transfer protocol) sites. Search results aren't annotated.

- ✓ **SurfWax** ([www.surfwax.com](http://www.surfwax.com)) allows users to put together search sets. For example, an “Investor” SearchSet can include *The Wall Street Journal*, CNNfn, *The New York Times*, and so on. You can also use tools for exploring search results. For example, SiteSnaps allows you to quickly view page content, and ContextZooming allows you to search highlighted terms. FocusWords offers suggestions about how you can narrow or broaden your search. Finally, you can use an InfoCubby to save your search results for later retrieval. SurfWax offers three levels of service (free, silver, and gold). With your free registration, you receive the free level of service that includes three SearchSets of up to 15 sources each. Silver and Gold subscribers pay \$24 and \$60 per year, respectively. Each registered level has access to all of SurfWax’s capabilities; the difference is the extent of permitted uses. (Firm pricing is available on a custom basis.)
- ✓ **Profusion** ([www.profusion.com](http://www.profusion.com)) allows you to search one, some, or all of the listings from AltaVista, About, AOL, Lycos, Raging Search, WiseNut, Metacrawler, MSN, Adobe PDF, LookSmart, Netscape, Teoma, and AllTheWeb. You can fine-tune your search by selecting your search type, the number of results per page, the number of results per source, and when you want the search to timeout. You can narrow your search by looking into vertical search groups, such as Business or Finance.
- ✓ **Vivisimo** ([www.vivisimo.com](http://www.vivisimo.com)) technology was developed by researchers at Carnegie Mellon University. Vivisimo doesn’t index the Web; it simultaneously searches several major search engines and directories (such as Fast, MSN, Yahoo!, AltaVista, Lycos, Open Directory, Excite, and WebCrawler). The Vivisimo technology then groups results into clusters of titled folders that best fit the query.

## Popular search engines

*Search engines* are trustworthy Internet programs that match the words in your query to words on the Internet. Each search engine is a competitive, commercial enterprise with different databases, search programs, and features. Everyone has a favorite search engine. The search engine that is best is the one that works the best for you.

Search engines employ *spiders* or *crawlers* (robot programs) that constantly seek new information on the Internet. These robot programs index and categorize their findings and then let you probe their lists with keywords. The engine shows your search results with short descriptions and hyperlinks. Just click the hyperlink to go to the Web page you seek.



## Personalized search engines

With more than two billion Web pages, your search for investment information is likely to dredge up many articles that are outdated or simply not relevant. One way to increase your treasure-to-trash ratio is to use a personalized search engine. My Yahoo! ([my.yahoo.com](http://my.yahoo.com)) allows users to set up profiles for (among other things) specific news topics and a stock portfolio.

The My Excite Web site ([my.excite.com](http://my.excite.com)) includes much of the same personalization features as My Yahoo! With your free registration, you can select page colors, settings, content, and layout (two columns or three?).

Here are a few of the more popular search engines on the Net:

- ✓ **Excite** ([www.excite.com](http://www.excite.com)) enables you to browse many subject categories, such as investing. It uses a combination of concept (a general idea) and keyword (a specific word in the Web page) searches, so the results are usually pretty good. If you're unsatisfied with your findings, click the Excite Metasearch link at the bottom of the page for more results.
- ✓ **Google** ([www.google.com](http://www.google.com)) is currently ranked as the number-one search engine. It has the largest amount of the Internet indexed. Google offers the Google Toolbar, a quick-and-easy-to-install toolbar that automatically appears along with the Internet Explorer toolbar to increase your ability to speedily find information on the Net.
- ✓ **MSN** ([search.msn.com](http://search.msn.com)) enables you to set preferences to automatically correct spelling errors, select the number of results per page, and determine whether search responses should include summaries. Additionally, you can search from any one of MSN's international Web sites. If you're unfamiliar with search engines, click Help to get the advice you need. Additionally, MSN has a new beta that is supposed to be a "Google beater," a search engine, index, and crawler. For more information see [beta.search.msn.com/default.aspx?FORM=HPRE](http://beta.search.msn.com/default.aspx?FORM=HPRE).
- ✓ **Yahoo!** ([www.yahoo.com](http://www.yahoo.com)) is a popular starting point. This directory search engine includes a vast array of subject directories, categories, and special services, such as People Search, Weekly Picks, What's New This Week, Yahoo! Loan Center, Finance Yahoo!, and Real Estate Yahoo!



