

# KUNHARDT **FILM** FOUNDATION

WARREN BUFFETT INTERVIEW  
*BECOMING WARREN BUFFETT*  
KUNHARDT FILM FOUNDATION

WARREN BUFFETT

**March 9, 2015**

Interviewed By: Peter Kunhardt

**Total Running Time: 1 Hour 39 Minutes**

## **TITLE**

On seeing his son, Peter, perform about his life

**10:17:13:22**

## **WARREN BUFFETT:**

I enjoyed it. But it's— it started off— the performance with my— report card from my— just about the middle of junior high school in Washington and the— from there it gets better. We— we started at the low point or Peter did. And— it— it— he changes it a little every time I— watch. And— one time out in Los Angeles I performed with him— and my ukulele with— with me. And— for some reason he hasn't asked me back to do that. But I— I look forward to attending any of his performances.

## **TITLE**

His sense of social consciousness

**10:18:22:12**

## **WARREN BUFFETT:**

Well, I— I probably— I probably developed a great many of my ideas from my dad. I— that— all three of the— his children just loved him unconditionally as he loved us. And— he was not a preacher to us in any g— way, shape or form. But we— we picked up things from a little bit of

what he said but mostly how he acted.

And— and— the idea that all lives have equal value is something that I think— both of my sisters and— what is I— let since— since I can remember. I— you know, the— I— I talk sometimes about the ovarian lottery and the— the truth is that I— I'm here— my position as— as a matter of luck. I mean, that was the most important thing that happened to me was the— the womb from which I came, the parents I had, the wiring I had and I didn't have anything to do with that.

**TITLE**

Omaha and segregation during his childhood

**10:19:38:00**

**WARREN BUFFETT:**

My dad talked at the dinner table about that famous lynching that took place. It was around 1920 plus or minus a couple of years. And my dad—went down and saw a mob out of control. There was a very famous editorial written in the *Omaha World Harold* subsequently— it may have won a Pulitzer, I'm not sure— about mob rule. And my dad w— would talk to all of us at the dinner table about— what happens when mob thinking takes over. It—it—it obviously applied in that lynching but it - I didn't really have memories of s— segregation in Omaha. But when we moved to Washington— I went to— Alice Deal Junior High School. And— just a few blocks—maybe less than that no— it— away there was—there was a—school for black children. And—and—I had some good friends there actually who were black. One of the paperboys I used to associate with. And I caddied at the Chevy Chase Country Club. I was the only white caddy there. I wasn't worth beating

up fortunately. (LAUGH) And— if there'd been more of us I think there'd been more trouble. But— so I— I— I saw what was going on. I saw a little bit in Fredericksburg, Virginia too in— in the movie theatre there. The— the blacks sat in a different section than— than whites. So it— it— it never made sense to me.

**TITLE**

Fair housing in Omaha

**10:21:38:15**

**WARREN BUFFETT:**

Well— well, I— I helped a bit— when— that was in the '60s— when there was fair housing legislation and— and— in— Lincoln. My wife was more active than I was though. I— she constantly worked the— there was— a group she worked with where there was a Jew and a black. And she was the WASP. And they— they went around and made presentations at various clubs and that sort of thing. And— and so she was— she was more active than I was. But I was 100% with her mentally. And—w as just working a little more on my own— investments. There was an incident at the end of the 1960s— where I was going to join what had been an all-Jewish country club. And— that created quite a ruckus there for a couple of months. And— and then— and— and after it took place then everything straightened out.

**10:22:44:17**

The— the club that I belonged to that had turned down a Jewish friend of mine which made me quite irritated— and was the cause for me to join the Jewish club— it— what— what existed in whatever it was 1969— a few years later just changed dramatically in that respect. But I remember when Bob Gibson who was the terrific

player and— they have something in Omaha called the Aksarben Ball which was a very, very big deal in the past, still is a big deal. But it was a much bigger deal then. And— and 8,000 or 10,000 people would— would— gather at the Aksarben Auditorium for something of— of a civic nature and social nature. And it wasn't— there wasn't a black face there. And then finally they invited— Bob's two— one or two of his daughters to participate. And that was a big event. That was a big change in the mid-'70s. There's been— there's a lotta— lotta progress that's still needed. But I've seen progress take place in my lifetime both— more with— probably more with females than— than— than with blacks. I've seen anti-Semitism drop dramatically in Omaha. Now maybe people just don't talk to me about it when they feel that way now. But they— I was a member of the rotary club in the— 19— 1960s. And— and— finally they put me on some secret membership committee. And I learned what some of the people on that committee thought about how they made selections. And it was—it was amazing to me that in Omaha, Nebraska in the 1960s that people would say, "Well, we've got enough Jews," or something like that.

**TITLE**

His first job out of business school

**10:24:34:11**

**WARREN BUFFETT:**

Well, when I got outta business school— at Columbia— I had a hero there named Ben Graham who did wonders for me in all kinds of ways in my life. But— when I got outta school I said to him, "Could I go to work for you for nothing?" I was sort of hoping that if he said yes he

would then decide to pay me. But— and— and he told me that—that his little firm which only employed about six or seven people that there was so much prejudice then in— in Wall Street—and Wall Street was divided then between Jewish firms and—and—and gentile firms. I mean, there were a couple like Kuhn, Loeb (?) maybe that were known as Jewish firms and there would be others that were known totally as— as— as— gentile firms.

**10:25:13:22**

And Ben said that because that prejudice existed and he— he'd experienced it that he— he felt that to the extent that they had any employment to offer with six or seven people that they would— they— they hired up to that point only Jews. So I came out to Omaha in sole (?) stocks and said—but I kept pestering 'em for a while. And—and a few years later they hired me. I was the first gentile hired.

**TITLE**

On hearing Martin Luther King, Jr. speak

**10:25:47:10**

**WARREN BUFFETT:**

I remember that— that speech that— that Martin Luther King gave. I think it was in the fall of 1967 at— that was one of the most inspiring speeches I— I've ever heard. And— I just— maybe in the last— I tried to get a copy for many, many years. And finally about a year or two ago— a fellow— who now runs Morehouse— found a copy and sent it to me. And— when I read it today it— I think it's even better than when I heard it. I mean, it— it's a remarkable speech.

**10:26:32:10**

No I knew about King. I mean, but it was— it was— it was different knowing about King and listening to King. It was— he took me right outta my seat. My wife was with me. And we both had the same experience. And of course six months later he was dead. It was interesting he— in that speech he talked about truth forever on the scaffold, wrong forever on the throne. But that scaffold sways the future. Well, he was going to be dead in six months but that scaffold did sway the future.

**TITLE**

On being a Democrat in a family of Republicans

**10:27:06:02**

**WARREN BUFFETT:**

Well, the cheese must've gone bad I guess. The— I grew up— we— we couldn't sit around the dinner table. They— they wouldn't s— they wouldn't— let me eat my hamburger until we— we'd said a few bad things about Roosevelt. So it was— it was a very Republican household. Of course my dad got elected as a Republican. I campaigned for him. My sisters campaigned for him. So I— I even ran for the— as a delegate to the Republican National Convention in 1960— for reasons that were sort of— unrelated to the normal political reasons. I waited until after my dad died before I changed my registration. I didn't see any reason to do it. But I changed my ideas. And not in one fell swoop. But I changed my ideas— in the years preceding 1964 when he died. I was president of the Young Republicans Club at the University of Pennsylvania and was going to ride an elephant down Woodland Avenue— when Dewey won. But— but there

went my moment of fame when— when the Illinois returns came in.

**10:28:22:03**

Civil Rights changed— changed my views. It— I— I just felt that— that the Democratic— on balance the Democratic— neither party cared very— carried— cared very much about it there for a while. But— but I felt that the Democratic party— was more likely to do something about it. And it just struck me as fundamentally wrong that— that almost 200 years after this country was born that— you know, in 1776 Thomas Jefferson wrote— wrote, "All men are created equal." And then when they wrote the constitution they all of a sudden decided that no it was just 3/5 of a person if you were black. I mean, that struck me as kind of crazy. And of course in article two, section one they— they s— they use male pronouns in terms of describing the presidency. They don't do it with the House of Representatives or the Senate or the Judiciary. But they sorta slipped up and their true feelings came out in— in— in that article which is really remarkable when it's— it's him and he's and all that sorta thing— 13 years after the— the Declaration of Independence— said otherwise.

**TITLE**

On voting for JFK

**10:29:35:00**

**WARREN BUFFETT:**

I voted— I voted for JFK. Right. But I— I w— I didn't actively campaign for him. My dad was still alive then. My sister— I— my older sister was working very hard for Goldwater. So she started something or worked with

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it called Gold for Goldwater. So I— I didn't say— we— think (UNINTEL) two (UNINTEL) in the family nullifying each other.

## **TITLE** On Nixon

**10:30:03:11**

### **WARREN BUFFETT:**

Well, there's an interesting story on President Nixon in— in that in 19 for— my dad got— first got elected in 1942. And— and then in 1946 the Republicans won control over the House of Representatives for the first time since 1930. And one night, Joe Martin, who was to become speaker of the House for the Republicans came over to our house and told my dad that because of the Republican majority there was an open h— open seat on the House on American activities committee. And he offered it to my dad. And my dad said— no thanks, he wasn't interested in that seat. So then Joe Martin went to a newly elected congressman named Richard Nixon and offered it to him. And that's the way history develops. You know, I've always been fascinated by politics. And politicians fascinate me. So— Nixon was— a very interesting ch— he was a very smart man. And— you know, but he's self-destructive. I— one of the interesting— probably the— the— the book I'd really like to read is— is *Why Smart People do Dumb Things*. I've seen it all my life. I've seen it in finance. I've seen it in politics. I see it in marriages. All kinds of things. Why smart people do dumb things because— you know, Nixon— Nixon destroyed himself.

**10:31:35:07**

I was able to purchase *Washington P*— what—I owe



Nixon a— a great— thank you because— I was able to buy *Washington Post* stock very cheap— because— Nixon had encouraged Bebe Rebozo I believe to— challenge two licenses— for TV stations that the *Washington Post* had in Florida— Jacksonville and Miami. And *Washington Post* stock took a quick nose dive from about \$37 a share down to \$16. And even if those two stations had been taken away the stock was worth— many multiples of— of the price it got to— and they weren't gonna take it away anyway. So— President Nixon did me a huge favor financially (LAUGH) when he got Bebe to challenge those licenses.

