

**Chasing the Rabbit**  
**Remarks by John C. Bogle**  
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**On Receiving**  
**The Honorary Doctor of Business Administration Degree from Drexel University**  
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Good morning! And congratulations to each one of you in the Class of 2003 for having the brains and determination, and doing the hard work, to earn the degree you will momentarily receive from Drexel's LeBow College of Business.

This morning, as you take this next forward step toward your careers, I ask you to think not only about *what* you want to achieve in your careers, but *why* you want to achieve it. In that context, I'd like to tell you a wonderful story that I hope you'll remember for a long time to come. The Reverend Fred Craddock, a remarkable preacher from Georgia, may have been imagining things—the way preachers are wont to do—but he says this story really happened. Dr. Craddock was visiting in the home of his niece. There was this old greyhound dog there, just like the ones who race around a track chasing those mechanical rabbits. His niece had taken the dog in to prevent it from being destroyed because its racing days were over.

Dr. Craddock strikes up a conversation with the dog: “I said to the dog, are you still racing?” “No,” he replied. “Well, what was the matter? Did you get too old to race?” “No, I still had some race in me.” “Well, what then? Did you not win?” “I won over a million dollars for my owner.” “Well, what was it? Bad treatment?” “Oh, no,” the dog said, “they treated us royally when we were racing.” “Did you get crippled?” “No.” “Then why?” Craddock pressed, “Why?” The dog answered, “I quit.” “You quit?” “Yes,” he said, “I *quit*.” “Why did you quit?” “I just quit. Because after all that running and running, I found out that the rabbit I was chasing wasn't even real.”

On this day of celebration, achievement, and the commencement of a new phase in your lives, it takes considerable temerity for me to challenge you to consider what kind of rabbit you'll choose to chase during your careers. I do so only because—this may surprise you—I challenge myself as to whether the rabbit *I've* been chasing all these long years is real.

**A Short Reflection on a Long Career**

Let me set the stage by reflecting for a moment with you on my own career—the product of being born at the right time; having to work for what I got; receiving a great education; fantastic mentors; and benefiting from an amazing number of lucky breaks, from opening *Fortune* magazine in 1949 and discovering the mutual fund industry, to opening a book of British naval history in 1974 and discovering the name “HMS Vanguard,” Lord Nelson's flagship.

My career has been a monument to what has been described as an “uncanny ability to recognize the obvious.” Think about it! The rock foundation of Vanguard *is* obvious: First, a few banally simple, but powerfully profound, *investment* ideas—asset allocation, diversification, index funds, and *the absolute certainty* that gross returns in the financial markets, minus intermediation costs, will equal the net returns received by investors as a group. Second, the simple, but unique, shareholder-owned mutual structure that has enabled us to become the world's lowest cost provider of financial services.

And third, Vanguard's equally simple *human* ideas. They can be summed up in just two words: *We care*. We care about the "honest-to-God, down-to-earth *human beings*" who constitute our Vanguard crew and our clients—each with their own ambitions, objectives, and financial goals. Caring about those *whom* we serve, and about those *with* whom we serve, is our version, if you will, of the Golden Rule. And there's nothing more obvious than that.

Of course, it all worked. *It had to!* As a result, I've never doubted that both our crew and our clients believe that the rabbit I've been chasing in my career—essentially giving investors a fair shake in their quest to accumulate assets for a secure future—is real. And it *is* real! So what's bothering me? Perhaps it comes down to the conventional definition of "success"—a word that I don't much care for—as consisting of *wealth, power* and *fame*. But those things don't represent success. They represent the *fruits* of success, and I've seen enough of life to be absolutely sure that each one is a fake, mechanical rabbit. The *real* rabbit is the career that serves our society.

### **Business Makes our Society Work**

What is good about a career in business is that business is what makes our society work. What's good about finance is that it lubricates the machinery of capitalism. And what's good about entrepreneurship is that it is the major force for innovation. And businessmen and women—from the highest to the humblest, at all levels of an organization—have been the driving force of American capitalism that has made our incredibly wealthy economy the envy of the world. But as you move ever closer to your careers in business, I hope you will ask yourselves whether you're going out there to chase the fake rabbit of *success*—wealth, fame, and power—rather than the real rabbit of *meaning*—the contributions to our society that stem from principle, virtue, and character.

It's no secret that, in this quest, those who engage in business careers carry a special burden. For it is in business and finance that most of the people in our society make the most money, too often considered "the bottom line" of success. Yet when we accept the idea that "money is the measure of the man," it's easy to deceive ourselves about why we do what we do. As Descartes reminded us, four full centuries ago, "a man is incapable of comprehending any argument that interferes with his revenue."

Contrast businessmen and women with others who *are* chasing what I believe are the *real* rabbits of life—physicians and surgeons, teachers and scientists, sculptors and painters, historians and musicians, authors and poets, jurists and true public servants, ministers and priests and rabbis. Perhaps they earn our respect because they serve our society knowing that accumulating great wealth is almost out of the question, that fame is rare, and that power—at least *temporal* power—is conspicuous by its absence.

But don't stop there. Think too about the humble folk of this life who do the world's work—farmers and carpenters, soldiers and firemen, plumbers and mechanics, computer programmers and train conductors, pilots and navigators, landscapers and stonemasons. Our society wouldn't function without these good souls who get up with the sun and do an honest day's work, usually with neither complaint nor accolade, and are rarely rewarded with those elusive fruits of so-called success. Yet surely few of them need wonder about whether the rabbits they chase are real. *Of course they are!*

### **Wondering About the Rabbit We Chase**

Yet in the quiet of the evening and the sometime loneliness of the soul, many of those who shouldn't *need* to wonder about the value of hard work and a life well-lived doubtless do exactly that. But whether *they* wonder or not, surely any one of us who—by the blessings of birth, genes, talents, luck, determination, and the help of others—achieves the financial rewards of what passes for business success deserve no such exemption. We'll be better human beings and achieve greater things if we challenge

ourselves to pursue careers that create value for our society—with personal wealth not as the *goal*, but as the *by-product*. Paraphrasing Schumpeter, the joy of business lies in the drive to succeed for the sake, not of the fruits of success—yes, wealth, power, and fame—but of success itself, in the will to conquer, in the impulse to fight for what’s right, and in the thrill of exercising our energy and ingenuity.

We’re *all* in the human race together—those who undertake the nobler missions of life, those unsung heroes who make our world work, and those of us who are lucky enough to earn a good living through our business careers. So rather than running after a rabbit and finally finding that it’s fake, and, like the greyhound we met at the outset, quitting in dismay, let’s just make sure that we who choose business as our calling chase the *real* rabbit of life, doing our best—in a complicated, risky, and uncertain world—to serve our fellow man. Once we do that, let’s keep running—and running, and running, and running the long race of a life well-lived.

Our society needs each one of you to be part of that mission. *You can do it*. So when you get out there in the world of business, get on with the noble task. And, “Press On, Regardless!”

Note: The opinions expressed in this speech do not necessarily represent the views of Vanguard’s present management.