|  |  |  |  |
| --- | --- | --- | --- |
|

|  |  |  |
| --- | --- | --- |
|  |  |  |

 |

**21 Life Hacks From Warren Buffett That Anyone Can Use**

*Warren Buffett's advice is good for both business situations and personal ones.*

By [**Ashley Redmond**](https://www.gobankingrates.com/author/ashleyredmond/) April 23, 2020 [**Build Your Wealth**](https://www.gobankingrates.com/category/making-money/wealth/)

You don’t get to be the second-richest person in the world without knowing something the rest of us don’t. Often referred to as the Oracle of Omaha, Warren Buffett has a net worth of $73.5 billion, according to Forbes.

While [Buffett is unquestionably a genius when it comes to business](https://www.gobankingrates.com/net-worth/best-investors-all-time/#2), his words of wisdom aren’t just good for finding a hot investment. In fact, there are many Warren Buffett tips that anyone can use.

Click through to learn how you can apply Buffett’s tips and [hack your way to a wealthier life](https://www.gobankingrates.com/making-money/20-life-hacks-increase-wealth/).

**1. Decide That You’re Going To Be Rich**

In order to be rich, you have to believe that one day you will be. According to the Huffington Post, Buffett once reportedly said, “I always knew I was going to be rich. I don’t think I ever doubted it for a minute.”

For best results, set high expectations for yourself and work toward your goals and aspirations.

“Then, make it clear to yourself, your family and friends that you have a commitment to become financially independent,” said Randall “Dolph” Janis, an insurance agent at Clear Income Strategies Group. “Create your future with a plan, knowing when to get aggressive against knowing when to be conservative.”

**2. Start Saving at a Young Age**

By age 15, Warren Buffett had earned $2,000 delivering papers and selling magazine subscriptions, according to CNBC. He used $1,200 of his earnings to invest in a farm, forming a profit-sharing agreement with the farmer.

The lesson? “Start saving money as early as possible, so that you get into the habit,” said Brittney Castro, founder and CEO of Financially Wise Women.

This is important whether you’re saving to invest in a business or buy your first house.

**3. Reinvest Your Profits**

When Buffett was in high school, he and a friend bought a pinball machine. According to Biography, the pair put it in a barbershop and quickly earned enough to buy more machines and install them in other shops. The friends eventually sold all the machines for a profit of $1,200.

If you want your fortune to grow, the best thing you can do is keep reinvesting it in your business. Of course, you can enjoy the fruits of your labor, but don’t spend it all in one place.

**4. Graduate College Early**

Because of [Buffett’s sharp mind for business](https://www.gobankingrates.com/net-worth/10-best-money-tips-warren-buffett-all-time/), it’s no surprise that he managed to finish college in three years — two at the Wharton School of Business and one at the University of Nebraska, according to the book “Icons of Business.” Although college costs weren’t nearly as high in Buffett’s day as they are today, it’s likely that he saved money by completing his education in three years instead of four.

Today’s college students can save by following his lead.

For the 2016-2017 school year, the College Board estimated that the average cost of tuition at a private college was $33,480. If you attended a state school as a resident, you spent $9,650 per year. However, graduating early could save you even more when you factor in the cost of student loan interest paid out over the next 25 years.

**5. Bounce Back From Rejection**

Ironically, Harvard Business School rejected Buffett after his interview. But instead of sulking, he headed to Columbia and met Benjamin Graham. Graham is a legend in the investment industry, and he became Buffett’s mentor. Much of Buffett’s incredible investing success could arguably be credited to Graham and the lessons he taught him.

“Turned down? Who cares, keep going, it happens all the time,” said Tom Scuccimarra, national sales manager at M&O Marketing. “You can’t take it personally, and you can’t let it push you off course of your dreams.”

Even if you get rejected from a school or job opportunity, it’s important to keep moving forward. If Buffett had quit after Harvard dismissed him, he wouldn’t be where he is today.