**TITLE**

On Katharine Graham

10:32:28:21

**WARREN BUFFETT:**

Well, Katharine Graham— Graham was a remarkable woman. I mean, she was the daughter of— of Eugene Meyer who was a huge figure— in Wall Street and Washington. I mean, he went— he— he started in Wall Street— with a very small sum and went onto become— he was actually— chairman of the fed. He was the f— I think the first head of the RFC. I think he may have been the first head of the World Bank. He was a remarkable man. And— he had f— five children. But— but Katharine Graham— ended up being the heir to *The Washington Post*. Eugene Meyer had bought it in the early '30s and it lost money year after year after year until it finally merged with *The Times' Harold* around— 1960. But K— Katharine Graham— she had been— intimated about her business ability and— and a lot of other abilities both by her mother and by her husband.

And she had this idea that— that— men were going to be better at business or anything related to it than— than women. But— but she also had an inner strength that— so when her husband died and— and— and she was— had the responsibility for either taking over the paper or just sitting back and— and collecting dividends from it— she gritted her teeth and s— stopped her knees from at least— knocking so people could hear them and— and said, you know, she was going to take on the— the job at running *The Washington Post* company.

10:33:53:07

And— she backed Ben Bradlee, the editor of *The Post*— in the Watergate— scandal at a time when— politicians were opposing her, other news organizations were not picking up on it. *The Washington Post* was out there all by itself. And— you know, it— it changed— it changed the world— that piece of journalism. She'd earlier done the same thing actually with the Pentagon papers a couple years earlier in 1971 when— Daniel Ellsberg came to *The Post*— with the papers. And *The New York Times* I think— had him first. But they— they were— they were s— stopped from publishing to some extent and— and K— Katharine G— Graham— Kay— said to— to Ben Bradlee— you know, "Run the presents."

**TITLE**

Looking to the future

10:35:15:17

**WARREN BUFFETT:**

You don't have much choice. There's— it— it— if it's a choice between looking to the past and look to the future, believe me, look to the future. I— I really never been much for beating myself up over mistakes or

anything of the sort. There's nothing you can do about it. The only thing you could change is the future. And— and— I'm in a business where I'm going to make plenty of mistakes. And— that just comes with the territory. And— I'm— you— move forward. Al— although when— when Kay Graham died I was really hit. That was— that was— that was a terrible time.

**TITLE**

Anti-elitist

10:36:01:22

**WARREN BUFFETT:**

That's probably— I— I mean, I— I— I never thought of it that way. But I— I think I— I think it's fair to say that I'm an anti-elitist. I— I don't think people have any business thinking of themselves as elite. I mean, they— they— they may have been born with the potential for more IQ or for that matter, you know, able to kick a football further or— or dance better than somebody else. But— and they, no doubt, worked to perfect their skills and all of that. But— but— it really gets back to every— every human as equal value. And— you know, I could but— I coulda been born— well, when I was born in 1930 the odds were probably 40 to one against me being born in the United States. I— I did win the ovarian lottery on that first day. And on top of that I was male. And if I'd been female my life woulda been far, far different. So put that down as another 50— 50/50 shot. And now the odds are 80 to one against being— being born a male in the United States. And it was enormously important in my whole life— the fact that I was born in 1930 as a male in the United States. So it— to think that— that that makes me superior to anyone else as a

human being is just— you know, to me it— I can't follow that line of reasoning.

**TITLE**

On women's rights

10:37:39:06

**WARREN BUFFETT:**

Women— it's amazing the, you know, the— the 19th amendment was— was passed in 1920. So we went a very long time before we even got around to c— codifying that. But when I was born in 1930— I had sisters, one on each side a couple years each way. And they're just as smart as I am. They did not have the same shot in life. I mean, they— they were des— the— the— without anybody saying it— my parents loved us all equally but they did not have the same expectations for us. The teachers all felt the same about us in terms of wanting to help us and all of that sort of thing. But they were delivering messages, you know, s— without knowing it that told my sisters that their job was to— to marry well. And if they decided to go to work that they should be either retail clerks or nurses or teachers or— you know, maybe secretaries. And that was it. So you had half the talent in the United States— half the talent that— was told to sort of sit on the sidelines. And, you know, it— that's— always struck me as— as totally wrong. It— it made me realize how lucky I was when I was me. But— on the other hand, you could look at the flip side of that and say it's quite encouraging because if you look at what this country accomplished only using half of its talent, you know, just think of the potential for the future. I'm enormously bullish on America over the future. And part of the reason is that— that we by—

some rather stupid decisions— that probably weren't even thought out that much— we sort of inherited for— thousands of years of male behavior. But we essentially put half our talent on the sidelines. And— we're making a lotta progress on that now but we've got a ways to go.

**10:39:35:21**

It really d— it— it— it really doesn't make any difference to me except for the fact that— that since I feel that women have gotten the short end of the— the— of the stock for a long time that if it's a 50/50 choice I'd— I'd rather give the opportunity to the woman.

**TITLE**

Associate yourself with the best people

**10:40:01:16**

**WARREN BUFFETT:**

I think that I'm lucky enough in life— I know I'm lucky enough in life to be able to associate pretty much with whom I want to in business or s— socially or wherever. And— and— I think it's sort of crazy— I think the ideal thing is to focus with people that are better than you are because you will move in the direction of the people you associate with. And I advise students all of the time, you know, marry up. Marry somebody b— it can't be done mathematically if everybody tries to do it. But— but you will b— you— you will— your behavior will move in the direction of the people you associate with. And— so why not associate with the best? I mean, I— I've had a number of heroes in life. And associating with them has done wonders for me. It— I wouldn't— I wouldn't— not have been the same person— I would not have had the same fun in life— if I'd been indiscriminate in terms of who I associate with over time.

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## **TITLE**

Warren's heroes

## **WARREN BUFFETT:**

**10:41:02:00**

Well, you start with— my heroes you start with my dad. You know, you move onto— Ben Graham, you move onto my partner, Charlie Munger, Kay Graham was definitely— a hero of mine— my wives have been heroes in both cases. They've all done wonders for me. And— and basically not expected anything in return. I mean, I— I have these friends that— that they do two th— ten things for me and they're thinking about doing the 11th rather than whether they're gonna get one in return for me and— and— from me. And— and— I've been lucky in life in that I never had a hero that's let me down. That would be a terrible experience to have been— to really have your belief in somebody that— that you sort of worshipped— shattered. And it's never happened to me.

## **TITLE**

On loyalty

**10:41:51:01**

## **WARREN BUFFETT:**

Well, loyalty and the— yeah, it— I've— my partner, Charlie Munger, in business, for example, we don't keep score. You know, at— there's— who's done the most work or anything of the sort. And— and in a marriage that's important. I mean, it— but it's— it— I literally— I had a fellow named Lorimer Davidson at GEICO who— who spent four hours with me in— in a January day in 1951. He changed my life. He had no expectation he was

going to get a thing from me. But I came there on a Saturday and banged on the door of what was then called government employee's insurance, now called GEICO. And a janitor finally let me in. And he was the only in the office this— Lorimer Davidson. And he spent four hours with me giving me an education that literally did change my life. And— it very, very fortunate in life when you run into people like that. Ben Graham, I mean, he never asked anything of me. I mean, he just basically gave. I mean, he was— he taught for 25 years or so at Columbia. And he was creating future competitors. I mean, it— I'm sure he didn't— if he took any money for it he gave it right back to the school. But he just— he— he basically was— somebody said he was planting trees that other people would sit under. And— and I've had a number of 'em like that. And— it— it— it's been wonderful.

**TITLE**

Passing on wisdom to the next generation

**10:43:29:09**

**WARREN BUFFETT:**

Well, I like teaching. So I— it's— it's a little unfair. I mean, it's, like, I mean, he sacrificed what I— what I do. And I— I— I'm still at 84 I— I'm— I've got— 40 schools that will come up this school year— from all over, including outside the country. I have one— one school from Brazil that comes. And— another one— came from s— China and— week or so ago. You know, I had Harvard but at the same time I had Western Ontario. And so I enj— but I enjoy it. And— at the start of every year I kind of feel, "I'm not sure whether I wanna do this again." Then as soon as I start talking to the students I

get energized 'cause it's so much fun— just looking at a bunch of people who got their futures ahead of 'em, they're forming ideas, they're forming behavior patterns and— and they're eager to learn and they come 1,000 miles or 1,500 miles to talk. And— and— I probably get more out of it than they do.

**10:44:31:08**

I— I let 'em ask any question they wanna ask. I tell 'em, "You could throw it at my head. It'll be much more fun for me than if you deliver up softballs. So you can— we can talk about investments or— or business but we can talk about philanthropy or we can talk about marriage or we can talk about career." And— I remember sometime back— there was a young woman from the University of Chicago and the very first question I g— got from her was, "Do you have to be a bitch on wheels to succeed?" And I— I— I think I convinced her that she didn't. And my guess is she's succeeding now. So it— it— it— you get a lotta good feelings out of— out of— teaching. I started when I was 21.

**TITLE**

On talking to students

**10:45:18:00**

**WARREN BUFFETT:**

Well, I— I really wanna talk to students. And— and— if I talk to a bunch of 50 or 60 year olds what— they want two things, they want predictions and to be entertained. They're not gonna change their behavior patterns they're all— it's too late for them. Somebody once said the chains of habit are too light to be felt until they're too heavy to be broken. And by the time you're say— you're not gonna, you know, there's— there's no great change



that's gonna take place. But with the students it actually makes a difference. And I get letters from them that— telling me how it makes a difference. It— it makes a difference maybe on who they marry or what— or w— how they go into marriage in terms of the discussions that they have with their proposed spouses, the— all kinds of things about what they'll do in careers or whatever it may be. Who knows what comes out of it. But I do know— because I— I hear from them— I do know that they— it changes their lives in some way. And I have a good time too.

