

# What Warren Buffett Might Tell Women & their Families

10/7/2015 by Dr. Harold Wong

Warren Buffett is known as “The Stock Market King”. He was recently ranked the 3<sup>rd</sup> wealthiest person in the world. He is known for many of his sayings about keys for success in investing and life:

1. **Be Frugal:** “If you buy things you do not need, soon you will have to sell things you need.” Buffett is known for being extremely frugal and living in the same house for almost 50 years. Another of Buffett’s sayings is “Do not **save** what is left after **spending**, but **spend** what is left after **saving**.”
2. **Think Long Term:** “Make long-term investments over short-term ones.” He puts it another way: “If you aren’t thinking of owning a stock for 10 years, don’t even think about owning it for 10 minutes.” Yet, look at the typical mutual fund that the public owns. The manager may trade daily and even hourly, trying to justify his fees by his activity level. Virtually every mutual fund violates Buffett’s rule. That’s why most mutual funds don’t generate much long-term capital gains (assets held for at least one year and one day), which has a significantly lower tax rate.
3. **Actions vs. Results:** “You know... you keep doing the same things and you keep getting the same result over and over again.” Do you look at the actual results of your financial advisor with a critical eye? Do you stick with an advisor, no matter how much money you lose during a stock market crash? If you are within 10 years of retirement or retired, can you really afford a 30-50% drop the next time the stock market crashes?
4. **Invest Only in Companies You Know and Trust:** “An investor should act as he had a lifetime decision card with just twenty punches on it.” That’s why some long-term realtors specialize in knowing which markets are best to buy rental houses in. That’s why Buffett will spend months or over a year, poring over annual reports, before deciding which company to buy next.
5. **Spend Time on Personal Development:** “The most important investment you can make is in yourself.” However, women can be torn constantly from demands for attention from their kids and spouse. It’s clear that those with a college degree, on average earn significantly more than those with high school or below. But that goal seems impossible to many mothers.
6. **Manage Your Time Better:** “You’ve got to keep control of your time, and you can’t unless you say no. You can’t let people set your agenda in life.” There are many profiles

in female courage, where the single Mom is going to college part-time, while working to support her children. This involves saying lots of “No’s” to your kids and friends.

7. **Get Around the Right People:** “It’s better to hang out with people better than you. Pick out associates whose behavior is better than yours and you’ll drift in that direction.”  
Example: tennis players only get better if they play better players. It takes courage and humility to learn from those who are very successful in exchange for a permanent improvement in your tennis, finances, or life in general. If you want a great tax advisor, ask whether he pays a lower rate of tax than you do. Does your financial advisor beat the market indices? This might be how you evaluate your current advisors.

**Free Seminars:** On Thurs. 10/15/15, 6:30-8:30 pm, “*How Women, Widows, & Couples Can Increase Income & Reduce Taxes!*” will be preceded by a light supper from 6-6:30 pm. On Sat. 10/17/15, 10 am-12 noon, “*Secure Your Financial Future: Lessons from Warren Buffett*” will be followed by a light lunch from 12-1 pm. Both seminars will be held at Keller Williams University, 2077 E. Warner Road, Tempe, AZ 85284. Please RSVP at (800) 955-1408.

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