



Warren Buffett Turns 92: Top Lessons Beginners Can Learn from the Legendary Billionaire Investor

Description

One of the world's greatest investors, [Warren Buffett](#), turned 92-years-old on August 30, 2022. While most of us dream of an early retirement, Buffett continues to serve as **Berkshire Hathaway's** Chairman and Chief Executive Officer. Apart from his philanthropic work and simple lifestyle, the legendary billionaire investor is mostly known for his uncanny ability to recognize great opportunities. His invaluable advice can guide beginners in making wise investment decisions that pay off big time. Here are some top lessons that new investors can learn from Buffett.

Don't borrow money to invest in stocks

Many new investors make the mistake of trading in stocks with borrowed money. However, Buffett is strictly against this idea. In his annual letter to Berkshire Hathaway's shareholders, he [noted](#), "I can muster against ever using borrowed money to own stocks." Buffett highlighted that if you own stocks on borrowed money and the stocks start falling in the short-term, you may not be able to make clear-headed decisions. "There is simply no telling how far stocks can fall in a short period," he added.

This is one of the key reasons why stock market beginners should always focus on investing their savings in solid stocks and holding them [long-term](#) instead of trying to make a quick buck by trading in stocks on borrowed money for the short-term.

Invest in businesses that you can understand

As I mentioned above, Warren Buffett prefers to maintain a very simple lifestyle even in today's era of incredible technological innovation. As an example, while most of us prefer to own the most advanced smartphone available on the market today, I remember how Buffett [showed off](#) his Samsung flip phone worth around \$20 during a CNBC interview in March 2019.

Just like his lifestyle, the Oracle of Omaha (Buffett's affectionate nickname) subscribes to a simple

stock investing philosophy. He often emphasizes the importance of investing in businesses that are easy to understand and aren't too complicated. In his own words, "You should invest in companies that you both understand and believe will offer long-term value. No matter how much or how little you're buying, you should be able to get your reasoning down on paper without relying on outside resources." He adds that investors should keep in mind that they're not just buying a stock, they're buying a business.

One top Canadian stock pick to invest like Buffett

Buffett prefers to invest in businesses that pay reliable dividends to their investors, and his love for the [energy sector](#) has intensified in recent years. Considering these factors, the Canadian energy company **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) could be a great long-term investment option for new investors. It pays healthy and reliable dividends each quarter, and the company's business model is straightforward.

Enbridge is a Calgary-based energy transportation and distribution company with a market cap of nearly \$113.8 billion. It's responsible for transmitting 20% of total natural gas consumed in the U.S. market and 30% of North America's oil transports and exports. With the help of its predictable cash flows and strong balance sheet, Enbridge has been increasing its dividends for the last 27 consecutive years.

As a result of the underlying strength of its financials, Enbridge has been achieving its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) guidance for the last 16 years in a row. At the current market price of \$55.86 per share, this amazing Canadian energy stock has a handsome dividend yield of 6.2%. Definitely a Buffett worthy investment.

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