**TITLE**

The side people don't see

**10:46:31:07**

**WARREN BUFFETT:**

Well, the toughest thing I have to do i— i— is if I have to fire a manager. And we have no retirement age at Berkshire. So— it isn't like at 65 I can say, "You know, you're j— you're just terrific but we've got this rule." So when I tell somebody it's time for 'em to leave they know I'm making a decision about them. And these people are my friends. And I do it myself— in most cases. Not all cases but most cases. These— certainly if they're friends of mine I do it. And— and most of 'em are— I do it myself. And I would give a lotta money not to have to do that sort of thing but that is my job. And— and capitalism at times can be very tough. And— and— and the market system can. It— it's a wonderful system. And it produces way more goods and services that people want than any other system will. But with given individuals, given industries, given companies it— it can be very— it can be brutal. And— it's up to me to have

the right person running a business. And— and sometimes that right person runs outta gas for one reason or another. Sometimes, I mean, I've had cases of Alzheimer's and other debilitating— situations. And— and— I get on a plane and fly in, one way or another tell them that their time is up. And it's—they usually get— it (UNINTEL) they're consoling me usually 'cause I feel so terrible about it. But— but— you know, it's not pleasant. But I— you have to make other tough decisions. There's no question about it.

**10:48:15:07**

It's— it— it's— it's painful. And it'll always be painful. And— and on the other hand I have to do it. And— and somebody'll have to come and tell me. But I'll— I'll understand what they're going through. I— I tell my kids, you know, "Tell me when I'm going gaga. But— but all three of you better come in 'cause if it's just one of you, you're out of the will."

**TITLE**

His inner voice

**10:48:59:07**

**WARREN BUFFETT:**

Oh I think it— it's largely a blessing. I mean, that is— that is when you, you know, that's when you're making decisions. I mean, I— I like to sit and think. And I spent a lotta time doing that. And sometimes just pretty unproductive. But— but I— I find it enjoyable to— to think about particularly about— about business or investment problems. They're easy. It's— it's the human problems that are the tough ones. Sometimes there aren't any good answers with human problems. There's— there's almost a g— always a good answer

with money.

**TITLE**

How Warren measures success

**10:49:35:19**

**WARREN BUFFETT:**

Well, I think— somebody— I think for most people it's a pretty good— remember I think it was Burton Russells whereas though I tried to l— look it up one time and I couldn't find him. But he— he said that— that, "S— s— success is getting what you want and happiness is wanting what you get." And— I would say the best measure of success for many people— comes from a story. There was a woman here in Omaha— a Polish Jew who— went into concentration t— camp during— the war— went in the— a German— operation where her— some of her family went in with her and she was in one line and the— her sister was in another line and they didn't all come out. I mean, that— she— she went through terrible times. And when she was maybe 80— so I probably woulda been 70— she said to me one day— she said— "Warren," she said, "I'm very slow to make friends because when I look at somebody I say to myself, 'Would they hide me?' And I would say that if you get to be 65 or 70 or 80 and you've got a lotta people that would hide you, you're a success." And it's pretty s— another way of saying a lotta pretty who really love you. And I would say that if you get to be that age and people are holding testimonial dinners for you, you know, beg— to write 'em a check or naming business schools after— whatever it may be and nobody would hide you, I think you're a failure. And I know plenty of very wealthy people that their own kids wouldn't hide

'em. So I think— I think if you're looking for one measure of success just say to yourself, "How many people would hide you?" And there's a lotta people that— that— that never accumulated a lotta money or anything but there's all kinds of people that would— would do anything for 'em. And I feel that way about some people. And— and— and have felt that way. And— you know you're a success then.

**TITLE**

He doesn't fear death

**10:51:36:03**

**WARREN BUFFETT:**

No I don't. I— I— I used to— when I was about ten years I used to think about it a lot. But now I— I've had a terrific life. I feel— you know, it's gonna happen. And— and— I have no idea what happens after it. I'm— I'm an agnostic. So I, you know, it— it may be terribly interesting, it may not be interesting at all. We'll find out. But it— it— your body gets kinda tired after a while. It— mine isn't quite there yet. But— but I— I think in another 20 years I'm— I'm not sure I would want— a lot more days after that. I am having, you know, I'm having as good a time at s— 84 as I've ever had. But— but my body can't do the same things it— now that it could before. But fortunately it doesn't make any difference in my activities. Someday it'll make a difference. And I don't— I would not want to st— stick around in a paralyzed state. I mean, just take, you know, Joe Kennedy, for example. I— I would not wanna exist that way. So it— it— I do not want to survive just to survive. And I— I've told my kids and my wife that that— you know, just don't— don't keep me alive just

to— just to keep a heart beating. Keep me alive as long as I'm enjoying life.

**TITLE**

On aging

10:53:00:17

**WARREN BUFFETT:**

Well, physically— you know— I'm pretty well-deprecated. I'm getting down to salvage value. But it doesn't really make any difference. I mean, I don't need hand-eye coordination. I don't—you know, I don't— I don't need balance particularly or— or— or strength like. And so I'm— I'm not as strong as I was five years ago. I can't hit— I— I— I haven't gone out to do it but I'd probably hit a golf ball, you know, at best half the distance I could've hit it ten years ago. But it really doesn't make any difference at all. Doesn't interfere with my work, it doesn't interfere with my happiness, it doesn't interfere with my thinking, it doesn't interfere with my friends. So I literally can say at 84— I may not be able to say it, you know, a few more years— but I can say at 84 that I— that the facility to my body isn't the same as it was early— it wasn't that great to start with. You know, you're not looking at some guy that was, you know, was a candidate for the Heisman or anything in— in the past. So— it— I don't feel any diminution in my enjoyment at life or enthusiasm for life at all to this point. And in fact in the sense the game gets— that I'm in, gets more interesting all the time. My— it's t— the one part about growing old that's particularly tough is you lose more of your friends. I mean, that is— and that's tough. I just lost one last weekend in Don Kehoe who's a wonderful friend. But— aside from that— and

that's important. But aside from that— I wake up every morning as excited about the day that's coming as I ever have in my life.

**TITLE**

His mind is still sharp

**10:54:36:19**

**WARREN BUFFETT:**

It— I would not do as well on an IQ test as I would've 50 years ago. I can't— I can do mental arithmetic still pretty well. But I— not as good as I could when I was in my 20s or 30s. I— I c— I— I read faster when I was younger. I could— I— my memory is still pretty good for— business facts and that sort of thing. But if— if I'd read a book when I was 25 I'd remember it better than if I read a book now. On the other hand, I've learned more about people over the years. So— so I have— I'm— I'm better actually at things that involve people judgments than I would've been in my 20s. But— but in terms of learning a new game, I wouldn't learn it as fast now. Used to be a game called Simon that you— that you pushed various buttons, for example. Well, I was pretty good at that 40 years ago. If I took that up now and spent the same amount of time practicing on it I wouldn't be nearly as good.

**TITLE**

Human behavior

**10:55:40:23**

**WARREN BUFFETT:**

I've learned all kinds of things about human behavior. It's very hard to c— to— to describe all the various fa—

aspects of it. But I have seen, you know, when I was 20 I hadn't seen that much of human behavior. But— but now I've experienced a lot particularly in sort of a specialized field. And— and— and— so I think— I think I'm quite a bit better in terms of— of— of particularly with the extremes of human behavior. If— if you give me 100 people I can't pick out the best one to run a business. Take 100 graduates of a good business school or something. I can't pick out the best one. But— but if I hear from people who are selling a business or— associate with some other way I think I'm reasonably good at— at— at picking the ones that— are particularly how they'll behave if— after they sell us the business or how they'll behave in other situations in the future. You still make mistakes.

**TITLE**

His focus on work

**10:57:00:18**

**WARREN BUFFETT:**

I have no regrets at all that I focused on. I got interested in stocks when I was probably seven or something like that. I got interested in business when I was six or seven. And— and— you know, would it had been better if I focused on chess? No, Bobby Fischer woulda killed me. You know. If— if I focused on golf, you know, it'd be a joke. So I— I— I happen to f— very early on learn s— sorta stumble into an area that I was gonna be naturally good at. And I was better because I did stumble onto it early and I was better because I focused on it. But— and obviously if you're gonna spend X-hours a day on— on some particular activity you're not gonna do it on

something else. But— you know, I never learned to ice skate. I don't miss it at all. There's all kinds of things. And I— you— you g— you get to pick what you spend your time— if you're lucky you get to pick. And— and I've been able to really decide my own calendar in the last 60 years probably to a degree that almost be hard to top in any way. And— and— and I'm glad I— made those choices.

**TITLE**

Doing what you love to do

10:58:23:12

**WARREN BUFFETT:**

I get every day— and I've been doing this for decades— I get to work at what I love with people I love. You know, if— if you take my assistant, Debbi Bosanek, I mean, you— there's nobody in the world that I'd rather work with than— than her. You know, and— and— and Ch— Charlie Munger, my partner, even though he's in Los Angeles, there's nobody I'd rather work with than Charlie. And the managers we have. So I— I get to select the game, sort of how the game's going to be played and I get to select the people I get— who are gonna be on my team. And if— if I— if I do— if— if I'm associating with somebody that causes my stomach to churn it's my fault 'cause I don't have to do it. And I— I— I've arranged things that way to quite a degree. And I— I'm in a field where I can do that. If I was in government I wouldn't be able to do it or politics— all kinds of things. But— but fortunately I'm in— I consider it the sort of ideal game.



**TITLE**

The importance of quiet time

**10:59:28:07**

**WARREN BUFFETT:**

Well, I— I like things quiet. I— I— I shut the door actually at the office 'cause I— I don't wanna hear anybody talking outside. And— and— I— I j— I like to— I— I like to read a lot. Can't read as fast as I used to read. S— but I still pretty spend five or six hours a day reading. And— and— and or— or thinking while I read— the— I don't— it's— it's the kinda life I like. Somebody else with a different— different personality might like something much different. But— but I— I do know what I like and I've managed to create an environment where I maximize it.

