

“Tis The Gift To Be Simple”

**Remarks by John C. Bogle, Founder and Former Chairman
The Vanguard Group
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Governor Ridge, distinguished representatives of the Commonwealth, fellow members of the business community, and fellow crewmembers of HMS Vanguard. I am profoundly delighted with this wholly unexpected honor, and most appreciative of the generous introduction by Chamber President Warner.

While my pleasure tonight is unalloyed, I confess to some apprehension about the glowing description of my life and career as presented in the video film you have just seen. While my accomplishments may *seem* to verge on the monumental, I assure you that they are in truth far more modest. What is more, they are not mine alone.

For in the course of my long life, I have been blessed with a loving and supportive family; with marvelous teachers at Blair Academy and Princeton University who invested so much of themselves in me; with nurturing mentors—notably Wellington Fund founder, Walter L. Morgan, who gave me my first break; and with the most dedicated group of fellow sailors in history, the crew of this modern-day HMS Vanguard; and with incredible good fortune—luck beyond measure.

When all is said and done, virtually everything Vanguard has achieved has come down to a single idea: *The power of simplicity*. The Quaker hymn got it just right: **“Tis the gift to be simple, tis the gift to be free. Tis the gift to come down where we ought to be.”** Our central business philosophy is the essence of simplicity: Owning a share in the entire stock market, or the entire bond market—and then holding it forever—happens to be the surest route to long-term investment success. If it is to work effectively, however, this simplicity must be accompanied by frugality. For in the financial markets, investment success, finally, depends upon how much of the market’s return is allocated to investors and how much is consumed by the financial institutions that serve them.

How can we assure that investors get their fair share? William Penn said it better than I can: **“Frugality is good, if liberality be joined with it. The first is leaving off superfluous expenses; the last bestowing them to the benefit of others that need.”** In short, slash the superfluous expenses of the managers; bestow those benefits on the shareholders. That’s what Vanguard does. And it works.

Like our business philosophy, our human values are also simple. We believe in treating our clients as we would like the stewards of our assets to treat *us*, and treating our crewmembers as we would like to be treated. Not as undifferentiated “employees” and masses of “customers,” but as individual human beings, each one deserving respect, compassion, consideration, and honor, no matter where they stand on the arbitrary scales of society. To express this Golden Rule philosophy that I’ve tried to inculcate at Vanguard, once again I can find no finer words than those of William Penn: **“I expect to pass this way but once. Any good . . . any kindness or abilities I can show to my fellow creature, let me do it now . . . for I shall not pass this way again.”**

I hardly need remind this audience that Pennsylvania was William Penn's "Holy Experiment." What I have called "the Vanguard Experiment" in mutual fund governance and our simple business concepts and simple human values surely echo not only Penn's words but his values. So by settling in Pennsylvania a half-century ago and founding my firm here in 1974, we have indeed "come down where we ought to be." *We belong here.* From the bottom of my heart—my miraculous *new* heart—I thank you for the signal honor that you have bestowed on me tonight.

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