

Entrepreneurship—What’s It Really About?

Remarks by

John C. Bogle, Founder and Former Chairman, The Vanguard Group

On Receiving

The Entrepreneur of the Year Award

From

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Introduction by John C. Whitehead

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Thank you, John Whitehead, for that infinitely generous introduction. Thank you, directors of NFTE, for honoring me with your recognition. Thank you, honored guests, for supporting this marvelous mission. And, most of all, thank you, young entrepreneurs for the wonderful reminder that I too was once a young kid, short on financial resources but long on grit and energy and optimism, and, like each of you, a kid determined to make his way in a world laced with obstacles, but loaded with opportunities.

Never Underestimate the Power of Simplicity

While entrepreneurship is often thought to involve an idea that requires an incredibly creative leap of the human mind, followed by its implementation through a remarkably clever marketing scheme, never underrate the power of a simple idea with energetic implementation. Indeed, my own career is a monument, not to *brilliance*, but to *simplicity*. For Vanguard’s core investment values are the manifestation of a simple mathematical formula: The *gross* returns earned in our financial markets, less the costs of our financial system, equals the *net* returns earned by investors. If you can find a way to reduce those costs to the bare-bones minimum, it follows that investors will be proportionately rewarded. And since the costs of our system are huge, so too are the benefits to investors huge.

How huge? A long-term investor who owns a portfolio of stocks of all of the companies in America, holds them for Warren Buffett's favorite holding period—*forever*—and pays no management fee will!—*will*—end up with a financial stake that is at least double that of all other investors as a group. How to do that? Own an all-stock-market index fund. That now-pervasive idea began with the creation of the Vanguard 500 Index Fund more than 27 years ago. At first it was dubbed “Bogle’s Folly.” But today it is the largest mutual fund in the world. (Memo to young entrepreneurs: never worry about disdain for your ideas!)

Energy and Persistence

Low-costs and indexing are the simple rocks on which Vanguard was founded, an enterprise built on the majesty of simplicity in an empire of parsimony. So never underrate the power of common sense. Never underrate your ability to recognize the obvious, for, paradoxical as it may seem, the obvious is often the hardest thing to see. And then pursue your vision with energy and with persistence.

Why? Because “energy and persistence conquer all things,” as that timeless epigram of Founding Father Benjamin Franklin reminds us. With all of his other talents, this great patriot also qualifies as the first American entrepreneur. Consider his creations: The Colonies’ first fire company; our oldest property insurance company, still thriving today; the Franklin stove, whose stunning efficiencies slashed families’ heating costs; and the lightning rod; along with a library, a hospital, and a college (now the University of Pennsylvania). Now there is one truly eclectic entrepreneur!

The Purpose of Entrepreneurship: Service to Others

And that brings me to my second point: *the true purpose of entrepreneurship is service to our community and our world.* Franklin’s imagination, energy, and persistence were focused on public weal, and not personal profit. He refused to patent his “Pennsylvania fireplace”; he made the lightning rod freely available; and his insurance company was, of all things, “mutual.” (As it happens, the same form of organization we chose for Vanguard.) “Knowledge is not the personal property of the discoverer,” Franklin believed, “but the common property of all. As we enjoy great advantages from the inventions of others, we should be glad of an opportunity to serve others, freely and generously, by any invention of our own.” And so it should be for all of us.

As you budding entrepreneurs go home this evening, dreaming your dreams of today, even as you realize that you’ll likely have new and even bolder dreams tomorrow, I urge you *never* to stop dreaming and creating. *Never* underestimate the majesty of simplicity and the beauty of common

sense. And never give up. Never, never, never, never, *never!* All it takes in this world is energy and persistence, although, confession being good for the soul, having a few lucky breaks is likely to do you no irreparable harm.

Dreams *Do* Come True

We are all blessed to live in a land where dreams not only *can* come true, but *do* come true. Learn from other entrepreneurs who have been around the blocks of life a few times. Take what you can, too, from my humble thoughts this evening. But above all, be true to *yourself*. It will not be easy—nothing worthwhile ever is—but when you reach your goal, please remember to share it with your society, for that is what entrepreneurship is *really* all about. And as you struggle, never forget that, however flawed this great nation has been in living up to the promise of her Founders, we are all “created equal,” endowed by our Creator with unalienable rights “to Life, Liberty, and the Pursuit of Happiness.” The rest is up to you.

So, all of you entrepreneurs here tonight, youngsters and oldsters alike, “Press On, Regardless.” And may God bless you always.