

WOMEN OF THE STREET

*Making It on Wall Street—
The World's Toughest Business*

Sue Herera



JOHN WILEY & SONS, INC.

New York • Chichester • Brisbane • Toronto • Singapore • Weinheim

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Text design by Tenenbaum Design

Illustrations by Ralph Bulter

Library of Congress Cataloging-in-Publication Data:

Herera, Sue, 1957—

Women of the Street : making it on Wall Street—the world's toughest business / Sue Herera.

p. cm.

Includes index.

ISBN 0-471-15331-1 (cloth : alk. paper)

1. Women stockbrokers—United States—Biography. 2. Wall Street.

I. Title.

HG4621.H47 1996

332.64'092'273—dc20

[B]

96-34284

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

PREFACE

In the 16 years I've been covering Wall Street, I've seen increasingly more women take an interest in the financial markets. It really wasn't all that long ago that playing the markets was considered the domain of men, and to a large extent, the media reflected this bias. When I started at FNN back in 1981, however, I could see that was about to change. In the past very few women worked in business news, but FNN was comprised of at least 50 percent women, with several anchoring newscasts. In traditional network news, women had already shattered the glass ceiling and spread across the airwaves: Jane Pauley, Andrea Mitchell, Leslie Stahl, Jessica Savitch, to name just a few, and, of course, Barbara Walters. In those early days on FNN it seemed the business media was about to play catch-up.

As the fabric of our society has changed, so too have the financial markets. Today, as many women as men are investing in the markets. Women watch their investments shrewdly, learn as much as they can about the markets, and try to make educated, informed financial decisions—just as their male counterparts do. Over the years, I have had the privilege of hearing from many CNBC viewers. Female viewers, especially, have shared their successes and failures in the markets with me. For every success story I've heard, there has been an accompanying tale of frustration, some vaguely reminiscent of the kind of condescension and discrimination women are

sometimes subjected to in car dealerships: Brokers don't listen to their questions or take them seriously. Most of the professional expertise women must turn to for guidance is dispensed by men; the markets seem like a male game and the men who control the game board don't seem eager to explain the rules. Thus, my first inclination when considering a book project was to write about the differences that women face in investing.

However, upon reflection, it seemed a rather silly idea: A stock is a stock, a bond a bond, and price/earnings ratios and T-bill rates are the same for men as for women. In fact, it occurred to me that a book specially targeting female investors could be downright condescending. Men don't have some special genetic coding that makes them better fit for playing the markets. It's simply a matter of education and knowledge. Once you understand how it works, it's really quite simple (or equally as difficult). Virtually all the information one needs to learn about the markets can be found on the newsstand and on bookstore shelves across the country. A book on investing for women would not be a meaningful addition to the current literature.

But what got me thinking were the comments "that most of the finance and investment professionals are men." This statement stuck in my mind: Wait a minute, I thought, that's simply not true. Over the years, and especially recently, I've interviewed many highly placed female investment professionals who are managing hundreds of millions of dollars. From analysts to fund managers and traders, women have firmly established themselves on the Street—they've made their mark. So why is it that they are still not popularly perceived to have the same stature and success as their male counterparts? That was the impetus for this book.

Women of the Street is a look at the ladies who shape the markets: where they came from, how they got where they are, and who they are as people. In my decade and a half of reporting on the financial markets, I have interviewed many of the top women in finance. Liz

Bramwell, Elaine Garzarelli, Muriel Siebert, and the other women you will meet in the following pages have made no less a contribution to the marketplace than the Jeff Viniks and Peter Lynches. However, the ascension of these women to the hallowed halls of Wall Street has been a different journey than that experienced by the Jim Rogers, Jim Grants, and other men who grace the pages of the financial press on a daily basis.

And while I could probably tell you where these women stood on the issue of real interest rates or the direction of the stock market, I found I didn't really *know* them at all. I've felt a kinship with them, simply because I'm a woman covering Wall Street and the Street has always been a predominantly male enclave. But while I know that you and I are interested in their take on the markets, I thought it time for us to get to know them a bit better on a personal level: to hear how they came to choose their profession, many of them at a time when there were no female role models; to learn how they rose to levels of prominence and influence; to share in their success and failures; and to gain some insight into their personal and professional struggles, past and present.

