

The 25 Greatest Quotes of Warren Buffett

Paul R. Rossi, CFA



It wasn't easy, but here's a list of some of my favorite Warren Buffett quotes.

What made this so hard?

Choosing just 25 made it hard, I could have easily come up with a list of several hundred.

How did I come up with this list?

I went through several books and numerous shareholder letter's he's written over the years and used quotes that gave a broad range of invaluable insights to living a happy healthy life. A person would be hard pressed to not do well if they lived by his way of thinking. Some of my thoughts are in *italics*.

So here they are:

The 25 Greatest Quotes of Warren Buffett

1. You only have to do a very few things right in your life, so long as you don't do too many things wrong.
2. I will tell you how to become rich. Close the doors. Be fearful when other are greedy. Be greedy when others are fearful.
3. Overall, we've done better by avoiding dragons than by slaying them.
4. A truly great business must have an enduring "moat" that protects excellent returns on invested capital. Business history is filled with "Roman Candles," companies whose moats prove illusory and were soon crossed. *Capitalism is fierce, very few companies have enduring moats.*
5. Never invest in a business you can't understand. *Read number #4 again.*
6. Time is the friend of a wonderful company, the enemy of the mediocre.
7. The immediate future is uncertain. America has faced the unknown since 1776. It's just that sometimes people focus on the myriad of uncertainties that always exist while at other times they ignore them (usually because the recent past as been uneventful).
8. Tomorrow is always uncertain. Don't let that reality spook you. Throughout my lifetime politicians and pundits have constantly moaned about terrifying problems facing America. Yet our citizens now live an astonishing six times better than when I was born. The prophets of doom have overlooked the all-important factor that is certain: Human potential is far from

exhausted, and the American system for unleashing that potential - a system that has worked wonders for over two centuries despite frequent interruptions four recessions and even a civil war remains alive and effective.

9. What the wise do in the beginning, fools do in the end.
10. We will continue to ignore political and economic forecasts, which are an expensive distraction for many investors and businesspeople.
11. Turnarounds seldom turn.
12. You can't make a good deal with a bad person.
13. We will have another bubble, but usually you don't get it the same way you got it before. *As the Boy Scouts say, "Always be prepared."*
14. When people get fearful, they get fearful en masse. Confidence comes back one at a time. When they get greedy, they get greedy en masse.
15. The fact that people will be full of greed, fear, or folly is predictable. The sequence is not predictable.
16. There are many parts of the game that we don't understand, so we don't play them. *Knowing your strengths and weaknesses is critical to avoiding big mistakes and capitalizing on opportunities.*
17. Never risk what you have and need, for what you don't have and don't need.
18. Stop trying to predict the direction of the stock market, the economy, interest rates, or elections.
19. I always knew I was going to be rich. I don't think I ever doubted if for a minute. *Warren always had confidence in himself, an important attribute to living your ideal life.*
20. I think the worst mistake you can make in stocks is buy or sell based on current headlines. *Instead use the headlines to your advantage.*
21. The lower prices go, as long as you know the company you're investing in, the better it is for a buyer. Down days always make me feel good. *For many this is a hard concept.*
22. Do not save what is left after spending but spend what is left after saving.
23. I bought a company in the mid-90's called Dexter Shoe and paid \$400 million for it. And it went to zero. And I gave about \$400 million of Berkshire

stock (to buy the company), which is probably now worth \$400 billion. But I've made lots of dumb decisions. That's part of the game. *Warren is the first to admit his mistakes. He also stresses the importance of learning from them.*

24. The happiest people do not necessarily have the best things. They simply appreciate the things they have.
25. Love is the greatest advantage a parent can give.

-Paul R. Rossi, CFA