**6. Communicate in Person**

In 1951, when Buffett was looking for companies to invest in, he stumbled across GEICO. To investigate further, he rode a train to the company’s headquarters. According to GEICO’s website, the office was closed, so a janitor let him in. Luckily, a top executive was there, and they had a meeting. After, Buffett made one of his earliest stock purchases invested in GEICO. Today, the insurance company is a subsidiary wholly owned by Berkshire Hathaway.

Follow Buffett’s advice and don’t underestimate the value of face-to-face communication. When you’re trying to achieve a business or personal goal, sometimes a phone call or email just won’t cut it.

**7. Be Persistent**

When Buffett graduated college, he wanted to work on Wall Street. He offered to work for his mentor Graham, but Graham said, “no,” wrote author James Altucher on his website. So, Buffett went back to Omaha — but he still continued to pitch ideas to Graham. Eventually, Graham hired Buffett.

If you get a “no” from a potential employer who you really want to work for, never take it as a final answer — keep trying until you get a “yes.”

**8. Master Public Speaking**

Good public speaking skills can take you far in your profession. However, speaking in front of large groups can be terrifying for some — even Buffett. In fact, Buffett admitted that used to throw up before public speaking.

But instead of letting his fear cripple him, Buffett took the necessary steps to improve his public speaking skills. According to Forbes, he took a Dale Carnegie public speaking course and he learned that he could, in fact, speak in front of a group. Buffett went on to become an excellent orator.

**9. Maintain Good Savings Habits**

According to the book “Icons of Business,” Buffett returned to Omaha when Graham closed his partnership. Luckily, he had his finances in order. By being a good saver and avoiding debt, Buffett grew his savings from $9,800 to $140,000. He then went on to create Buffett Associates, Ltd.

Paul Tarins, president and founder of Sovereign Retirement Solutions, said, “When evaluating your cash flow, you should understand that the more revolving debt you carry, the more you will diminish the amount that can be invested.”

By saving money and avoiding debt, you too can take advantage of business opportunities and pursue personal goals, such as retiring early.

**10. Find a Business Partner**

One could argue that Buffett wouldn’t be successful without Charlie Munger, his billionaire right-hand man. According to the Economist, the pair met in 1959, and today Munger is the vice chairman of Berkshire Hathaway.

Business Insider reported that Buffett once wrote, “It took a powerful force to move me on from Graham’s limiting views. It was the power of Charlie’s mind. He expanded my horizons.” Together, they took on some of Buffett’s largest acquisitions, such as BNSF Corp.

If you want to be successful, it’s important to find a trusted partner — be it a business acquaintance, friend or spouse — who challenges you to be better.

**11. Be True to Yourself**

Berkshire Hathaway is located in a fairly average-looking building in Omaha. But since Buffett is worth close to $75 billion, many assume he works in more luxurious digs.

“Your personal image is not the perception of how successful you are. Don’t be someone you are not,” said Janis. Buffett owns who he is — a humble, grounded and notoriously frugal man. Flashy headquarters wouldn’t suit him.

You can follow this life hack by owning who you are; the people around you will view you as more authentic as a result.

**12. Live Frugally**

Whatever your goals are in life, living frugally gives you the latitude to accomplish them. Unlike other billionaires who live lavish lifestyles, Buffett is known for living modestly.

In fact, Munger said during the 2014 Berkshire Hathaway Annual Q&A, “Frugality is basically how Berkshire happened.”

“There are things money can’t buy,” Buffett said at the same event. “I don’t think standard of living equates with cost of living beyond a certain point. Good housing, good health, good food, good transport. There’s a point you start getting inverse correlation between wealth and quality of life. My life couldn’t be happier. In fact, it’d be worse if I had six or eight houses.”

**13. Invest In Yourself**

Part of Berkshire Hathaway’s success is due to the fact that Buffett put his money where his mouth was and invested in himself. Tarins believes that’s imperative if you want to succeed in business and life.

“The best way to achieve wealth is [always to pay yourself first](https://www.gobankingrates.com/making-money/tips-tricks-always-pay-yourself-first/),” he said. “Many people are currently doing this by investing through their company’s retirement plan. If you develop the habit of always paying yourself first, you will be extremely successful in acquiring wealth.”