**TITLE**

The way his mind works

**11:00:31:19**

**WARREN BUFFETT:**

Well, over the years you develop a lotta filters so you don't waste a lotta time on things. I always worry about sounding rude when people call me about a business because usually in a minute or two I can tell whether it's gonna make it through all the filters as to something I'm interested in.

**11:00:48:08**

And I don't to tell 'em that because they feel that if I just listen to 'em for an hour that I'll understand why they like it so well or something of the sort. So— there are these— there are various shortcuts that you get. But I— I probably don't retain, you know, I— I'm retaining a

particular— set of inf— or— or collection of information. But other people are doing it in different ways. I mean when I was a kid I could've told you who was the starting lineup for, you know, 16 major league teams. But there— there were only eight teams in each league and— and they didn't trade their players around or anything. I can't tell you anybody now. But there're all kinds of people that can. That— they're just collecting different information than I'm collecting. And— and— and there— there're people that are caring around absolutely as much information in their head as I am. But I happen to have it pretty well concentrated in a few areas. And I do know what I call my circle of competence. So I— I— I stay within that circle and I don't worry about things that are outside that circle that other people may be able to— capitalize or evaluate. And it doesn't bother me that other people have skills that I don't have.

**TITLE**

His circle of competence

**11:02:02:08**

**WARREN BUFFETT:**

Well, my circle of competence; which has grown to some degree. But— circle of competence is— is— is the area— in which certain kinds of industries, for example, I can understand the future economics of. Other kinds of industries I— I can't. And I have to— I have to know where that— the perimeter of that circle is. Now over the years I may be able— enlarge the circle somewhat. But the circle never gets to be all-encompassing. And— Tom Watson, Senior, who built IBM said, "I'm no genius. But I'm smart in spots and I stay around those spots."

Well, he was talking about a circle of competence. And I see all of— I, you know, my partner, Charlie says, "You know, it's wonderful to have a h— IQ of 180 as long as you don't think it's 200."

**11:002:48:03**

And I have seen all kinds of very, very smart people— self-destruct one way or another in business or particularly in— in— in the stock market. And they— they stray outside of their circle of competence just because they know they're— they know they're very, very smart. But that doesn't mean they know everything. And— and defining w— what your game is, where— where you're going to h— have an edge is enormously important. And I think both my partner, Charlie, and I have gotten reasonably good at that over the years.

**TITLE**

On greed and envy in American business

**11:03:34:04**

**WARREN BUFFETT:**

Well, greed takes wrong— but I would say it envy does it probably as much as anything else. I mean, the reason they get greedy is because you sit there during an internet boom or something and your next-door neighbor who you know is not as smart as you are has just bought a new car because (LAUGH) he did something he didn't understand but it worked. And you say to yourself, "Well, you know, I— if he can do it, I can do it. And I'm s— I know I'm better than he is." Or maybe your spouse says to you, (LAUGH) you know, "What's going on with the Jones next door? You know, he— he— you're smarter than he is but they're driving

newer cars." So envy is— envy's a big— I— I— I ran a firm on Wall Street for a small period of time. And— I would pay somebody in the late 20s a couple million dollars— and this is 20 years ago when a couple million was even more than now— and they would be fine until they found the guy next to 'em, you know, got two— \$2.1 million.

**11:04:24:27**

And then from that point forth they were unhappy. So envy is a terribly destructive— greed— greed and envy get mixed up together. But— and the— think about envy of course is— as my partner, Charlie, says of— of the— of the seven deadly sins, I mean, there's no— there's no upside to it. I mean, you talk about gluttony and at least it's kinda fun while you're eating. And you could talk about lust and we know, you know, there's some fun there. But— but you— envy, you make yourself feel terrible and the other guy that you're (LAUGH) envious of doesn't even feel it.

**TITLE**

How making money has shaped his character

**11:05:05:10**

**WARREN BUFFETT:**

Well, it's— it's— it— it's a game. I mean, it— it— it's— it's a competitive game. It's a big game. And I enjoy the game a lot. The money has utility up to a point. But that point was reached probably when I was in my early 30s. You know, beyond that point money had no utility. But the game was a lotta fun. And the game has continued to be fun. And it does benefit other people. But— you know, my— I was born with wiring that in this kind of economy at this time in our history— I'm gonna make a

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lotta money if I work at it. You know, doesn't mean that I'm a superior human being or anything. But— but I wasn't born, you know, so that I can— I can, you know, win *Dancing with the Stars*.

**11:05:53:08**

I mean, you know, I can't come in second or third or fifth or tenth. I can come in last. And, you know, it— it— it— it was pure accident. And— but I was in the right place at the right time with the right wiring if— if you were going to make money. And— and I realize that at— at some point. And— and I enjoyed it— the game. And it is a game that you don't have to, you know, it's not like being— a heavyweight boxer or, you know, baseball player or something. I mean, you can play that game a long, long time.

## **TITLE**

How he was as a child

**11:06:32:03**

## **WARREN BUFFETT:**

I wasn't— I— I was— I was smart but I wasn't that smart. You know, I was— I was good at what I ended up doing. But, you know, I got a nickel a week allowance and— and a nickel a week wasn't enough to satisfy what my wants. So I— I went into business very early. And— and— I wasn't gonna make more than a nickel a week unless I— unless I started selling Coca-Cola door to door. I sold gum door to door. I sold *Saturday Post*, *Liberty Post*, *Ladies' Home Journal*, you name it. And I enjoyed it.

## **TITLE**

On Omaha

**11:07:19:12**

**WARREN BUFFETT:**

Well, I like Omaha. But I— I'm comfortable when I'm other places but— 'cause I have friends— a lotta friends on— particularly on both coasts. And— and— and Omaha's very convenient f— flying— either way. I can be almost any place in three hours. And I like to see my friends. And I like— I like action. But— I like Omaha. It's— it's— you know, I— I live five minutes from where I work and that's been the situation now for— for 53 years. And— and— I work with people that, I mean, a great group of people that make my life very easy and that take good care of me. And— and my k— my grandchildren— went to the same high school that— that my children went to, my wife went to, my dad went to and my grandfather went to. Same public school, inner city— integrated— been integrated for 75 years. Charlie Munger went to the same school.

**11:08:11:22**

And— so the— there's a lotta continuity to it. There's a lotta friendships. The medical center's five minutes from the office. And at 84 maybe that's a little more important. And— and I know— I know the doctors, they know me. I— I knew their fathers probably. And— so everything— everything works. And— and it just— it's a pace, it's— it's relationships— continuity, the— that I like. But I— I'm— I'm very happy when I'm other places too with— seeing my friends there.

**TITLE**

His typical day

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11:09:01:21

**WARREN BUFFETT:**

Well, a typical day— yeah, I don't have any spec— special time I get (UNINTEL). But normally I get up a little before 7:00. I had to get up at 4:30 this morning. So sometimes I wake up early. And I do a lotta reading then too. But— but— I'll get up— but I'll read the papers at home some— almost always. So I may get to the office. This morning I happened to get here at 6:30 because I got up very early and I read all the papers and still got there early. But it doesn't really make any difference because I can think about the same things at the office or— I— I don't— I have very few appointments. I— have— I'm the least scheduled guy you'll find in my position. And I— I like it that way. But I get here to the office and— I've read some of the papers, I read more papers. I read mail. I don't do email myself. But it comes from my assistant. And that keeps it down. And— and I sit and read all day. We— we don't have any committees at— at Berkshire. We don't have a commit— we don't have a Power Point we do— don't have any of that sort of thing.

11:09:58:07

We don't have a public relation's department. We don't have inver— investor relations, we don't have a general council, we don't have a human relations department. We've got 300 and some thousand employees around the world. And we're pretty third or so in market value, maybe fourth— in— in the world. But— but we just don't go for anything that— that people do just as a matter of form. And— I've got— I've got an office I like. And— that goes on and s— some days I go home at 5:00 sometimes I go home 5:30 or 6:00. And c— I come down on Saturdays usually. But— but I come down mid-

morning maybe and— and— and usually go to lunch with somebody in the office. And there'll be four, five people in. And— if there's a football game I may watch it on TV at the office. And— I watch a lotta football games or whatever it may be, sports events. Maybe in the afternoon while at the same time thumbing through other things. And it's— it— it's exactly the life I like.

**TITLE**

The importance of focus

**11:14:12:21**

**WARREN BUFFETT:**

I think it was about 1992— that— shortly after I met Bill Gates I was out at a— with his parents. And they have some other guests. And— Bill's dad asked each of us— and there were probably 20 or so— to write down on a piece of paper— one word that would best describe— what had helped us the most. And— Bill and I without any collaboration at all each wrote the word focus. And— and I would say my partner, Charlie Munger, is an extreme example of— of focus. But, you know, that's why Tiger Woods hit 10,000 putts to where, you know, or Roger Federer's.

**11:14:50:29**

B— but spending three or four hours a day hitting— a golf ball or some pianist has been spending five hours a day practicing. I mean, focus is just bearing down on something that— that in my case— and I think probably the case of most people that are reasonably good at what they do— that they enjoy. I mean, you c— you— you wouldn't be able to do it if it was work. So it's— it j— it's— it's a natural— it is not— it is not I say to myself, "I'm going to focus on this," or do anything of the sort.



It's just a natural behavior. And it's— it's been that way ever since I was a kid. But— but kids focus. I mean, the, you know, s— the best— the best kid at baseball in, you know, in eighth grade is— is taking a lotta swings out there or, you know, or he's I think Bill Bradley told me how he used to shoot baskets five or six hours a day because he figured some other guy was doing it four hours a day. And— but he enjoyed it too. And— and I— it's the same way with me.

**11:16:13:02**

Yeah, I c— I can't tell you the color of the walls in my bedroom or my living room or the color of the carpet in my living room. It— it—it— one time my— when I worked at home I worked in this little sewing room sort of off the bedroom. And— and at one point my wife put in this wallpaper with this bright red and had dollar bills on it or something she found at some place. And a couple years later I— I said to her— I said, "That new wallpaper's terrific." And she said, "It's been there a couple years." I— I just don't— I don't see things like that. It— it— I'm not colorblind or anything. But it— it— it's just not something that— that grabs me.