## Selecting the best search engine

With more than two billion Web pages on the Internet, finding the one page you need to complete your investor research can be difficult. Using search engines is often like a crapshoot. Sometimes you win (and you find the Web page you want), and sometimes you lose (you find no relevant Web pages in your search results). If you lose, you have to go to another search engine and spend more time researching.

Not all search engines are equal. Some have indexed a large portion of the Internet. Others are just starting or are slow in keeping up with the thousands of new Web pages that are added each day. To be competitive, search engines are always adding new features. Some search engine databases include Usenet, mailing lists, news sources, indexes, directories, Web sites, company profiles, and other information. Other search engines include only a portion of this data.

When you evaluate search engines, see how they match up to the following criteria:

- ✓ **Subject directory:** Does the search engine enable you to limit searches to specific subject areas? Searches are quicker if the search engine offers a subject directory because it searches only in the topic area that you specify.
- ✓ **Results ranking:** Does the search engine rate your search results so that you know how likely you are to find what you're looking for? (For example, listings with relevancy ratings of less than 90 percent are usually worthless.)
- ✓ **Web:** Does the search engine look through the World Wide Web for your results?
- ✓ **URL (Uniform Resource Locator):** Does the search engine provide the Internet addresses for your search results? Getting the address can be very helpful; you can save or print the results of your search and then later you can backtrack and get to those difficult-to-find Web sites.
- ✓ **Summary:** Does the search engine provide a short text description of the search results?
- ✓ **Boolean searches:** Does the search engine allow you to conduct more targeted searches?



*Portal* is another name for search engine. Portals are designed to be the Internet user's first window on the Web. Often, you can personalize portals to get financial news, current portfolio data, and interest rate information before moving on to other Web sites. Examples of portals include CBS MarketWatch ([www.cbsmarketwatch.com](http://www.cbsmarketwatch.com)), Microsoft Network ([www.msn.com](http://www.msn.com)), and MSNBC ([www.msnbc.msn.com](http://www.msnbc.msn.com)).

## Understanding How Newsgroups Can Help You

*Newsgroups* are discussion forums (or electronic bulletin boards) where individuals post messages for others to read and answer. New newsgroups appear — and old, unused newsgroups disappear — almost daily.

The advantage of these groups is that the opinions of authors are disparate and come from around the world. There are between 20,000 and 50,000 publicly accessible newsgroups. Some of these newsgroups are filled with spam (junk mail), and others are inactive shells. Newsgroups range from serious to silly and support almost all religious ideologies, political points of view, and philosophical beliefs. If you want to know what investors think about a particular investment, a newsgroup is a good place to look for the answer. Newsgroup participants aren't necessarily investment professionals, but many of them are savvy investors.

Knowing how newsgroups are named can help you determine whether a certain newsgroup may interest you. Newsgroup names typically have two or more parts. The first section of a newsgroup's name is the most general grouping or topic. Here are some examples of different first names that may be of interest to online investors:

<i><b>Section</b></i>	<i><b>Description</b></i>
Alt	Alternative subjects, ranging from the serious (investing and finance) to the weird (occult and alternative lifestyles)
Biz	Business subjects, including commercials
Misc	Miscellaneous topics, from items for sale to finance

Newsgroups can have names with two sections. For example the first section can be *alt*, and the second section can be *invest*. The name of the newsgroup then would be *alt.invest*. Some newsgroups do not have any subgroups, but others have 20 or more subgroups under the major topic. One example of a major topic is *alt.invest.real-estate*, which branches into other newsgroups, such as *alt.invest.real-estate.methods*. That is, each component of the name represents a different level in the newsgroup. The last named component is the actual theme of the group. For example, *alt.invest.real-estate* is about investing in real estate.

