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**LAUREN FOSTER:** Hello, and welcome to the *Take 15 Podcast* from CFA Institute. I am Lauren Foster. And this is the show where we bring you an unbiased lens on investing in capital markets through short conversations with some of the world's most interesting and accomplished people. Today, I'm delighted to welcome back author and investor, Robert Hagstrom, to talk about his latest book, *Warren Buffett, Inside the Ultimate Money Mind*.

If you've ever Googled "Warren Buffett" and "books to read," you'll find Robert's first book on the list. The *Warren Buffett Way* spent five months on the *New York Times* bestseller list in 1994 and '95, and is routinely included in lists of the best books to read on the Oracle of Omaha. Robert is a CFA charter holder and a Senior Portfolio Manager at Equity Compass, where he launched the global leaders portfolio. He also serves as Chairman of the Investment Management Committee for Stifle Asset Management.

Our conversation is all about this concept of a money mind. What exactly is a money mind? What are the components? And importantly for investors, can they be learned?

As you'll hear, we spend a good deal of time talking about temperament and why it's so important for investors. And of course, I couldn't let Robert go without asking him about the Berkshire Hathaway annual shareholder meeting happening this weekend. I really enjoyed learning from Robert and listening to stories about the legendary investor and his longtime right hand man, Charlie Munger. I hope you do too.

Robert Hagstrom, welcome back to the show.

**ROBERT HAGSTROM:** Lauren, it's great to see you. Thank you for having me.

**LAUREN FOSTER:** Well, it's great to have you here. And I think since we last spoke, you had a new book published. And I believe it's your 10th book. So congratulations.

I'm actually going to hold this up because I really love the cover art. And so those who are watching the video can actually see this great portrait on the front. And I'm curious, did you have any sort of say over what went on the front of the book?

**ROBERT HAGSTROM:** I did. I really had a very strong opinion that I wanted a different cover this time. Most all books about Warren Buffett have a photo. And I thought this book would be somewhat timeless. This is not about how to beat the stock market next week. This is how to think about the stock market in the rest of your life.

And so I had never seen a portrait done. So Wiley was great enough to locate an artist on the West Coast, a guy by the name Kevin West. And he drew this-- painted this, I should say. I fell in love with it. And I've got the original, so it's great.

**LAUREN FOSTER:** That's fantastic. So you mentioned that the book is timeless. Actually, that's a good segue way because I was going to ask you, there are lots of books that are written about Buffett, about his partner Charlie Munger. What makes this one different?

**ROBERT HAGSTROM:** Well, this was humbling, Lauren, to admit because when I wrote the *Warren Buffett Way* in 1994-- so I've been at this for 25 years. And it was back in the 2017 annual meeting about three years ago that Warren introduced the concept of a money mind. That was a term I'd never heard before. But how important he felt it was, how critically important it was for the successor of Berkshire Hathaway or anyone that was going to be successful that they had to have a money mind. It was about temperament.

And at that moment, Lauren, I thought, the last 25 years, all I've been thinking about his methods mechanics of how to do the Warren Buffett way. I didn't spend enough time on temperament. So at that point, I felt maybe I only had half the story.

So writing the book was filling in-- it was kind of the bookend, filling in the rest of the story, which is, what is a money mind? What is the temperament needed to be successful?

**LAUREN FOSTER:** Well, we're going to delve into that a bit more deeply because temperament sounds like a straightforward concept, but it really isn't. I was actually looking in the dictionary ahead of our conversation today thinking, can I come up with a good definition? And I went through several different definitions. And they're all a little bit different. So walk us through temperament and why that is so critical as an element of a money mind.

**ROBERT HAGSTROM:** Well, Plato actually talks about temperament in his cardinal virtues. But he doesn't use temperament. He used sound mindedness. And so when you think about sound mindedness, you think about, it is multilayered. It's multifaceted. It is dynamical. And there's many parts to it.

And in the book, we go through all of the building blocks of what it takes to construct or actually achieve a money mind. And you're right. It's not just one thing. It's multiple things.

**LAUREN FOSTER:** So you've talked about the architecture of a money mind in the book. And you just use the analogy of building blocks. So walk us through that. What is a money mind?

**ROBERT HAGSTROM:** OK. Well, we were very fortunate to be able to rely on Roger Lowenstein's biography, which was written in 1995, *Buffett, the Making of an American Capitalist*, and he says right up front that he believed that Warren's temperament, if you will, his ideology about how to think about markets came from his father, Howard Buffett.

