**Full Transcript from CNBC’s “Charlie Munger: A Life of Wit and Wisdom”**

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Billionaire investor Charlie Munger sat down with CNBC’s Becky Quick on November 14, 2023 in Los Angeles, CA in a special interview to commemorate his soon-to-come 100th birthday. Munger passed away on November 28 at the age of 99. “Charlie Munger: A Life of Wit and Wisdom” features this recent interview to celebrate Munger’s life and his storied career.

Following is the complete transcript from the special that aired today, Thursday, November 30.

Encore presentations of “Charlie Munger: A Life of Wit and Wisdom” will air on the following dates and times:

* Friday, 12/1 at 1:00 AM ET
* Saturday, 12/2 at 3:00 PM ET
* Sunday, 12/3 at 5:00 AM ET
* Monday, 12/4 at 3:00 AM ET

**All references must be sourced to CNBC.**

**PART ONE:**

CHARLIE MUNGER: It’s certainly a peculiar example of one life. It’s interesting that a man who started out to be a lawyer ended up with an identity that’s more like a guru’s than a lawyer’s.

BECKY QUICK: I called you a lawyer once. And I think that was the most irritated you’ve ever been with me. Because that was how you started things, but you really have studied every field out there and tried to—

CHARLIE MUNGER: Yeah, sure.

BECKY QUICK: --to take things from different studies and different models in life. Did you go about doing that intentionally?

CHARLIE MUNGER: Of course. I could see the power of it.

BECKY QUICK: When did you figure it out?

CHARLIE MUNGER: Well, it came naturally to me. And I was what I would call naturally arrogant. And I wasn’t that good a mind. You know? I was in the top 1%, but no prodigy. So I never would’ve succeeded in a field that required a mind to be that of a prodigy. But it was a much better mind than ordinary people had. And I recognized that quite early. And I just played the hand I was dealt in order to get as much advantage as I could. And that’s what everybody else does too. They play the hand that was dealt to get as much advantage as they possibly can.

BECKY QUICK: When did you recognize that? Were you a child still?

CHARLIE MUNGER: Very young. I used – when I was taking courses in grade school, I was often revising the textbook in the course in my head to make it more correct. because I realized the professor was doing it wrong.

BECKY QUICK: What kind of things would you recognize that they-- that they were doing wrong?

CHARLIE MUNGER: Oh. They had some crazy idea. For instance, my Latin teacher was maladjusted, but one who was a devoted follower of Sigmund Freud. And I recognized that Sigmund Freud was –when I first read him when I was in high school. And, of course, it was an odd little boy whose Latin teacher is teaching him Freud. But that was – she was peculiar and so was I. And, of course, when I read – I bought the complete writings of Sigmund Freud from the area library. It was one big book. And I went through it very laboriously. And I realized he was a goddamn lunatic. And so I decided I wasn’t gonna learn that from my Latin teacher. I had some very unusual teachers. The best teacher I had in my life was Lon Fuller. Well, he was the best contracts teacher in any law school. And contracts is the best subject in every law school, at least I think it is. Because it integrates so beautifully with the new doctrine of an economics that came along with Adam Smith and all those people.

BECKY QUICK: You had this idea of mental models before you got to him though.

CHARLIE MUNGER: Yes. And I just naturally came to it. And but it was very much Lon Fuller. I was just awestruck by Lon Fuller. I have never been awestruck by any other teacher in my whole life, including some gifted mathematicians and physicists who did some remarkable things. But Fuller really, really had an impact-- he really changed my life. He almost made me a law professor. I considered being a law professor. But then and I knew I’d be pretty good at it.

BECKY QUICK: Let’s talk about Benjamin Franklin. He’s one of the framers of our nation. He very famously gave out very--

CHARLIE MUNGER: And he was a prodigy.

BECKY QUICK: And he was a prodigy. And he trained himself in lots of different disciplines.

CHARLIE MUNGER: Well, and he self-trained himself with, like, two years of grade school education. This is a very remarkable thing. And when he found late in life that he needed something like algebra, he went back, and pulled out the textbook, and taught himself algebra.

BECKY QUICK: How old were you—

CHARLIE MUNGER: He was a very much a self-educated man. And that was a very much an interesting story for that reason. How could a man who taught himself everything, you know, like Latin, and it was just how could a man like that go into so many different fields and be the top guy in the whole country? And weren’t we lucky to have him?

