FRIDAY, DECEMBER 12, 2025

Hello and welcome to the Friday edition of the Dividend Cafe. I'm your host, David Bahnsen, and today I'm going to be spending a little bit of time in the Dividend Cafe talking about someone named Greg Bahnsen. Some of you may know who he is; in fact, I know many of you do know who he is, and many of you do not. The reason I'm doing this is not just for a little fun family connectivity at Dividend Cafe, but because I got the idea in the course of my Thanksgiving Dividend Cafe, where I mentioned the gratitude I have for my father's legacy and things he taught me and whatnot.

But it really occurred to me after doing that that there was something very specific in the investment domain to what the actual subject and purpose and intent of the Dividend Cafe is every week, that was directly correlated to the work of Greg Bahnsen—to the inheritance I received from him—and I felt it would be important to connect those dots. And I believe it's appropriate from a timing standpoint because I'm sitting here recording on Friday, December the 12th. Yesterday, December the 11th, was the 30th anniversary of my dad's passing. And so, as a sort of commemoration of his life and this moment of 30 years ago, it is always incumbent upon me to want to honor my dad and his legacy.

But I really hope that if you're listening right now to the podcast or watching the video, that you'll bear with me just to understand, just to hear, what I think the underlying investment message is—where Greg Bahnsen's life and work has impacted the work that we do at The Bahnsen Group. And maybe after hearing it you'll think, “Oh, he is kind of stretching there; he just wanted to go talk about his dad for a bit.” But I think there’s more to it, and I hope you'll give me that chance. And if not, that's okay too.

So, just by way of a little context for those who don't know, I don't really want to go into all of the details here, but when you start saying somebody passed away 30 years ago, I was 21 years old; my dad was 47. And so there is some context that's required because outside of car accidents and things like that, it's not very common people pass away at 47. But my dad had a genetic heart defect with his aorta valve. In 1978, I was about four and a half years old, and my dad had just turned 30. He had his first open-heart surgery.

This aortic defect had been detected when he was a college-aged student during the Vietnam War era. He played sports in college and things like that, and they ended up needing to replace his deteriorated biological aorta valve with a pig valve. It was reasonably common back then. There had been a number of technological advancements in the sixties and seventies that were life-extending, and my dad was a beneficiary of that. But these pig valves don't last forever, and in 1987 that pig valve had to be replaced. And so they did a second open-heart surgery, and he then struggled with various health-oriented things.

But ultimately, in 1995, they had to replace that second pig valve. And now, at this point, it had only been about seven and a half or eight years. They were doing a third open-heart surgery. The doctors were really quite concerned to do it quickly. They felt that things had deteriorated. They were optimistic—we went into this surgery believing he'd come out all right—and yet the doctors did feel there was a lot of urgency and pressing concern to do the surgery.

It was on Tuesday, December the 5th, 1995, that he had the surgery. That night the doctors felt things had gone well; it was a really positive report. It was obviously a pretty traumatic ordeal, particularly when it's your third time having open-heart surgery. But then, on Wednesday, December 6th, things took a turn, and he started breaking down. The next few days were somewhat horrific, but on Monday, December 11th, is the official day. He had been machine-supported for a little bit before then, but on Monday, December 11th, my dad officially passed on into glory.

So why I bring this up in this 30-year moment is that I've spent a lot of time—more so here at year 30 than I have at some of the other years that mark the anniversary of his passing—thinking about it. And I think a lot of it is me turning 50, which is just an absolutely surreal thing for me to say. But I am now almost four years older than he was when he died. I have three grown or nearly grown kids of my own. My wife and I have been married longer than my dad had been married. You just think about this stuff, and I think a lot about my own career.

Let me say, too, I think a lot about the fact that I am an avid proponent and defender of the market economy, of the profit motive, free enterprise, the human spirit, and human ingenuity that drive progress. It not only creates the profits that represent the ability for investors to tap into the market economy as a means of obtaining solutions to their own financial goals—the things we do in public and private stock and debt markets—but also the enhanced quality of life that it gives as humans go about doing what God made them to do.

And I bring that up in the context of Dad because he died in late 1995. They would have put in a St. Jude valve, a different material composition they believed would have lasted forever. Of course, he didn't end up surviving that surgery. Then, just a few years later—fully approved and widely adopted going into 2002—the technology became prevalent from a company, ironically, in Irvine, California, my dad's hometown and where I spent many years of my upbringing. It enabled a transcatheter aortic valve procedure, and there are over one million people who have had that since then.

It is now approved and adopted for much broader usage, including lower-risk people. It was originally only used for older, more vulnerable patients, although I think my dad would have qualified because even at 47, a third open-heart surgery is not a very good idea. A first open-heart surgery is not often a very good idea if it can be avoided, and this Edwards miracle of a transcatheter procedure enables you to avoid cutting open the human body.

