



## Warren Buffett: 3 Investment Tips for 2021

### Description

Heading into 2021, there looks to be a tonne of opportunity for investors. At the same time, though, with the coronavirus pandemic ongoing, and a highly vulnerable economy, there is still significant risk for investors. In situations like these, when there is a tonne of uncertainty, I like to look back on some of Warren Buffett's most popular tips.

Warren Buffett is one of the smartest investors ever. In addition to having an incredible track record over several decades, the Oracle of Omaha has an impressive understanding of the markets.

So, when the world's best investor offers retail investors suggestions, the advice can be priceless.

There are certain staples of Warren Buffett's investing style, such as always investing for the long term. But when you break his style down, it's much more thoughtful and meaningful than just telling investors to buy stocks and hold them for years.

So, without further ado, here are the three best Warren Buffett investing tips for retail investors ahead of 2021.

### Warren Buffett: Patience is paramount

Discipline is essential when it comes to investing, especially the discipline to stay patient. One of Warren Buffett's most popular quotes about investing says, "The stock market is a device for transferring money from the impatient to the patient."

[Patience](#) will be important no matter what stage of your investment journey you're on. You will need the patience to wait until the target stocks you're watching have value. You'll need patience after you've assembled your portfolio and it slowly starts compound.

Having patience will be one of the main keys to your success. In addition to needing the time for your long-term strategy to work, being impatient can cause investors to make short-sighted decisions that could end up impacting them severely in the long run.

So, no matter what impulses you may have when investing, always try to remain patient.

## Invest in quality

Another highly popular Warren Buffett quote says, “Price is what you pay; value is what you get.” This quote is critical, especially for investors in today’s day and age.

Back when Buffett began his investing career, the Oracle of Omaha was mostly a value investor. However, over time, as market conditions have changed, Buffett has tailored his approach.

These days, he would much rather buy a wonderful business trading at a fair price than a fair business trading at a wonderful price. This is because wonderful businesses that you can [buy at a fair price](#) and don’t have to pay a premium for offer significantly more potential than mediocre stocks trading at a discount.

So, while it’s important to exercise patience and wait for target stocks to have some value before you invest, it’s much better to pay a bit of a premium for a high-quality business.

## Stay committed to the long term

The last tip ties all of Warren Buffett’s advice together. Investors need to always stay committed to the long term.

This doesn’t just mean making long-term investments. It also means consistently keeping a long-term mindset. Another of Buffett’s most famous quotes says, “Be fearful when others are greedy, and greedy when others are fearful.”

Keeping a long-term mindset means having the ability to think clearly in market crashes, process what’s happening and why it’s happening, and accurately figure out what the best long-term decision is.

For example, savvy investors were buying top stocks when the coronavirus pandemic hit, and stocks tanked. However, that doesn’t mean buying every stock that looks cheap and not selling any just because it’s a market crash.

Investors need to process what was causing the pandemic, what impacts it will have, and what stocks have the most risk. By understanding that the pandemic was sweeping across the globe and with travel bans being put in place, it would lead you to abandon airline stocks such as **Air Canada** before it’s too late.

Avoiding poor investments is just as important as finding top stocks to buy for the long term. It’s crucial that investors keep these Warren Buffett tips in the back of their minds and always invest for the long term.

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