I am both grateful and flattered that the "Women of the Street" trusted me enough to tell me about their climb to the top. I hope that you will find their stories as inspirational and informative as I did. Whether you are an investor, a seasoned financial professional, or an aspiring market player, these interviews should provide you with new insight—insight that will either inspire you to new heights or have you running as far as possible from the Street.

ACKNOWLEDGMENTS

This book is very much a labor of love. It is the combined efforts of several very talented and dedicated people. Special thanks to my editor and friend, Pamela van Giessen, who has thrown her heart and soul into the project. This book is as much hers as it is mine.

Women of the Street would not even exist if Mark Etzkorn hadn't come on board midstream. I cannot thank him enough for putting his life on hold to take on this project. His insightful writing and his exceptional commitment to the book have been a godsend.

Larry Chambers deserves a special thanks for helping to get this project off the ground.

Many thanks to my friend and producer, Richard Fisherman. His encouragement and support helped get me through the rough spots, and his critical eye was invaluable.

And, to John Murphy, a special thank you for urging me to undertake this project and for always being there with a kind word and a little bit of Irish luck, too.

INTRODUCTION

Since the advent of women's liberation in the 1960s, the media has regularly lavished attention on various women's issues: From the bedroom to the boardroom, we have been inundated with books, magazine articles, reports, and television shows on the uniqueness of the female experience—how life is different for women at work and at play than it is for men. *Men Are from Mars* and *You Just Don't Understand* focused on communication differences, *The Hite Report* on sexual differences, and *The Glass Ceiling* on career differences. This trend shows no signs of reversing: 1996 brought us *Divided Lives*, a chronicle of the successes and failures of three prominent women—a journalist, a conductor, and a surgeon—struggling to balance and integrate their personal and professional selves.

A common theme running throughout many books of this type is how women define themselves and overcome challenges in a world where men, in many ways, still make most of the rules: handling the condescension or outright discrimination in the workplace; the desire to fulfill more “traditional” goals of family life without guilt and without fearing criticism from other career-oriented women; and the difficulty in reconciling these often conflicting aspirations.

Nowhere are these themes played out with greater vigor and clarity than in the high-rolling, high-pressured world of Wall Street,

which has traditionally filled the role of America's ultimate men's club. This is precisely why a look into the lives of the women who came, saw, and conquered in this world is the quintessential commentary on what it's like for a woman to make it in a man's world. While women can point to significant inroads in almost every area of U.S. business, political, and cultural life over the last 30 years, the trading rooms and offices of the Street have been more resistant to change than many other industries and professions. Nowhere are the lines between the sexes drawn more clearly than in the crisscrossing avenues of money and power in lower Manhattan.

Wall Street has long been, in both myth and reality, a world populated by swaggering men. From the Seligmans to the Morgans, from the Rockefellers to the Buffets, the investment marketplace of yesterday and today has long been portrayed by the press as the province of brash white men in white shirts, tailored suits, and power ties who make and lose fortunes. Whether brilliant, lucky, brave, foolish, stubborn, or stupid, these men have captured the imagination of novelists and movie producers, as well as the financial press that covers them daily.

We seem to have an insatiable curiosity about the personalities who make names for themselves in this rough-and-tumble playground. From *Reminiscences of a Stock Operator* to more recent tomes on George Soros and Warren Buffet, many books have been published over the years about the *men* behind the money, all eagerly devoured by a public hungry for investment insights.

Women, it would appear from the majority of books published to date, do not play on the Street. Perhaps they do not receive a comparable degree of media attention because the financial press, like the industry it covers, has traditionally been dominated by men; and men, maybe, are more comfortable sharing their war stories with one of their own.

In 1996, however, the press that covers the Street is changing drastically. Louis Rukeyser, Lou Dobbs, and Marshall Loeb are no

longer the only financial journalists on this beat. CNN and PBS now take a backseat to CNBC, Bloomberg, and a new gallery of names and faces—the faces of women. Connie Bruck and Carol Loomis, to name two, are the new players on this stage—and they are quite popular. Not surprisingly, when they beat the Street for a story, they often look to the women who have been quietly working their way up the ranks, making and losing fortunes with the best of their male counterparts. The stories you will read in this book will forever dispel the notion that the Street is only for the boys.