Subscribing to a newsgroup is easy. With most browsers, you simply click the name of the newsgroup you want to subscribe to. For details, use your Web browser to check out Beginners Central at Northern Webs ([www.northernwebs.com/bc/index.html](http://www.northernwebs.com/bc/index.html)). Discover how to navigate your browser's news-reader, select a newsgroup, and post to newsgroups.

## *Finding the perfect newsgroup*

The Internet provides various sources for finding Usenet newsgroups. Here are a few examples:

- ✓ **Harley Hahn** ([www.harley.com/usenet](http://www.harley.com/usenet)) provides Harley Hahn's Master List of Usenet Newsgroups. The master list includes a short description of each newsgroup, placed in a category and organized in an easy-to-use search list.
- ✓ **Yahoo! Groups** ([groups.yahoo.com](http://groups.yahoo.com)) offers nearly 3,000 investment groups and more than 600 online investing mailing lists. In this population, 60 subgroups focus on e\*Trade. Registration is free. You can even start your own Yahoo! group.
- ✓ **Robot Wisdom Newsgroup Finder** ([www.robotwisdom.com/finder/index.html](http://www.robotwisdom.com/finder/index.html)) enables you to search by historical period, numbers of articles, and country or state locations. This site uses clickable maps of the United States and the world. Responses include the newsgroup name, address, description, charter, and sometimes Frequently Asked Questions (FAQs) if available.



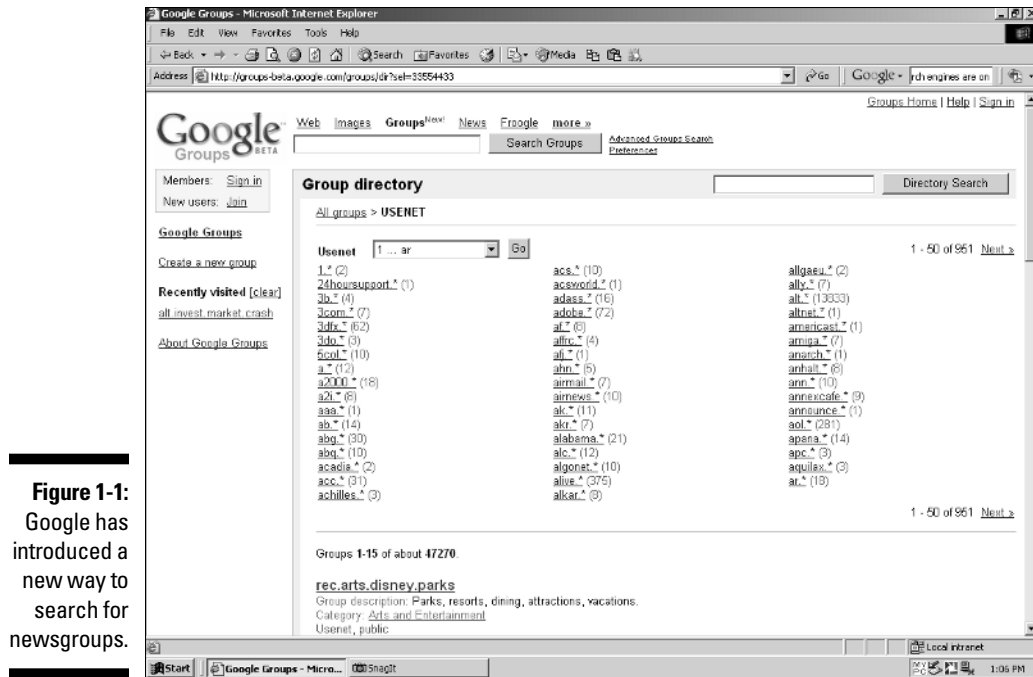
Tired of the same old newsgroups? Discover all the Web's new newsgroups by going to Newsville at [www.newsville.com/news/newnews.html](http://www.newsville.com/news/newnews.html).

