



Use This Warren Buffett Method to Become Rich

Description

It is no secret that Warren Buffett is one of the most successful people on the planet. As one of the wealthiest individuals in the world right now, you must be wondering what it is like to be as rich as him. How did Warren Buffett become so rich? The man himself has used plenty of strategies that have helped him get to where he is today.

If you want to become as wealthy and as successful as Warren Buffett, it only makes sense that you follow the strategies he applies every single day. One of the most critical Warren Buffett strategies to becoming rich is long-term investment.

We are going to take a look at this strategy, what the man has to say about it himself, and the options you should consider that will help you.

Focus on long-term bets

Warren Buffett is a calculated and patient man. He holds his stakes for remarkably extended periods. According to the author of *The Outsiders*, William Thorndike — also a successful investor — Buffett has held onto his top five stocks for over two decades on average.

Typically, investors hold on to their top stocks for less than a year. Buffett describes this low-level investment activity as “inactivity bordering on sloth.”

Warren Buffett is one of the people who have proven the benefits of buy-and-hold stocks. His insights allowed him to hold onto excellent stocks for decades. Other investors sold their shares and bought others. This is why Buffett is one of the wealthiest people in the world right now.

Long-term bets for you to consider

Buffett's long-term stakes were never in just any stock. A man this smart and successful makes calculated buy-and-hold decisions. A stock you are investing in for so long needs to be reliable. Are

you trying to apply the same long-term strategy? I feel that **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) are two of the most viable options you could consider.

Enbridge is a stock with a history of providing shareholders with consistent returns. Enbridge's 20-year compound annual growth rate (CAGR) for the stock price is at over 9% — figures ideal for a company that gives consistent returns. The CAGR does not even cover the dividend payments — these are just stock prices. If you include dividends from the past decade, the CAGR stands at 12%.

The company [will continue to grow](#) in the coming years, and I feel that Enbridge stands as one of the most viable long-term options you should consider.

One thing that Canada's banking stocks have a reputation for is their reliability. Leading the charge among these banks is Royal Bank of Canada. The bank has grown its dividend payments by 41% over the past half-decade. The bank stock is one of the [top shares in the 21st century](#).

RBC started as a bank in 1864. The financial services company continues to grow, despite two economic depressions. The company's stock is among the core assets of older and wealthier Canadians. Based on a survey, more than 80% of the elite Canadian investors have been holding RBC stock for years.

Foolish takeaway

I cannot guarantee that you will become a millionaire if you buy and hold Enbridge and RBC stock. What I can guarantee is that following Warren Buffett's strategy can improve your chances of becoming one. Based on long-term performance, I feel that these two stocks could be excellent investments as long-term bets.

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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RY (Royal Bank of Canada)

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