And we know Howard Buffett. He was a Republican Congressman. We know much about him. But we really didn't get into his philosophical take. And we learned that Howard Buffett was deeply influenced by Ralph Waldo Emerson and specifically the essays of self-reliance.

And Roger Lowenstein speaks about self-reliance being a key note of how Warren behaves and how he thinks. And so we spent a good deal of time going through the essays of self-reliance. And you can see how it just connects with Warren perfectly. So self-reliance is the first building block. To begin with self-reliance makes everything else possible thereafter.

**LAUREN FOSTER:** So you begin with self-reliance. What's the next block?

**ROBERT HAGSTROM:** Well, then we went to Ben Graham. And Ben Graham actually talks a lot about temperament in the *Intelligent Investor*, mostly *Intelligent Investor*, but also in *Security Analysis*. And we think about Ben Graham, father of a value investing, the [INAUDIBLE] security analysis. But what we didn't actually fully appreciate was his philosophy of stoicism. He read the classics, all the literary classics, the great classics, the Roman classics, and all of that. And he was deeply influenced by Marcus Aurelius in *Meditations*.

Marcus Aurelius was a stoic. And when you think about his famous Mr. Market-- remember, Ben Graham talked about Mr. Market. He can be in a good mood or in a bad mood. And you can't be influenced by Mr. Market going up and down or you'll be in a lot of trouble.

Well, the stoics had the same kind of opinion which is, you don't want to be whipsawed by good times, bad times, fear and greed. And so we spent a great deal of time on stoicism and found out that it was the perfect mental discipline, if you will, that, if you achieve a stoic attitude towards the market, you're somewhat indifferent about the volatility of the market. So therefore, it becomes a very important building block.

**LAUREN FOSTER:** So how many building blocks go into the [INAUDIBLE]? We've got self-reliance. We've got stoicism. How many others build the pillar?

**ROBERT HAGSTROM:** Well, we've got a couple more. Rationality. So Charlie Munger would talk about Berkshire Hathaway is a temple to rationality. Warren Buffett talks about rational decision making process. So we go back to the very beginning.

We go back to the empiricists, Francis Bacon. We go back to Descartes about a priori models. And we connect out how, basically, rationalism is a combination of two forces-- one, a priori methods-- and you can think about Ben Graham. You have a mental idea of how things work-- but also the empiricists, who basically believe that you can only understand something at which point you were actively achieving it or you're actually doing the work.

So think about carpenters and astronomers and sailors. They would think about how to do something because they actually did it. And so then what became-- it was a synthesis of both the a priori and a posteriori concepts of rationality that build the gap of Kantianism, Immanuel Kant. And then we further took it to William James, who had a viewpoint of radical empiricism, which was a form of rationality that combined the experienter, which is Warren Buffett-- He's the astronomer, the sailor, the carpenter, if you will-- with the a priori models. And he talks about the experienter plus the greater body of knowledge of what, actually, Berkshire Hathaway is all about.

So we combine those together. Then that the next part then goes to pragmatism. And we spent a great deal of time in chapter 2 and the philosophy and [INAUDIBLE] talking about William James, who is the father of American pragmatism. And Charlie Munger talks about the importance of pragmatism. And we link pragmatism to Warren's ability to evolve from classic value one investing-- phase one investing, the Ben Graham model-- to phase two investing, which was a better business-- think Coca-Cola-- to phase three investing, which today is network economics and the role that Apple computer plays in network economics.

So pragmatism allowed Warren to basically evolve. One of the few investors that you can think about that actually has evolved from phase one, phase two, to phase three reinvesting-- he couldn't have done that if he wasn't a pragmatist.

**LAUREN** So you've done a really good job of, I guess, distilling these elements of self-reliance, stoicism, rationality, **FOSTER:** pragmatism. These have all worked very well for Warren. But for the average investor, I guess I wonder, how do you emulate that? Or how do you learn-- how do you bundle that together so that you too have a money mind?

**ROBERT** Well, once again, I think the mistake that I've made in my career was just thinking about the math all the time. **HAGSTROM:** And so the hard-- when we first started investing like Warren Buffett, I would ask clients, would you like to invest like Warren Buffet? And they'd say, absolutely. Definitely.

But as time goes by, I noticed that a few of them were really struggling. And I thought my job was to make it clear why this was a good investment. So I did more math. I sharpened my pencil. I tried to make it more plain as to why you should be in this investment, not realizing they didn't have the money mind. They didn't have the sense of self-reliance. They didn't have rationality and pragmatism. They didn't have a stoic attitude towards the market.

