



The Surprising Way to Become Wealthy? Live Like Warren Buffett

Description

It's hard not to love Warren Buffett. With his folksy charm and profoundly simple advice, the Oracle of Omaha has helped numerous investors find the path to retirement and wealth.

But Buffett's secret to being the sixth-wealthiest person in the world isn't just picking the right stocks. Rather, it's living a frugal and unimposing lifestyle. And for the average Canadian, living like Warren Buffett might just result in the same sort of wealth he enjoys. Here are just three things we can learn from Buffett's lifestyle.

1. He buys used cars

Though his net worth is over 100 billion US, Buffett doesn't buy new cars. According to his daughter, Susie Buffett, the Oracle of Omaha buys strictly used cars. They might be damaged by a storm, or aged by a few years. But unless they're used, he won't even consider it.

This is just common sense. The moment you drive your new car off the lot, it starts to depreciate, with most brand new cars losing their original value by 20% in the first year alone. That means, on a car that costs you \$30,000, you lose \$6,000 within 12 months. And that's *just* from owning it. If you got into an accident, or put excessive miles on it, expect it to depreciate even more.

2. He's not tempted by new gadgets

For years, Warren Buffett used a Nokia flip phone, one of those clunky models you'd expect to see in the early 2000s. Even when smartphones came out, Buffett continued to use the flip phone, until finally replacing it with an iPhone 11 just a few years ago.

I love this about Buffett. No matter how “new” and “useful” new gadgets promise to be, he’s not attempted to spend a grand on a new phone. At a time when semiconductors have perhaps never been so short of supply, now might be the time to copy Buffett and postpone buying new technology and practicing gratitude for what you have.

3. He doesn’t live in a mansion

Warren Buffett has lived in the same house for the last 60 years, a two-story residential home in Omaha, Nebraska, that he bought for \$31,500 in 1958. The house is less than .001% of his total net worth, and according to Buffett, he wouldn’t sell his home, simply because he’s happy there.

For Canadians who are considering buying a home in today’s market, perhaps no lifestyle tip could be more relevant. With historically low-interest rates, and short supply pushing home prices sky-high, many Canadians are buying more home than they can actually afford. Interest rates may be low, but if your monthly mortgage payments stop you from accomplishing other goals, such as investing and saving for retirement, you may want to wait until the market cools off.

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