

KUNHARDT **FILM** FOUNDATION

BILL AND MELINDA GATES INTERVIEW
BECOMING WARREN BUFFETT
KUNHARDT FILM FOUNDATION

BILL AND MELINDA GATES

November 17, 2015

Interviewed By: Peter Kunhardt

Total Running Time: 21 Minutes

TITLE

Their friendship with Warren

09:34:13:00

BILL GATES:

Well I think we feel super lucky to be close friends with Warren. We've gotten to do lots of fun things with Warren, we've learned a lot from Warren. We were with Warren when his—after his first wife passed away and that was important there. Good friend of his, Kay Graham, passed away when she was in Sun Valley so there's been some ups and downs but mostly it's been great trips. We've gotten Warren to travel to places that he's never been before and he and I talk all the time about how the worlds going, you know what businesses are doing well, what things we're surprised about, so he's an amazing friend.

09:34:59:22

MELINDA GATES:

And a little bit of bridge thrown in there too, right?

BILL GATES:

Bridge—some bridge and golf as an excuse to hang out. We play quite a bit of bridge. I go to Omaha once a year and we do bridge, he comes here and we do bridge, and then a bit of bridge online. He plays a lot of online bridge, even without me.

TITLE

How they first met

09:35:27:23

BILL GATES:

Well my mom was having an event, and I was very busy on Microsoft work, but she convinced me to come meet Kay Graham and Warren Buffett so the two of us flew out there, somewhat reluctantly, because buying and selling stocks, which is how I thought of Warren, wasn't a particular interest to me, and didn't seem like value added or that it related to the way I thought of the world. It turned out that was completely wrong. Warren's understanding of business values because he has this very deep thinking about how things changed. And so he quickly asked me great questions; he was explaining things to me. We knew that day we'd be very close friends. In fact, we just couldn't get enough of each other. That was July 5th, 1991.

09:36:26:01

MELINDA GATES:

One other sweet thing about this story is that, so I was at a couple of the family dinners at the Gates house where Mary, Bill's mom was trying to convince him to come on out to the family place at Hood Canal to meet Kay Graham and Warren Buffett and he was resisting because as he said, he was really busy with Microsoft, and finally she said, please come and he said "mom, ok I'll come for lunch." And so it was a really busy day for him and we got a helicopter, which was very unusual back then and flew out to the family place at Hood Canal, and said "ok mom, I'm gonna stay for lunch and then that's it, I really have to go back and work." The helicopter sat out there and it stayed and it stayed and it stayed. We stayed at Hood Canal for hours because Warren and Bill just really hit it off on that first day. And the other thing that was neat was about three or four years later, I was somewhere with Kay Graham alone and she said, to me "You know Melinda, Warren didn't need any new friends in his life." He's you know, he's got a lot of friends as we had by then learned, amazing friends but she said "you know, there was just something really special between his friendship with Bill and he really cherishes it" and I knew Bill felt the same way.

TITLE

On Warren's focus

09:38:17:01

BILL GATES:

Well Warren from a very early age thought about stocks and why some went up and some went down, he just got fascinated with it and for his entire life, making predictions, seeing where he was right or wrong, adjusting his model, he's been pretty obsessed with it and it's meant now he understands business like no one else and in my case it was software and you know, in my case it was software. Most people don't focus on one thing. And so if day and night you're kind of looking at it, examining your mistakes, you just get a bit ahead. And who knows why Warren was so able to focus on what he was but it's a beautiful thing, he can explain things to people, he's very humble about it, but he's an expert in a truest sense of the word.

