

Straight from the Heart
“Efficiency and Humanity, in Medicine and Finance”
Remarks by John C. Bogle, Vanguard founder
as the Inaugural Recipient
of the Bernard Lown Humanitarian Award
at the
Mandarin Oriental
Boston, MA
May 17, 2012

Thank you so very much, Dr. Lown—Bernard—for your generous introduction. It is an incredible (and, I fear, undeserved) honor to be named as the inaugural recipient of your Humanitarian Award.

As my cardiologist from 1967 to 1987, you kept me alive, active, and engaged in life for most of the years between my first heart attack in 1961 and my heart transplant in 1996. Without your skilled care and caring I would not be here in Boston tonight, or even *here*—on this earth. Equally important, our friendship now goes back 55 years, during which you have been my confidante and my conscience, always calling on me to press on in my profession—struggling to make it a better, fairer, more sensible system for our nation’s citizen/investors.

Strange as it may seem, both finance and medicine ultimately seek efficiency and humanity. The Oxford English Dictionary II defines a humanitarian as “one who devotes himself to the welfare of mankind at large.” And while your universe of devotion to medicine is far

broader and less parochial than mine to finance, for a long time we have shared a profound concern about the change in the character of the fields of our life's work: from a *professional* culture focusing on the human beings whom we are duty bound to serve, to a *business* culture in which the proverbial "bottom line" has become the overriding goal of our enterprises. The trouble with that change must be obvious: in the words from my book *Don't Count on It!*, in today's bottom line society, we seek the *wrong* bottom line: money over achievement, form over substance, charisma over character, prestige over virtue, the ephemeral over the enduring.

Dr. Lown's concerns about the profession of medicine are almost interchangeable with my own concerns about the profession of trusteeship. Let me cite one of his paragraphs, in which I've simply changed his healthcare words into my mutual fund words—"patient" becomes "client," "doctor" becomes "money manager," and so on:

Our profession's fundamental ethics are under assault. Investment management is a calling—at its core a moral enterprise grounded in a covenant of trust between money managers and clients. The primary mission of the manager is to invest wisely, to promote the client's financial well-being. Central to the relationship is the expectation that the manager will put the needs of the client first.

And so I drive to return fund managers to their traditional commitment to serve as the honest stewards of their clients—in my case, the mutual fund shareholders whom our industry is duty bound to serve. (I should note here that both our keynote speaker Jeremy Grantham and our co-host James Joslin are both paradigms of these stewardship values, and I thank them for gracing this lovely evening with their participation.)

Of course my mission to build a better financial world will not be fully realized during my lifetime. But that knowledge hardly slows me down, for I love the battle itself. I relate to Gutzon Borglum, the determined sculptor of Mount Rushmore, who said "Life is a kind of campaign. People have no idea what strength comes to one's soul and spirit through a good

fight.” However elusive the *destination*, the real thrill is the *journey*, and I’ve had a thrilling career.

But however respected and acclaimed the movers and shakers who do their best to excel in their own fields may be, the core of our mission must focus not only on our society, but also on the individual human beings who constitute our society—the *macro*, to be sure, but let’s never forget the *micro*. I suppose this is where the word “humanitarian” enters the picture. For my part, I’ve tried to focus on the many human beings who have been clients of Vanguard—now some 15 million shareholders strong, the largest congregation of mutual fund shareholders in the world. For a quarter-century or more I have used these words to describe our mission:

Those whom we serve must be treated as honest-to-God, down-to-earth human beings, each with their own individual hopes and fears and financial goals, to treat them as we would expect the honest stewards of our own assets to treat us. *We must never let them down.*

(Hint: the Golden Rule actually works!)

I close with this personal reflection: I sometimes fear that I—and many others who have enjoyed the opportunity to have a strong impact on their chosen fields—have focused too heavily on our careers, and not enough on our families. I say that knowing that my wife Eve, five of our six children, four of our twelve grandchildren, my brother Bill, and another five members of our extended family are here tonight. To these 16 human beings, I want to say that I’m conscious of the fact that the hours of our day are limited, and that my family may have paid a price—I hope not too large a one—for my determined focus on my mission and the tasks at hand.

So to Eve and my family, and to all of you here tonight—especially Bernard Lown—and to all those investors who have believed in my investment philosophy and trusted my

stewardship, I freely concede the profound limitations of my own human being-ness. Perhaps these few lines from Eve's favorite anthem will convey some of the ambiguity of my life and even the lives of many of you here tonight. It closes, not with an answer, but with two questions about balancing work and life.

In the evening of my life I shall look to the sunset.

At a moment in my life when the night is due.

And the question I shall ask, only I can answer.

"Was I brave and strong and true?

Did I fill the world with love my whole life through?"

I believe that I've answered that first question in the affirmative. I promise to keep working on the answer to the second.

Thank you, Dr. Lown and the Lown Foundation for the great honor you bestow on me this evening, and thanks to all of you who have joined me and my family and share in this splendid event with us.

Good evening.