**11:16:52:17**

And— and— on the other hand I'll remember a number sometimes a long, long time. It— but— my l— my partner, Charlie Munger'd be the same way. I mean, it— and Bill Gates'd be the same way. I've got a lotta friends that— that they just— they get s— they get so darned interested in what they're— they're working on they just don't— they don't see other things. That makes me easy to live with in some ways. I mean, sorta get away with anything around me.

**TITLE**

Lessons from his parents

**11:17:27:19**

**WARREN BUFFETT:**

Well, it's very difficult to say. My— it— I grew up in— a middle class family, basically. My dad, well, my dad lost his job in 1931— a year after I was born. Had lost all his savings. And only the fact that my grand— his father had a grocery store w—was— you know, kept eating. Nevertheless, my father went onto have another child a year or two later. I mean, he was an optimist. He— he believed very much in having an inner score card and never worry about what other people are thinking about you, you know, just— just— if you know why you're doing what you're doing, that's good enough.

**11:18:06:22**

And he— he read— a lot. He was an introvert to some degree. He liked people but he— but he also liked just sitting and reading, liked talking— with the kids. And— so he— he was— he was a sensational teacher on— over the years. But we were learning, you know, we were learning how he saw life and it made a lotta sense— to us. So we started seeing life the same way. And he— he always emphasized that, "It's your inner score card that counts. Don't worry about what the rest of the world— thinks." He was probably a little bit better than that— than any of his kids were. But— but it— it— it sunk in.

**11:18:47:14**

My mother was very smart. And cared a lot about her children. But she'd had a very, very touch childhood. Her— her mother ended up in a mental institution. And one of her sisters joined it, the other sister committed suicide. Her brother who was a super star died at about age 30. So the— she'd had— she'd had a tough life.

And— so she— she was very dutiful about taking care of the kids. But you didn't get the same feeling of— of love. It was there but it just— it didn't come out the same way as with my dad.

**TITLE**

His mother's migraines

**11:19:29:15**

**WARREN BUFFETT:**

She— she— she would have— I th— I think she would have w— what the, you know, would be known as migraines now. I don't think they even called them migraines in those days. But she— she would experience terrific headaches. And you didn't wanna be around her when she was having the headaches. And she would— she would lash out more. She would never do it in public. But— but— and— and my— and she worshiped my dad. So— so he was a calming force if he was around. But o' course he— he wasn't around during the day when you were a little kid. So— so you— you wanna do— you didn't wanna be around when my mother had a migraine. But you pr— you know, I— I— I could be sympathetic to that.

**TITLE**

His mother's concerns on how others viewed their family

**11:20:14:21**

**WARREN BUFFETT:**

Well, she certainly was concerned in the sense that she had one exterior— we— she had one personality when other people were around and— and sometimes she had

a different personality when they weren't around. I mean, she did not show that other personality when— other people were around. But I'm not sure how much, you know, I don't know what kinda pain she was actually in so it's— it's hard to evaluate— precisely, you know, what was the motivation for the— the behavior.

**11:20:47:11**

I think it had a lasting impact on all three of us, sure. It— it— it may have helped. I— I may have compensated in some other ways. I mean, I, you know, I— I— I've often thought that I've had so much luck in the world that most of the things that I did were wrong turned out pretty well including, you know, when I went through a period where I got very rebellious and— when I was 13 or so. But I may have compensated by going out and delivering 500 papers a day. And— and if you translate that to the present day every— I— I made a penny a paper. But in terms of compounding that penny sure did something else.

**TITLE**

His father was the greatest man he ever knew

**11:21:42:13**

**WARREN BUFFETT:**

I never saw him doing anything that you couldn't put on the front page of the paper. And— and— and— I— I— now he was— he was probably the best teacher without attempting to be a teacher, you know, with— with all three of us— kids. So it— it— we all grew up knowing that we had unconditional love from my dad. That doesn't mean we— he thought we could get away with everything. There were times where I felt his disapproval. But he had a terrific way of showing his

disapproval. I mean, he just— he would basically— and— and— he probably had his reasons for having disapproval too. But he w— he basically would just essentially say, "You know, I know you can do better than that." He had his own way of saying it. But— but he didn't— he didn't— I— I ne— I don't think I heard him raise his voice, you know, in— in my lifetime. And— but— but you knew if he was disappointed with you. And— and— and that— that h— that would have a big effect with all three of us actually but— including me.

**TITLE**

On pleasing his parents

**11:22:47:14**

**WARREN BUFFETT:**

I wanted please my dad more than I wanted to please my mother. Yeah. But I— sure. I mean, I— I think we all did. And we knew incidentally we didn't have to do a lot to do that, we just had to do our best. I— he never attempted in any way to steer me into any kind of activity. He— he encouraged me to go to college when I didn't wanna go to college. But in terms of whether I was, you know, if— if it has to— his preference— he never woulda said it to me— but he— he probably woulda liked me to be a preacher or something of the sort. But if— but— he— he did not try and steer me in any direction in— int— and— and even in terms of, you know, later on in terms of getting married or anything of the sort. He— he— he was just for me (?). And— it's a great feeling.

**TITLE**

The Stock Market crash of 1929

**11:23:50:11**

**WARREN BUFFETT:**

Well, I— 'cause I was— I was born in 1930. I was conceived during the crash. So I— I actually owe my existence because my dad was a stock salesman. And by November of— of— 1929 when I was conceived— there was no such calling on people to try and sell him stocks. So I— I think he was probably just staying home and there wasn't any television in those days so here I am. So I probably owe my existence to the stock market crash. But my dad— my dad had— had— a heart attack— very young around that period. I don't know exact time. But he— he basically said felt if you did your best, things would work out. And— and he— the bank where he was working— closed. I think it was the day before his birthday in August 12th in 1931. And— it— he had what little savings he had in the bank. He owed \$55 a month on a mortgage on— on the house we had. And— but he— you know, I don't know this. But I just know from his behavior subsequently and everything I've he— he wasn't discouraged. I mean, and— and— like I say, he went onto having a third child. And he just— he worked right through The Depression. Started his own company because he had no place to go. He couldn't get a job any place. So he started his own company originally called Buffetts/Slenegan Company. I think Slenegan put up a little money 'cause my dad didn't have any.

**11:25:07:00**

And— that company continued. I eventually went to

work with it. It was always a small company. Never made lots of money. We never bought into a country club. We never had a second car, any of that sort of thing. But we always— we lived fine. And— and about 1936 we moved into a nicer house and— and— it— it was— it was a middle class— sort of living. And— and that's what— that's the way he wanted to live.

**TITLE**

His father's optimism

**01:12:44:20**

**WARREN BUFFETT:**

—I think probably the fact that my dad was optimistic would have had a big effect on me because I admired everything about him. So to the extent that I was absorbing lessons from him without knowing it I probably— I probably came about that.

**01:13:01:06**

I— I don't know how much— being optimistic is just— I've got every reason to be optimistic. For one thing, I've been healthy all my life pretty much despite the fact that I eat like a six year old and I— I've had terrific friends throughout my life. I— it'd be kind of hard— if— if I was anything but optimistic there'd be something wrong with me. But I— I do think I s— certainly being around an o— optimistic father— he didn't care about money at all. I mean, he wanted to have enough money so his family could live fine. But it— it— it meant nothing to him. He was kind of entertained that I liked (UNINTEL).

**01:13:34:04**

But— his optimism reflected itself in the fact that he— he believed that, you know, that all three of his kids would be— do terrifically. Although like I said he— the

expectations for w— girls then were entirely different than for boys. But I— I had no doubt that he thought that I was gonna be a huge success.

**TITLE**

Warren as a young boy

**01:14:00:05**

**WARREN BUFFETT:**

I was— I was pretty standard. I— I liked to read more than most kids. And I— I really liked to read a lot. My eyesight was bad. I didn't know that for a while. But— it never slowed me down. But I liked— I liked sports. And I was— I was average. I never was— I was never good, I was never terrible. So I wouldn't have been the— I never woulda been the first guy chosen but I never woulda been the last guy chosen for basketball or baseball or whatever it mighta been.

**01:14:28:07**

You know, and when the time came I liked girls. And it was a pretty normal— that way— except we did move to Washington when I was 12 or so when my dad got elected to Congress. And that disrupted my life and— for a period. I was— I was very rebellious after that.

**01:14:47:23**

I mean, I felt that I was doing fine in Omaha and— and all my li— everything was going well and— and— and then we moved to a different environment. And I d— so I— I— I behaved very badly there for a while. Not too long. But— but— but— long enough to probably cause my parents some worry.



**TITLE**

The rebellious student and son

**01:15:13:22**

WARREN BUFFETT:

Well, I— I just— at school I just lost interest. I mean, I— I— I took pleasure in tormenting my teachers. I mean, at— at that time, for example, AT&T was the stock that all teachers owned for their retirement. Pay \$9 a year dividend. It was the ultimate, safe stock. So the teachers all owned it. So my teachers found me a big pain in the neck. But they did think I knew a lot about stocks. In fact, they— and so I shorted then shares of AT&T and then bought the confirmation to school and showed these teachers that I'd be shorting the stock they were counting on for their retirement.

**01:15:47:00**

I— I was a real pain in the neck for a while. And there was a period— actually there was one short period where— and I think it was the English class they actually put me in a special room. I was kinda like Hannibal Lector and they shoved the things in under the door. You know, and— but that didn't last too long. My— my dad at one point— this went on for six mo— I stole things then. I mean, it was— it was— it w— I didn't steal 'em 'cause I wanted them.

**01:16:11:00**

I just stole them because the guys I was hanging out were stealing things. And— and— and I liked these fellows and they liked me. But— but my dad at one point said, "I, you know, you can do better than this." And— and he may have thrown in the fact that, "I think you'll have to give up your paper routes if you keep behaving

this way." So I shaped up.

**TITLE**

Running away

**01:16:36:02**

**WARREN BUFFETT:**

I ran away. Yeah. I— I— when I was— s— the low point sort of I— I— I decided I would run away. And— and I— but I some kind of a coward about it so I talked two other guys, John McCray and Roger Bell into running away with me.