09:39:12:16

MELINDA GATES:

And I think one of the important things that he told us about the foundation very early on was that to pick what we wanted to focus on and once we picked the bull's-eye of our target, the other places—pieces would drop away and it would be ok. Because we were, initially before we chose our focus, we were getting lots and lots of letters from lots of worthy causes, things that really tugged at your heart and your head. And I think once he helped us see that, it was really beneficial to us and we really had—did pick an early focus and have stuck to it. And the other thing I'll say that he was just incredibly kind to me about in the early years after we started—we got married and started to have children was, he could see I was struggling between work which I love, the foundation and the kids, and he said “don't worry Melinda, you know, you're doing the right thing as a parent and you've got enough time to do what you're doing at the foundation too.” And he was just—he's just very kind in that way.

TITLE

On Warren's time management

09:40:21:06

BILL GATES:

Well Warren's very careful about his time, he keeps most of it free and that's amazing in that lots of people would love to have him come give speeches and visit but he—he only does what—what he thinks is necessary and that's—that's a great lesson. I mean it's so many—we've learned so many lessons from Warren. He's a—with his success, he still makes himself available to his friends and he has time to constantly learn and not feel like he's behind or over scheduled and that's pretty unique.

MELINDA GATES:

Sometimes when he'd be at our house and we'd be finishing up after a couple of days and Bill would say something to him kind of on the way out the door when we say goodbye about, "well you know maybe we can get together, you know a couple of months from now." And Warren would pull out of his breast pocket his little calendar, he'd look—go "Well that day is quite free." And Bill would always say after Warren left because Bill was in the throws of running Microsoft, "Oh I want my calendar to be like that some day." But I think it also helped you kind of see, wow you could create this free time and that it would be beneficial.

09:41:36:05

I mean Bill really aspired to that and then the other thing I would say about friends that Warren taught us is, first of all we got to meet his close circle of friends after that initial Hood Canal meeting, he invited us very quickly to go to this Graham group meeting that he had up in Victoria, Canada which we went to and we got to see these incredibly high quality friends that he surrounded himself with. And I think that was really a lesson for us to pick your friends carefully but to cherish them. And then the other thing I saw Warren do with us and then I heard from his friend group he did the same with them is as he's reading something, he will send it out to you and share it with just a little note on the top. And it's a really great way that he's sharing what he's learning with you, he knows you'll care about and it's a way to keep his friends close who live all over the country and it's a model we've ended up following too now that we have a broader network of friends that aren't just in Seattle. It's—it's—he's taught us so many things.

TITLE
On Susie

09:42:50:16

BILL GATES:

Well we were lucky that Susie came along on a lot of these trips we did with Warren. You know we got Warren over in China, Susie was there and we got Warren on this train trip all over the US and Susie came along on that. And he loved having her come and be part of the thing. Some nights they would sing for us, Warren likes to sing. Susie was a **(Melinda Gates: beautiful singer)** phenomenal singer and you know he always loved the time he got with her.

MELINDA GATES:

Yeah there was just an incredible warmth between them that was palpable when you were with both of them in an easy way between them. And Susie loves people—loved people and loved their stories. And she would; somebody she'd never met before, she would go out, she was so gregarious and really get to know them not at a superficial level but deeply and then it was great because Warren sort of relished that about Susie and then he would often carry those stories with him in a shorter version but there was a warmth between them that was really beautiful to see and a very—Susie had a very wide smile and it came out in her singing and it came out in how she treated other people.

09:44:22:20

BILL GATES:

We didn't know Warren in the early days but he claims that he was completely not good at socializing and dealing with people and yet when you hear some of his humor and how natural he is at handling things, you know I think he's a little bit exaggerating but he definitely feels they grew up together and that being aware of social causes including some around race, a lot around women, that Susie was at the vanguard and he completely loved that, agreed with her, supported her, a lot of the foundations he supported, carried on, that work one, named after her. So they really developed as friends, figured out how to do things together, so he feels like he became good

at talking to people, being out in public with people because she was more natural at that.