BECKY QUICK: Yes. And that’s when you started modeling yourself after some of the things he—

CHARLIE MUNGER: I don’t know when I started modeling myself after Benjamin Franklin. But I certainly tried to model myself a little. I liked the mixture of financial life and regular life.

BECKY QUICK: You started out in college at the University of Michigan. And you were young when you went there, because you had skipped some time in grade school. And you went for mathematics. Why’d you choose mathematics?

CHARLIE MUNGER: Because I could get an A in it without doing any work. That’s why I chose mathematics.

BECKY QUICK: And then you shifted with time.

CHARLIE MUNGER: Yes. Yes.

BECKY QUICK: You did that for a couple of years.

CHARLIE MUNGER: Yes.

BECKY QUICK: And then World War II interrupted things. You were 17 still when Pearl Harbor happened.

CHARLIE MUNGER: Then I decided that biology was not the proper science to handle a war or geology was not the proper science to handle any war and that obviously I had to start with physics. So I took physics.

BECKY QUICK: And then you focused on—

CHARLIE MUNGER: Now I didn’t have to take it very much, because as soon as I’d mastered the first part of physics, I actually entered the Airforce Corp as a private, and marched around in some field in the middle of winter, and slept in a tent.

BECKY QUICK: So, Charlie, you were born on the first day of 1924. You have seen a century of history. And I wonder, do you ever stop—

CHARLIE MUNGER: Not only that, I lived in the aftermath of a previous century of history. In fact, you can argue that about 90% of the progress of man that’s happened in civilization has occurred in the last two centuries and that I lived in the immediate aftermath of one. Because in that century, we figured out so very, very much that was quite important as a start. If you stop to think about the technical revolution, it happened in that century. That’s when they, you know, when all these goldmines, and created all these steam engines, and so on. And so it was just and, of course, that’s what brought the economic system up, so man had enough leisure, had enough time to think when he wasn’t getting enough food to eat. And so it was an amazing time to be born, and be born in the place in that century where all the growth was gonna occur.

BECKY QUICK: And then you come along in 1924.

CHARLIE MUNGER: And then immediately after that, my father grew up in a world where if you wanted to go around Lincoln, Nebraska, you had to use a horse and buggy. There was no car. There was no broadcasting. There was-- it was a very different world. The railroads were primitive. And-- that’s what he grew up in.

BECKY QUICK: And what’s happened over the last 100 years? Has been pretty remarkable too?

CHARLIE MUNGER: Yes. And the 100 years I’ve lived has been even more remarkable. That’s pretty much all of modern biology, modern medicine, and modern industrial civilization, modern chemistry. Just imagine what the world would be like, you know, we had photographs for 100 years before we had modern chemistry. And but now it was done by a guy who was a natural, very good chemist. But nonetheless.  He created a mighty company, a great growth stock, and so forth. And it finally wiped out the shareholders in bankruptcy.

BECKY QUICK: Eastman Kodak?

CHARLIE MUNGER: Yes, Eastman Kodak, which is an amazing story that did happen. And, of course, it helped me. Because if somebody as brilliant as old Eastman, and somebody who hired as much many brilliant people as old Eastman did, could take the company into bankruptcy, I figure that lesser people could easily take big companies into bankruptcy eventually, in spite of their best efforts.

BECKY QUICK: What’s the lesson you took out?

CHARLIE MUNGER: Well, it was going to be very difficult to be excellent enough at anything to make any money. That’s the lesson I took out of it.

BECKY QUICK: Part of the advice that you give people in life is pretty basic stuff. But if you follow it, it’s really excellent advice. I think your first one is, is have low expectations. The second one is, have a good sense of humor. And the third one is-surround yourself with love of friends and family. Obviously.

CHARLIE MUNGER: Yeah. Sure.

BECKY QUICK: --I have a hard time thinking of a time when you set your expectations low though.

CHARLIE MUNGER: Yeah. Well, I did.

BECKY QUICK: How so?

