

[8 Money Secrets From Warren Buffett](#)

We all have someone whom we admire and respect. For me one person on my shortlist is Warren Buffett who is sometimes referred to as the "Sage of Omaha". I first heard about Buffett back in 2001 when I first started getting serious about investing and so I started reading all the titles with his name on it. Off course Buffett hasn't actually written any of them but they were priceless none the less.

If you have never heard of Buffett, Forbes currently ranks him as the third richest man in the world and he is arguably the world's greatest investor. He has amassed his fortune by making astute investment decisions and investing in businesses. Here is what I have learnt from Buffett:

1. Rich Is A State Of Mind

"I always knew I was going to be rich. I don't think I ever doubted it for a minute." - Warren Buffett

The difference between being poor and being rich is really just a state of mind. Poor people think thoughts of poverty and lack, rich people think thoughts of abundance and prosperity. Your beliefs are going to determine the way you perceive wealth, the decisions you make and the way you act towards it.

2. Success Is More Than About Your Bank Balance

When asked by CNBC what is the secret to success, Buffett replied "If people get to my age and they have the people love them that they want to have love them, they're successful. It doesn't make any difference if they've got a thousand dollars in the bank or a billion dollars in the bank... Success is really doing what you love and doing it well. It's as simple as that. I've never met anyone doing that who doesn't feel like a success. And I've met plenty of people who have not achieved that and whose lives are miserable."

3. Spend Less Than You Earn

"Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be more productive than energy devoted to patching leaks." -Warren Buffett

It seems like common sense advice and you've no doubt heard financial experts preaching about it for years. You can't possibly get ahead financially if you're spending more than your paycheck. Buffett is famous for living a simple and frugal lifestyle. He is the only billionaire I know that still lives in the same house he bought back in 1958 for \$31,500. He drove a 2001 Lincoln Town Car for years which he bought second hand. Buffett has a net worth in excess of \$52 billion and yet lives off an annual salary of \$100,000. The relative percentage of his spending based on his overall net worth is minuscule.

4. Avoid Consumer Debt

The sooner we realize that consumerism is a social plague that has been propagated by billion dollar marketing machines to keep you shackled to your job, the sooner we can stop spending money on useless stuff. It is a fool's game to spend today so that you can work tomorrow to pay it off. It is a losing proposition because one day your working days are going to be over but the debt is still going to be hanging over your head. Clever marketing has convinced our society that to be happy you have to have more, be more and do more. Buffett abhors consumer debt instead choosing to use debt wisely by leveraging it in investments.

5. You Are Who You Associate With

"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." -Warren Buffett

If you want to succeed financially you need to associate with people who are most conducive to encouraging and cheering on your financial journey. If the people you associate with see money as evil, object to capitalism and find wealth a foreign concept then your financial health and well being is going to be influenced by their views. Whether we like it or not we are all influenced to some extent by the people we spend our primary time with. If you aspire to achieve financial security then you need to find a mastermind of people in your life whom you can all encourage and help each other.

6. Gambling Is A Fools Game

"Rule No.1: Never lose money. Rule No.2: Never forget rule No.1." - Warren Buffett

While we are young and naive we choose to take risks with our money that are dumb and stupid. Trying to hit a home run with your money every time is a losing proposition with long term consequences. To chase investments that offer a high rate of return you must also assume that it also comes with a higher rate of risk. Bill Gates once quipped "Warren's and my betting has always been confined to \$1 bets" when talking about them paying

poker together. If two billionaires take risk management this seriously, it's time we average punters did the same thing.

7. Give Back To The Community

"Of the billionaires I have known, money just brings out the basic traits in them. If they were jerks before they had money, they are simply jerks with a billion dollars." - Warren Buffett

They say that to have more you need to give more. A contradiction in terms, maybe, but it's a simple truth that is as enduring as time. As the bible says "It is more blessed to give than to receive -Acts 20:35". Buffett has announced in 2006 that he was giving away over \$30 billion to the Bill and Melinda Gates Foundation making it at the time of writing the largest charitable donation in history. He also contributes large sums to his children's charitable foundations.

8. Generosity and Abundance Goes Hand In Hand

"Even though Ben Graham [Buffett's mentor] had everything he needed in life, he still wanted to give something back by teaching, So just as we got it from somebody else, we don't want it to stop with us. We want to pass it along too." - Warren Buffett

A famous bible quote goes: "What benefit will it be to you if you gain the whole world but lose your own soul?" - Mark 8:36. The path to wealth isn't a solo endeavor. How sad would life be if you come to the end of your life and there is no one to share it with. So as you journey on your path to financial abundance remember that there will be many people who generously helped you on your journey so it is only fitting to pay it forward when the opportunity arises. Generosity with your time, with your money, with your resources are great virtues to have. The greatest ally to building a strong friendship is to help others achieve what they want from life.

I leave you with this last quote "You only have to do a very few things right in your life so long as you don't do too many things wrong." - Warren Buffett

About the Author

Being 4 Eva Young is not about age, it's about attitude. 4 Eva Young is dedicated to inspire, motivate and encourage anyone who is young at heart to live a life of significance filled with peace, joy, and contentment. For more information visit: <http://www.4evayoung.com>

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