
Jack Bogle's Spirit Lives On

By Kerry Pechter Thu, Jan 17, 2019

'Costs matter,' he was famous for saying. I think people, and a quaint desire to help make the world a more honest and prosperous place, mattered to him more.



John C. Bogle, the founder of The Vanguard Group, has passed from this world at age 89, an email informed me last night. "Saint Jack" has joined the angel investors on high, his earthly shares redeemed.

For a few years, a long time ago, I was one of the thousands of Vanguard employees who reported to someone who reported to someone who reported to someone who reported to him. But when the occasion once arose, he was the one who held a door open for me.

It's a privilege to work for a great founder, and he started not just a company but a scrupulous cooperative business model that many admire, few understand, and none of his competitors would likely choose to imitate even if they did understand it. I once described Vanguard as "floating out there in space like the eye over the pyramid on the back of a dollar bill."



A young Jack Bogle

Bogle built Vanguard but, oddly, didn't own it. No one seems to. Bogle never demanded personal credit for Vanguard's growth; instead, he attributed it to the three-way zeitgeist: the Boomer age wave, the 401(k) phenomenon and the information technology revolution.

More important than financial success, he achieved a durable brand.

A brand is “a promise kept over and over and over,” a consultant once told me. Bogle kept several promises: to pass on economies of scale to customers, to avoid new ventures that would conflict with the customers’ interests, and to allow no cynicism or complacency toward customers to creep into Vanguard’s broad culture.

(He was legendarily frugal, but he had certain indulgences. The 1798 naval Battle of the Nile was a near-obsession, and the long outer walls of certain Vanguard campus buildings are curved, it was said, to recall, when seen from above, the hull of the HMS *Vanguard*, Admiral Horatio Nelson’s flagship in that battle.)

As for his policies toward employees, I will always appreciate Vanguard’s decision to contribute 10% of salary to every employee’s 401(k) account, above the company “match.” If every company in America followed that policy, there might be no “retirement savings crisis.”

Most people wear out only one heart in the course of a lifetime. Bogle wore out two: the original and the transplant. “Costs matter,” he was famous for saying. I think people, and a quaint desire to help make the world a more honest and prosperous place, mattered to him more. He’ll be missed.

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