**01:16:52:20**

And— so we— we went out, we got on Wisconsin Avenue out— out— near Western Avenue. And we started hitchhiking. First guy that picked us up— we got in the car— three of us hitchhiking. And— and we asked him he— we asked where he was going. He said, "I— I'm going to hell, you wanna come along."

**01:17:09:16**

And at that point I— the whole adventure was sort of tapering out. But— so I got outta there as fast as I could. But we got to Hershey, Pennsylvania. One of the guys had some thoughts about the fact that Hershey was sort of Nirvana and we could go to the Hershey Plant and they'd give us free Hershey bars. They had an amusement park there. And then we got picked up by the state highway patrol. And— and then— in Pennsylvania. And that scared the hell outta us. They took us down to the highway patrol headquarters. And we could hear this teletype in the background. We just— we were lying to these highway patrolmen about how the fact we had our parents' permission and everything.

**01:17:43:18**

And we were afraid that teletype was sending out an all points alert, you know, pick these guys up. So we got outta Hershey as fast as we could. And finally we got back to Washington, Robert Belt— Roger Bell's father was a congressman too. And Roger Bell's mother actually was in the hospital He cashed in his— his what were then called war bonds to— have the money— to finance his part of things. And— she was— and— and he— he— I think he wanted to go to Stanton Military Academy. And I think he ended up winning that. I walked in the door and the first thing my mother was— said to me was. "How come you came back so soon," which was a little deflating. So that was— that was the last time I ran away.

**TITLE**

How Warren was with girls

**01:18:28:15**

**WARREN BUFFETT:**

Bad. I— I— I— socially when I left Omaha I was in eighth grade. And— I was doing okay socially in Omaha. But when I moved to Washington they were in a different point sort of in— in— in— in social development at that point. And— I was the youngest one always in the class 'cause I'd skipped.

**01:18:50:06**

And— so I— I was sort of out of the swing of things there for a while. The— I— I went to my 60th reunion at Wilson High. And there was a girl there— named Barbara Wegan. She's got a married name now. But I took her out one time to the uptown theatre in Washington. And I asked her whether she remember what movie she saw. And she said, "No I don't

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remember that." And then she said, "But I do remember one thing." And like an idiot I said, "What was that?" And Barbara said, "Well, you picked me up in a hearse." It was true that owned a half interest in a hearse when I in high school which was not the smoothest thing— or coolest, as they would say now, the thing that you could— you could do on a date.

**01:19:51:23**

## **TITLE**

Working for his grandfather's store

## **WARREN BUFFETT:**

Yeah, well, when I was very young. I was probably only ten or so at that time because this was before I moved to Washington. I— I did work at my grandfather's grocery store. And there was a— fellow named Eddie that was the oldest driver. We had seven trucks at— seven orange trucks at the— grocery store. It was a credit and delivery store.

**01:20:09:21**

And so I would be his helper. And people would phone in their orders and then I would load the truck in reverse order of— of how we were going to deliver. Now Eddie would tell me how to load the truck. So I— I went out with him the first time, I loaded the truck like he said. And we started out. And our first stop was in Benson. And then we went— for our second stop was in Dundee. And then we went back to Benson, which was a couple miles away again. Then we went to Central Omaha. Then we went back to Benson again.

**01:20:34:23**

And I couldn't take it. After a while I said, "Ed— Eddie, you know, I— I'm only ten. But— but— this is the

craziest route I've ever seen." I said, "Let me redesign this and we get this done with half the mileage." And then he gave me this is disgusted look. And I thought Eddie was 120 then. He was probably about ten years younger than I am now. But Eddie lo— gave me this look and he said, "Warren, don't you understand," he said, "Mrs. Call is the best looking woman on the route. And if we get there early enough she may not be dressed."

**01:21:01:06**

And he said, "And then Mrs. Code is the second best looking and if we get there—" and I felt so sorry for this woman that was last on the route. I mean, by definition she was in bad shape. But I learned a little bit about business then. And— and sometimes how the employees' interests can differ from those of the employer.

**TITLE**

On being competitive as a child

**01:21:16:14**

**WARREN BUFFETT:**

I've always been competitive. But— sometimes it doesn't pay to be competitive if you're in the wrong game. I— I— I was in one boxing match when I was about ten or something like that. And after the first round I don't think I could lift the— lift the gloves. But fortunately the other guy was in the same position. So it didn't make much difference.

**TITLE**

What his family was like growing up

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**01:21:51:02**

**WARREN BUFFETT:**

It wasn't— it— it was not a formal household. And mo— a good bit of the time it was a happy household. And— and some of the times it wasn't. But most of the time it was. And we did— there was a lot of— there was a lot of entertaining in the home in those days. I— nobody had much money.

**01:22:07:09**

So there were bridge clubs, for example. And I— I always— always did very well with older people. I mean, I— I liked my dad— my dad's friends. And then— I used to walk over to— a church for choir practice. I was in a kids' choir when I was ten or 11. And on the way back I'd always stop at about ten houses and talk to various housewives that I knew through my— through my mother and my dad. And— and there was s— a lotta sociability. And we had— we had a ping pong table in the basement. And all— all of the— all my dad's friends that would come over— they'd all take me on in ping pong 'cause I was reasonably good at that. And there was a lotta that sorta thing.

**01:22:43:16**

So it— there was a lotta sociability that way that didn't cost any money basically. And it was— we had a good time. It was a lotta singing. My— we had a little organ that my mother played. My dad and mother were both quite religious. And so it was mostly— well, it was almost exclusively— church hymns. So— I still know the words to some of those old church hymns.

**TITLE**

Growing up and religion

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**01:23:14:01**

**WARREN BUFFETT:**

—it didn't have much effect on me. I— I w— I was— I was in the kids' choir at Dundee Presbyterian Church. And I actually— my wife and I taught a Sunday school right there— class right after we got married for a while. And then I think one of the people in one of the classes heard too much laughter coming out of our class. We were having (LAUGH) a very good time. And so I think they decided that— they could use— new— new faculty at that point.

**TITLE**

College

**01:23:43:19**

**WARREN BUFFETT:**

I didn't wanna go to college. I was— I was 16 when I got outta high school. I was making about— probably was making \$150 a month or something like that delivering papers which only took a couple hours in the morning. I had this half interest in a pinball machine route with a buddy of mine. I liked to go to the horse races and handicap horses. And I really felt that I didn't really need much more than that. And I was buying stocks. I mean, I— I— I read the *Wall Street Journal* every day and I did a lot of charting of stocks and that sort of thing then.

**01:24:14:05**

And I was having— I actually was having a pretty good time. And I didn't see that w— really was much to be gained by going to college. But my dad kind of jollied me into it. And— I think he probably— they didn't have SA— or at least we didn't use SATs in those days. But I think he probably woulda taken the test for me if need

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be. So he suggested that I apply to the Wharton School at the University of Pennsylvania and if I didn't like it I could quit. And— the year went by and— and I got very good grades in college.

**01:24:44:17**

I mean— my— my grades improved as I— as I went along in school. And— but I— I didn't feel I was learning that much— there because I had mostly graduate students as professors. And they were just staying a chapter ahead of me in the book. And I— I— I— so I asked my dad if— if I could quit then.

**01:25:05:17**

And he said, "Well, give it another year." So I gave it another year. And— still felt the same way. So he said, "Well, do what you wanna do." So I actually transferred to the University of Nebraska and that way I finished in three years 'cause I had— had enough credits that I could get out in three years. And I was in a hurry to— I wanted to get out.

**01:25:27:02**

I'm doing a service to those schools because I— I— I did learn a fair amount there. And I would say this, the University of Nebraska actually— my year there I— I learned f— fully as much as I was learning at— at— Wharton which had a much bigger reputation.

## **TITLE**

Graduate school

**01:25:48:07**

## **WARREN BUFFETT:**

Well, and— one day— I was reading— the— *Daily Nebraskan* which was the college newspaper. And— and it said in Room 300 or something at 3:00 they're going to



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award the scholarship of \$500 to go to a graduate school of your choice. So I showed up there and I was the only guy that showed up and these professors wanted to keep waiting for other people to show up.

**01:26:13:12**

And I said, "Wait a second, it said 3:00." So I got the scholarship un— un— unopposed. And I applied to the Harvard Business School. My dad— was— suggesting that to him. And anything my dad wanted me to do in the end I— I— I c— I usually went along with. I mean— and he never pushed me hard.

**01:26:30:04**

But— but I— if I knew he— he wanted me to do something I was very inclined to— to go along. So I— I applied and— and and— I went to— they told me to go to Chicago to get interviewed by this fellow that ran a country day school near Chicago. So I got on Burlington train, oh, for ten hours to Chicago and then I got on another little inner-urban train, rode up to this day school. And the guy interviewed me for about ten minutes. And— and— he— basically said, "You know, find something else." So I— I reversed the process. Spent ten or 12 hours getting back thinking, "What am I gonna tell my dad?"

**01:27:08:01**

And— it all worked out because— they— they did turn me down but then I was at the University of Omaha that summer. And I was leafing through a catalogue of other schools 'cause I did have this 500 bucks that— that they were gonna give me from Nebraska to go to a graduate school.

**01:27:23:18**

And I saw these names of Graham and Dodd who had written this masterpiece of a book in 1934. And it was

now 1950. And I had no idea that they were teaching— or anything. And I saw that Dave Dodd was the assistant— or associate dean I think it was at— at Columbia. So I wrote him a letter and I— it was— I think it was probably about August by then. And I said, "Dear Dean Dodd," I said, "I thought you guys were dead. But now that I know you're alive I'd really like to come study under you." And so he— he got me in. And he turned out to be a wonderful, wonderful friend. And he would take me to dinner there. And he— he— he treated me like a son. It— was a marvelous experience.

**TITLE**

Dale Carnegie

**WARREN BUFFETT:**

Yeah, well, I actually— when I was at Columbia I had been terrified of public speaking all of the time— prior— well, f— I don't know when it started. Must've started— maybe I had some terrible experience I can't remember, you know, in grade school. But I— I was terrified. I couldn't do it. I'd throw up. And so I avoided classes where I would be expected to do that. And— I was— I was fine if I wasn't on stage. I mean, I could— I did a lotta talking otherwise. But— but— so I was at Colombia I saw an ad— for a Dale Carnegie course in midtown New York. And I went down and I wrote a check to—take the course.