CHARLIE MUNGER: Well, let me give you an example. It’s perfect. Here I am, a little boy growing up in Omaha. And my father – one of my father’s best friends living two blocks away. And he has two sons. And I’m right in the middle of the age of his two sons. Eddie Davis, Jr. Is a mechanical genius. He could take anything apart quickly and put it back together again perfectly. And he also reads books all the time. And that’s really all he ever does is sit around reading books. He’s a very bookish little genius with vast mechanical ability. And Eddie Davis, Sr., his father, was the son of the leading mathematics professor at the University of Nebraska. And he didn’t have any money. In those days-- he had a huge family. He--could do anything. He saw things in three dimensions. And he and it was quite obvious that anything that required mechanical ability, I would not be as good as the two Davises. You know, I just no amount of effort or work was ever gonna do it, make me into a fly caster like Dr. Davis was or anything else. I just didn’t have that kind of ability. And so I decided to stay the hell out of businesses where I would compete with people like Eddie Davis, Jr. and Eddie Davis, Sr. in their strong suit.

BECKY QUICK: Knowing your competencies.

CHARLIE MUNGER: Knowing your circle of competency. Right. And that kept me away from those businesses totally. but I’m not all that pleased. I could of done a lot better if I had been a little smarter, a little quicker.

BECKY QUICK: What are you talking about? Like, you’ve had success in everything you’ve done in life. What would you like to do differently.

CHARLIE MUNGER: Well, no, but I might have had multiple trillions instead of multiple billions.

BECKY QUICK: Do you sit around thinking about this? What would you have done differently?

CHARLIE MUNGER: Yes, I do think about it. I think about it. Yes, I think about it, about what I nearly missed by being just not quite smart enough or hardworking enough.

**PART TWO:**

BECKY QUICK: What would you have changed if you could go back and look at the last 100 years?

CHARLIE MUNGER: Well, I’d go back and make some, of course. It’d be a cinch to go back and do it knowing what was gonna happen now. I know I would be the richest man on Earth.

BECKY QUICK: Well, what did you miss? What – was there something where you zigged where you could’ve zagged?

CHARLIE MUNGER: Well, I would’ve started earlier for one thing. And I would’ve compounded longer. And I would’ve compounded better.

BECKY QUICK: So saved even more?

CHARLIE MUNGER: And of course I’d be – would’ve ended up richer if I was gonna live to be 100 years old. And I constantly am aware of the facts that I basically screwed up. Given the hand I dealt, I could’ve done a lot better, quite easily done a lot better.

BECKY QUICK: But you are not somebody who spends a lot of money on yourself. We are living in – we’re sitting here in a beautiful house. But this is a house that you’ve lived in for 70 years.

CHARLIE MUNGER: I know. But Warren’s lived—

BECKY QUICK: You could’ve moved and spent more.

CHARLIE MUNGER: —in his house for about 60 years. We’re similar. But you see, we’re both smart enough to have watched our friends who got rich build these really fancy houses. And I would say in practically every case, they make the person less happy, not happier.

BECKY QUICK: How so?

CHARLIE MUNGER: In other words, having a basic house really helps you. Having a really fancy house, it’s good for entertaining 100 people at once. It’s a very expensive thing to do. And it doesn’t do you that much good.

BECKY QUICK: I think one of the things you’ve said along the years, at least this is what I’ve been told, is that it’s not staying rich that’s difficult, it’s staying sane.

CHARLIE MUNGER: Yeah, of course.

BECKY QUICK: I mean, that’s a lot of your life, a lot of your life and advice is—

CHARLIE MUNGER: Avoiding traps.

BECKY QUICK: Invert and try and figure out where you don’t wanna be.

CHARLIE MUNGER: Yes. And then but-- yes, of course. That’s what everybody’s life is with any sense. All the people I know and my friends now, they never would’ve become alcoholics. It was too dangerous. They would-- they don’t get near it if it takes that many fine people into deep trouble. And I noticed as I got older and older that all the people that had very early heart trouble, the males that had very early heart trouble had one thing in common. They all smoked a lotta the cigarettes. So I can see that coming fairly early. And each other – I tried to learn to smoke so I could be a cool kid like the other kids in high school. I tried to ruin my life, but it nauseated me. And so I said, “The hell with this.” People that lured me into the goddamn thing, you’re gonna get nauseated by learning to do it. And I said, “I’m not interested enough in going through a lotta nausea that I want to smoke.” So I just didn’t smoke.

