

“Tis Not to Late to Seek a Newer World”
Acceptance Remarks
By
John C. Bogle, Founder and Former CEO
The Vanguard Group
On Receiving the Lifetime Achievement Award
At
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I accept the award with which you honor me this evening with great pleasure, but even greater humility. Whatever I may have achieved in my half-century-plus lifework in the mutual fund industry, I owe to the character of the giants on whose shoulders I have stood—the integrity of Wellington Fund founder Walter L. Morgan, the incisive wisdom of Benjamin Graham and Warren Buffett, the intellects of Paul Samuelson and so many others from the world of academe, and the practiced investment minds of a whole host of fine money managers.

But the world of ideas is only part of the story. Ideas are always in long supply; the trick lies in hitching one’s wagon only to the best of them. For me, simplicity has always been the key, and the time-honored wisdom of Occam’s Razor has stood me in good stead: *When confronted with multiple solutions to a problem, choose the simplest one.* My career is a monument, not to brilliance, but to common sense, “the uncanny ability,” as one observer has said of me, “to recognize the obvious.” (I’m not sure he meant it as a compliment!)

But even the best ideas require implementation. *No man is an island, entire of himself.* So in this day and age when so many chief executives are overpaid, overrated and imperial, I take my hat off to the hard-working human beings—from the humblest to the highest—who get out of bed every morning to make the world’s businesses work—and make business leaders look so much better than we are. So it is that I accept your award in the names of, first, the hundreds who supported me at Wellington Management Company; thereafter, the thousands at Vanguard; and in recent years the three—yes, the three—at Bogle Financial Markets Research Center. Life is never easy, and all through my career these dedicated human beings have given me the strength to carry on.

I also thank my lucky stars, the surprising—and almost unremitting—turns of good fortune that have punctuated my career. Had I not opened *Fortune* magazine in 1949 and first learned about the mutual fund industry, I would not be here tonight. Writing my Princeton thesis on the industry led directly to my joining Wellington. When Mr. Morgan turned over the firm’s leadership to me in 1967, I expected to be there for life. But a decidedly foolish merger resulted in my being fired, yet another piece of luck. Surprisingly, it was *good* luck, for it led to the creation of Vanguard. And so it was that, thirty years ago, a firm that might never have been came into existence.

The list of what I’ve brought to the table during my long career is embarrassingly short. Determination leads the list, a single-minded dedication to getting the day’s work done. Energy, too, which unfailingly summoned *me* to carry on the mission, except during a decade-plus when, in ill-health, I had to summon *it*. And I’ve done my best, imperfect though it may be, to tread a path of dependability, responsibility, moral rectitude, and integrity.

But if I could point to a single trait that I hope would distinguish my career, it would be idealism, sometimes over-bearing, frequently naïve, too often self-righteous, but never—*never!*—other than deeply sincere. That my Princeton thesis reeks of idealism may not be surprising: “The central task of the mutual fund is to *serve*, to serve both individual and institutional investors . . . in the most honest, efficient and economical way possible.” You can’t get much more idealistic than that!

But I suspect that we were *all* young idealists once. What may be surprising is that during all my years in this dog-eat-dog competitive business, that idealism has stayed with me every step of the way—not only talking the talk, but walking the walk. That walk included a unique *mutual* mutual fund structure (we called it “the Vanguard Experiment” in fund governance); an abrupt and unprecedented departure from load fund distribution to no-load; the world’s first index mutual fund and the first three-tier bond fund; and a way of looking at investment markets that marks me, not as a card-carrying member of the overwhelming majority of financial foxes, but as one of a handful of hedgehogs: *The fox knows many things, but the hedgehog knows one great thing.*

While my idealism, combined with my blunt outspokenness, seems to have enhanced my reputation with fund shareowners in these recent years, it has made me something less than a hero to many of my industry colleagues. How could it be otherwise in this industry where it is literally true that mutual fund investors get, *not what they pay for*, but what they *don’t* pay for. For the gross returns earned in the financial markets are shared by the owners of stocks and bonds only *after* the deductions of the hundreds of billions of dollars of financial intermediation costs. *Costs matter*, and they matter immensely. The mutual fund industry needs to go back to the future, to return to its traditional role as a very low-cost, very broadly-diversified medium to buy—and *hold*—the stocks and bonds of American business.

But I would no more revel in the approval of fund investors than would I tremble in the disapproval of fund managers. For if the mutual fund industry is to survive, it must *serve*, serve its owners first, and only then its managers. So I shall press on, regardless, in the mission to reform fund governance so that fund shareholders get the long over-due fair shake they deserve. That mission is the right mission, and it is essential not only to the interest of investors, but to the national public interest as well.

I close with some words from Tennyson’s *Ulysses* that may explain to you, far better than could any words of my own, the exciting adventures I’ve enjoyed, the conflicting emotions I’ve endured, and the single-minded determination on which I have reflected this evening, as I await with eager anticipation the still-unwritten final chapters of my long career.

Ulysses begins by reflecting on his odyssey:

*I cannot rest from travel: I will drink
Life to the lees: All times I have enjoy’d
Greatly, have suffer’d greatly, both with those
That loved me, and alone.
I am become a name;
For always roaming with a hungry heart
Much have I seen and known; cities of men
And manners, climates, councils, governments,
Myself not least, but honour’d of them all;
And drunk delight of battle with my peers.*

Then he considers what may lie ahead:

*I am part of all that I have met.
How dull it is to pause, to make an end,
To rust unburnish'd, not to shine in use!
As tho' to breathe were life! Life piled on life
Were all too little, and of one to me
Little remains: But every hour is saved
From that eternal silence, something more,
A bringer of new things;
And this gray spirit yearning in desire
To follow knowledge like a sinking star,
Beyond the utmost bound of human thought.
Old age had yet his honour and his toil;
Death closes all: but something ere the end,
Some work of noble note, may yet be done.*

Then, determined to take on one final mission, Ulysses summons his followers:

*So come, my friends
Tis not too late to seek a newer world.
Push off, and sitting well in order smite
The sounding furrows; for my purpose holds
To sail beyond the sunset, 'til I die.
Tho' much is taken, much abides; and tho'
We are not now that strength which in old days
Moved earth and heaven, that which we are, we are;
One equal temper of heroic hearts,
Renewed by time and fate, still strong in will
To strive, to seek, to find, and not to yield.*

Note regarding the penultimate line of the poem: Tennyson wrote, “*Made weak* by time and fate, *but strong* in will.” He could hardly have imagined that a heart could be transplanted from one human being to another.

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

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