

## **Q & A with Marvin Blum at Berkshire Hathaway Shareholder's Meeting in Omaha, Nebraska on May 4, 2013**

*Marvin Blum's question (toward end of afternoon):*

Marvin Blum: "I am Marvin Blum from Fort Worth, Texas, home to four of your companies."

Warren Buffett: "Oh, Fort Worth! We love Fort Worth."

Marvin Blum: "Thank you. We love you too and your presence in our community. I'm an estate planning lawyer, and it's interesting as we wrap up today to ponder that the baby boomer generation is about to pass along the greatest transfer of wealth in history. I can design plans that eliminate estate tax and pass down great amounts of wealth to the next generation, but many of my clients come to me and say they want a plan like Warren Buffett's, leaving their kids enough so they can do anything, but not so much that they can do nothing. Now they ask me, and I am asking you, 'How much is that, and how do you keep from ruining your kids?'"

[Crowd applauds]

Warren Buffett: "I think that more of our kids are ruined by the behavior of their parents than by amount of the inheritance ... [applause] ... Your children are learning about the world through you and more through your actions than they are through your words. From the moment they're born, you're their natural teacher. And it is a very important and serious job, and I don't actually think that the amount of money that a rich person leaves to their children is the determining factor at all. In terms of how children turn out, I think that the atmosphere, and what they see about them and how their parents behave are more important. I'll say this. I've loosened up a little bit. Every time I rewrite my will, my kids are happy, because they know I am not reducing the amount. Anyway, and something else I find, which I think is an obvious thing; it is amazing how many people don't do it. Your children are going to read the will someday, assuming you're a wealthy person. It's crazy for them to read it after you're dead for the first time. You're not in a position to answer questions unless the Ouija board really works or something of the sort. So, if they're going to have questions about how to carry out your wishes or why you did this or that, why leave them endlessly wondering after you die? So, in my own case I always have my children, when I rewrite my will every five or six years, and I have them read it, and if they're an executor under it, they should understand how to carry out their obligations that are embodied in the will, and also if they feel there is anything unfair about it, they should express themselves before I sign that will, and we should talk it over. So I do think it is very important in wealthy families once the kids are a certain age, I wouldn't do this for a fourteen year old, by the time they're in their mid-thirties or thereabouts, they should be participants in the will, and I do think that if you're very wealthy, the idea of passing it on, creating a dynasty of sorts, as far as I am concerned, if you're dealing with hundreds of millions or billions, the money has far more utility to society than to create a situation where your kids don't have to do anything in life except call a trust officer once a year and tell him how much money they want. Charlie?"

Charlie Munger: "I don't think I want to go into this one. I am absolutely sure you don't want to discuss your will with your children if you're going to treat them unequally. That is poison. One of the problems you have, and what you want to discuss just for that very situation is,"

Warren Buffett interrupts: "...there may be circumstances where one child has much more of an interest in one type of an asset or another, and you want to make sure that your definition of equality in terms of handling different kinds of assets meshes or at least is understood by the children so that they don't think that you gave a farm or a house or something of that sort that resulted in inequality when you thought it was equality. Charlie, anything else?"

Charlie Munger: "No."

Warren Buffett: “He’s staying away from this one.”