And as I wrote the book, it became critically-- I guess wonderfully would be the better word-- wonderfully revealing to me that this part, the temperament part-- if you don't have the temperament part-- you can have all the math in the world, but if you don't have the temperament part, it's going to be hard for you to work well in the stock market.

And I would say today, Lauren, more than ever, when I look at how the market has behaved over the last few years, speed, magnitude, and volatility-- the money market is now ever more important than it's ever been for people to be successful in investing.

**LAUREN** So something I had scribbled down in my notes reading through the book earlier this week is you said, Buffet had **FOSTER:** said, investing is easier than you think but harder than it looks. And you wrote, I thought I knew exactly what that meant. I was wrong. It was the harder than it looks part that I got wrong. And is that the temperament that you're talking about? Or is something else that you had in mind there?

**ROBERT** Well, when I first-- actually, the original quote comes from Ben Graham, and Warren paraphrased it wonderfully **HAGSTROM:** well. So the easier part is to be-- because we're business investor. We're business analyst. As Berkshireists, as followers of the Warren Buffett discipline, we think about stocks as businesses.

And so we don't really are not too concerned about if the economy's growing or slowing down, if interest rates are going up or down or inflation's changing. All this stuff that seems to consume us as investors-- Warren doesn't really spend a lot of time. He's thinking about buying this business. And it's a business he's going to own hopefully for many years, decades, or longer. So the inputs about worrying about stock markets, the economy, interest rates don't play a role. So it's easier than that, easier.

And then the harder than it looks part, I thought, well, it's no longer about just buying low P/E stocks. Warren set us straight with that in the 1980s when he said, it has nothing to do with high P/Es, low P/Es, high priced [INAUDIBLE], low price to book. It's all about the cash flows. John Burr Williams, dividend discount model-- it's about the cash flows.

Then he talks about the best investments are ones that have high returns on invested capital. I said, that's the harder than it looks part. It's harder than just simply buying low P/E stock or simply low [? priced ?] book. That's what I thought was the harder.

And I was wrong. It's really not that hard to do dividend discount models. In college, by the time you're a freshman, you probably got that figured out. You can do return on capital. You can figure those things out.

The harder part is absolutely acquiring the money mind. That's the hard part. And Warren says, they're not many people that have it because it is hard to acquire. But once you have it and you have, then, the method, it's the mechanics about how to think about a business valuation coupled with the temperament-- when both of those are working in concert, boy, it's just a beautiful way in which to look at the stock market. It's a totally different viewpoint than the way most people think about stocks and stock investing.

**LAUREN** Do you have a favorite chapter in the book?

**FOSTER:**

**ROBERT** Well, that's great. [INAUDIBLE] which children do you like of your book?

**HAGSTROM:**

**LAUREN** Yes. That's a hard one to answer.

**FOSTER:**

**ROBERT** The last chapter, I thought, was one that was one that I really laid out how I felt about investing and what Warren had taught. It's called "the sportsman, the teacher, and the artist."

**HAGSTROM:**

And we talk about Warren as being a sportsman. A lot of people think about athletics as the outcomes. I just have to win and win. And that's my only goal as a sports person.

But if you really talk to people who are really passionate about sports, it's as much about process as it is about winning every race. It's the love of the game. It's the act. And when you see Warren and you hear Warren and you think about Warren, it's just the process of Berkshire Hathaway that's giving him the most joy.

Yeah, he likes to beat the stock market. Yes, he likes to be successful. But it's been the process of building Berkshire Hathaway over time, and the role of teaching.

We forget that Warren has been a wonderful teacher for us. His dad was a teacher. He taught in Sunday school. His dad was a Republican congressman. He was a prolific political writer, was always [INAUDIBLE].

His mentor, Ben Graham, for gosh sake's, was a teacher for decades and decades and wrote the very first book on security analysis. What a wonderful teacher. Warren himself, after he graduated from Columbia, came back. He took a Dale Carnegie course to learn how to do public speaking. He taught classes at the University of Nebraska in Omaha.

And he wrote. And then he schooled, I guess, and taught all of his partners. If you read the partnership papers during the Buffett partnership, they're wonderful teaching tools. And of course, he's taught the Berkshire faithful for the last 55, 65 years now about how to think about investing.

And so the role of teaching is not only a virtuous role. But we discovered, to the degree that one becomes a teacher, they actually begin to master the process even better. We know scientifically, academically speaking, teachers actually can master the material because they're teaching it over and over and over again.

