

What Warren Buffett Might Say about “When to take Social Security?”

4/15/2015 AZ Republic by Dr. Harold Wong

Warren Buffett, for those who don't know, has the nicknames such as “The Oracle of Omaha” or “The Stock Market King”. He owns over 80 companies, lock stock and barrel. He has owned household names such as Dairy Queen, See's Candies, and Geico for decades. The Forbes 400 survey in 2015, ranked Warren Buffett, founder of Berkshire Hathaway, as the 2nd wealthiest man in America. He's worth \$67 billion and only Bill Gates of Microsoft, worth \$81 billion, is richer. He has given away nearly \$23 billion to charity over his 84 years of life. Warren Buffett is ranked the 3rd wealthiest person in the world, behind only Bill Gates and Carlos Slim Helu of Mexico.

Buffett got his Master's degree in economics from Columbia University in 1951 and returned to Omaha, NE. When asked many times why he moved back to the middle of nowhere (compared to Wall Street, America's stock market and financial capital), here's Buffett's response (paraphrased): “If I had stayed on Wall Street, eventually I'd be subject to group thinking and be just as much of an idiot as most of them...” Instead, he likes nothing better than to be left alone, studying annual reports and thinking of his next company to buy.

Buffett's Rule #1 is: Never Lose Money!

Most people start their Social Security Retirement Benefits at age 62, the youngest you can start. Only 5.2 percent of men and 11.4 of women waited until age 66 (considered your full retirement age for workers who were born between 1943-54). For every year that you wait after age 66 to take your SS benefits, you get 8 percent more. So, if you wait 4 years until age 70, you get 32 percent more. For most, you get 70-90 percent more SS benefits at age 70 than age 62. Source: *“How Social Security Strategies Affect Your Retirement”* by Dr. Wong, published 5/23/2014 in The AZ Republic.

Buffett would say that you are violating his Rule #1. Buffett is extremely logical in anything that he does in the financial world. My observation is that most people take SS early because of emotional reasons. “God-darn it, they've been taking SS taxes out of my paycheck for decades; the moment I get old enough to collect, I'm going to stick it to the man.” Buffett would probably say: “Where in the world of money can the average person get a guaranteed 8% increase for every year he waits to take SS, without risking any of his investment capital?”

Another famous saying by Buffett is “Be fearful when others are greedy. Be greedy when others are fearful!” When most take their SS benefits at 62, they are either greedy (“I want it now”); or they are fearful (“SS may run out of money”). Either is illogical. Wall Street insiders

have a crude saying “The masses are asses.” This means that you should do the opposite of what most people do. If almost everyone is taking their SS benefits early, you should take them as late as possible. You should take them at age 70 because you do not get a raise if you wait beyond age 70 to take your SS benefits.

Free Seminars: On Thurs. 4/23/2015, 6:30-8:30 pm, ***“Secure Your Financial Future: Lessons from Warren Buffett” will be the topic.*** It will be preceded by a light supper from 6-6:30 pm. On Sat. 4/25/2015, 10-12 noon, the topic will be ***“How to Maximize Your Social Security & Other Retirement Income”.*** It 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. It’s ¼ mile W. of the 101 freeway on the S. side of Warner Road. RSVP is required at (800) 955-1408.

If you want a private consultation, contact Dr. Wong at (480) 706-0177, haroldwong1@yahoo.com, or www.drharoldwong.com. For his archived research, click on www.DrWongInvestorGuide.com.