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Sent: Saturday, November 01, 2008 11:11 AM
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Subject: einstein quote + john bogle npr interview today

John C. Bogle, founder of the Vanguard Group, has been warning of the current dilemma in speeches and books. In an interview with Bill Moyers he stated that Einstein had a sign hanging in his office at Princeton that read, "There are some things that count that can't be counted, and some things that can be counted that don't count."

NPR interviewed Vanguard's founder and former CEO, John Bogle. Having run a trillion dollar mutual fund for years, the guy knows from financial markets. His new book, "Enough: The True Measure of Money, Business and Life," looks at the end game: just how much "wealth, fame, and power" do we need? Are the leaders of our financial system "dangerously addicted to accumulating more and more and more"? Some excerpts from the interview follow.

John Bogle: There was a sign in Einstein's office that says, "There are some things that count that can't be counted and some things that can be counted that don't count." That really sums it up. We've got this counting society and we rely on numbers to give us facts that are really not facts. If someone's corporation says their earnings were \$1.32 per share, the amount of financial engineering that's gone into that number is usually rather breathtaking. It's an engineered number and the idea that you think you know something when you've seen that number is just greatly overdone. We think we can count everything that's important and we can't do that. You can't measure character. You can't measure integrity. You can't measure moral conduct. You can't measure love. You can't measure the things that are really important in our lives and our society.

NPR: You mention that a lot of your book is about character. Right now, character is not something that the average taxpayer necessarily would attribute to some people's performance who got us into this financial mess. Was there some moment, some legislation, some action that you think helped lead some financial leaders to forego good character?

John Bogle: I'd take a half a step back and say this is not just a financial problem, not just a problem of the financial sector of our economy. This is really an economy-wide problem. Societal problem. There's too much greed everywhere. But, admittedly, the worst part of that greed is certainly on the financial side of our society because the financial side is playing games with paper -- things with numbers on them -- rather than manufacturing things that mean something like jet airplanes for example. Most speculation takes place on the financial side. That's the worst manifestation and the easiest place -- by far -- to indulge your own greediness!

NPR: I'm wondering if you think October 2008 is a good long-term buying opportunity?

John Bogle: None of us really know that. We don't know what's ahead for the economy -- which is important here. However, the stock market itself is a different kettle of fish. It's anticipating a very severe recession and it's down something like 40%. I would say, "No plunging, no diving into the stock market, but starting an investment program, if I were a young person, I'd put it all into stocks and invest monthly over the rest of my life and I'm absolutely confident I'd do very well. But I'd like to give one rule that I think is very important and that is: As you near retirement, more and more bonds, less and less stocks. Your bond allocation should be approximately equal to your age -- rough rule of thumb. ... That kind of program would have served you very well in a difficult year like this.

NPR: As I mentioned earlier, this book is fairly philosophical. We might get some financial advice out of some of your thoughts about the way we spend money in our relationship with money. Why did you choose to write this kind of book at this time of your life?

John Bogle: Well, I started to look at what was going on in our financial system. To be honest, I got outraged. I did some research and found out the financial system lost \$600 billion a year! That means that whatever the markets deliver, we investors get \$600 billion less because we pay it to this institution or series of institutions -- mutual fund managers, hedge fund managers, stock brokers, investment bankers that we call, loosely, "Wall Street." And that means we lose to the market by over half a trillion dollars. Year after year after year. Investors have to know about that because it speaks to a real flaw in our system. The financial system is consuming an excessive share of the economy's resources compared to things like manufacturing, healthcare, technology. It turns out the financial sector *subtracts value* from society.

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