**14. Stick to Your Guns**

Berkshire Hathaway does not pay dividends. In fact, it paid out its only dividend in 1967, according to Investopedia. And Buffett claimed that he must have been in the bathroom when this happened.

Buffett reportedly doesn’t like dividends, partly because they are taxed as income. Not receiving a dividend from Berkshire Hathaway is probably a sore spot for many investors. Regardless, Buffett refuses to pay them.

Sticking to your guns is a good life hack whether you’re talking about investing in a business venture or allowing your teenager to go to that unsupervised party.

**15. Be a Contrarian Investor**

Buffett is what you would call a contrarian investor — meaning he’s known for buying assets that aren’t doing well and then selling them when they do perform. As he once wrote for the New York Times, “Be fearful when others are greedy, and be greedy when others are fearful.”

Being a contrarian or a value investor in life can take you far. Mitch Goldberg, president of investment firm ClientFirst Strategy, explained in a piece for CNBC that being a contrarian “requires identifying a company that will execute a plan to grow the business and at the same time has decent fundamentals … so that if the plan takes longer to execute or if it doesn’t work, you’ll at least potentially have something of value that you could sell at a later date.”

You can follow this advice by being careful about where you spend your money and avoiding fads.

**16. Don’t Invest Emotionally**

Many investors have the urge to sell stocks when the market is down. However, a popular piece of Warren Buffett advice is to put your emotions aside when making business decisions.

Reminding investors to keep their emotions in check, Buffett told Forbes, “You’re dealing with a lot of silly people in the marketplace; it’s like a great big casino and everyone else is boozing. If you can stick with Pepsi, you should be okay.”

For best results in business and life, follow this Buffett tip and avoid making crucial decisions in the heat of the moment.

**17. Make the Tough Calls**

Berkshire Hathaway’s core business was originally textile mills, and Buffett maintained them for many years. In 1985, he sold the mill’s equipment because they weren’t making him any money. In fact, they were a drain on his company, according to Business Insider.

The decision might have been tough for Buffett to make, but it was imperative to his success. Making the hard call is important in life, as well. For example, you might have to skip that expensive vacation and invest your extra dollars in a retirement fund, instead.

**18. Invest In What You Know**

Buffett is famous for holding Coca-Cola stock; he purchased a 6.3 percent stake in the company in the late 1980s. As of July 18, 2017, he owned an 8.73 percent share in the soft drink company.

Buffett certainly knows Coke well — he drinks up to five cans a day, and he once said, “I’m one quarter Coca-Cola.”

You can follow this advice by pursuing a career about which you’re truly passionate.

**19. Be Honest**

Buffett is known for his honesty. In a Berkshire Hathaway shareholder letter, he admits to losing $873 million by purchasing Energy Future Holdings’ $2 billion debt and calls it a “big mistake.”

Honest business practices build trust among colleagues, staff and even competitors. Moreover, investors then express confidence by offering more funding. The lesson? Be honest; it’ll likely help your business — and your personal life — in the long run.

**20. Give Back**

As far as philanthropy goes, Buffett is likely one of the most generous men in the world. And along with Bill Gates, he is donating over half of his wealth. In 2010, [Buffett started the Giving Pledge](https://www.gobankingrates.com/net-worth/warren-buffett-mark-zuckerberg-other-rich-people-not-leaving-money-kids/) with the Gates family, which encourages billionaires to commit to giving away a large portion of their money while they are living or in their wills. As of 2017, 154 billionaires had signed.

However, giving back is important even if you’re not a billionaire.

Said Buffett, “If you’re in the luckiest 1% of humanity, you owe it to the rest of humanity to think about the other 99%.”

**21. Limit Your Activities**

One of the best pieces of Warren Buffett advice actually comes courtesy of his business partner.

To explain Berkshire Hathaway’s success under Buffett, Munger wrote in the company’s annual shareholder letter, “Buffett’s decision to limit his activities to a few kinds and to maximize his attention to them, and to keep doing so for 50 years, was a lollapalooza. Buffett succeeded for the same reason Roger Federer became good at tennis.”

Focus your efforts on whatever it is that inspires you, and you might just achieve a level of success even Buffett would admire.