



Warren Buffett Is Now Poorer Than Elon Musk

Description

We will look at 2020 a few years from now as an utterly wild year. Hopefully, the situation will be much better, and we will be enjoying a stable social, economic, and global health situation at that time.

[Aligning with the absurdness of 2020](#) and its effects on stock markets, Warren Buffett, the Oracle of Omaha, has been overtaken by Elon Musk as the seventh-wealthiest person on the planet. It is a confusing year, and it continues to get weirder. As an investor, the news might come as odd, but here's a better look at the situation to help you understand.

Tesla outshines Berkshire

On July 10, **Tesla** CEO surpassed the legendary CEO of **Berkshire Hathaway** in terms of the net worth of both billionaires. At the beginning of 2020, Musk was approximately US\$60 billion behind Buffett.

Last weekend saw Buffett's net worth stand at US\$69.2 billion. Elon Musk's net worth outdid Buffett's by around US\$1 billion to stand at \$70.5 billion.

More to the story

While many investors who revere Warren Buffett might see this as a disappointing development, I think there is more to it than Buffett merely being replaced by someone else. Warren Buffett is considered to be one of the most philanthropic billionaires around. If he held onto his generous donations over the last 15 years, Buffett might be a much wealthier individual.

With his most recent donation, Buffett has donated more than US\$37 billion in Berkshire Hathaway stock. If he did not donate the stock, he could possibly be worth more than US\$100 billion.

Musk may have a higher net worth than Buffett right now, but Buffett pledged to donate most of his wealth to charity before and after he passes. At 89 years old, Buffett is merely continuing to fulfill his

promise, regardless of his standing among the world's wealthiest individuals.

A recent Buffett move to consider

Contrarian investments have been a significant winner for Buffett. If you want to follow his contrarian tendency to invest in stocks he deems valuable while others don't, you might want to consider the energy sector. [Buffett recently invested \\$10 billion](#) in **Dominion Energy**. It shows that he has faith in the rebound of the sector.

If you want to consider betting on the resurgence of energy companies, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is a Warren Buffett stock you can consider adding to your portfolio. While the energy company has failed to regain momentum after a sharp dip in 2020, Suncor remains a favourable investment with a price-to-book ratio of 0.89.

The 55% slash in its payouts might have distressed shareholders. The move can help Suncor keep itself from becoming a liability. The decision to slash its dividends makes sense, because it allows Suncor to continue operations without fears of insolvency. Nevertheless, the current dividend yield is 3.64%, making it more sustainable for the company.

Foolish takeaway

With an incredible surge in recent weeks, Elon Musk has made a commendable achievement of overtaking Warren Buffett as the seventh-wealthiest individual in the world. However, that should not take anything away from Buffett's prowess as being the world's greatest investor. I would still advise considering his market moves closely while re-evaluating your portfolio.

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