



What Do Bill Gates and Warren Buffett Have to Say About Bitcoin?

Description

Everyone knows Bill Gates and Warren Buffett are good friends. This could be the reason why **Berkshire Hathaway** never bought shares of **Microsoft**. They have many similarities, and they both are bearish on Bitcoin. Well, I understand Buffett's reasoning, as he has never been into technology. But the founder of the world's leading PC operating system (OS) is also bearish.

This whole Bitcoin frenzy is a little difficult to digest. BTC is a digital coin that has no physical form, no regulation, is prone to scams, and changes the power play from banks to those who have the digital coin. While the concept is revolutionary, it has both supporters and critics.

What does Bill Gates have to say about Bitcoin?

BTC gained immense popularity when **Tesla** invested US\$1.5 billion in the digital coin. The world's on-and-off richest man Elon Musk clearly stated that it is not him who has invested in BTC but Tesla. However, people fail to differentiate the two. Just like when Berkshire Hathaway invested in **Snowflake's** initial public offering (IPO), media reports read the Buffett had invested in cloud tech and earned some billions from its purchase.

In February, when Tesla disclosed its BTC exposure, Bill Gates cautioned the public to avoid Elon Musk's crypto path. In an [interview](#) with *Bloomberg Television*, Gates said, "Elon has tons of money and he's very sophisticated, so I don't worry that his Bitcoin will sort of randomly go up or down." He added, "I do think people get bought into these manias who may not have as much money to spare. My general thought would be that if you have less money than Elon, you should probably watch out."

You may argue that Microsoft accepts BTC as payment, but its founder is against the digital currency. Here again, I will point out that Gates and Microsoft are different. Microsoft's decisions need backing from the board and not just Gates alone.

What makes Bill Gates anti-crypto is the anonymity of crypto transactions that are irreversible and lack regulatory compliance. Moreover, mining crypto is bad for the environment given the amount of electricity it consumes. However, he promotes digital money, which is more regulatory compliant, cost

effective, and energy efficient than cryptocurrency transactions.

What does Warren Buffett have to say about Bitcoin?

Warren Buffett called Bitcoin a “gambling device” and associated it with frauds. But Buffett has never been a supporter of gold either. If you see his comments on gold and BTC, they are similar, as BTC is digital gold.

For Bitcoin, he said, “It doesn’t do anything. It just sits there. It’s like a seashell or something, and that is not an investment to me.” For gold, he said, “it gets dug out of the ground in Africa, or someplace. Then we melt it down, dig another hole, bury it again and pay people to stand around guarding it. It has no utility.”

Buffett likes business, something that has utility, and you can predict the growth with revenue, earnings, and future demand. Even steel and oil are commodities, but with utility, which makes their demand predictable. But that is not the case with gold or Bitcoin. Hence, they are called alternative investments.

The way you look at alternative investments is with a long term horizon where your money is secure and probably gives you a regular income. For instance, you could buy an apartment for \$450,000 and earn a rent of \$1,300.

Investing in BTC

Although Buffett despises gold as an investment, Berkshire bought **Barrick Gold** stock to enjoy the dividends it gives. But that is not the case with Bitcoin mining firms. They don’t pay dividends. If you are a risk-averse investor, stay away from BTC.

If you want to diversify into an alternative investment, consider buying stocks of **Hive Blockchain Technologies** ([TSXV:HIVE](#)). This is the oldest [crypto mining stock](#) trading on the Toronto Stock Exchange. Hive mines Bitcoin, Ethereum, and other currencies, which diversifies your exposure to different cryptos.

Hive’s main cost is the high-performance computing hardware, electricity, and cooling used to operate the mining data centres. Its revenue comes from selling BTC and the fee for processing transactions. Despite having revenue and earnings, it is difficult to forecast Hive’s growth, as it largely depends on crypto prices.

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