

When Commitment Leads, Providence Follows

**Commencement Address by John C. Bogle
Founder and Former Chairman, The Vanguard Group
President, Bogle Financial Markets Research Center
Upon Receiving the Honorary Doctor of Laws Degree
From Susquehanna University
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One of the greatest thrills of my half-century career has been my association with young men and women, working closely with them at Vanguard, and speaking with them at colleges and universities. So I am privileged today, not only to receive Susquehanna University's honorary degree, but to address you on this signal day in your lives. To each and every one of you, congratulations. And to your parents and friends, I share your pride.

Though it seems like only yesterday—it really does!—it was June of 1951 when I was just where you are today, at my own commencement. I was then, as I hope you are now, almost overwhelmed with feelings of accomplishment, of having overcome obstacles, and of pride in making it across the finish line of my undergraduate education. And I was then, as I hope you are now, filled with confidence and optimism and idealism about what lay ahead. By God, I would go out and strive to succeed, and at the same time do my part in helping to make the world a better place.

And from my graduation day then, to your graduation day now, 50 years later—through a life of much joy and little sadness, of seeing the best in countless human beings and the worst in but a few, a career with some successes and some failures—my confidence in America, my optimism about the future, and my idealism about life are more deeply ingrained than ever. So I bring you a message that is frankly idealistic, one that I hope will make you reflect on the role that *commitment, boldness, and providence* can play in your lives.

Commitment, Boldness, and Providence

Hear the philosopher Goethe:

Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative and creation, there is one elementary truth, the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, then providence moves too.

All sorts of things occur to help one that would never otherwise have occurred. A whole stream of events issues from the decision, raising in one's favor all manner of unforeseen incidents and meetings and material assistance, which no man could have dreamed would have come his way. Whatever you do, or dream you can, begin it. Boldness has genius, power and magic in it. Begin it now.

It is all true. Countless times during my long career, when I committed myself, providence moved too. How else to explain that, as I sought out a topic for my Princeton senior thesis on a sunny day in December 1949, I opened a copy of that very month's issue of FORTUNE magazine and turned to page 116? A feature article on the mutual fund industry ("Big Money in Boston") caught my eye, and I spent the next 16 months researching and writing my thesis, "The Economic Role of the Investment Company."

What else than providence could explain that another Princetonian, Walter L. Morgan, founder of Wellington Fund and one of the great mutual fund pioneers, read my thesis. "As a result," he wrote shortly after my graduation, "we have added Mr. Bogle to our Wellington Organization." By age 36, I had become head of the company, entered into an unwise merger, and eight years later, was fired. (Yes, I was!) But even then, providence moved.

Fired With Enthusiasm

For what else but providence could possibly explain how when that door closed (more accurately, it *slammed*), a window of opportunity opened. Being fired—and with enthusiasm at that—gave me a providential opportunity to create a new and, I passionately believed, a better form of mutual fund organization, one truly *mutual* in its structure and governance. *Fired with*

enthusiasm again, this time in a different way (!), I plunged into the exciting challenge of building a new enterprise, an enterprise that would stand for something powerful: Stewardship—giving average investors a fair shake at building their own financial independence.

And what else could explain that, at the very moment I was searching for an appropriate name for the firm, I came across a book recounting the history of the Napoleonic wars and the Duke of Wellington? I opened it to the very page that described the sweeping victory over the French at the Nile, won by Admiral Nelson aboard (you guessed it!) HMS Vanguard, the name I immediately chose for my new enterprise. And as we began, providence moved yet again: Some words that I'd written in my Princeton thesis nearly a quarter-century earlier happened to come back to me: "Mutual funds can make no claim to superiority over the market indexes," words that led us to pioneer the index mutual fund—a fund that wins the investment race simply by owning the stock market and holding it forever. That first index fund, the backbone of our firm's success, is now the largest mutual fund in the world.

A Second Chance at Life

If that series of unforeseen incidents in my life is not proof enough that commitment is rewarded by providence, I still have one more. Five years ago, at death's door after fighting against a rare genetic heart disease for 35 years, I became the beneficiary of a heart transplant. There's nothing quite equal to a second chance at life. "Something no man could have dreamed would come his way," just as Goethe promised. Without that miracle, I would not be standing here today.

Since then, providence has continued to favor me. What else could explain that just two weeks ago, FORTUNE magazine stuck *again*, just as it had a half-century earlier. As if to prepare me for these remarks, its feature article on Vanguard began with the headline, "Say It Loud: They're Average and Proud," and concluded, "two (of their original) old ideas, low fees and indexing, make Vanguard the company of the moment." The story's final words about what is now the industry's second largest firm: "If Vanguard becomes No. 1, it would be the ultimate validation of its co-op style management structure, of its low costs, and of index funds too . . . a positively freakish event: A triumph of humility over those vain investors who think they can beat the market." Yes, boldness can lead to magic.

