



Bette Nesmith Graham

Inventor, Entrepreneur, Philanthropist

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Secretary Bette Nesmith Graham typed poorly. She invented Liquid Paper® typing correction fluid to cover her mistakes. She built her patented product into a nearly \$50 million business.

Bette Graham was born in Dallas, Texas, in 1924 as Bette Claire McMurray. As a child, she was strong willed and a discipline problem in school. At 17, she dropped out and talked her way into a job as a secretary even though she couldn't type. The firm liked her energetic spirit and sent her to secretarial school to learn typing. She also earned her high school diploma at night school.

Bette married her high school sweetheart, Warren Nesmith, in 1942. Their son Michael (who would be famous in the 1960s as a member of the pop music group The Monkees) was born in 1943. In 1946, the Nesmiths were divorced. By 1951, Bette Nesmith had worked her way up to executive secretary at a bank in Dallas.

Necessity and Invention Trouble loomed when Nesmith's office changed to new electric typewriters. She still didn't type well. When she tried to erase mistakes on the new machines, the new carbon film ribbons made a mess. Nesmith reasoned that she could paint over her typing errors, and at home she mixed up white, water-based tempera paint. She took a bottle of the paint and a brush to work, and when she made a mistake, she just painted over it. When the paint dried, she typed the correct letter on top of it.

Eventually, other secretaries requested bottles of typing paint, so she began sharing her mixture, which she called Mistake Out. With the assistance of an office-supply dealer, a local chemistry teacher, and an employee of a paint-manufacturing company, Nesmith experimented in her kitchen, using an old-fashioned mixer to combine paint and chemicals to refine her product.

In Business By 1956 Nesmith was supplying bottles of Mistake Out to secretaries at Texas Bank & Trust. Her garage became a small factory where her son Michael helped. She changed the product's name to Liquid Paper and patented her product. Then, a 1958 office trade magazine mentioned Liquid Paper, generating 500 orders from across the country. General

Electric placed the first single large order, which was for more than 400 bottles in three colors.

Nesmith was fired when she accidentally put her own company's name on a letter she had typed for her employer. She soon devoted herself completely to Liquid Paper. In 1960 her company lost money, but by 1964, Liquid Paper had gone from making 500 bottles a week to making 5,000 bottles per week. In 1968 the company sold a million bottles and moved into its own plant. It grossed more than \$1 million and produced more than 10 thousand bottles a day. Two years later, 5 million bottles were sold.

Marriage and Growth In 1962 Bette Nesmith married Robert Graham, who joined her in the business. By 1975 the corporation had built a headquarters in Dallas and was producing 500 bottles a minute. In 1979 the Liquid Paper Corporation was sold to the Gillette Corporation for nearly \$48 million.

With royalties from her formula, Graham established the Betty Claire McMurray Foundation in 1976 and the Gihon Foundation in 1978. The foundations supported women's welfare and supported women's efforts in business and the arts. Bette Nesmith Graham died on May 12, 1980.

Review Questions

1. What kind of student was Nesmith?
2. Why was Nesmith fired from her secretarial job?

Critical Thinking

3. **Making Inferences** How did necessity help Nesmith invent Liquid Paper?
4. **Analyzing Information** Give at least two reasons why you think Nesmith set up foundations to help women.