And then the artist-- when we think about Berkshire Hathaway, he compares it to the Sistine Chapel and painting the Sistine Chapel. And so Warren is the artist. And he's not comparing himself Michelangelo. His humility is well known. But he basically painted Berkshire Hathaway for the last five plus decades.

And so Warren's the artist. The pigment is the capital that he's used over the year. And then he has painted this incredible, incredible painting called Berkshire Hathaway. And so when it all came together, it really became something that became larger than investing itself. Something happened with Warren and Berkshire Hathaway that eclipsed just beating the stock market for five decades. Something grander has happened here. And that was a really revealing chapter [INAUDIBLE].

**LAUREN  
FOSTER:**

So I'd like to talk a little bit or pivot to the annual meeting that takes place every year, the first Saturday in May. Some will call it the Woodstock for Capitalists. This year a little bit different. It's taking place in Los Angeles, California. And I was reading that it's been held in Omaha since 1970. So this is quite a shift for them this year.

And before we go on, I just have to do a shout out for nonagenarians. I can't believe it, but people might not know that Warren Buffett is 90. And Charlie Munger is 97. It's quite phenomenal. So I'm curious, how many of these meetings have you been to over the years?

**ROBERT  
HAGSTROM:**

Oh, I guess I started going in 1995 right after the book. And I don't think I've missed more than two or three for family reasons. So I go to them every year.

And it's kind of like you go to church service every holiday season just to get the religion one more time. And I wouldn't miss it. And much of it is the camaraderie. We talk about the University of Berkshire, the collegiate gathering of everyone that gets there. And I wouldn't miss it.

And it's disappointing that last year we had to do it virtual from Omaha and this year, which was the right call. I'm glad he's doing it in Los Angeles and that he did it specifically for Charlie. Charlie was not in Omaha last year. Charlie is 97 years old.

And I'm telling you, he is sharp as a tack. Anybody that would go on YouTube and see the daily journal annual meeting that he puts on every year-- I think he was an hour and a half, two hours on that. Sharp as a Cracker Jack. But obviously it'll be much easier for Charlie to do it from Los Angeles where he lives than to fly out from Omaha.

So it's a treat to have Charlie at this year's virtual meeting. Ajit Jain will be there, who heads up insurance, Greg Abel who heads up the non-insurance businesses. I think Becky Quick will be there asking questions. So it's going to be it's as much fun as we can possibly make it. But I'm really quite fingers crossed that we'll all be gathering in Omaha this time next year.

**LAUREN  
FOSTER:**

Let's hope so. I believe [INAUDIBLE] with 30,000 people descend on Omaha, which is kind of mind boggling. [INAUDIBLE] said almost 40,000. So this year, what will you be listening out for?

**ROBERT  
HAGSTROM:**

Well, it's always the subtle things that I always get. The headlines that make the newspapers and the financial news-- those are the obvious. I'm looking for the subtle takes, the things that may not [INAUDIBLE]. Maybe, what is the long term thought about capital allocation? How you think about it?

Berkshire Hathaway just gushes so much cash every single day, week, month, year. And the biggest hurdle that he's got is what to do with the money. And so you begin to think about, OK, you've got this bucket full of paint that's money. Where are you going to paint it? Where are you going to take that brush? And where are you going to allocate the capital?

Because knowing that-- and we refer to it as watching someone painting. If you do art appreciation, really, to fully understand a piece of art work, you have to sit down very comfortably, take your time, and try to think about how this painting has evolved and been painted over time. And Warren will walk you through that. He'll tell you how he's painting the painting. And knowing that, you'll get a pretty good idea of what Berkshire Hathaway will look like in the years to come.

**LAUREN  
FOSTER:**

So you mentioned the financial news headlines. And there were some headlines fairly recently with the annual shareholder letter, which is a very closely followed Bible from Berkshire Hathaway. And it was very clear that Warren is no fan of the bond market. In fact, the *New York Times* called it a dour assessment of debt investments and that Buffett had written debt securities face a bleak future. Do you agree?

**ROBERT  
HAGSTROM:**

1,000%. And here, the math is just so obvious. The 30 year plus bond market-- bull market-- is now over. And the only way that it continued would be for interest rates to go negative, which I think would be a low likelihood. We've already seen that that's not a very effective monetary policy tool in Japan and Europe. So the likelihood of interest rates going negative from here is low.