BECKY QUICK: And you did drink from time to time, right?

CHARLIE MUNGER: Yeah sure. But I didn’t again, I was and I even drank to excess a few times. But I was always – there were enough alcoholics and near alcoholics in my own family that made me worry about liquor. And so I was always very cautious about drinking any liquor. Now I did occasionally get drunk and throw up. That gave me the nausea which enabled me to give up liquor.

BECKY QUICK: Everybody wants to know what’s the secret. What is the secret for you? What – did you conscientiously go—

CHARLIE MUNGER: Well, I don’t know the secret. I avoided the standard ways of failing. Because my game in life was always to avoid all standard ways of failing. You teach me the wrong way to play poker and I will avoid it. You teach me the wrong way to do something else, I will avoid it. And, of course, I’ve avoided a lot, because I’m so cautious.

BECKY QUICK: But you do things you like. Like, you’ll eat peanut brittle.

CHARLIE MUNGER: Yes. But it doesn’t matter that much. I drink Diet Coke. I’m sure Diet Coke shortens my life a little. But I don’t give a damn if they – the last week of lying there unconscious is the way It’s only the good part of life I want anyway. And Diet Coke may be helping me skip it. But who knows? It’s helping me skip the last month, not the first month.

BECKY QUICK: But if other people wanna know what the best way to live is, you would just tell them avoid the crazy things, avoid the things that take you down?

CHARLIE MUNGER: Yes. Avoid crazy at all costs. Crazy is way more common than you think. It’s easy to slip into crazy. Just avoid it, avoid it, avoid it.

BECKY QUICK: I think another thing you’ve said is, “Whatever you are wealth and age will make you more so.”

CHARLIE MUNGER: Yeah. Sure.

**PART THREE:**

CHARLIE MUNGER: As a little boy, I carried more money than all the other little boys. I used to shoot agates in the schoolyard to make money playing confetti agates.

BECKY QUICK: Marbles?

CHARLIE MUNGER: I made sure-- yeah, marbles. But agates were the most valuable marble. And I never wanted to lose my good, valuable collection, you know, if some guy was more coordinated than I was at shooting marbles. So I would never play for stakes unless I could play better than the other boy.

BECKY QUICK: That’s kind of been a habit you’ve made throughout life. You don’t play--

CHARLIE MUNGER: Yes, exactly.

BECKY QUICK: --poker with someone you’re gonna lose with.

CHARLIE MUNGER: Exactly. Exactly. I didn’t always arrange the circumstances. I just fell into them frequently. But I got to play with competitors who were dummkopfs.

BECKY QUICK: People who weren’t assessing the odds quite the same way?

CHARLIE MUNGER: No. No, they weren’t assessing the odds the way it was easy to assess the odds. And you learned and you paid attention when the teacher was teaching you permutations and combinations.

BECKY QUICK: A lot of what you do though also is picking your shots. I mean, I think you call it, “Sit on your ass investing.”

CHARLIE MUNGER: Yeah, sure.

BECKY QUICK: Where you wait for the big, fat pitches to come in, you don’t do a lot over time. Because--

CHARLIE MUNGER: Yeah, that’s correct.

BECKY QUICK: So you think it’s harder to make money now?

CHARLIE MUNGER: Well, that’s a very interesting question. And it’s a very important question. And of course it’s harder. It’s so much harder you can’t believe it. The people that have found it harder are the people that made Warren so rich, Ben Graham and his colleague, Dodd in a damned adjunct course at Columbia. What Ben Graham did that was so interesting is that he taught that you could find a few good things and stay with them for a very long time. But a long time to him was a few years. It wasn’t a few decades. And he did that for, like, 40 or 50 years in a little investment partnership with incentives and so on. And his investors, who were by and large not very rich, did very well with him. After he got his share, they got a good cut that was higher than what other people got after fees. And so he delivered a valuable product. And he taught you got things-- it could be a lousy business, but if they were cheap enough, they were still all right if they had enough assets per share. So you’re getting at least twice as many assets as you were paying for. And he just floated around from the best available stuff among companies good and bad. That was his system. And he worked for 50 years. His clients had good returns. Well, after he became so famous, partly with the help of Warren Buffett and Warren Buffett’s success, everybody tried to do the same thing. And, of course, as everybody crowded in, trying to be a little Ben Graham, it got more and more competitive. And that’s what’s happened now. And the low hanging fruit that Ben Graham had a lot of because of the Great Depression has gone away. And if you just try and float from one undervalued, bad business into another, and pay all the costs and what, it just doesn’t work well enough for the people that actually foot him the money to be worth bothering with. That’s the way it works now. But in Graham’s time, it was the best way there was.