Some of the top woman traders, analysts, brokers, fund managers, and financial advisors share their personal stories and professional secrets to success. From the glamorous to the studious, readers will meet the “celebrities” who have heretofore merely brushed the front pages with their presence. But these women play second fiddle to no one. Highly successful by any standards—regardless of gender—they are true champions with compelling stories to tell and lessons to teach us about themselves, the often misunderstood world in which they work, and our society as a whole.

These are not the only women working on Wall Street, nor are they the only ones making a comfortable living there. At least in terms of raw numbers, women have significantly altered the sexual composition of the offices, war rooms, and trading floors of the financial industry over the past two decades. But only a relative handful can rightly be called “stars” in their field by virtue of their undeniable track records, their longevity, and the respect they’ve earned among their peers—both male and female. These are the select few who open up on the following pages.

And the list could have been longer: A few women—some who handle staggering amounts of money and wield incredible influence in the markets—chose not to speak out, for personal or professional reasons. Hopefully at some point in the future, we may hear the stories of these women, perhaps when books by and about successful

female investment professionals and traders are more the rule than the exception.

Certain surprising facts emerged as I researched and interviewed different women on the Street. There are still hardly any female traders—pure traders—the stature of a George Soros, a Richard Dennis, a Paul Tudor Jones. Only two traders are profiled in this book. Female analysts and trade strategists seem to be more prevalent than female traders, perhaps because analysis showcases women's strengths: performing detailed, conscientious, consistent work, communicating it effectively, and connecting on a personal level with their clients and associates. It also may be because the research room was easier to break into than the trading room when these women were first forcing open doors on Wall Street; maybe women posed less of a threat there. And female mutual fund managers, although their numbers have increased dramatically in the last 10 years, still work in relative anonymity compared to some of their celebrated male counterparts.

The same holds true for hedge fund managers. Again, while women have made advances into this area, their presence is generally offshore and quiet. Peruse the bookshelves: Almost all the trading and investment books are penned by men. For the most part, women on Wall Street seem to make up an increasingly large, powerful, but still low-key subculture. We really have only just joined the battle here.

I found it fascinating to discover the similarities and differences in how these women each deal with the obstacles confronting them, not the least of which is maintaining their identities as women (and individuals) in an environment that often seems intent on judging female traits as handicaps or exploitable weaknesses. Unlike high-profile women in other professions who have spoken out loud and long about the discrimination they have experienced, most of these women exhibited a stoicism that was somewhat surprising.

Or maybe it's not. While they all acknowledged things like pay differences and social slights, they tended to downplay the significance of such barriers, perhaps in fear of appearing weak in a world where only the strong survive, or perhaps because a certain measure of pride might be taken in not letting them know they ever "got" to you. Only one woman, in fact, openly acknowledged blatant sexual discrimination on the Street. On the other hand, perhaps these women simply took the rules of the playground they entered at face value and accepted its demands as the price of pursuing their individual dreams. They're fighters, not whiners.

They have to be, given the nature of their business. "What have you done for me lately" is the name of the game, and today's hot-shots become tomorrow's has-beens in the blink of an eye. There's always somebody waiting to put in longer hours, make the bold call, push the envelope.

As a result, taking a few months off for maternity leave or to spend more time with your family is, for the most part, not a viable option. It was a little depressing to hear how many of these women say they don't think they have "normal" lives. Extended hours, solitary work, and preempted social lives and outside interests are more common than not. Some of them do have families and say their success would not have been possible without the support and understanding of their spouses—but even then the challenge is extreme. The lengths they take to weather such adversity—and the sacrifices they must make—offer a sobering portrait of an industry that draws thousands every year with tantalizing whispers of excitement and affluence. Listen to Gail Dudack's admission that she always felt underpaid, but accepted lower salaries in exchange for a measure of security. And while you may at first envy Elaine Garzarelli for being able to work out of her home, you might reassess the glamour of high finance when you realize she made the switch just to give herself *more* time to devote exclusively to work.