## *Finally, some investor news reading*

One of the easiest ways to find newsgroups is to go to Google ([www.google.com](http://www.google.com)). Click Groups, then click Browse all of Usenet. At the next Web page shown in Figure 1-1, to select your topic enter your keyword in the Directory Search or scroll through the Usenet names. Regardless of which approach you select, you'll discover a listing of newsgroups that may be of interest to you. Each group includes the group's name, a description of the group, the group's category, and other characteristics. These characteristics can include information about the number of group members, whether the group is open to the public, restricted, moderated, and so on.

The best feature of this site is that you can post your questions directly to the newsgroup without a great deal of fuss. You can also search newsgroup articles for keywords. For example, assume that you're thinking about investing in Microsoft. As part of your research, you can see what newsgroup members had to say about the company, and when they said it.

Another great feature is that you can research the author of the newsgroup article. Google shows how many articles the author has posted and which newsgroup that author is posting to. This data can indicate which newsgroups regularly carry the type of information you're seeking.



**Figure 1-1:**  
Google has introduced a new way to search for newsgroups.

## Getting the Message from Investor Message Boards

With investor message boards, you can read what other online investors are saying about an investment that may interest you. Overall, these message boards include many honest, knowledgeable investors, with only a few unscrupulous fraudsters with questionable intentions. Therefore, you must determine what is sound advice and what is trash. Make certain that you complete your own research before acting on any message board information. The following are a few of the top-rated investor message boards online:

- **Silicon Investor** ([www.siliconinvestor.com/stocktalk](http://www.siliconinvestor.com/stocktalk)) has several levels of membership. Basic membership is free with your registration. The free, limited level allows you to post between one and two messages per day. You can't turn off ads and can't make use of advanced features such as Next 10 and Search. Paying subscribers have unlimited posting privileges, the ability to turn off ads, and access to Next 10, Search, and Advanced Search features. Subscriptions are \$19.95 per month, \$29.95 per \$29.95, and \$49.95 for six months. Annual subscriptions are \$89.95, and a lifetime subscription is \$199.95.

- ✓ **The Motley Fool** ([boards.fool.com](http://boards.fool.com)) is free with your registration. Here you find company discussions sorted by name, industry, and market analysis, as well as an investors' roundtable for discussing strategies. Before you post, don't forget to read the "Fool Community Guidelines" at [www.fool.com/help/?display=community04](http://www.fool.com/help/?display=community04).
- ✓ **Raging Bull** ([www.ragingbull.com](http://www.ragingbull.com)), now owned by Lycos, has more than 15,000 active message boards. Participants earn a "power rating" that indicates how much credibility a member has earned with the community. Features include lists of the most active message boards and message boards with the greatest number of posts.

## Uncovering Investor Information from Mailing Lists

*Mailing lists* are e-mail groups that are started by organizations or individuals who purchase mailing list programs. Then they advertise to others who may be interested in joining a topic-specific discussion group. The advertisement usually provides precise instructions for subscribing to the mailing list.

You subscribe to a particular mailing list by sending an e-mail message to the list's moderator. In return, you receive an e-mail message confirming your enrollment. This message typically includes the address you use for posting messages to the mailing list, the rules of the discussion group, and instructions for removing your name — that is, *unsubscribing* — from the mailing list.

Mailing list participants exchange e-mail about issues in their subject areas. If someone starts a *thread*, or topic, that you want to comment on, you post your comments to the list, using the instructions you received when you subscribed.

To answer questions or make comments, subscribers send an e-mail message to the mailing list address (which differs from the mailing list program's address), and everyone gets a copy of the message. Unlike newsgroups, most lists are moderated so that inappropriate messages aren't sent to the group.

Today more than 300,000 mailing lists exist. You may find a mailing list while surfing the Net, but they tend to be private. The best source for finding an investor-related mailing list is Tile.net ([www.tile.net](http://www.tile.net)). Tile.net has more than 66,000 public mailing lists and is growing. Don't despair; the site is searchable and provides information that describes each mailing list and how to subscribe (and, more importantly, how to unsubscribe if it doesn't meet your requirements). Another good mailing list directory is CataList ([www.lsoft.com/lists/listref.html](http://www.lsoft.com/lists/listref.html)), which includes more than 66,000 mailing lists. It's searchable by site, country, and number of list subscribers.