**01:28:52:06**

And then right— right aft— after I got up this little apartment I was paying ten bucks a month for at— on Claremont Avenue I— I stopped payment on the check. I just didn't have the guts to go through with it.

**01:29:02:08**

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And then when I got outta school I came back to Omaha. I'm now 20 years old. I— I'm gonna sell stocks to people that are 50 or 60. And I didn't even look 20. And I just knew I had to be able g— get it so I could speak in front of people better. So I— again, I saw an ad that— at the Rome Hotel there in Omaha on 16th Street that they were gonna have a Dale Carnegie course.

**01:29:24:18**

And I went down and a fellow named Walter Keenan who later became a very good friend and a partner in my investment partnership but who I had never met before— was the teacher. And I handed him \$100 in cash. And if— if I parted with \$100 in cash I knew I was gonna follow through. So we took that Dale Carnegie course. And there were about 30 of us. And we couldn't say our own name in public at the start.

**01:29:47:11**

They made us do all these crazy things to g— get out of ourselves. And so we stood on tables and did all kinds of things. And— it worked. I— and as soon as I got outta that class I went right out to University of Omaha and said, "I wanna start teaching 'cause I wanna get in front of people and force myself to keep doing it." And that's why I can't stop talking now.

**01:30:09:04**

It was during that— class incidentally— they gave a pencil every week for the person who had done the most with what they'd learned the week before. And during that class I proposed to my wife to be and she accepted. So when I told that story the following week when we met I won the pencil.

**TITLE**

On Susie

**11:45:40:09**

**WARREN BUFFETT:**

Well, she was— she was 19 when we got married and I was 21. And— but she was so much more mature than I was there's no comparison. And she— she really put me back together. I was— I was— I was very good at a lotta things, I mean, in terms of business that are— for my age. But on the other hand I was— I was— I was kind of a lopsided— character. I'm still lopsided in some ways. But now I'm lopsided in— in ways I like. And that was— in those days I was— lopsided in some ways I didn't like.

**11:46:18:03**

So she— she really put me together. She was— she was there when the— a little watering can putting— pouring it on me. And— and— it— it— it, you know, she's responsible for— for, well, I— I would've accomplished nothing without her.

**11:46:42:07**

She was incredibly empathetic and everybody— she was nonjudgmental. S— s— it wasn't that she didn't have standards. But she just was nonjudgmental about people. And she felt every person, again, was e— the moral equivalent of every— every other person. She was interested in every person individually. We once to a football game in Seattle— University of Washington was playing Nebraska. And at halftime— I went down to get a hot dog and a Coke and she went with me. And there was a line of about four people there. And I got in line and five minutes later I had my Coke and my hot dog in

**11:47:18:23** hand.

And I went back and she was waiting a few feet away. And— and there was a woman standing next to her. And this woman was— at that point was saying, "Now I've never told this to anybody else in my life," this is w— you know, that woman was not there when I went to get the (LAUGH) hot dog. You know, pe— people just— they opened up to her . She had more people probably that considered her their best friend than anybody I've ever known.

**TITLE**

Warren as a young husband

**11:48:02:08**

**WARREN BUFFETT:**

Well, I was— I was very focused. I— I— I— I was into my work big time. And— so I— she— she did most of the work— by far— bringing up the children which was probably a good thing. You know, they— they had more of her qualities than mine which I would— I would recommend. And we had 'em young incidentally which was I think a very good thing. I mean, it's worked out very well in— in our family.

**TITLE**

After his father's death

**11:49:21:21**

I told my dad leave me out of his will— I don't need the money. I'm gonna, you know, I knew I was gonna get rich. So I— I— I told him just to have my sisters— so I was a trustee for my mother and then subsequently for

my sisters. But— but no, I was not— I did not— I— I did not become the central figure in the family at all. It— my politics became more overt— after my dad died. But— you know, he— he died at age 60 so he— he was young. It— I was 33 at the time. But— but I don't— I— I— my life didn't change dramatically. We — we incident, I mean, we lived here in Omaha. We lived a block and a half from Suzie's parents and we lived about two miles from my parents. So it— it— the whole family was pretty much here in Omaha including aunts and— some aunts and uncle.

**TITLE**

His parenting style

**11:50:36:22**

**WARREN BUFFETT:**

I— I was not much of a disciplinarian. I— I tried. That— I didn't— it wasn't a question of trying. It was just natural. But I— I— I— I tried to behave with my kids like my dad would behave with me. I mean, I never tried to steer 'em into anything because I— I— I— I— I just cherish the fact that my dad had supported me so much in anything I did. So I've got three very different kids. And they've got a common heart which they got from their mother. But they— but I've never felt that it was important that they come into m— Berkshire Hathaway or that they do what I did. That's crazy. You know, I mean, they— they're— each one have individual talents. And I certainly wouldn't wanna try to take up what they do. I've got one son that farms. I— I'm not much for manual labor. But so why should they do what I do? I mean, it's never made any sense to me. So I— I have— I— I'm sure I brought to the raising of kids what I

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thought were the better parts of— without doing it consciously. But what I thought were the better parts of the way I was raised.

## **TITLE**

His relationship with Susie

**11:51:51:05**

## **WARREN BUFFETT:**

It worked well. But I don't think it'll work for lots of other people necessarily. But it worked very well. I mean, we— we lived each other and we— and we both— and we not only loved each other, we admired each other. And— and— and we were totally in sync with what the other one was doing. But we were two different t— individuals.

## **TITLE**

The transition to becoming empty-nesters

**11:52:20:22**

## **WARREN BUFFETT:**

It wasn't hard for me. I mean, they— they— they were still part of our lives. They just— you wanted 'em to do that. So that was not hard for me.

## **TITLE**

A view on life

**11:52:48:11**

## **WARREN BUFFETT:**

It goes back to that— was it Oscar Hammerstein, you know, the— "A bell's not a bell 'till you ring it, a song's not a song 'till you sing it. Love in the heart isn't but

there to stay, love isn't love 'till you give it away."  
It— it's— it's a very strange thing, love. You can't get rid of it. If you— if you try to give it out, you get more back. If you try to hang onto it, you lose it. And it's— it's— it's something, like, there may be other things like that but I can't think what they are. The— understanding about human behavior and all of that, if— if you're observant at all and you've had a long lifetime and you got all kinds of experiences you— you learn a lot about— about human behavior.

**TITLE**

Recovering after Susie's death

**11:53:58:01**

**WARREN BUFFETT:**

Well, I think you recover— how do you recover— how'd I recover from my dad's death or anybody else and— you know, just a good friend that died— a very good friend— a week ago that now— that— you go on. But it— Susie spent lots— she spent more time probably with dying people than about anybody that wasn't in the medical profession. I mean, she helped people die. And— and— she helped my friend, Joe Rosenfield, who was a man— who— he was one of my heroes— one of her heroes too. And he lived to be in the high 90s. He was marvelous man. I mean— he's a real model for anybody in— but by the time he died, I mean, it's— he had no wife, no child anymore. And— and she was there when he died. And she— she did that for dozens of people.



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**11:54:47:14**

**TITLE**

On remarrying

**WARREN BUFFETT:**

Well— Astrid has lived with me for a long time. And— and— you know, I— Susie put me together, Astrid kept me together. And then— she'd been doing it ever since. And— she— she takes care of me like nobody else could take care of me. And— and not just physically. I don't mean that. I mean just in all ways.

**11:55:13:02**

**TITLE**

On playing bridge

**WARREN BUFFETT:**

Well, it's just— it— it— it's the gr— it's the best mental game I know aside from business which I think is kind of an interesting mental game too. But— it's you know, you're— you're gonna play a hand every seven or eight minutes. And— you are going to be facing something where every hand you played in the past has got some utility in evaluating the present hand but you'll ever h— play the same hand twice. You're playing it with a partner so it's a game where partnership dynamics are very important. It's a game where every card played— you can draw or every bid made or not made or every card played or not played you can draw inferences from. So it is— I— I regard it as absolutely the most fascinating game there is. I'm not that good at it.

**11:56:05:13**

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But— and I think that— I— I can't think of a better form of mental exercise. And— you know, I hope I'm playing it when I'm 100 years old. I— I probably spend— at least ten hour a week— playing bridge on the computer. And— and— I enjoy every minute— of it.

## **TITLE**

On being frugal

**11:56:40:02**

## **WARREN BUFFETT:**

I— I— I'm not frugal in the sense— I— I buy— an— anything I want, I buy. And if I could— if I thought it was— if I thought I would enjoy a \$200 dinner— better than a hamburger I get at— at— one of— I'd buy it. But— on Sunday— f— frequently take out my children sh— grandchildren and great-grandchildren I've got s— I've got nine great-grandchildren. And— and seven of 'em live in this area.

**11:57:11:16**

And s— we got to Dairy Queen. We don't get to Dairy Queen because Berkshire owns it. We don't go to Dairy Queen 'cause it doesn't— you don't run up a big bill. We go to Dairy Queen 'cause I'd rather eat their food than anybody else's. And the rest of 'em do too. So I— I have never— maybe when, you know, go back to when I was 15 or something. But I've— basically I've never denied myself anything I wanted. And the plane is very useful to me. And it makes— it enables me to do things that I wouldn't be able to do otherwise. And— and— and it's a lot more comfortable. And, you know, so it doesn't make any difference what it costs 'cause money has no meaning to me anymore.

**11:57:48:06**

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So I've— if something costs me \$1 million and I'm gonna really get something out of it I'll— I'll do it. But there's very, very— I can't think of what, you know, money doesn't— certainly doesn't buy love. It'll buy sex. You know, by— buy recognition. You know, you— you can get write— you can get— you— you can— you can get your name on a building if you wanna write a big enough check. But there's no way it can buy love. It can— it can buy testimonial speeches. But— so most things— very few things that require monde. A plane requires money. So that— that— but I can have multiple houses but my life would be worse rather than better. I— I have all kinds of friends that have multiple houses. And, you know, basically they become like— you know, a hotel manager, you know, and they have to plan what people want. You know, and— I— I don't wanna do all that.

