

## The Stoic Investor

Warren Buffett and Charlie Munger's millions of admirers look to them not just for advice about investing but also for their wisdom on how to lead a good life. It may surprise you to learn that much of the latter is rooted in the teachings of the ancient Stoics such as Marcus Aurelius, Epictetus and Seneca. The Berkshire duo's gift was to take these timeless lessons and express them to a modern audience in a way that was relatable and useful.

For those seeking worldly wisdom (and investment success), studying Stoic philosophy is time well spent. This essay briefly introduces a few of Warren and Charlie's favourite Stoic concepts and provides resources for further study.

## The Path of Lifelong Learning

Charlie and Warren are exemplars of lifelong learning, compounding their knowledge well into their nineties. But the Stoics figured that out long ago:

*"Now, what is more foolish than refusing to learn, simply because one [is of old age]? You should keep learning as long as you are ignorant – even to the end of your life." – Seneca <sup>(1)</sup>*

Great, so how does one go about attaining worldly wisdom? Well, Charlie Munger often spoke about making friends with the eminent dead by studying the lives of the greats. Human nature doesn't change, and those who came before us have shown what works and what doesn't. We don't need to reinvent these lessons. We need only rediscover them and assimilate them into our own latticework of mental models. Biographies are a great place to start.

Fellow Charlie Munger fan and biography nut David Senra produces a wonderful podcast called *Founders*. David has curated hundreds of biographies of history's greatest entrepreneurs and brings an intensity and passion that is truly inspiring.

There are so many practical lessons in these 370 episodes (and counting), and plenty of cautionary tales. David's *Founders* project eventually led to him getting an invite to meet his hero at Charlie's home shortly before his death (see photo at right).



<sup>(1)</sup> Seneca: Moral letters to Lucilius/Letter 76.

## Seeking Happiness

The Stoics viewed wealth as neither inherently good nor bad. They taught that our relationship with it makes all the difference.

- | *"It is not the man who has too little, but the man who craves more, that is poor." – Seneca*
- | *"Wealth consists not in having great possessions, but in having few wants." – Epictetus*

David Senra described a lunch that he had with the late real estate legend Sam Zell, where Sam gave him advice which echoes these sentiments: <sup>(2)</sup>

*"... He's like, 'listen, I know all the rich people... all these rich guys, they're miserable. Do not do that! They all make the same mistake. David. You're going to make a lot of money... Do not make the mistake most people do. They make more money, and they buy slightly nicer versions of the same shit. The difference between a \$10 million house and a \$20 million house is negligible... The things that you own start to own you. He said, 'I go for freedom...'*

*'Use money to have fun, to do things you want to do. You know, buy the business you want, invest, make the investments you want, do whatever that is, and provide good experiences for your family. But don't chase the number. The number's irrelevant.' – [Lightly edited for clarity]*

Warren Buffett lives in the same house in Omaha that he purchased in 1958 for \$31,500. He has pledged to give away almost all of his vast fortune. The extra money that he continues to accumulate is wasted on him. He understands this and doesn't care. He plays the investment game *because it brings him joy*.

Charlie Munger lived in the same modest California home for 70 years. Warren and Charlie both watched their rich friends purchase larger homes and yet become less happy.

They both understand that, as the Stoics taught, happiness is largely within our own control. If you can't relate to the Sam Zell house story above, remove a zero. The point is the same. Happiness is a choice and our own responsibility to foster via our attitudes, choices and actions. It isn't found in things. Make a conscious decision to step off the hedonic treadmill. You will be happier when you do.

## Nurture your Inner Scorecard

Roman Emperor and Stoic philosopher Marcus Aurelius duly earned the moniker of Philosopher King. He wielded almost unlimited power and wealth yet ruled wisely and justly. Throughout his personal journal (*Meditations*), we can see that he constantly held himself to his own high standards of conduct. He tried to do what he thought was right and not how others would judge him.

- | *"Tranquility...comes when you stop caring what they say. Or think, or do. Only what you do."*
- | *"Just that you do the right thing. The rest doesn't matter. – Marcus Aurelius, Meditations*

<sup>(2)</sup> <https://joincolossus.com/episode/the-hard-way-is-the-right-way/>

Buffett has lived his life according to what he refers to as his inner scorecard. His conduct, what he chooses to do with his time, and all of his actions are driven by his own view of right and wrong—not what others will think. Like the former Emperor, he is guided by his own internal moral compass. Their greatness is a product of their talents and living their lives authentically and in harmony with their values and goals.