(Sometimes knowing how many subscribers will receive your investment question is a good idea.)



Don't lose that information about how to unsubscribe! Mailing list members receive an average of 30 messages per day. If you just signed up for four mailing lists, you may have more than a hundred messages tomorrow.

## *Using Free and Fee-Based Online Investor Databases*

Online investors have their choice of searching free or fee-based online databases. One advantage of both types of databases is that they're constantly open. That is, you can access them 24 hours a day, 7 days a week.

It's a no-brainer that savvy online investors should start with the free databases. If the information you desire isn't available in the free databases, try fee-based databases. If you carefully select a fee-based database for your well-constructed query, you can often get the information you want without paying big bucks.

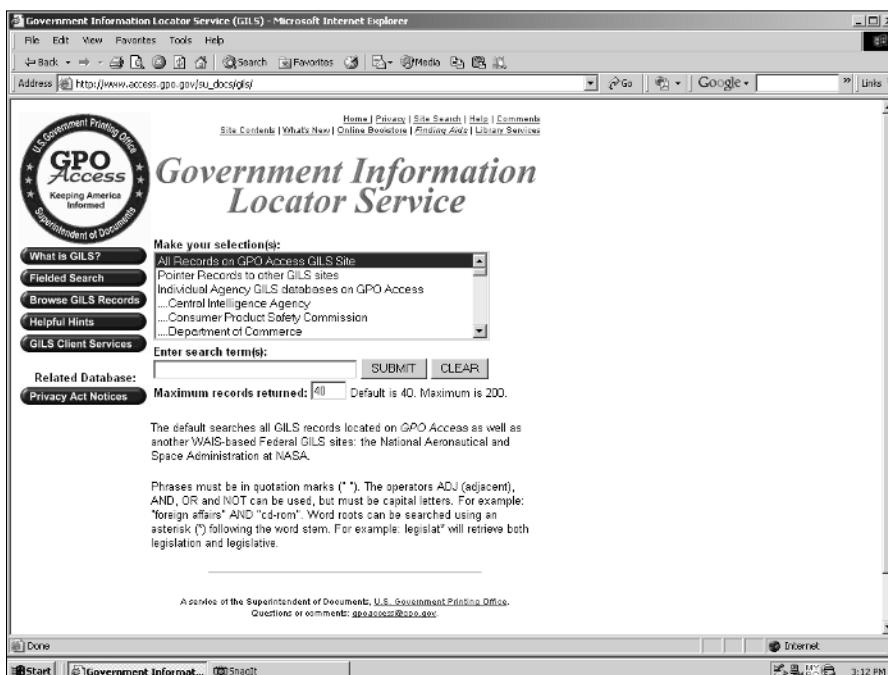
### *Totally free databases*

The Internet is a network of networks linking millions of computers worldwide for the purpose of communicating. The Internet was originally developed in 1969 for the U.S. military and gradually grew to include educational and research institutions. These colleges and universities have never charged for the Internet they assisted in creating. Consequently, many free reference sources exist online. Here are a few examples:

- ✓ **Federal Reserve Bank of St. Louis** ([www.stls.frb.org/research/index.html](http://www.stls.frb.org/research/index.html)) provides links to high-quality economic research such as FRED II (Federal Reserve Economic Data), a historical database of economic and financial statistics, and FRASER (Federal Reserve Archival System for Economic Research), a new collection of scanned images of historical economic statistical publications, releases, and documents. Sign up for the mailing list and be notified about late-breaking data or new publications.
- ✓ **The Federal Web Locator** ([www.infoctr.edu/fwl/index.htm#toc](http://www.infoctr.edu/fwl/index.htm#toc)) is a service provided by the Center for Information Law and Policy and is intended to be the one-stop shopping point for federal government information on the World Wide Web.