TITLE

Similarities and differences in personality

09:45:37:02

BILL GATES:

Well I'm different from Warren in that, what I like is equations and science, and you know chemistry, physics and crazy software things. So it's a little different domain but the rigor about, hey do I really know what I'm talking about, hey there's this great book, lets just keep reading more about this thing and a fascination with the world. I mean both of us, in the end, based on what we know want to think why did that happen? What's going to happen in the future? How can we shape that in a slightly better way? Where are the best practices? And so we love talking about the world and what we expect and he'll often have a different way of looking at things. He can explain those things to me, like the—you know, Europe's financial situation, it's been fascinating to hear how he thinks about that. We both love to work hard, we both get around the world, talk to interesting people. Neither of us like frivolous things. You know, he's not—he doesn't know much about cooking or art, a huge range of things.

MELINDA GATES:

Tell the early dice story, how you all connected over that.

09:46:58:06

BILL GATES:

Well that's just a mathematical problem where there's three dice and the idea is you pick one and he picks another one and you roll against each other to see whose getting the highest rolls and because you get to pick the first one, isn't that—must not there be one of the three that is the best one to pick. Well, I've done a lot of math so fairly quickly after I looked at them; I realized this is an unusual set of dice where it's non-associative. That is, there's—dice two is better than dice one and dice three is better than dice two. Anyway, so the second guy can always win. Anyway, it was just a kind of interesting problem.

09:47:48:19

MELINDA GATES:

But Warren was so proud of himself. He had these dice tucked in his pocket. I don't remember if it was his breast pocket or his pants pocket but he pulls his dice and as we were walking outside of the main house at our Hood Canal property out at this vacation house at Hood Canal and he's got 'em and he starts describing them so he and Bill are walking and I'm kind of watching this and so he starts saying, and then somehow you guys end up—there's a car parked in front of the house and they've got the dice on the hood of the car I think and they're going through it and Warren is just beaming because Bill figured it out and so you say it was just a math problem; not everybody connects over just a math problem. And I wanna add one thing about Susie; about the way I think that Susie helped Warren. Which is, I think—we weren't there but we heard the old stories of how she worked to really help him connect to the kids which I think is a role that a lot of woman play but she I think, was particularly thoughtful about it. But Warren's also very clear that Susie behind the scenes helped him think through who should be on the Berkshire board. Right around the time that they put Charlotte Guyman on, he eventually put Bill on the board and others and that her council on what he needed on that board over the long-haul given what he was thinking the boards main role was, was really helpful. And the other thing I will say that he said to me along the way that was really sweet is, I was being a bit tough on Bill at one point, about some way I wanted him to change or something and he said to me, he reached over and he said, "Melinda, be patient. It took Susie a long time to shape me." And that was just—really nice.

09:49:30:05

Warren's clearly older and so I think with time comes wisdom so I think Bill has held Warren out now as his role model of who he would like to be and so that's a really beautiful thing to watch. And I think they have very similar minds about focus, about thinking about big problems of the world, thinking about how you might solve them, who do you learn. So I think those pieces of their minds are incredibly similar. And I think what Bill is purposefully learning from Warren and watching Warren is also how to bring the best out of people. Warren, again I didn't know him when he was younger but he is really

good now about complimenting people in a sincere way, saying what their best is, and I think that partly comes with wisdom and age and Bill is learning how to do that and Warren's role modeling it.

TITLE

How Bill perceives Warren

09:50:36:01

BILL GATES:

Well mostly as a peer. But there are times where he's a bit more like a father figure. When I was going through the anti-trust trials, and you know sort of that was challenging for me, you know his council, his thoughtfulness was more like a father figure and I've learned way, way more from him than he's learned from me. But most things we're doing when we're chatting about the world or playing bridge, we're two very equal friends who share their opinions.

TITLE

What they've learned from Warren

09:51:25:18

BILL GATES:

Warren's good at concentrating and that's largely a virtue. You know sometimes it can be a problem but you know, deep, deep expertise, you know doesn't just grow on trees and Warren's got it.