BECKY QUICK: Well, your upgrade on that was to just look for good businesses.

CHARLIE MUNGER: I saw immediately that Graham was wrong.

BECKY QUICK: Right. And you look for—

CHARLIE MUNGER: Yeah, you had – the real money was in the really great companies, which carried you up, and up, and up, and up, and up. I did not anticipate when Warren and I were starting with our little, piddly start that we’d ever get to $100 million, much less several hundred billion. It was an amazing occurrence.

BECKY QUICK: What happened that you didn’t anticipate? What led to that success that you had?

CHARLIE MUNGER: Well, we got a little less crazy than most people and a little less stupid than most people. And that really helped us. Then in addition, we were given this much longer time to run than most people, because something kept us alive into our 90s. And that gave us a long track from our little, piddling start all the way to the 90s. Those are the two things that really happened. And, of course, we wised up over time. We got into better and better companies. We understood more and more of the bad things that could happen. You know how easy they could creep in. And we avoided them even more – like when we were old than we did when we were young. And it all worked.

BECKY QUICK: I think back in 2015, for the 50th anniversary of Berkshire, you wrote in the shareholders letter that among many other things you had a $60 billion pile of cash at that point. You thought that pile of cash would decline over time, because you’d be able to buy more and more things. Now you’ve got almost $160 billion in cash. Is there an opportunity for a really big purchase with that? And do you think you’ll see one?

CHARLIE MUNGER: Well, of course there’s an opportunity for a purchase a lot bigger than people can make who don’t have $160 billion. We have $160 billion in cash, plus a great credit rating we deserve. And who in the hell has that? Not very many. Yes, but what it’s gonna be, I can’t tell you. It can’t be anything too small. Because it doesn’t matter how good it is, we’re of a size now where too small just doesn’t move the needle very much. So we have – we need something big to come along, and use up all our cash, and some borrowing. But who’s more likely to find something than a guy who has $160 billion in cash, plus a long history of buying bargains? I don’t think it’s hopeless. It may have to be done by some different people. You know that next time, we may not be able just to squeeze a little more lemon juice out of the old lemons. We may be able to – they may have to squeeze some new lemons, meaning new people may have to make the decisions. But who can make them better than somebody that has watched the early process all through all those years, and seeing how well it works, and who starts with a little legacy of $160 billion in cash?

BECKY QUICK: So you’re talking about Greg Abel, Ajit Jain.

CHARLIE MUNGER: Yes, any of—

BECKY QUICK: Ted and Todd.

CHARLIE MUNGER: – or somebody not yet identified. The main trick that Berkshire shows is the power of what I call the Wooden effect. And Wooden was the most famous basketball coach of a whole era. And you figure out what the hell he really did, which of course somebody like Warren and me, we just automatically do it. He concentrated about 90% of the playing time in seven players. And everybody else was just a sparring partner for the people. And that turned out a great system for winning at basketball, because you identified your best player, and concentrated so much of the playing time on your best player. And more playing creates better, better, better. You learn by playing in a way you can never learn just by shooting practice baskets. So he concentrated all this playing time on his best players. Simple idea. That’s what Berkshire did.

BECKY QUICK: You talked about some of the joy you’ve found with some of the investments Berkshire’s made along the way. I think Washington Post was a great one.

CHARLIE MUNGER: Well, of course. Who doesn’t like to happily enjoy extreme success accumulated with people who are extremely admirable? That’s what Warren and I have gotten to do. Well, of course that’s a lot of fun. What was interesting about Berkshire’s history is what turned the first $300 million of Berkshire net worth into the first $3 billion of Berkshire net worth.

BECKY QUICK: What was it?

CHARLIE MUNGER: And well, it was blue chip, stamps, and See’s Candy, and the Buffalo News newspaper, and the early insurance operations under Ajit Jain when he came to us. And so it just – everything worked at once. And we made these unholy profits out of these piddling businesses that weren’t that good. And it was a very remarkable thing. And there was some luck involved.