Along with the demanding pace comes a great deal of isolation from co-workers, friends, families, and at times, the outside world in general; repeated references to long hours *alone* in an office, staring at a computer terminal or list of figures, abound. Linda Bradford Raschke, for example, recounts her “hermitlike” existence in an office with no windows. Mary Farrell jokingly describes a “close friend” she talks to twice a year, and says her own daughter is turned off by the amount of work she has to do. There is a price to pay for the privilege of breathing the rarefied air in top positions on the Street. But for the most part, these women wouldn’t have it any other way.

One lesson may be that there’s still a long way to go. While women have managed to minimize, ignore, or overcome obstacles on the Street, the very nature of the business makes it an ongoing battle, and some women still might not feel at liberty to call a spade a spade. There are probably more than a few “old-timers” (or newcomers who have inherited their mind-set) who still believe women can’t cut it on the Street and are waiting for them to pack it in and head back to the kitchen. It may be many more years before the seeds these women planted in the industry bear fruit.

What crystallized for me, though, throughout the course of these interviews, was the sense of a shared value system and approach to business that sets these women apart from the men in their field. Money and power go hand in hand on Wall Street, and men connect the two automatically—they often appear to care less about what people think of them and focus exclusively on the money as the ultimate goal.

The women in these pages certainly don’t disdain the money that comes with success on the Street, but they seem more fulfilled by the idea that they’re helping and empowering their clients: A sense of satisfaction with what they do and a feeling that they are valued and respected for consistent quality work seems to take precedence over instant notoriety and a quick killing in the markets.

While these women have only recently begun to attract the same media attention as men on the Street, many of them have been steadily building their reputations and businesses for three decades and stress the importance of being around for the long haul.

To men in the business, it may seem superfluous or even incongruous that these women almost all view themselves as “nice people” and consider it important that others do as well—especially clients. They make an effort to be responsive, focus on customer needs, and avoid the hard sell. In doing so, surprisingly, they have been able to transform such typically frowned upon “feminine” characteristics into a business advantage. The combination of personal warmth and a strong work ethic is an attractive attribute to other professionals (especially women) who are quick enough to realize, as Elizabeth Mackay pointed out in her interview, that women have to work twice as hard and be twice as smart to make the same impression as men. In that light, who would you rather have handle your money?

However, this may explain why, despite their undeniable bottom-line performance, these women still lag behind the George Soros, Warren Buffets, and even the Michael Milken of the investment world in terms of publicity. The other element of the Wall Street money/power equation is ego, and men still outflank women at the game of attracting attention to themselves—regardless of whether the attention is scathing criticism or lavish praise. Either way, men seem gratified by the ego boost and will go to great lengths to fill this need. By contrast, women are more focused on their reputations and what people think of them as individuals—good publicity is the only kind they’re interested in. The temptation to become a Soros is outweighed by the fear of being perceived a Milken or a Boesky.

Ironically, by concentrating on nurturing their professional skills and building respectable careers in relative anonymity, they have not capitalized to the same extent as men on the influence that

is one of the side benefits of a heightened public profile. It's similar to what Muriel Siebert mentions in her interview: Women have amassed a great deal of real, tangible power in the business world, but they haven't learned to leverage it the same way men have—to maximize its effectiveness and expand their sphere of influence.

The interviews compiled here are a mosaic of sorts. Each one is unique, with its own distinct color and importance, to be appreciated for its individual qualities; together though, the pieces form a complete mural, the unfolding story of the ascension of women in one of the last bastions of male dominance—the Street.

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THE INTERVIEWS

Mary Farrell 1

Managing Director, PaineWebber. Mary Farrell readily admits to having made huge personal sacrifices for her career. Her devotion to the Street meant timing the birth of her daughter in between earnings seasons—so she could be available to her clients. Her climb to the top has been peppered with numerous battles against sexism, but it's paid off. She is one of the most respected and visible women in her field: a savvy market maven and a prominent media figure.