- ✓ **Government Information Locator Service** ([www.access.gpo.gov/su\\_docs/gils](http://www.access.gpo.gov/su_docs/gils)), shown in Figure 1-2, contains records of public information throughout the U.S. government. Government Information Locator Service (GILS) records and describes the GILS holdings of a particular agency. However, the GILS database is updated irregularly. Each GILS document is available as a downloadable ASCII text file and as an HTML file.

**Figure 1-2:**  
The  
Government  
Information  
Locator  
Service  
(GILS).



## *When all else fails — fee-based databases*

For specialized investor topics, the only information available may be in an online database that you have to pay for. How each organization charges for database access varies from company to company. Charges can be by query, month, hour, or document. Most firms were designed for large corporate use, and they tend to flounder in their attempts to find equitable ways of charging individuals for private use.

Fee-based databases have several limitations. Often, they use their own search methodologies that require some getting used to, and they can be costly. The fee structure may be geared for corporations and too expensive for individual use. Databases tend to be traditional and may not have that bit of unique information you're seeking.

Here are a few examples of fee-based databases (all price quotes are as of this writing and are subject to change, just like everything else on the Internet):

- ✓ **Lexis-Nexis** ([www.lexis-nexis.com](http://www.lexis-nexis.com)) includes information from major regional and national newspapers, news sources, company information, and financial information, including SEC reports and proxy statements, in addition to other business sources in English and foreign languages. Find the information you need in one of two ways: select the product or service that you want to subscribe to or choose a particular topic. Lexis-Nexis accepts online credit-card payments. You can pay as you go, \$3 for news sources, \$4 to \$12 for company and financial information. Or you can pay by the day or the week. For example, newspaper, business, and financial databases are \$250 weekly or \$75 daily. The top 34 business sources are \$150 per week or \$50 per day. Major papers (such as *The New York Times*, *The Washington Post*, and the *Chicago Tribune*) are \$75 per week or \$30 per day.
- ✓ **Highbeam Research** ([www.highbeam.com/library/index.asp](http://www.highbeam.com/library/index.asp)) has, among other things, electronic access to many newspapers, periodicals, and journals that you can search by keyword. Highbeam Research is a good source for background or academic financial research. Basic service is free and limited to previews of articles. Full membership includes unlimited access, lets you archive articles, and provides alerts when new articles about a topic you're researching are posted. A free seven-day trial is available. Full membership is \$19.95 per month or \$99.95 for 12 months.
- ✓ **STAT-USA** ([www.stat-usa.gov](http://www.stat-usa.gov)) is sponsored by the U.S. Department of Commerce. This site includes economic indicators, statistics, and news. It also offers data about state and local bond rates, foreign exchange rates, and daily economic news. Statistics include interest rates, employment, income, prices, productivity, new construction, and home sales. Subscriptions for individuals are \$75 per quarter or \$175 per year.

## Getting Online Investor Information Geared to Your Needs

Today, online investors come from the entire spectrum of society. Online investors range from young to old, beginners to professionals, and so on. Each of these groups has specific needs and interests. Many of the individuals in these special-interest groups are looking to online communities for answers and information about their special investment needs. Others see communities as a way to make online investing simpler because information is geared to their way of thinking. The Internet provides special Web sites targeted to online investors with specific interests. The following is a sample of what you'll find on the Internet.



## *Investor Web sites for children*

Every day you're bombarded with information about the stock market. Turn on the car radio, walk through a hotel lobby, or watch the news on television, and you get updates about the stock market whether you want to or not. In a recent Merrill Lynch survey of 512 teenagers between the ages of 12 and 17, about 9 percent who save their money invest in mutual funds or stocks. How can young people invest? A parent must open a custodial account because a minor can't make securities transactions without the approval of an account trustee. The Merrill Lynch statistic indicates an interest in investing that's supported by a number of online Web sites aimed at children.

