



## 5 Quirks That Explain Why Warren Buffett Is One of the Wealthiest People in the World

### Description

It takes some serious financial acumen to achieve the same investing success enjoyed by U.S. billionaire Warren Buffett. Whether he's picking value stocks on Wall Street or managing one of the most successful holding companies in the world, Buffett undoubtedly has the Midas touch, turning whatever he handles into profits.

But though he's number 10 in the ranking of the world's wealthiest, Buffett lives a rather simple life. In fact, from the outside, Buffett's life may appear, well, somewhat quirky. Let's look at five quirks that might explain why Buffett has so much wealth.

### 1. He keeps copies of his tax returns

This is certainly an odd one: Buffett has kept copies of every tax return he's filed starting with his first return in 1944.

More odd than that is the fact that Buffett is 91 years old, meaning he filed his first tax return when he was only 13 years old. At that time, he was delivering newspapers on his bicycle. According to Buffett himself, he took a \$35 tax deduction for the cost of his bike, bringing his total taxes due to a whopping US\$7.

A \$7 tax bill from 1944 would be about \$110 in today's dollars. That's still not a lot, but hey — it's more than most billionaires are paying in taxes now.

### 2. He's lived in the same home since 1958

By the time most of us have retired, we'll have changed houses around five different times. That's the public average, billionaire or not.

But not Warren Buffett. Buffett has moved houses a grand total of zero times.

Yes, Buffett bought his only house back in 1958 for around \$31,500 (roughly equivalent to \$288,700 in today's dollars). He's added rooms and renovated the space numerous times, but he has no plans of leaving.

### 3. He breakfasts on a budget

Buffett doesn't dine lavishly. Not even for breakfast. Reportedly the Oracle of Omaha enjoys daily bacon, eggs, and a cheese biscuit from MacDonalds for a whopping \$3.17, though when he's feeling particularly bearish, he buys two sausage patties for \$2.61 and puts them together for a double sausage patty sandwich.

### 4. He's had only one loan

Buffett took out one mortgage to buy a vacation home in Laguna Beach, California. The year was 1971, and the property he was mortgaging cost around \$150,000.

By that time Buffett was in his early 40s, and he was a multimillionaire. Why would he break his zero-loan record to finance a house that he could have bought with liquid cash?

Quirky, indeed.

### 5. He says "no" to pretty much everything

When Buffett has a theory, everyone listens. And his theory on what separates successful people and very successful people has certainly gotten its fair share of press.

Here's his theory:

The difference between successful people and really successful people is that really successful people say no to almost everything.

Buffett might very well have been thinking about himself when he said this. For, if there's one habit that's separated Buffett from the scores of other billionaires that have come and gone, it's his tendency to say *no* to new investments.

Take tech stocks, for instance. Or **Amazon**. Or Google. Though Buffett now owns his fair share of tech stocks (including Amazon and Apple), many criticize him for "missing the window" on these lucrative investments.

But this theory points to a deeper habit, one that we might do well to emulate: Buffett habitually doesn't invest in what he doesn't understand. Of course, that doesn't mean you shouldn't *try* to understand an investment that baffles you. It just means we could all take a lesson from Buffett here and not play with investments that could easily burn us.

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