
High Water Women Makes Its Mark

2008-07-25

The cards are dealt and instinct kicks in. The players gathered around the tables at Sotheby's auction house on this cold January night are accustomed to winning. The crowd is made up of leading women executives and lawyers in the hedge fund industry and their friends and colleagues: Wall Street's high achievers. But tonight, they have their eyes on a different target—raising a record amount of cash to support education and financial literacy training for disadvantaged women and teens. And, by the evening's end, there are plenty of winners.

After a few hours of blackjack, roulette, and Texas Hold 'Em, and a little auctioneering, the crowd has raised more than \$810,000 to benefit New York-area charities such as Women in Need, Bottomless Closet and Iris House. It's all part of the mission of High Water Women, a foundation established by a group of successful women in the hedge fund industry intent upon using their talents to better the lives of women and children in need.

The name High Water Women refers to a feature of the fee arrangements of many hedge funds. And the organization's success has been meteoric. The group has now raised more than \$1,500,000 for its partner organizations through events such as Casino Night, and is on target to provide more than 3,000 backpacks filled with clothing and school supplies to needy children in New York, an effort undertaken with help from Credit Suisse.

But as impressive as those numbers are for an organization still in its infancy, the group is focused on doing much more, from working on breaking ground on private sector volunteerism in microfinance, to a long-term goal of expanding to other states. Sister chapters are already springing up in Connecticut, Massachusetts and New Jersey, and High Water Women is working to put them all under the same organizational umbrella.

Beyond seeking financial donations from members, the group encourages women to lend their intellectual capital. These efforts have recently included coordinating with other philanthropies, including Young Women's Leadership Schools, a highly successful group of experimental single-gender public schools in NYC, with record-setting college matriculation rates; hosting the 3rd Annual Inwood House Family Picnic in Central Park to help raise awareness for teen pregnancy prevention; and hosting BRAG! programs, which are designed to teach young women how to self-promote.

“We’ve grown through word-of-mouth,” says Alexandra Poe, a WilmerHale securities partner in the New York office who works about five hours every week for the foundation and was recently named chairwoman of the board.

High Water Women’s combination of community service and great professional networking was the big selling point for Susan Schroeder and Tanya Bernotas from WilmerHale’s New York securities group. Schroeder recently served as High Water’s secretary, with back-up coverage and support from Bernotas. Both women plan to continue to volunteer for the nonprofit at a variety of events throughout the year.

“The first couple years were very heady and successful, but in a lot of ways we bit off more than we could chew,” says Poe, who helped establish High Water Women three years ago. “That can threaten an organization.”

Much of the challenge involved High Water’s rapid growth; since 2005, the organization has expanded from a handful of volunteers to a membership of more than 2,300. So High Water Women took 2007 to focus on stability through establishing clear lines of command and duties, along with other necessary infrastructure to sustain rapid growth.

To accommodate the demand in membership, the organization has reached beyond the hedge fund industry to include private equity and private consumer banking executives. High Water Women’s volunteers come from blue chip Wall Street firms and investment houses, with more than 500 members from investment banks like Merrill Lynch, JP Morgan, Goldman Sachs, UBS, Morgan Stanley and Credit Suisse Group. That includes president, director and founder, Kathleen Kelley, global macro portfolio manager at Kingdon Capital Management, and retiring board member Renee Haugerud, chief investment officer of Galtere Ltd., who are two of a handful of women managing a portfolio at a hedge fund.

Recently, the organization has focused on microfinance, which has become a hot topic for the philanthropy set. Microfinance is the lending of very small amounts of money to impoverished people who want to start up or expand a self-sustaining business. The success of the approach, which includes the establishment of peer groups of borrowers who support and encourage each other, and the availability of helpful business counseling, has helped in regions like Africa.

Dealing with microfinance isn’t a new experience for WilmerHale attorneys. The firm represents the Grameen Foundation, an organization created to accelerate the impact of microfinance as pioneered by Bangladeshi economist Muhammad Yunus, who two years ago won the Nobel Peace Prize for leveraging small loans into major social change for impoverished families. Since Yunus started the Grameen Bank in Jobra, Bangladesh (a village adjacent to Chittagong University), three decades ago, the trailblazing use of micro-credit has been duplicated across the globe.

High Water Women intends to break new ground, collaborating with Grameen Foundation’s Banker’s without Borders® initiative, helping to train private sector volunteers to be “field ready” to provide strategic technical and operational support and technical assistance to microfinance institutions abroad.

“We want to be innovative and carve out a special place among philanthropies,” says Poe. “With the women we have, that should be a goal. Our membership has so much talent, I can’t wait to see how far we can take this.”