Here are a few examples of the wide range of online resources that can meet the needs of even the youngest investor:

- ✓ **Big Money Adventure** ([www.agedwards.com/public/content/fcgi/bma/frontpage.fcgi](http://www.agedwards.com/public/content/fcgi/bma/frontpage.fcgi)) is a site in which you select your guides and adventure based on your age: 2 to 6, 6 to 10, and 10 to adult. Visit the Rainbow Castle, jump into a storybook adventure, and learn about investing, or you can play a stock-picking game and win prizes.
- ✓ **The Young Investor Web site** ([www.younginvestor.com](http://www.younginvestor.com)) is an interactive community designed for children and parents. Find out the fundamentals of managing money and investing. Don't forget to visit the game room and play a few investing games.

## *Web sites for young investors*

A recent NASDQ (National Association of Securities Dealers) survey showed that college-aged individuals (18 to 34 years old) account for about 20 percent of all U.S. investors. Online brokerages target these investors as their next revenue source. Many online brokerages understand that college-aged investors don't have a lot to invest now but will likely become substantial investors over time.

Here are a few examples of sites that target this group:

- ✓ **Edustock** ([library.thinkquest.org/3088](http://library.thinkquest.org/3088)) is an educational Web site designed by high school students for investors young and old. The Web site includes beginning investor tutorials about how to select stocks, company profiles, and a free 20-minute delayed online stock market simulation.
- ✓ **Independent Means** ([www.anincomeofherown.com](http://www.anincomeofherown.com)) is a Web site designed for women under 20 (and their over-20 mentors) to find an income of their own. The motto of the Web site is "girls, money, and power." Discover articles about money and investing, teen business pages, and more.

- ✔ **TeenAnalyst** ([www.teenanalyst.com](http://www.teenanalyst.com)) is staffed by a group of young investors aged 15 to 16 years old. Using their experience and knowledge of investing, they bring young investors information in a fun and informative manner.

## *Other investor special-interest sites*

Many financial institutions sponsor special-interest Web sites that provide selected groups with the information they need to be educated investors. These and other specialty Web sites (which are often nonprofit) understand that many investor sites attempt to educate online investors but fail to do so correctly because they don't understand the unique needs, top issues, and interests of the Internet users they serve. The following sections present a sampling of the various special-interest investor Web sites available:

### *Senior investors*

Older investors can turn to the following sites for investment information:

- ✔ **Money & Investing** ([www.eldernet.com/money.htm](http://www.eldernet.com/money.htm)) is geared to senior citizens. You access this site from the ElderNet home page. ElderNet's Money & Investing site provides tutorials on the basics of investing, mutual funds, stocks, and bonds. Also, it includes sound advice on how to select a financial advisor.
- ✔ **ThirdAge** ([www.thirdage.com/money](http://www.thirdage.com/money)) provides information about investing, money management, and retiring well for adults in their mid-40s through 50s. If you're investing for an early retirement, this Web site can help you.

### *Socially responsible investors*

If you have an active social conscience, consider these sites as starting points for your investment research:

- ✔ **SocialFunds.com** ([www.socialfunds.com](http://www.socialfunds.com)) has more than 1,000 pages of strategic content to help investors make informed decisions regarding socially responsible investing. The Web site provides news, information, research, investment analysis, and financial services.
- ✔ **The Investor Responsibility Research Center** ([www.irrc.org](http://www.irrc.org)) provides research related to corporate governance, social issues, and environmental practices. Get information about corporate benchmarking and environmental indexes.
- ✔ **The Social Investment Forum** ([www.socialinvest.org](http://www.socialinvest.org)) offers comprehensive information, contacts, and resources on socially responsible investing. The Web site includes an online guide, financial services, news, and research.

*Minority and women investors*

The following sites are representative of Internet investment resources targeted specifically at minority and women investors:

- ✓ **The Gay Financial Network** ([www.gfn.com](http://www.gfn.com)) provides free financial news, information, and services. The site also includes articles by featured columnists and a weekly poll.
- ✓ **WIFE.org** ([www.wife.org](http://www.wife.org)) is the Web site of the Women's Institute for Financial Education (WIFE), a nonprofit organization dedicated to financial independence for women.
- ✓ **iVillage MoneyLife Personal Finance for Women** ([www.ivillage.com/money](http://www.ivillage.com/money)) targets women who want to take control of their finances and start investing. Other topics include handling credit and debt, life and money, and money talk.

