

FRIDAY – JULY 3, 2026

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Hello and welcome to The Dividend Cafe. I am your host, David Bahnsen, and I am coming to you from beautiful Grand Rapids, Michigan, where I'll soon be leaving to head back to New York. But I've had a wonderful week here in our Grand Rapids office, seeing a lot of clients and speaking at a couple of events with the Acton Institute of Grand Rapids, Michigan.

I am actually inspired in today's Dividend Cafe topic by a speech that I have given here in Grand Rapids this week related to markets. I'm going to set the table with a little bit of history. Many of you are familiar—I hope you are familiar—with Abraham Lincoln's utterly brilliant message in December of 1862, his annual message to Congress, in which he referred to America as "the last best hope on Earth." That expression, "last best hope," has, of course, been memorialized into the historical archive. Such a beautiful expression of America's role in the world and the need for us to preserve it lest we lose this last best hope. Lincoln, of course, had a whole message around this. The American experiment was a litmus test for the rest of the world.

I am borrowing this week from Lincoln's language, partially inspired by the fact that we are going into the 250th anniversary of our nation's independence next week. But even outside of that celebratory moment, there is a twist I'm putting on the language in which I want to refer to markets as the last best hope. I mean something very specific by that, and I hope you'll bear with me as I try to explain what I mean for investors and for those of you who are just listening, trying to learn.

Three weeks ago, I believe it was, I used our Dividend Cafe to share the message I gave at the commencement address of Pacifica Christian High School. I spoke to over 1,000 people about hope and positivity for the future, and about not believing that certain things that happen to us are fatalistic or irreversible—that we have the agency to choose to live a happy life. I have this broad message in my own personal ethos, and it was something I communicated in that commencement speech.

I'm not holding onto exactly that same theme this week. I'm talking about markets. I'm talking about something specific to the world of business, finance, and entrepreneurship. Yet it is inextricably connected to hope for the future and a broader message of optimism. I want to suggest to you today that markets, properly understood, are inherently forward-looking declarations of optimism and hope.

FRIDAY – JULY 3, 2026

Markets are inherently forward-looking declarations of optimism and hope. In a time in which our media, our politics, and so much of our culture are almost nihilistic in their assumptions—and certainly in their sentiment about the future—I would suggest that markets serve as a beacon of hope. This message today requires some clarification.

What I am not suggesting is some version of the stock market, when it's going up, meaning everything is wonderful. Better days are ahead because the stock market is going up. First of all, I want to dispense with that as the absurdity that it is. But more importantly, I do not mean markets as merely a synonym for the stock market.

I am referring to markets, properly defined, as a broader venue of human exchange, of human cooperation, a venue in which we produce goods and services and build, trade, produce, and consume with one another. The stock market, of course, is a market, but it is extremely reductionist to talk about markets as though we are merely referring to one specific venue of public equity ownership and exchange.

I also believe it to be an asinine concept because there are all sorts of environments where the stock market might be going up while certain things are very bad, and there are plenty of periods where the stock market may be going down and we should still be enormously optimistic about the future.

No, I'm talking about something much broader. I want to suggest that in this societal moment of victimhood and despair, when we are constantly telling young adults how difficult things are going to be, there remains one sphere of modern life where that projection fundamentally doesn't make sense. There remains a place where people simply do not believe it. This is what I mean by the inherent optimism embedded in markets.

This venue, this place where the incentive structure is categorically different, is what we refer to as markets. It is what we refer to as entrepreneurship. It is what we often call business. By the way, I will add that Wall Street—which is shorthand for financial markets, not merely a geographical location—is also part of this. It is the place where capital is formed and deployed toward productive endeavors.

I unabashedly defend Wall Street when Wall Street is properly understood because the entrepreneurial cycle that capital exists to support is, to me, perhaps the last best hope we have in a world feasting on negativity. I would add that much of this negativity is ultimately futile.

The incentives in media and politics are very different from what I'm speaking about. I want to humanize economics because I believe economics is fundamentally about the human person.