We've already seen interest rates go from 50 basis points in August last year to 1.75. This is the worst bond market I think since 1994, negative rate of returns in long duration bond. And this is problematic because you're talking about two generations of investors, maybe three, that have never experienced a negative rate of return in their bond portfolio. And all of a sudden, there's a negative return.

And many people, particularly older investors, may have 40%, 50%, 60% of their net worth in bonds. And Warren is telling you you've got to do something different. Not only is the current coupon have a negative real rate of return after inflation, but you're going to have capital loss. And so he was very plain spoken.

The one thing you can say about Warren is when he's most plainspoken, pay attention, because he's telling you exactly what you ought to be thinking. So yes, he's 100% correct.

Bonds still play a role, Lauren. They play an important role, a supportive role-- stability in the portfolio, provide modest income stability. But they can't play the dominant role. The years in which you had 50%, 60% of your portfolio in bonds when bonds were 6% and 7% or 5%, that was OK. Today, it doesn't make any sense whatsoever.

**LAUREN  
FOSTER:**

So one of the things that he didn't address in his letter was who would succeed him as chief executive. And that's the perennial question. Do you think that will come up again this year?

**ROBERT  
HAGSTROM:**

Oh, it always does. It's a favorite question. You've got two people right in front of him, Ajit Jain and Greg Abel, Ajit obviously brilliant in the insurance market, reinsurance market. So he has all the insurance units reporting to him. Greg-- a little younger-- has the most employees with the railroad business and Berkshire Hathaway in the retail.

So you've got two great potential CEOs. And obviously Todd Combs and Ted Wexler are right there managing money. They're probably managing close to 10 to 20 billion per person right now. They could step in. And then, of course, his son, Howard, will be tapped to be the non-executive chairman of Berkshire Hathaway on the day in which Warren or Charlie is not on stage answering questions.

So I think the whole issue of who's going to succeed Warren and Charlie should be put to rest. We've got a pretty good idea who the lineup is.

**LAUREN** I'd love to just hear your thoughts on the amazing partnership between Warren and Charlie. It's so unique  
**FOSTER:** [INAUDIBLE] the Batman and Robin. They're two of the partners that you just can't imagine the one without the other. What is it that makes them so complementary?

**ROBERT** Well, they're connected by the way in which they see the world in the same way. Rationality is uppermost in their  
**HAGSTROM:** minds. They rationally think about investing identically. There's no difference in how they think about it.

They just seem to be two sides of the same coin and everything. Charlie, a little gruffer, a little bit more to the point. Warren, a little more diplomatic. But it's kind of the Bartles-- I don't know. In the *Warren Buffet Way*, I said Bartles & Jaymes, That was an old wine commercial he used to look at.

But they're brilliant together. They have been at each other's side, when you think about it, obviously much longer than the time he had with his dad, much longer than the time that he had with Ben Graham. They have been partners longer than anybody than I can think of have been partners in the investing business, finance business, corporate world. It's just been the perfect match. And they've built this incredible, incredible business that I think can live on for decades after they've moved on.

And then we write about it in the book. And the answer is, the glue that holds Berkshire Hathaway together is not so much creativity or technology or inventing a new drug. It's the rational allocation of capital. It is compound interest, which was invented 330 years ago.

If somebody comes in who has a money mind who understands rational allocation who's pragmatic, takes the cash flow of Berkshire Hathaway, reallocates it in investment opportunities and continues to play that role, there's no reason why Berkshire Hathaway won't be a viable, dynamic corporation decades and decades [INAUDIBLE].

**LAUREN** So one of the things I loved about the book-- and it really is highly readable. And we'll make sure to link in the  
**FOSTER:** show notes to where folks can find the book-- is that it's filled with what I call cocktail nuggets. So years ago, I had an editor who just loved this little nuggets that you're like, oh, did you know this, or did you know that? And you're like, oh, that's a great cocktail nugget.

And so one of the cocktail nuggets you share is very early on in the book is about Warren at age 11 picking up this book, I think in the library, by a certain FC Minaker. It was titled *1,000 Ways to Make \$1,000*. And it was published in 1936. So tell the audience a little bit about the book, what makes it unusual.

**ROBERT** Well, it was 11 years old. So you got to remember, being an 11-year-old in Omaha, there was no internet. There's  
**HAGSTROM:** no cable television. There's no smartphones. There's no television.

You had radio programs. If you were lucky, you had an occasional Saturday movie.



But your time was spent reading. And so he camped out in libraries and came across this shiny book one day, silver cover, had coins on it, written by FC Minaker. And it talks about all the different businesses that you could start to make money. And it's 1,000 ways to make \$1,000.