BECKY QUICK: Warren has said that his worst trade ever was buying Berkshire Hathaway itself, the mills.

CHARLIE MUNGER: Yeah, sure.

BECKY QUICK: What was your worst trade?

CHARLIE MUNGER: Well, my worst trade was buying a block for the Munger family in Alibaba, which is a pretty good company. But I think it got over-hyped. And Jack Ma was – made mistakes in dealing with the Chinese government. I had some bad – everybody has some bad ones. You have an off day. The greatest tennis player goes out there some days to the center court and has a bad day. It happens.

BECKY QUICK: I think people learn more from their mistakes sometimes than their successes.

CHARLIE MUNGER: Yeah, on their bad days even. Yes. But really, it’s knowing you can have a very bad day. Do not live your life in such a fashion that a bad day can kill you.

BECKY QUICK: Which means what when it comes to investing? Making sure you don’t use leverage?

CHARLIE MUNGER: Well, they aim for the fences. It’s like a hitter at baseball who tries to hit a home run on every pitch. The great home runners do not remotely swing at every pitch. They wait for one that they can really handle. And that’s what great stock traders do too.

**PART FOUR:**

BECKY QUICK: Charlie, let’s talk a little bit about bureaucracies. Because you have duly noted the problems with bureaucracies, whether it be a big company, whether it be the government.

CHARLIE MUNGER: Have I ever.

BECKY QUICK: Right. So how would you fix some of the bloated bureaucracies out there? Let’s start with the federal government.

CHARLIE MUNGER: That comes in my too hard pile. I can’t tell you how to do that. That would be really hard. Because you have the problem, A, of figuring it out and, B, getting it done. And to solve both those problems are really – it’s like picking the high pick on Everest and saying, “Oh, I’ll waltz up there in a day.” You know? You aren’t gonna waltz up there. It takes several days to do.

BECKY QUICK: There was a presidential candidate who recently said that his solution for that would just be to fire everybody in the federal government whose social security number ends with an odd number. Does that sound like a good way to fix it?

CHARLIE MUNGER: No. It does not. It’s too arbitrary. And it may be that you need some bigger fix than that. And it may be you’re never gonna get it too. And it may be that it’s just something like old age that we’re never gonna get rid of.

BECKY QUICK: But you are still a believer in the need for a government?

CHARLIE MUNGER: Of course. I’m – you get right down to it, what I am is a lover of the progress of civilization. That turns me on. Oddly enough, the man whose name I bear, my father’s father, and my father’s mother, both thought exactly the same way. And the great moral book, they took me to church in the Presbyterian church and all that. But when they really wanted to teach me something because if it’s turned them on, it was the legend of Robinson Crusoe, created by Daniel Defoe. And of course it was good for me. And of course I never got over it. I’m still following Robinson Crusoe’s method of going at life. That’s what I did. I imitated Robinson Crusoe. Then I was lucky with my ancestors on the other side of the family. I am very good at learning things from dead people. That’s what everybody should learn. And so I had one grandfather on the other side whose life never overlapped mine. But Grandfather Ingham just talked endlessly about the early days and how he’d surmounted all these hardships. And he says that it looks pretty easy, “looking back at it with retrospect, but it was damn hard, I want you to know.” And he said, “And in reviewing my life, what your grandchildren have to realize, it was his version of Robinson Crusoe, he told every grandchild, “Is when they give you a real opportunity, the world’s not gonna do it very often. And you’re only gonna get three or four of these invitations to the pie counter. And when you get your invitation, for God sakes, don’t take a small helping.” He basically said, “Lever up when you’re sure you’re right.” And of course that’s good advice. But be sure you’re right is what makes it hard. How can you be sure you’re right? Well, but you can’t. That’s the point. You can’t do it very often. There’s a few times in life that even if you’re Grandpa Ingham or Warren Buffett, you only get a few trips to the pie counter. If you take out of Warren Buffett’s life the ten most important trips to the pie counter, there were – his whole record would look like dung. We knew enough to take a good helping when we were offered a trip to the pie counter. Now we did take way smaller a helping than we could’ve easily handled. Berkshire could easily be worth twice what it is now. And the extra risk we would’ve taken would’ve been practically nothing. All we had to do is just a little more leverage that was easily available.

