

BERKSHIRE HATHAWAY INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

November 25, 2024

Omaha, NE (BRK.A; BRK.B) –

Today, Warren E. Buffett will convert 1,600 A shares into 2,400,000 B shares in order to give these B shares to four family foundations: 1,500,000 shares to The Susan Thompson Buffett Foundation and 300,000 shares to each of The Sherwood Foundation, The Howard G. Buffett Foundation and NoVo Foundation.

Mr. Buffett’s comments to his fellow shareholders follow:

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The gifts I am making today reduce my holdings of Berkshire Hathaway Class A shares to 206,363, a 56.6% decrease since my 2006 pledge. In 2004, before Susie, my first wife, died, the two of us owned 508,998 Class A shares. For decades, we had both thought that she would outlive me and subsequently distribute the vast majority of our large fortune. That was not to be.

When Susie died, her estate was roughly \$3 billion, with about 96% of this sum going to our foundation. Additionally, she left \$10 million to each of our three children, the first large gift we had given to any of them. These bequests reflected our belief that hugely wealthy parents should leave their children enough so they can do *anything* but not enough that they can do *nothing*.

Susie and I had long encouraged our children in small philanthropic activities and had been pleased with their enthusiasm, diligence and results. At her death, however, they were not ready to handle the staggering wealth that Berkshire shares had generated. Nevertheless, their philanthropic activities were dramatically increased by the 2006 lifetime pledge that I subsequently made and later expanded.

The children have now more than justified our hopes and, upon my death, will have full responsibility for gradually distributing all of my Berkshire holdings. These now account for 99½% of my wealth.

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Father time always wins. But he can be fickle – indeed unfair and even cruel – sometimes ending life at birth or soon thereafter while, at other times, waiting a century or so before paying a visit. To date, I’ve been very lucky, but, before long, he will get around to me.

There is, however, a downside to my good fortune in avoiding his notice. The expected life span of my children has materially diminished since the 2006 pledge. They are now 71, 69 and 66.

I've never wished to create a dynasty or pursue *any* plan that extended beyond the children. I know the three well and trust them completely. Future generations are another matter. Who can foresee the priorities, intelligence and fidelity of successive generations to deal with the distribution of extraordinary wealth amid what may be a far different philanthropic landscape? Still, the massive wealth I've collected may take longer to deploy than my children live. And tomorrow's decisions are likely to be better made by three live and well-directed brains than by a dead hand.

As such, three potential successor trustees have been designated. Each is well known to my children and makes sense to all of us. They are also somewhat younger than my children.

But these successors are on the wait list. I hope Susie, Howie and Peter themselves disburse all of my assets.

Each respects my wish that the disposition program for my holdings of Berkshire shares in no way betrays the exceptional trust Berkshire shareholders bestowed upon Charlie Munger and me. The 2006-2024 period gave me the chance to observe each of my children in action and they have learned much about large-scale philanthropy and human behavior. Each has overseen teams of 20-30 for many years and has observed the unique employment dynamics affecting philanthropic organizations.

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Wealthy friends have been curious about the extraordinary confidence I have in my children and their possible alternates. They express particular surprise at my requirement that *all* foundation actions will require a unanimous vote. How can this be workable?

I've explained that my children will forever be besieged with earnest requests from very sincere friends and others. A second reality: When large philanthropic gifts are requested, a "no" frequently prompts would-be grantees to ponder a different approach – another friend, a different project, whatever. Those who can distribute huge sums are forever regarded as "targets of opportunity." This unpleasant reality comes with the territory.

Hence, the "unanimous decision" provision. That restriction enables an immediate and final reply to grant-seekers: "It's not something that would ever receive my brother's consent." And that answer will improve the lives of my children.

My unanimity clause, of course, is not a panacea – it clearly isn't workable if you have nine or ten children or stepchildren. And it doesn't solve the daunting problem of intelligently distributing many billions annually.

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I have one further suggestion for *all* parents, whether they are of modest or staggering wealth. When your children are *mature*, have them read your will *before* you sign it.

Be sure each child understands both the logic for your decisions and the responsibilities they will encounter upon your death. If *any* have questions or suggestions, listen carefully and adopt those found sensible. You don't want your children asking "Why?" in respect to testamentary decisions when you are no longer able to respond.

Over the years, I have had questions or commentary from all three of my children and have often adopted their suggestions. There is nothing wrong with my having to defend my thoughts. My dad did the same with me.

I change my will every couple of years – often only in very minor ways – and keep things simple. Over the years, Charlie and I saw many families driven apart after the posthumous dictates of the will left beneficiaries confused and sometimes angry. Jealousies, along with actual or imagined slights during childhood, became magnified, particularly when sons were favored over daughters, either in monetary ways or by positions of importance.

Charlie and I also witnessed a few cases where a wealthy parent’s will that was fully discussed *before* death helped the family become closer. What could be more satisfying?

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As I write this, I continue my lucky streak that began in 1930 with my birth in the United States as a white male. My two sisters had, of course, been explicitly promised by the 19th Amendment’s enactment in 1920 that they would be treated equally with males. This, after all, had been the message of our thirteen colonies in 1776.

In 1930, however, I emerged in a country that hadn’t yet gotten around to fulfilling its earlier aspirations. Aided by Billie Jean King, Sandra Day O’Connor, Ruth Bader Ginsberg, and countless others, things began changing in the 1970s.

So favored by my male status, very early on I had confidence that I would become rich. But in no way did I, *or anyone else*, dream of the fortunes that have become attainable in America during the last few decades. It has been mind-blowing – beyond the imaginations of Ford, Carnegie, Morgan or even Rockefeller. Billions became the new millions.

Things didn’t look great when I arrived at the beginning of The Great Depression. But the *real* action from compounding takes place in the final twenty years of a lifetime. By not stepping on any banana peels, I now remain in circulation at 94 with huge sums in savings – call these units of deferred consumption – that can be passed along to others who were given a very short straw at birth.

I am also lucky that my philanthropic philosophy has been enthusiastically embraced – and widened – by both of my wives. Neither I, Susie Sr. nor Astrid, who succeeded her, believed in dynastic wealth.

Instead, we shared a view that equal opportunity should begin at birth and extreme “look-at-me” styles of living should be legal but not admirable. As a family, we have had everything we needed or simply liked, but we have not sought enjoyment from the fact that others craved what we had.

It also has been a particular pleasure to me that so many early Berkshire shareholders have independently arrived at a similar view. They have saved – lived well – taken good care of their families – and by extended compounding of their savings passed along large, sometimes huge, sums back into society. Their “claim checks” are being widely distributed to others less lucky.

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With this philosophy, I have lived the way I wanted to live since my late 20s, and I have now watched my children grow into good and productive citizens. They have different views in many cases from both me and their siblings but have common values that are unwavering.

Susie Jr., Howie and Peter have each spent far more time *directly* helping others than I have. They enjoy being comfortable financially, but they are not preoccupied with wealth. Their mother, from whom they learned these values, would be very proud of them.

As am I.

About Berkshire

Berkshire Hathaway and its subsidiaries engage in diverse business activities including insurance and reinsurance, utilities and energy, freight rail transportation, manufacturing, services and retailing. Common stock of the company is listed on the New York Stock Exchange, trading symbols BRK.A and BRK.B.

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