I recount these personal anecdotes to you, not to brag about the good fortune that has dogged my tracks, but to present a real-world proof of how providence really can help one's dreams come true. But one's career is not the be-all and end-all of human existence. Yes, the way we earn our living is often a vitally important part of who we are, and blessed are those who have committed themselves to careers in which they accomplish much both for other human beings and for themselves. But we do not live by bread alone, and the well-rounded life requires other commitments, too.

Commitment to Family and Community

It should go without saying that we owe our commitment to our families—especially, on this Mother's Day, our mothers, those saints who nurtured us as we grew to adulthood. As you young men and women begin to move from being members of established families to establishing families of your own, Goethe's words again strike home. Until you are committed, there is the chance to draw back. But once you commit yourselves to a family, providence will move too, and all sorts of things occur that might never have otherwise occurred. Children, for example! Surely the commitment to forming a new family provides material assistance and spiritual strength that neither husband nor wife could have dreamed would come their way. So, if you propose marriage or accept a proposal of marriage—if that's still the way it's done!—do so with boldness and faith. Magic will follow you, just as over the past 44 years, it has followed me and Eve, and our six children and twelve grandchildren.

Commitment to our neighbors and our community is also vital. In this increasingly individualistic age, community spirit—once exemplified by the barn-raising, the quilting bee, the fence-mending—seems almost an anachronism. But a spirit of cooperation and togetherness is today more important than ever, especially in our urban areas where enormous wealth and grinding poverty exist side by side, and where, paradoxically, both extremes seem to lead away from the kind of community spirit that is at the core of the civility that makes community living so worthwhile. I am not at all embarrassed to mention the constructive role of religion in fostering these higher values. While I won't dwell now on the Christian values I cherish so deeply, I would note that virtually all religions preach the existence of a supreme being, the virtues of a Golden Rule, and standards of conduct that parallel the Ten Commandments. We thrive as human beings and as families, not by *what faith* we happen to hold, but by *having faith*, faith in something far greater than ourselves.

The Commitment of Citizenship

In my day, I've met many successful men and women, too many of whom express their pride in having done it all themselves. But I don't believe that *anyone* can take sole credit for their success. Most of us have been blessed by the nurture and love of our families, the support of our friends and colleagues, the dedication of our teachers, and the inspiration and guidance of our mentors. "We did it *ourselves*." Really? When I hear that, I'm bold enough to ask, "Now just how did you arrange to be born in the United States of America?"

And so I come to my final affirmation of Goethe's wisdom about commitment: Commitment to our Nation—America the Beautiful, in the words of the hymn we've just sung. Please neither derogate it nor take it for granted. *We are one lucky bunch*. Just by being right where we are today. We'd best not forget the elementary truth that the moment we commit ourselves to doing all we can, every day, to live up to the values of our Founding Fathers and the principles of our Constitution, then providence moves too, fostering the general welfare of this great land, justice and domestic tranquility, the equality in which we are all created, and our inalienable rights to life, liberty, and the pursuit of happiness—words that are so familiar to us all. When you boldly commit yourselves to good citizenship, magic will follow for America.

America's Treasure

Whatever one person may have accomplished in their long life, please realize that you can do greater things. For who really knows what will follow when you commit yourself? Truth told, if our land of liberty is to continue to realize her awesome promise, you *must* surpass the achievements of your elders. Do not sell yourselves short. You members of the Class of 2001—the first college class of the third millennium, all over our nation—are truly America's treasure. Hear Woodrow Wilson:

The treasury of America does not lie in the brains of the small body of men now in control of the great enterprises . . . It depends upon the inventions, upon the originations, upon the ambitions of unknown men and women. Every country is renewed out of the ranks of the unknown, not out of the ranks of the already famous and powerful in control.

Blessed by being citizens, then, you must repay the bounty of that blessing. Boldly fulfill your obligations to yourself, to your family, to your community, and to your nation, and providence will move too. All sorts of things will occur that would never otherwise have occurred—a whole stream of unforeseen incidents of which you never have dreamed will come your way. Whatever you dream, begin it. Boldness has genius, power and magic in it. Begin it *now*.

Well, not quite yet. First, reciprocate your family's love, enjoy your college friendships, hold with pride your new diploma, and revel in your commencement day. But when tomorrow dawns, *seize* the day. *Carpe diem*. Summon your unique genius, your own power, and your personal magic. Just as it has done so unfailingly for me, providence will respond for you. It really will! In everything you do, be bold.