

# AI-00931 Money Zero Utility Point

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When a billionaire says that money has no utility for him, what does that mean?

When a billionaire asserts that money has no utility for them, it means that beyond a certain point, accumulating more wealth doesn't significantly enhance their quality of life or happiness. Let's delve into this concept further:

## 1. **Wealth Saturation:**

- Billionaires like Warren Buffett have amassed substantial fortunes. However, they recognize that there's a limit to how much wealth can truly benefit them.
- Once basic needs are met (such as food, shelter, healthcare, and education), additional money doesn't significantly enhance well-being.
- **Warren Buffett** himself has stated that there comes a point where money "has no real utility" for him<sup>1</sup>. He emphasizes that excessive wealth doesn't do much for the rich and their families.

## 2. **Diminishing Returns:**

- The concept of diminishing marginal utility applies here. It suggests that as you acquire more of a good (in this case, money), the additional satisfaction or benefit from each additional unit decreases.
- For billionaires, the incremental value of an extra million dollars becomes negligible compared to the first million.
- Owning multiple houses, extravagant cars, or luxury items doesn't significantly improve their overall happiness or life satisfaction.

### 3. **Alternative Priorities:**

- Billionaires often shift their focus from personal accumulation to broader impact.
- Warren Buffett, along with Bill and Melinda Gates, founded **The Giving Pledge**. This initiative encourages the world's wealthiest individuals to commit to giving away more than half of their wealth to philanthropy during their lifetimes or in their wills.
- Buffett believes that money can do wonders for people around the world, and he prioritizes using his wealth for positive change rather than personal indulgence.

### 4. **Time as a Valuable Resource:**

- Warren Buffett once said, "Money has no utility to me. Time has utility to me."
- While money can buy material possessions, time is finite. Billionaires recognize the importance of allocating their time wisely.
- Rather than accumulating more wealth, they may focus on meaningful experiences, relationships, and making a difference.

In summary, when a billionaire claims that money has no utility for them, it reflects their understanding that wealth beyond a certain point doesn't significantly enhance their well-being. Instead, they prioritize impact, time, and meaningful contributions to society.

Source: Conversation with Bing, 5/12/2024

(1) WARREN BUFFETT: 'There comes a point where money has no real utility'.

<https://finance.yahoo.com/news/warren-buffett-there-comes-a-point-where-money-has-no-real-utility-201541713.html>.

(2) 'Money has no utility to me': Warren Buffett says having more houses or ....

<https://www.msn.com/en-us/money/savingandinvesting/money-has-no-utility-to-me-warren-buffett-says-having-more-houses-or-a-boat-means-nothing-to-him-heres-1-thing-he-values-more-than-money-and-how-you-can-use-it-too/ar-BB1hCq7e>.

(3) 'Money has no utility to me': Warren Buffett says owning more houses or ....

<https://moneywise.com/investing/warren-buffett-money-has-no-utility>.

(4) 'Money has no utility to me': Warren Buffett says having more houses or ....  
<https://finance.yahoo.com/news/money-no-utility-warren-buffett-183000164.html>.