FRIDAY – JULY 3, 2026

Human nature matters. The way people respond to incentives and disincentives matters. The negativity we see throughout culture is very compatible with the incentive structures that exist for activists, social media influencers, provocateurs, media outlets, pundits, elected officials, and political candidates.

Yet despite all of that, the entrepreneurial class remains fundamentally incentivized to promote a better tomorrow—not merely to advertise it, but to help create it. Better goods and services, a higher standard of living, greater prosperity. We can criticize business and markets all we want, but the people putting their own capital at risk are people who, by their actions if not always by their words, believe in a better future.

The notion that entrepreneurship is inherently about the future is almost self-attesting. Having an idea, refining it, raising capital, deploying capital, accepting risk, making adjustments, suffering failures, and turning ideas into solutions that meet human needs—that is entrepreneurship. And entrepreneurship is, by definition, forward-looking. You cannot sell a product in the past. The ideas we formulate today become tomorrow's businesses, tomorrow's revenues, tomorrow's innovations. That is fundamentally hopeful.

If you want to misunderstand markets, the easiest way is to dehumanize them. You reduce them to charts, ratios, formulas, GDP statistics, econometrics, and abstract models. Those things have their place, but they are not the essence of prosperity. That is why I almost always prefer to talk about companies and businesses rather than some amorphous thing called "the stock market."

We cannot reduce our economic vision to formulas alone. We cannot lose sight of the human energy, the creativity, and the optimism that underlie all of this. Business investment is capital at risk, yes. It is part of a company's capital structure, yes. It seeks a return on investment. But ultimately, it is rooted in somebody successfully and profitably meeting human needs.

That is very difficult to do. It requires talent, creativity, discipline, competitive positioning, and countless other human qualities. Labor and capital come together in this process. There are genuine human relationships and hopes embedded within it.

Why would anyone who believes in markets be content to describe them merely through formulas?

Yes, I believe in GDP. Yes, I believe in productivity, wages, employment, and gross output. But those are measurements. They are not prosperity itself. They follow the underlying reality, and that underlying reality is always human beings striving to create, build, grow, and flourish.

FRIDAY – JULY 3, 2026

Capital is a tool. All of us who invest are deploying capital into that ecosystem of ideas and productive activity. It is an extraordinarily important tool. It works alongside labor and innovation. It requires risk. It involves failure. It involves learning. It involves trying again.

Business, investment, and markets are not merely buzzwords. They are tools, venues, and concepts that serve as superior means of generating hope and opportunity. And in a culture saturated with negativity, I think that message is profoundly countercultural.

Our capital markets have not stopped. Business investment has not stopped. The hope of earning a return on investment has not stopped. Embedded within markets is an actual belief in the future, an actual optimism.

I understand entirely that we use our portfolios instrumentally. Portfolios exist to accomplish objectives—income, growth, spending, charitable giving, whatever those objectives may be. But portfolios only generate those returns because the underlying markets continue producing goods and services profitably. All of those things require a positive view of the future. There is perhaps no greater expression of hope than someone putting their own capital at risk in pursuit of a future endeavor.

Of course there are wise ways to invest and unwise ways to invest. But I wonder whether markets, properly understood, really are the last best hope for sustaining optimism in a culture increasingly defined by pessimism. The entire orientation of markets is forward-looking. The entire assumption behind them is hopeful.

I am hopeful and optimistic. But I want to suggest to you that all investors—certainly successful ones—must be hopeful and optimistic whether they explicitly admit it or not. I think markets represent our last best hope. Those of us pursuing portfolios that meet our objectives ought to understand that what underlies those portfolios are markets that are inextricably connected to hope and optimism.

Thank you for listening. Thank you for reading. Thank you for watching The Dividend Cafe. I look forward to being with you next week as we prepare to celebrate the Fourth of July weekend and the 250th anniversary of our nation's birth.

In next week's Dividend Cafe, we're going to do a real mid-year report that I think you'll find both surprising and interesting as we reach the halfway point of 2026. In the meantime, have a wonderful weekend. Thanks so much for being part of Dividend Cafe.