Bridget Macaskill 15

President and CEO, Oppenheimer Funds. Next time you have a glass of orange juice, think of Bridget Macaskill. Now one of the most prominent women on the Street, she got her start in Great Britain helping a food company market orange juice. After relocating to the United States with her husband so he could pursue a career in the financial services industry, she was hired by Oppenheimer to help them market their financial products in Great Britain. She knew nothing about Wall Street or the financial services business at the time, but she knew how to package products and sell them. Using the old orange juice theory, she's risen to the top at Oppenheimer and managed to balance a demanding career with what she describes as the most important thing in her life: her family. The key to success, she claims, is to become an expert "juggler."

Mei Ping Yang 35

Vice President and Proprietary Trader, Goldman Sachs. Mei Ping handles millions of dollars in trades every day. While most currency traders spend their time in front of computer quote machines yelling and screaming, Mei Ping has cultivated a much more orderly and philosophical approach to the markets. Trading has always been a grueling way to make a living, and even many successful traders burn out after only a relatively few short years in the business. But Mei Ping, who first learned her craft in Singapore, has been trading currencies for more than 10 years and shows no signs of stopping any time soon. She is now one of the leading performers in Goldman Sachs's proprietary trading group.

Elizabeth Bramwell 47

Bramwell Capital Management. Although she'd been on the Street for some time, Liz really made her mark as the manager of the Gabelli Growth Fund, which grew some 184 percent under her leadership. When Liz struck out on her own, she left the fund with some 60,000 shareholders. Her own fund has subsequently met with similar success. In just the few years she's been in the business for herself, her assets under management have grown to more than \$300 million. Liz was named to the Institutional Investor All-Star Team in 1976 and 1979 and has won the Wall Street Journal Dart Board Contest three years in a row.

Abby Joseph Cohen 59

Co-chair Investment Policy Committee, Goldman Sachs. Abby is widely considered to be one of the most successful women on Wall Street. She began her career as an economist at the Federal Reserve Board in Washington, helping revamp the Fed's model for inflation, among other things. T. Rowe Price lured her to Wall Street, where she's been ever since, working with such firms as Drexel Burnham Lambert before joining Goldman Sachs five years ago. Her accuracy in forecasting economic trends and her ability to translate that information into investment opportunities for clients has won her the highest praise on the Street.

Elizabeth Mackay 71

Chief Investment Strategist and Managing Director, Bear Stearns. Liz is considered a rising star on Wall Street. Her "I can do anything" attitude has vaulted her rapidly through the ranks at a number of firms. Long before most others in her field gave much thought to the globaliza-

tion of the markets, Liz was studying Russian in high school. Her “big picture” approach has served her well professionally, helping her to establish a large international clientele. She works nonstop and spends nearly all her free time reading as much as she can on the industries she covers. Liz claims that her work ethic and broad knowledge base—in addition to a very good sense of humor—are the secrets to her success.

Muriel Siebert 83

Muriel Siebert & Co. Known as the First Lady of Wall Street, Muriel is perhaps the most frequently interviewed woman on the Street. Truly a trailblazer for women in the business, she was the first woman to own a seat on the New York Stock Exchange—no small feat at the time, as 9 out of 10 men she asked to sponsor her declined. Muriel was also the first female bank regulator for the state of New York. She now runs her own discount brokerage with approximately 80,000 retail accounts. Hands down, Muriel is the most dynamic and colorful woman on the Street.

Gail M. Dudack 99

Managing Director and Chief Investment Strategist, UBS Securities, LLC. Gail Dudack never really intended to have a career. She thought she'd have four kids and settle down in a nice house with a white picket fence. But then came a summer job on Wall Street that changed her life forever. Gail found her niche in technical analysis, and at the tender age of 25 appeared on Wall Street Week with Louis Rukeyser. Gail is also a founding member of the International Federation of Technical Analysts and a member and former president of the Market Technicians Association—the two dominant (and overwhelmingly male) professional societies for technical analysts.

Grace Fey 115

Executive Vice President and Director, Frontier Capital Management. As the manager responsible for \$300 million under management and 200 clients, Grace Fey heads Frontier Capital Management's high net worth and small institutional client accounts. She began her career in 1970 at Alliance Capital Management and worked as a general analyst at United Business Service (the publisher of the United Business Review) and as a portfolio manager at Keystone Investment Management Corporation. She also helped build two small independent management firms in the Boston area. Grace is a Chartered Financial Analyst (CFA)