

2015 Berkshire Hathaway Annual Shareholders Meeting

Marvin Blum: “Hello, Warren and Charlie. I am Marvin Blum, an estate planning lawyer from Fort Worth, Texas, home to four of your companies. And by the way, we’re excited about the new Nebraska Furniture Mart and the Berkshire Hathaway Automotive Group in the Dallas/Fort Worth area. Next to Omaha, we hope you think of Fort Worth as your second home.”

Warren Buffett: “It has been good to us. And actually, we have five companies down there. MiTek just bought one.”

Marvin Blum: “Alright, even better. At the annual meeting a couple of years ago, I asked about your estate plan and your idea of leaving kids enough so they can do anything, but not so much that they can do nothing. Today, I’d like to ask about your decision to sign The Giving Pledge, promising to give away at least one-half of your assets to charity. Can you talk about your views on philanthropy and how to balance leaving an inheritance to your family versus assets to charity?”

Warren Buffett: “Well, that depends very much on the individual situation, and actually I’ve promised to give over 99% in my case. (applause) But that still leaves plenty left over. As you know, the estate tax exemption has been moved up substantially here in the last couple of years, so I might have a very different feeling if I’d had a child who worked actively to help me build a business and all that sort of thing, and it was a small business, and I wanted to give it to him. But that can be done without any estate tax these days, particularly with planning used ahead of time. It’s a very individual thing. When you get to figuring out what to do with your money, the options get fairly limited. As Charlie said the other day, where he’s going, it won’t do him much good anyway (laughter). There’s no Forbes 400 in the graveyard. So the question is, ‘where does it do the most good?’ And, I think limited amounts do some real good for my children, so I’ll be sure that they have that or they already have it to a degree. And on the other hand, when I look at a bunch of stock certificates in a safe deposit box that were put there fifty years ago or so, they have absolutely no utility to me. Zero. They can’t do anything for me in life. I mean they can’t let me consume 7,000 calories a day instead of 3,000. They can’t ... there’s nothing they can do. I’ve got everything in the world I want, and I’ve had it for decades. If I wanted something additional, I’d go buy it. So, here these things are that have no utility to me, and they have enormous utility to some people in other parts of the world. They can save lives. They can provide vaccines. They can provide education. They have all kinds of utility. So why in the world should they sit there for me or for some fourth generation of great-grandchildren or something when they can do a lot of good now? So that’s my own philosophy on it. But I think everybody has to develop their own feelings about it and should follow where they go. I do think they might ask themselves ‘where will it do the most good?’ And it can be pretty dramatic between what you can do for millions of people that don’t really have remotely the same shot at having the decent life that I’ve had or what it could do for me. I could have ten houses. I could buy a hotel to live in. But would I be happier? It’d be crazy. Charlie and I both like charming, simple lives, but the one thing we do know is we know what we like and what we don’t like, and we don’t judge it by what other people like. So I don’t have too much advice for anybody. But I would say start thinking about it. When I call people on The Giving Pledge, I’ll get some 70-year-old, and he says, ‘you know, I don’t wanna think about it yet.’ I always tell them, ‘well, are you gonna make a better decision when you’re 95 with some blond on your lap?’ (laughter) That actually was tried a few years ago as you may know. (laughter) Charlie?”