BECKY QUICK: In hindsight, you’re glad you didn’t just from the potential risk?

CHARLIE MUNGER: It’s an interesting example. The reason we didn’t is the idea of disappointing a lot of people who had trusted us when we were young under a thing that left us. If we lost three quarters of our money, we were still very rich. That wasn’t true of every shareholder. Losing three quarters of the money would’ve been a big letdown. So we were very cautious in dealing with our shareholders’ money. If Warren and I had owned Berkshire without any shareholders that we knew, we would’ve made more. We would’ve used more leverage.

BECKY QUICK: Charlie, Warren Buffett has said that he could fix the budget deficit problem in Washington by simply saying that any member of Congress couldn’t be eligible for reelection if the national deficit was more than 3% of the GDP.

CHARLIE MUNGER: Yes. That kind of thing has been done in some places that have gotten out of trouble. And it has worked. It isn’t that it can’t physically be done. He’s certainly right about that. It can be done. Whether it will be done, neither Warren Buffett or I can tell you.

BECKY QUICK: But is that the proper situation? It’s just setting up the right incentives to—

CHARLIE MUNGER: Well, we may come to a place where we simply have to, where we’ve mismanaged the place where it’s obvious that we have to go back to something that’s more like Adam Smith and just take the inequality instead of the poverty. I like inequality a lot better than I like poverty.

BECKY QUICK: I mean, is this modern monetary theory that’s gotten out of control at this point, do you worry?

CHARLIE MUNGER: Of course modern monetary theory. Modern monetary theory was a level of indebtedness, which in the past would’ve happened only during a war, can now be routinely created to avoid any kind of unpleasantness from some families getting squeezed by hardship at the very bottom of the economic order. I’m not sure the whole damn system works when some families aren’t being squeezed at the bottom of the economic order. That may be our path to civilization. And may be the only one we’ve got. In that case, we just have to be financially responsible whether it feels good or not, even whether it works, whether or not on a temporary basis. And maybe we just have to do it.

BECKY QUICK: In thinking about age, a lot of companies are getting rid of mandatory retirement ages. Boards are getting rid of a lot of the mandatory retirements. But there are questions right now about whether Joe Biden or Donald Trump are too old to be president at 81 and 77 years old.

CHARLIE MUNGER: Well, I mean, it’s true that everyone in America is too old to be president. That maybe – it maybe is too hard a job the way things look. The way things have worked out, we maybe this is like my cousin’s meningitis. Maybe this is the hand you’re dealt to play. Maybe you’re not gonna be allowed to play it out. We don’t know.

BECKY QUICK: You mean the age factor or –

CHARLIE MUNGER: No, I’m talking about the atomic warfare.

BECKY QUICK: The atomic warfare, just the idea of being president at all?

CHARLIE MUNGER: Yeah. If you’ve got a big – and smoking country, it’s not much fun being president.

BECKY QUICK: So that is something that really you can say you set it aside and it’s not worth worrying about. But –

CHARLIE MUNGER: I don’t spend much time on it, because I can’t fix it. It goes into my too hard file. Even if I had all the power, I couldn’t fix it.

**PART FIVE:**

BECKY QUICK: You’ve given away a lot of your money.

CHARLIE MUNGER: Yeah, but not like Warren. More than half of Munger money has already been passed to the descendants. So I made exactly the opposite, it’s a smaller amount of money, but I made exactly the opposite decision for the majority of our money. The majority of his money he gave away. And now he didn’t exactly give it away. It goes to Buffett Foundations that go on for another 100 years.

BECKY QUICK: Is there anything left on your bucket list? Anything you’d like to do?

CHARLIE MUNGER: Well, that’s an interesting question. I am so old and weak compared to what I was when I was 96 that I no longer want to catch a 200-pound tuna. It’s just too god damn much work to get it in. It takes too much physical strength. So I would have paid any amount to catch a 200-pound tuna when I was younger, I never caught one. And now if given the opportunity, I would just decline going. I won’t even go out after them. There are things you give up with time.

BECKY QUICK: You’re pretty active. You’ve got a busy social schedule. You’re on Zoom. You have breakfasts and lunch.