## Follow Your Own Path

I am often asked for career advice by young people starting out after finishing school. My advice is to pick the right profession based on your unique skills and temperament. Continually ask yourself what interests you and will give you fulfillment (not what others will think). Accept that you will face some challenges and frustrations; anything worth accomplishing should be difficult.

Once you know you are on track, keep putting in the work. Give it time to compound and continuously hone your craft.

*“Progress is not achieved by luck or accident, but by working on yourself daily.” – Epictetus*

*“I just sit in my office and read all day.”  
– Warren Buffett*



But if you get the nagging sense that you are on the wrong path, don't be afraid to pivot your career after giving it your very best for a reasonable period. I have done it twice, as have several people who I admire:

*“Warren talked me into leaving the law business, and that was a very significant influence on me. ... I have to say, it isn't an easy thing to work very hard for many years to build up a significant career, as I had done, and then to destroy that career on purpose.” – Charlie Munger*

After graduating from Oxford and Harvard, Guy Spier worked in investment banking in New York at a firm surrounded by people who operated in a manner that made him highly uncomfortable. Recognizing his mistake, he eventually left New York, moved to Switzerland and founded his successful Aquamarine Fund. Guy's transformation is told remarkably candidly in his book, *The Education of a Value Investor*.

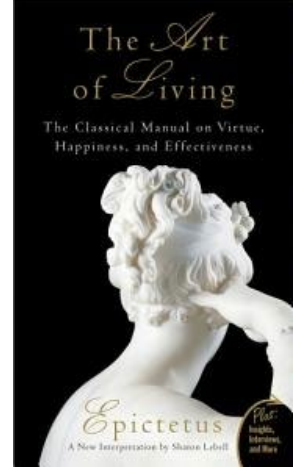
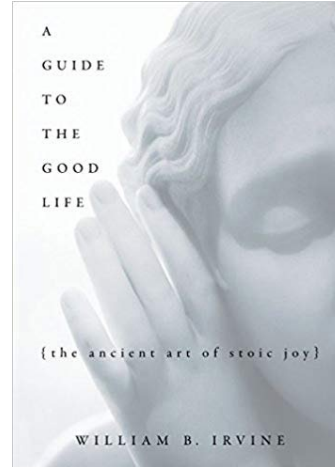
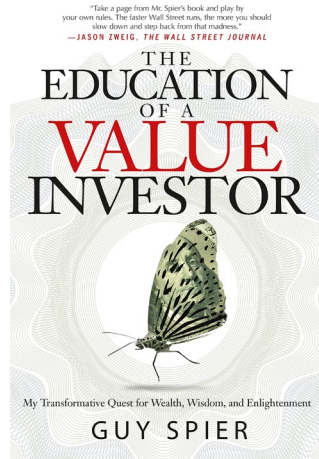
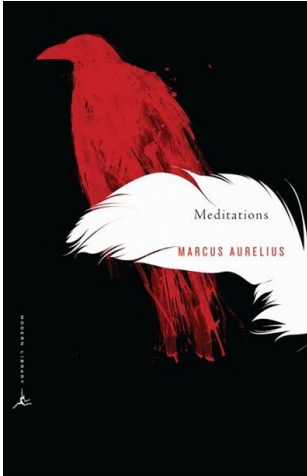
We only get one life, and what it means to live a good life is up to each of us to decide through our choices and actions. Choose wisely.

## Final Thoughts

There are so many more valuable lessons that Stoicism can teach those willing to put in the work. For those so inclined, the following page contains some additional resources that I have found helpful in my own journey. Enjoy!

Michael McCloskey  
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## Suggested Further Reading



Click on books to view them online.

## Excellent Podcasts / Blogs



Learn from history's greatest entrepreneurs. Every week, David Senra reads a biography of an entrepreneur and finds ideas you can use.  
[www.founderspodcast.com/](http://www.founderspodcast.com/)



Fellow Canadian Shane Parish's Farnam Street blog and free Brain Food weekly newsletter are must-reads.  
<https://fs.blog/>  
<https://fs.blog/the-stoic-reading-list/>



Ryan Holiday has assembled an amazing set of materials to introduce beginners to Stoic philosophy. His daily email is a great place to start:  
<https://dailystoic.com/daily-stoic-email/>