I bring that up anecdotally as I move into some of the things about my dad because it absolutely drives me bonkers when I hear people bemoan our medical device industry, our pharmaceutical industry, our biotech industry—these things that have saved so many countless lives and enhanced quality of life for so many countless people. I think oftentimes when people sit around with their criticisms of that industry, they may not be people who have lost someone or have seen someone saved as a result of this progress.

This progress comes—these medical innovations come—because we live in an extraordinary time in human history where we can do things like transcatheter aortic valve procedures, where we have things like pig valves or mechanical valves, not to mention all the other elements of medical complexity outside of what happened to be the source of my own father's fatality. But I remain very supportive of that industry, very excited for the point in history in which we live, and very grateful. I hope we will continue driving more research and development and allow greater capital-markets innovation to drive greater medical innovations so that more people can live longer and better lives.

And I don't really have anything else to say about that.

The issue, when we talk about the legacy of my dad, is that I want to read something real quick. Because I could easily just do a Dividend Cafe on how I believe the real secret sauce at The Bahnsen Group is that I do work very, very hard. I can criticize myself in about a dozen different ways, and I'm very aware of my deficiencies, shortcomings, and character defects. But one of them just happens not to be laziness or sloth. I'm grateful for the fact that I'm wired to work very early in the morning and very hard year-round.

So I'm not tooting my own horn, because I bring it up as an easy place to connect my work and our company and our process and things to my dad—because my dad was the hardest-working person I ever saw. I wrote a book about work a year ago; it came out at the beginning of 2024. I dedicated it to my father, and I thought it would be simplest to read the dedication now, because it captures the essence of why this belongs in the list of things we're going to talk about here at Dividend Cafe in terms of his own contribution, and then we'll get into some very specific philosophical and investment things.

This book is dedicated to the memory of my father, Dr. Gregory Lyle Bahnsen, who did more work in 47 years than most could hope to do in double that lifespan. Through his own indescribable and inspiring productivity, he taught me the *telos* found in work. He was the embodiment of diligence, focus, and calling fulfilled. The visual memory I carry of finding him in his study every single morning working is the best visual memory any father could

leave his son. The joy he derived from studying, writing, preaching, and ministering as a scholar created this book.

That component of things is incredibly important, but it goes beyond that. It contains the modeling he did of hard work, but it also goes into *why* we work. And I think so many people are taught that they have to work merely as a byproduct of duty, responsibility, or burden. And I think it *can* be all of those things, and we do have a duty and responsibility to work and provide for ourselves and our families. But there is a joy and a dignity in work when you connect your useful and productive labor to purpose. And that was not something I had to strive for or discover because I was raised in it, and that's a legacy I cannot put into words. It was very formative in my own life.

But when you get into the specifics of investments, you know, my dad graduated *summa cum laude* with a degree in philosophy from Westmont College in 1969, a Christian college up in Santa Barbara, where my oldest son is now in his third year. He then went to Westminster Theological Seminary in Philadelphia, where he got a master's in theology and a master's in divinity—obtaining two master's degrees simultaneously, which had never been done before at that seminary.

He came back to Southern California, where he lived his whole life, to attend the University of Southern California, where he got a PhD in philosophy. I was born at that time, so his studies at USC went from 1973 to 1975–76. His dissertation was done and approved, and he had fully achieved the PhD research degree by 1978. His doctoral dissertation advisor was Dr. Dallas Willard, who many of you might know was utterly brilliant. My dad wrote his doctoral dissertation on self-deception.

I'm going to come back to that as a pertinent element of the role my dad has played in my own investment work. His dissertation was called *A Conditional Resolution of the Apparent Paradox of Self-Deception*. But my dad's principal concern in his life as a scholar and a pastor and a theologian was apologetics and philosophy, and his study had been in what's called epistemology, the theory of knowledge—which I could dumb down to say is how we know things and how we know that we know things.

I am of the belief, and have been for some time, that an awful lot of people in the investment advisory business do not know what they believe and do not know why they believe it, and it makes them worse investment managers. There are things called first things that represent foundational commitments—certain metaphysical and logical presuppositions and understandings—that drive a lot of what we know and believe about reality. One can have first principles and then do things as an investment manager that are inconsistent with their foundational principles, and I think that's a big problem.

There can also be the problem of simply not having that core belief system, or not having it fully developed. And to the extent that I believe one of the most important elements not only of investment management but of the broader financial planning wealth-management experience is having a discernible philosophy—a belief system around it—I've written about it. There's links at DividendCafe.com today to a lot of this work.

Look, my dad did not have a particular investment philosophy. He and I did not sit around talking about dividend growth investing because I didn't have any money, and he had a house with a mortgage and a car, but not much else. The reality is that I developed an investment philosophy, and I developed the belief in the necessity of an investment philosophy, because of him—because he was such a first-things-oriented person.

And out of his belief about reality was a disdain for the myth of neutrality. He loathed relativism that said all ideas are good ideas, all beliefs are valid. Now, I can specifically critique moral relativism or philosophical relativism like he did, but even in the investment space—to say one person wants to chase a hot stock, one person wants to time in and out of the market, and another person wants to do an age-based target portfolio that looks like all other 70-year-olds—that's three totally different philosophies. They're all three wrong and deficient, in my opinion, for reasons I spend all sorts of Dividend Cafe time talking about.