But the nugget that we found out about it is that FC Minaker, which we thought was a man was actually Frances Mary. Frances Mary Cowan Minaker was a woman. And she purposely hid her initials at the time when women were not thought to be business people and writing about business stories. And so we-- And when I mentioned that to Warren, he had no idea either. He goes, Robert, I didn't even know that. I said, he goes, that's just brilliant that it would be a woman who would be teaching us about business in the 1930s. So that was a little bit of a jewel to uncover.

**LAUREN FOSTER:** I love it. And there's also a great story in there about a penny scale. Tell us about the penny scale story just briefly.

**ROBERT HAGSTROM:** Well, in the book, *1,000 Ways to Make*-- there's a story about a guy that made \$1,000 by buying penny weighing machines. So in the old days, you go in a drugstore, retail store, Five and Dime. And there would be a weighing scale. You would stand on the scale and, for a penny-- drop a penny in, it would tell you how much you weighed.

And so the story was this gentleman was sitting there watching it. And while he was in line waiting to be checked out, he noticed probably a dozen people were dropping in a penny every time. He finally happened to ask the owner. He said, what's the story here? And he says, well, listen, I lease these machines. And I get 25% of the money. And the guy that owns the machine gets 75% of the money.

And he thought to himself, well, that sounds like a pretty good business. So he took his savings. It was like \$190. And I think machines were 60, 70 bucks apiece, whatever. And he bought three machines and put them around town, and soon was making enough money that he bought another 70 machines throughout town and made his entire life on penny weighing machines.

And Warren pointed out that that's exactly how he thought about Berkshire Hathaway. It's a compounding machine. It's a penny weighing machine that people put money in the penny-- they put pennies in the machine. They put money into Berkshire Hathaway.

He takes the profits out, buys more penny weighing machines that make more pennies and keeps doing it. And the whole history of Berkshire Hathaway is analogous to the penny weighing machine story. And he talks about in the annual report as the compounding metaphor of how to think about Berkshire Hathaway.

**LAUREN FOSTER:** I just love that story. So since you've been a guest before, I'm not going to ask you the same usual questions that I ask every guest because you know them already. We're going to do something a little bit different. And I would love for you to share what I call a cocktail nugget, one about Warren and one about Charlie.

**ROBERT HAGSTROM:** All right. Well, I'll tell my favorite Charlie story. So Charlie is a polymath-- brilliant. He gave us the mental models-- multi-discipline mental models about how to think about the world from different disciplines. He gave us the psychology of misjudgements, how to think about the study of failure. But many people don't know that, in my opinion, he was the very first behavioral finance person.

All right. So if you go back and look at when Kahneman and Tversky published *Prospect Theory*, that was 1979. So that's kind of the launch of what was considered modern day behavioral finance. When Charlie had graduated from-- he didn't graduate from college. He went to University of Michigan and Caltech, then had to go into World War II, came out and immediately got accepted to Harvard Law School.

Upon graduation in 1949, he began the study of decision making. And by the time he was managing his own partnership in 1962, he was studying how bad decisions are made in investing. And their totality of that is in *Charlie's Almanac*, a great book that goes through the 25 psychology misjudgments about investing. So my little tidbit is, if you want to know who the father of behavioral finance is, with all due respect to Kahneman and Tversky and Nobel prizes and everything else, the very first behavioral finance investor was Charlie Munger.

And then with Warren, there's a cute story in one of the biographies that he was having lunch one day. He had a partner, a guy named Falk, F-A-L-K, who was his partner. And I don't think-- he's probably 11, 12 years old. And he was having lunch. And Mrs. Falk had given him some chicken noodle soup.

And he was sitting at the lunch table and talking about investing in businesses. And as they were sitting around the table, Warren said, if I'm not a millionaire by the age of 30, I'm going to jump off the tallest building in Omaha. Well, Mrs. Falk spit her soup, and she got all so upset because she thought that Warren was going to do something tragic with his life if he didn't become a millionaire.

Well, at age 30 and four months, at the end of that year of his investment partnership with the Buffett partnership, his payout from performance for managing the Buffett partnership reached \$1 million. So he missed it by four months. But he became a millionaire at age 30 and four months. I always thought that was a cute story.

**LAUREN** That is a great story. Well, Robert, it's always a pleasure to chat with you. And I so appreciate your time today.

**FOSTER:** Thank you again for joining us.

**ROBERT** You're great to have me. Wish you the best of luck. Hope to see you soon.

**HAGSTROM:**

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