## **TITLE**

On family and money

**11:58:47:18**

## **WARREN BUFFETT:**

Well— my wife and I— first wife— Susie— when we were in our 20s talked about what we'd do with money. I kept telling her we'd make a lotta— I'd make a lotta money and she humored me. She didn't really care. And— and— and whether she believed me or not— she believed me on things generally. So she probably believed me. But it didn't really make that much difference. But it did make a difference what we were gonna do with the money after we made it. So we actually set up a foundation over 50 years ago— I just looked back at the records in— the other day. And I think we set it up in 1964. And we always said that we were going to give away— if— if I made a lotta money—

**11:59:28:17**

which I was convinced that I would— that we would end up giving it— we'd— we'd have everything we wanted.

But— but— and we would leave our children originally the idea was, enough so they could do anything but not enough so they could do nothing. That was a line that actually Katharine— Graham gave to me. But it— makes a lotta sense. I mean, if you're very wealthy— you— you know, it's crazy to, you know, have your kids out there in— in rags or something of something the sort. But it's also crazy to have them so they never have to lift a finger the rest of their life. So— so over time— we've given them— we gave 'em some money. But in— in my entire lifetime everything that I've spent, my wife spent and my kids have spent that came from me will be quite a bit less than 1% of everything I make. The other 99% plus will— will go to others because it has no utility to me and it— and my kids have all they need. They each run a foundation which I— fund and they do a terrific job doing it. And they each in their own way they do it and they work hard at it. And— they live pretty much normal lives. I mean, they— they are not— they're not driving— driving around a— I gave probably f— I don't know how many years ago— five or ten years ago I gave— I tried giving a few hours on the plane. But not— not— not enough so they could— so they could crazy on it. But— so I— I've softened up some on that. But I— I— I— I couldn't be more pleased with how the whole subject of money has worked out in our family.

**12:01:04:02**

**TITLE**

On Susie running the foundation

**WARREN BUFFETT:**

I thought I would pile it up over the years and then I would be sort of a compounding machine to build up— a whole lotta money. And that— then she would unpile it in terms of— running a v— one very large foundation. And— she was younger— just a couple years younger than I was.

**12:01:33:04**

But— and women live longer. So I thought the odds were very good that she would disperse it and that it would be much better to give away many, many billions later on than give away a few millions early on and that I was— particularly good at compounding money and therefore society would benefit by waiting.

**12:01:49:23**

And she didn't wanna wait as much as I did. But she never quite appreciated compounding like I did. So it— that— it worked out— then she'd— she— she died— ten years ago. And— and so I had to change my plans then. But that was the— that woulda been the ori— that was the original plan. And she did run the foundation for a long time. And she gave away significant money. But— and— and when she died— I'd given her \$22,000 over the first few years of our marriage just 'cause I thought she oughta have it in her own name. And sh— she left a \$3 billion estate and 97 or so percent— 98% of that money— went to the foundation. And so we always figured that the money could do a lotta good and that a lotta money could do possibly a whole lot more good. And that— she was better at giving away money than I would be. And I was better at piling it up than she would be. So the— the whole thing made sense to both of us.

**TITLE**

Giving the money to other foundations

**12:02:55:19**

**WARREN BUFFETT:**

Well, I'm not giving it to Bill Gates. I'm giving it to f— I'm giving it to five foundations. And— the Gates Foundation is the largest. But the money's gotten to a scale where it— very few operations could really handle. But I doubled the amount that I give to each one of the three children's foundations. So they're getting— at present prices for Berkshire— they're getting close to 100 and— I don't know 125— probably closer to 150 million of stock a year and they gotta keep spending it. Then there's the Susan Buffett Foundation which was originally we had intended to do the whole thing that— so when we set up 50 years ago.

**12:03:34:00**

And that's got quite a bit more money in. And then the largest is the Gates Foundation who had the same feeling that I do that every human life is of equal value. And so I'm— I feel very good about what's being done with the money. The money has no utility to me. It— it can't— it can't make me happier. Can't make me, you know— in any way. It probably could make me miserable if I had to do certain things with it. And it has utility to other people if probably used. So it— I've got a solution that fits exactly the objectives that we started with 60 years ago or so. But— I've got an older sister, Doris, who's— owns a Sunshine Lady. And she spends all day, every day giving away money retail. And she's done a terrific job at it.

**12:04:44:23**

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And I send her all the letters I get. And— and— she looks into each individual case. She doesn't give money to each individual case. But she evaluates them. And sh— she helps people and she gives 'em, you know, she's their friend too in addition to small checks that she give out.

**12:05:01:10**

But you can't get rid of the money that I've got doing that. I— I love the fact that she does it and I support her in a small way. But— I have to do things at scale. And— having a solution that— where I feel good about the people, feel good about what's being done and has the ability to do big things makes me, yeah, that's exactly what I intended the money to do all along.

## **TITLE**

What people will view him as

**12:05:39:11**

## **WARREN BUFFETT:**

Both probably. Because— Bill and I and— and Melinda— have worked on developing the giving pl— I— I think actually that will be— I think that will have quite an impact over— over the decades. Not— I think 50 years from now The Giving Pledge will be looked at as— as a— a really important move and will affect the level of philanthropy by the— particularly by the very wealthy in this country. So I think that will be a factor and I— I hope that Berkshire Hathaway i— is— something that people— study in terms of a business operation.

## **TITLE**

The Giving Pledge

**WARREN BUFFETT:**

**12:06:52:06**

Very wealthy people they vary— just like very poor people, vary in— in— in their emotions and motivations and everything. But one problem that they have— they often have is that they don't have— many peers to talk to when you get in the question of— of— their children, for example, or— or philanthropy or whatever it may be. They may have a lawyer they talk to. But they— they don't just wanna go and talk to anybody about it. So Bill and I have found in The Giving Pledge that— that when we open up the conversation they really like to talk. And the— the first meeting we had we asked David Rockefeller if he would host in New York City.

**12:07:35:13**

And he was very gracious about it. And put together a group of— well, we put together the group. He held the dinner of 15 or 20 people. And I started by asking one couple that were there— and these were all very well-known names. And I said, you know, "Tell me about how you came about your philosophy of giving." Well, we went around that table and it was a couple of hours later before people finished talking.

**12:07:59:04**

They wanted to talk about it. But it wasn't something they were gonna talk— neighborhood, you know, or anything of the sort. And many of 'em had different— over the years, I mean, as we talked to more people— have all different kinds of family situations. And some of 'em had been very disappointed with their kids and some of 'em feel terrific. And some of 'em find the kids want the money and others the kids want philanthropy. And— but from that came the idea that— that— we



might develop something in the way of both being smarter about philanthropy and— and getting people perhaps engaged in younger and— and in a bigger way by— by organizing— an entity that would focus on that. And— and— so The Giving Pledge came out of that. And there was a need for it. I mean, it— it— it is— it has (UNINTEL) changed the behavior of loads of people.

**12:08:49:08**

Most of the people overwhelmingly in the— in The Giving Pledge were philanthropically inclined beforehand. They were gonna do it. I think some of 'em are doing it sooner. I think some of 'em are doing it bigger. And in a few cases— and they've told me, in fact, I've got letters at the office— they've told me that it really did change how they thought about things. It— clarified their own thinking. Had one case where the— the— one of the parents was somewhat reluctant to do it and kids talked 'em into doing it which was remarkable and I think it's done wonders in a family when that happens.

**TITLE**

The formula for making money

**12:09:22:18**

**WARREN BUFFETT:**

Well, the big answer is you're in the right place if you're— in America. And— you don't have to be particularly smart. You just have to be patient. And it— the biggest thing in making money is time. And I've had this long run and so the compounding at the end turns into very big numbers.

**12:10:07:02**

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But— but if you would— well, at the start of— start of the 20th century the Dow Jones average was at 66 and it ended at 11,400. You know, and that was with the Great Depression and World Wars and flu epidemics and everything else. So you've got a tailwind in this country if you just owned a cross-section of it. One big thing is keeping down expenses and the other thing is— is— is not trying to pick one stock but owning a large group of stocks and buying it overtime and then just sitting and paying no attention to people who say they know when to buy and sell and stocks or buy and sell this individual stock. So it's— it's a very simple game where the person who doesn't try to do very much does— usually does better than the person who spends a lot more energy on it.

## **TITLE**

On Berkshire Hathaway turning fifty

**12:11:10:10**

## **WARREN BUFFETT:**

It's been 50 years since May 10th I've— 1965 that I formally took control of Berkshire Hathaway. It was done through a partnership that I ran— a bunch of people joined me that— and I ran the money. And— started as a textile company what— doomed to fail. And— step by step and— we've created something that is kinda what I dreamt we might create over time. But it to— it took a lotta time to do it. Never seemed like we were making that progress— much progress on any one day. But compound interest works.

**TITLE**

A system that works

**12:11:55:18**

**WARREN BUFFETT:**

How can you look at a country— just— anybody who— watching this are they— if they walk out their door and think of what was there in 1776, you know, it was a bunch of trees in all probably. There wasn't anything here. And four million people— the first census in 1790— just under four million people. And we ended up a few hundred years later with 25% of the world's GDP. Now that— something's working. And it isn't 'cause we're a lot smarter than we were then or that we're working harder. We're not working as hard. But we've got a system that really, really works. It doesn't work for everybody. And that's something to remember. But in terms of overall output, it has worked since 1776 and it'll keep working better and better over the years. Not in a straight line. I mean, it— they're— it— it— it has some fits and starts to it.

**12:12:51:14**

But— but this system will turn out more and better goods per capita year after year. In my lifetime alone one guy— it's gone up six for one in terms of real GDP per capita since I was born in 1930. I was born into a pretty good country then. But— you can't stop this— you can't stop America. You really— you probably can't stop the world. I— the world is learning the lessons of, you know, China 40 years ago or so decided to modify their system in a way that unleashed the potential of that population which before that had not moved— they were just as smart as we were, they worked just as hard. But they weren't getting the results. But now they just,

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you know, they're going like gangbusters.

**END OF TRANSCRIPT**