MONEY & INVESTING

Secret Millionaires Club: Warren Buffett's 26 Secrets to Success

by Andy Heyward and Amy Heyward

Warren Buffett teaches kids the basics of business and money: don't borrow, save, try again, and guard your good name.

BEST POINTS FROM THE BOOK

01 **Do not be afraid to make mistakes.**

Secret #1: try to learn from your mistakes - better yet, learn from the mistakes of others. That is the cheapest tuition in business.

02 **Do not borrow money.**

Secret #2: think twice before borrowing or lending, especially to a friend. As the chapter puts it, the best way to pay back a debt is to never have one.

03 **Love what you do.**

Secret #3: following your passion is the key to success. People do their best work at jobs they enjoy, and it rarely feels like a life sentence.

04 **Always think of new ideas.**

Secret #6: when you hit a roadblock, come up with alternate ways of doing things instead of quitting at the first dead end.

05 **If you fail, try again.**

Secret #8, in the book's own words: failure is not falling down, it is staying down. A flop is an event, not who you are.

06 **Protect your reputation.**

Secret #9: it takes years to build a reputation but only minutes to ruin it. Guard your good name like treasure.

07 **Location is very important.**

Secret #13: where a business sits decides who finds it, so location is a vital part of most businesses. Where you sit in class matters too - up front, you pay attention and learn more.

08 **Do not be fooled.**

Secret #14: if it seems too good to be true, it probably is. A promise of easy, guaranteed money should ring a warning bell, not open your wallet.

09 **Price is what you pay. Value is what you get.**

Secret #17 makes the same point for kids: price is on the price tag, but value is in the eye of the beholder. Judge what a thing is worth, not just what it costs.

10 **Save for the future.**

Secret #22: save money for things you need instead of spending it all on things you want. Saved money can even start making money by itself.

11 **Confidence comes with understanding.**

Secret #24: do not get involved in a business you don't understand. As Buffett tells the kids, the more you learn, the more you'll earn.

12 **Be your own best investment.**

Secret #25, a lifetime of learning: Buffett says it in the chapter itself - the best investment you can make is in yourself. Be smarter at the end of the day than you were at the beginning.

THE BOOK, IN SHORT

This book is the companion to the animated TV series Secret Millionaires Club, in which Warren Buffett voices himself as the mentor of a group of school kids - Radley, Elena, Jones, Lisa, and Starty, their robot friend. The children dive into businesses and money problems, and Buffett helps them make sense of what happens. The book retells those lessons as 26 secrets, one per short chapter, and every principle in it was personally approved by Buffett as one he follows himself.

Each secret is stated plainly up front, explained in simple business terms, and then shown in action in a story from the show - with help, now and then, from Buffett's famous friends: Jay-Z, Shaquille O'Neal, Kelly Rowland, and Nick Cannon appear in the adventures, and even Bill Gates comes along on one. Buffett adds war stories and reflections from his own long career along the way.

The money basics come first and stay simple. Do not borrow money (Secret #2) - think twice before borrowing or lending, especially to a friend. Save for the future (Secret #22): set money aside for things you need instead of spending it all on things you want, and saved money can start making money by itself. Do not be fooled (Secret #14): if it seems too good to be true, it probably is. And learn the difference between price and value (Secret #17): price is on the tag; value is what you actually get.

Character secrets carry the middle: do not be afraid to make mistakes (Secret #1) - and learn from other people's mistakes when you can. If you fail, try again (Secret #8). Protect your reputation (Secret #9), because it takes years to build and minutes to ruin. Love what you do (Secret #3). Then

come working business basics: always think of new ideas (Secret #6), always have a plan (Secret #7), the customer comes first (Secret #10), location is very important (Secret #13), and partners make it easier (Secret #26).

Learning ties it all together: listen to what others can teach you (Secret #5), build confidence through understanding (Secret #24) - never get involved in a business you don't understand - and treat learning as a lifetime habit (Secret #25), because the best investment you can make is in yourself. It is a children's book, and proudly so: short chapters, big plain ideas, stories first. For adults it works as a refresher - the same plain rules Buffett actually lives by, stripped of every complication.

DO THIS WEEK

Pick one secret and practice it for a week: save before you spend, the way Secret #22 teaches, or fix one mistake openly instead of hiding it (Secret #1). If you have kids, run a one-day mini business together - a lemonade stand or a bake sale - and count the costs and the profit at the end.

Andy Heyward and Amy Heyward, created with Warren Buffett, first published 2013 (Wiley). Companion to the animated Secret Millionaires Club series; written for kids and families - adults get Buffett's money basics in their simplest form.