But if someone says all ideas are good ideas, why would they be critical of any of those things? Why not just jump around from flavor to flavor? Or just sell people what they want to buy? You can find a person out there who wants bad philosophy A to be true, another who wants philosophy B to be true—just go give them what they want if you think all ideas are neutral and equally valid.

It was this intense upbringing that held the myth of neutrality in contempt that allowed me to never believe that, as an investment professional, I could operate without a coherent philosophy. I can make all kinds of mistakes, I can get facts wrong, I can do poor analysis—but that there must be a cogent philosophy underlying the decision-making process for a fiduciary investment manager is something I've never doubted, and I've had a 25-year head start in believing that because my dad taught it to me.

So not only was there this work ethic, this deep commitment to first principles, a total disdain for relativism in formulating investment convictions and acting upon them, but then last but not least is the subject of his doctoral dissertation about self-deception.

Again, his focus in this was apologetical. He did not believe most people deceive themselves by believing both *P* and *not P* at the same time, as he writes it. What he believed was that they *know P is true but suppress it*—and that humans go through this self-deception process not out of intellectual contradiction but suppression to meet a contextual need. Often ethical, but situational.

I'll avoid the detailed wonkiness of it, though it is an absolutely brilliant doctoral dissertation, if I do say so myself. But the financial advisory profession—the one I have dedicated my life to—is largely one of dealing with self-deception. I talk about it a lot in the context of behavioral modification. There are people who want to do something at a point in time that could undermine their success—with excessive euphoria, excessive fear, emotional responses to things.

Behavioral management and the need to help advise, manage, and basically control the right behavior in the investment process—to drive a successful outcome for investors, goals-based—is huge. One of my mentors, Nick Murray, has helped reinforce this huge need as the driving determinant for investor outcomes around behavior modification, and we've built a business that feels a huge part of our value proposition is doing just that.

But it is incredibly consistent with—and really a natural outflow of—my dad's own intellectual work, even though his work applied to apologetics and philosophy, not finance. Essentially, I do not believe that investors *don't know* that market timing is stupid, or that chasing something is a bad idea, or that exiting out of fear because "this time is different" is irrational. I wrote last week about the Bitcoin craze—the amount of self-deception I see that goes into some of these shiny-object things at various points in time, the mental gymnastics people go through.

The reason behind it is something that epistemologically I understand because of my dad, and it's incredibly connected to investment behavior: people *need* something to be true; they *want* it to be true. And so they do not simply believe A and not-A at the same time—they suppress A to get to an outcome that is more suitable to a given context. No one actually intellectually thinks that their neighbor promising them a "guaranteed" 19% return is really guaranteed. It may work, it may not, but it isn't this safe thing no matter what they tell themselves.

But the ability of the human mind to go through this exercise is not merely cognitive; it transcends the cognitive, out of a philosophical place—out of a deeply human frailty. And that is at the core of what a lot of the burden in wealth management is in the financial advisory space. And I happen to have a dad who wrote a doctoral dissertation on it—even though he never talked once about dollars and cents. He could have; he would have been really good at it, I promise you.

So when you look at these components, this is the one I'll conclude with, and the one that I think is absolutely vital and connected to so much of our work in the investment and wealth advisory space—that even a philosopher and Christian intellectual like Greg Bahnsen would have had a legacy on the way we do things at The Bahnsen Group.

As we now move past this 30-year anniversary, I am very grateful for the legacy. I'm beyond grateful for the memories and the blessing of having my best friend and my mentor and my dad be this individual, Greg Bahnsen. He was a force of nature. But I also want all of you who are listening to or reading or watching the Dividend Cafe—in particular, all you clients of The

Bahnsen Group—to know that there was an actual intellectual contribution to the world of investment management out of him as well.

Not all ideas are equal ideas, and not all investment philosophies are to be treated as such. The fact of the matter is that we have a lot of things we believe at The Bahnsen Group, that we act out of, and I got a good portion of them from my late father.

Thanks for bearing with me on this unique Dividend Cafe. I hope there was something beneficial in it for you. I know there was something beneficial in it for me. And I look forward to being with you next week in the Dividend Cafe. I'll be back in New York City next week, and we're going to do our final Dividend Cafe of the year as we get ready to wrap up the 25th year of this so-far rather interesting new century and new millennium. We're going to look at what the great single obvious investment takeaway is of the last 25 years. I'll leave you in suspense on what that is.

Then, the week after that is Christmas; the week after that is New Year's. And we've learned that you guys tune out a lot more than we do, and so we will give you that hiatus and then come into the new year after next week's Dividend Cafe. Our first one will be in the new year with our annual white paper and a Year Behind/Year Ahead message going through 2025 and 2026—always a fun one. But in the meantime, I'll be back with you from New York City next week.

Thanks for listening. Thanks for watching. Thank you for reading the Dividend Cafe.