CHARLIE MUNGER: Well I like it that way.

BECKY QUICK: Yeah.

CHARLIE MUNGER: That’s my idea of a proper old age for me. And I didn’t plan it, it just happened. When it happened, I welcomed it. I am very good at recognizing unfair advantages. And I got unfair advantages in old age, the way I got unfair advantages in not old age and when they came, I just grabbed them. Boom, boom, boom. One grab I never made was for a third wife. Too late.

BECKY QUICK: Why?

CHARLIE MUNGER: It’s too late. There are people for whom it’s a necessity. They’re so much more comfortable in marriage than they are outside of it that they really need it to be human. It’s just the way they’re put together.

BECKY QUICK: Your partnership with Nancy, your second wife.

CHARLIE MUNGER: Yes, 56-- 52-year-old marriage. It’s a long marriage. And she got to live it to the – all the way to 86, which is a long life. And now there were some tough stretches, but most lives have some tough stretches. And hers came very near the end.

BECKY QUICK: I mean, Charlie, people probably look at you and think you’re incredibly wealthy, you’ve had all these great opportunities and things that have happened in your life. But you’ve struggled too.

CHARLIE MUNGER: Of course. Everybody struggles. The iron rule of life is everybody struggles.

BECKY QUICK: I try and think back of what the toughest moments might’ve been and how you got through some of those. And, I mean--

CHARLIE MUNGER: Well, we all know how to get through them. The great philosophers of realism are also the great philosophers of what I call soldiering through. If you soldier through, you can get through almost anything. And it’s your only option. You can’t bring back the dead, you can’t cure the dying child. You can’t do all kinds of things. You have to soldier through it. You just somehow you soldier through. If you have to walk through the streets, crying for a few hours a day as part of the soldiering, go ahead and cry away. But you have to – you can’t quit. You can cry all right, but you can’t quit.

BECKY QUICK: You’ve had time in your life when you’ve done that?

CHARLIE MUNGER: Sure. I cried all the time when my first child died. But I knew I couldn’t change the fate. In those days, the fatality with childhood leukemia was 100%.

BECKY QUICK: That was your son, Teddy.

CHARLIE MUNGER: That’s gone away. Now the cure rate is way up in the 90s. And it’s an amazing development. Think of how much pleasure it’s given me to watch the cure rate for leukemia. What mankind did, what mankind and civilization did was soldier through those tough years that took away my cousin, Tommy, from meningitis, and then took away my son Teddy from leukemia. Imagine a cure. Imagine pretty well fixing that disease for families who came into life later. It’s a huge achievement. You can see why I like civilization. To me, civilization is what man has done with the last two centuries. And it’s been a good thing to watch.

BECKY QUICK: Charlie, Warren Buffett told me that a long, long time ago you told him he should live his life. He should write his obituary the way he wants it written and then live his life accordingly.

CHARLIE MUNGER: Yeah, sure.

BECKY QUICK: I assume you’ve done the same thing for yourself.

CHARLIE MUNGER: Well, you know, I’ve written my obituary the way I’ve lived my life and if you want to pay attention to it that’s alright with me. And if they want to ignore it, that’s okay with me too. I’ll be dead what difference will it make. And so, but I think it’s a good – it’s not a bad idea. Warren and I both lived in the same house for decade after decade after decade. All our friends get rich and build better –  bigger and better houses. And naturally we can – we both considered bigger and better houses. I had a huge number of children, so it was justifiable even. And I still decided not to live a life where I look like the Duke of Westchester or something. And I was gonna avoid it. I did it on purpose.

BECKY QUICK: Why?

CHARLIE MUNGER: I didn’t think it would be good for the children.

BECKY QUICK: That it would spoil them?

CHARLIE MUNGER: Yeah. It’s – you grow up in a rich family, your duty is to use the wealth and live grandly. That is what everyone is doing with the money. You will learn from people who are doing it.

BECKY QUICK: Is the plan for your life, the obituary you would write in your 30s, the same you would write today?

CHARLIE MUNGER: Sure. I basically believe in the soldier on system. Lots of hardship will come and you gotta handle it well by soldiering through. And lots of – a few rare opportunities will come. You got to learn how to recognize them when they come and not that make too minor of a trip to the pie counter when the opportunity is available. And those are the simple lessons.