MELINDA GATES:

I think the other thing that you've learned from Warren; you had it but you have really—are really refining it is that Warren loves to teach. I mean the reason he has all these business school kids come is he loves to teach and Bill has always said, "if you know something—you only know something deeply if you can teach it to somebody else" and so I see Bill doing that a lot these days; around the house, inside the foundation. Not just saying this is how we should do something to a foundation team but teaching them how he's thinking through it and I think some of that actual role modeling comes from Warren.

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TITLE

Warren's intelligence

09:52:26:21

BILL GATES:

Well Warren, is in a certain sense the smartest person I know because I can't imagine how he does what he does. You know, I work with a lot of people in math and science who are mind blowingly smart, smarter than me in a lot of things but at least you know, it's in a dimension where I can go, "ah, if I studied that a little more, I sort of get how they do it." Warren's ability to size up people and businesses, you know say in the financial crisis where he knew to invest in Goldman and not in AIG; it's—it's a pretty magical thing and I don't know anyone else who's like that at all. He is—he's pretty singular.

MELINDA GATES:

He's one of the smartest people we know. And I think, with his smarts also comes wisdom, and you don't always see those paired in people and with his smarts also comes humility, so he'll often make a self-deprecating joke because he's putting the other person at ease, right? And boy, that ability and that humor that comes with it, that's quite unique.

BILL GATES:

No, he's the best at that.

MELINDA GATES:

He is THE best at that, out of anybody we know.

BILL GATES:

We—we should all try to be 20% as good at that.

TITLE

On Warren giving his money to the Gates Foundation

09:54:11:19

BILL GATES:

Yeah. Well Warren had decided that Susie would manage the giving away process and she had a board and was doing some of that and so

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it was a complete shock when Susie got sick and died before Warren and so he had to come up with a new plan. And we were pretty stunned when he said at one point, “hey it’d be logical if some of this would go to your foundation.” And then a few weeks later, he was saying, “yeah, no I think I might really do it.” So it was completely out of the blue; I mean amazing but not—not something that was a part of the plan until that tragedy.

MELINDA GATES:

Not at all, and I think when we heard about it and then got some time to reflect on our own actually twice. Once on a walk, we were in the foothills in Colorado, and another time in our neighborhood, which is, we often walk to reflect or to talk about big issues. We both had tears, because what it would mean for the world, to have Warren’s wealth given back to the world to inequities—wow! and—and for us—we were so pleased for the world but huge responsibility, right? I mean we want to do it well. But it’s really unbelievable.

TITLE

Warren’s legacy

09:55:56:21

BILL GATES:

Well Warren’s gonna have a legacy in so many different areas. I mean for philanthropy in general, you know he really initiated the giving pledge, got us involved in that idea. That’s going to drive a lot more philanthropy. The largest single gift ever given is what he gave away that day to our foundation and his children’s foundations and it’s our job to make sure that Polio eradication, Malaria eradication, getting rid of health inequity caused by all these infectious diseases that over the decades ahead, that Warren’s money allows that to happen. And you know, we’re on our way. Things are going well, you know, he checks in but he really counts on us to be the hands on managers.

MELINDA GATES:

I think we have a shared belief between ourselves and him that all lives do have equal value. That if you're given the right tools and the right opportunity, people will lift themselves out of poverty. So whether that's a draught resistant seed, or whether that's a woman having access to a family planning tool, or not having malaria, that they can go out and live the life that they want to live. And so that shared mission is a really amazing thing that we have. And I think that he surprised us over six years ago, when he had this big idea of— 'cause we've been talking for a while about the right thing to do in the United States is not to have wealth handed down. We absolutely have that shared belief but he came to us you know, about six and a half years ago and said, "hey, what if, what would it be like—could we get other billionaires to give away their wealth, not even knowing how much. So that big idea eventually got announced five years ago from now as the giving pledge. But that was his initial idea and it got refined over time, but wow! You want to talk about an additional legacy? Incredible.

END OF TRANSCRIPT