

Wise words from Warren Buffett

On being active: “It’s nice to have a lot of money, but you know, you don’t want to keep it around forever. I prefer buying things. Otherwise, it’s a little like saving sex for your old age.”

On career advice: “A few months ago I was talking to another MBA student, a very talented man, about 30 years old from a great school with a great resume. I asked him what he wanted to do for his career, and he replied that he wanted to go into a particular field, but thought he should work for McKinsey for a few years first to add to his resume. To me that’s like saving sex for your old age. It makes no sense.”

On loving your job: “You want to have a passion for what you are doing. You don’t want to wait until 80 to have sex.” All this bedroom talk may have you wondering if Buffett is straying too far outside his primary circle of competence. Not to worry:

On ninja-like focus: “You know, if I’m playing bridge and a naked woman walks by, I don’t ever see her.”

On due diligence: “Other guys read Playboy, I read annual reports.”

On over-diversification: “If you have a harem of 40 women, you never get to know any of them very well.”

On internal yardsticks: “Would you prefer to be the greatest lover in the world and known as the worst, or would you prefer to be the worst lover and known as the greatest?”

On investing in 1973: “I feel like an oversexed guy on a desert island. I can’t find anything to buy.”

On investing in 1974: “I feel like an oversexed man in a harem. This is the time to start investing.”

On selling your business to Berkshire vs. private equity: “You can sell it to Berkshire, and we’ll put it in the Metropolitan Museum; it’ll have a wing all by itself; it’ll be there forever. Or you can sell it to some porn shop operator, and he’ll take the painting and he’ll make the boobs a little bigger and he’ll stick it up in the window, and some other guy will come along in a raincoat, and he’ll buy it.”

On becoming a true investor: “We believe that according the name ‘investors’ to institutions that trade actively is like calling someone who repeatedly engages in one-night stands a ‘romantic.’”

On the first stimulus package: “[It was like] half a tablet of Viagra and then having also a bunch of candy mixed in—it doesn’t have really quite the wallop.”

Solicited to buy Bear Stearns, and asked if he wanted more information (from the book Street Fighters):

“It was sort of like having a woman standing in front of you who had taken half her clothes off and then asked whether she should continue, [Buffett] thought. Just as he’d want the woman to finish the job, he was certainly curious to hear what was happening that weekend with the embattled Bear.”

“You can’t produce a baby in one month by getting nine women pregnant. It just doesn’t work that way.”

On financially transmitted diseases: “Derivatives are like sex. It’s not who we’re sleeping with, it’s who they’re sleeping with that’s the problem.”