FRIDAY, SEPTEMBER 11, 2026

Hello and welcome to the Dividend Cafe. I am your host, David Bahnsen, and we come to you today on the twenty-fifth anniversary of the 9/11 attacks. Today is September 11th, 2026. It was twenty-five years ago, September 11th, 2001 that in a lot of ways our nation changed in matters permanent , significant and I believe there's a lot in this story for us to unpack in the Dividend Cafe.

As Dividend Cafe is a market commentary, there is a certain significance for investors. there's certain lessons about that particular incident and geopolitical event, news event, and yes, market event, that I wanna learn from and think about for the future. But I also wanna spend a few minutes today sharing some reflections as an American and as a human being, as a, person and so we're gonna cover those three categories, but spend the most of our time on the first one, which is those reflections as an investor. In dividendcafe.com today, my written commentary the introductory paragraphs have the links to a couple of past Dividend Cafes I've done on the 9/11 subject around this time of year.

Including a year ago, where I talked about the financial markets significance of the target that the terrorists picked, and it's a commentary I stand behind. But it was five years ago, the twentieth anniversary of this horrific event, where I unpacked some of the personal biographical story of my journey around the time of 9/11, and the fact that my wife and I had been married just a couple of days before.

We're on a red-eye flight on our honeymoon to Tahiti when the attack took place. And what that meant in terms of the start of our marriage, the honeymoon itself, and then also our respective young careers. I had only been in finance a short time, i'm not gonna rehash all of that today.

The link is there from what was written five years ago, if any of you are interested. But the thing I want to talk about is something that in various ways gets covered, not just by me in the Dividend Cafe. But there's no shortage of people that make the broad, and I think evergreen point, that in big disasters that happen that cause markets to gyrate and experience downside volatility, that the lesson of history has been that markets recover and investors ought not panic in those moments and maintain this sort of long-term belief in an asset allocation or in a particular investment plan and so forth.

I'm not gonna be criticizing any of that, but nor am I gonna be just repeating it in a kinda generic and again, evergreen sense. I wanna unpack the details of how incredibly profound what was happening at the time of 9/11 was and the aftermath from it to where we are and why I don't think it's just a matter of, well, 9/11's in a list of 100 other events where there was something bad, and then it all turned out fine.

That's not a, bad investment lesson , but it would really understate And fail to properly articulate the significance of the investor lesson out of the events of 9/11. If you don't mind, I wanna give you a little historical context so you get beyond just the impact to markets that the actual event had .

Going into 9/11, it is incredibly important to understand how bad things were, that the S&P had been essentially... Actually, I'll give you the exact number. I'm looking at my Dividend Cafe. I was gonna say 1,500, and it went to 1,100. But the exact numbers were it was 1,553 in its high of the year 2000, and it was at 1,086 on September 10th, 2001.

So almost to the basis point. you're talking about a 30% drawdown that the S&P was in the middle of before the planes hit the towers. So you're dealing with this dual reality, which is not something that happens often, but when it does, never happens. Never happens without a lot of pain, and that is the combination of high valuations that are correcting while fundamental earnings, profits themselves, are experiencing a decline.

There's many who fear that potential backdrop now, that it could end up coming, that we have high valuations that may need to somewhat revert, correct, normalize, and that we've experienced very high earnings that may themselves at some point come back a bit. They haven't, and they may not, but that dual combo can be very difficult.

That's the dual combo we were dealing with in 2001 before 9/11 happened, of a re-rating of the market in terms of that valuation, that multiple, and earnings that year over year were actually declining, largely as a result of the tech boom burst from the year prior , and what that meant to corporate profits across the entire economy.

So that's the backdrop going in. September 11, 2001, was a Tuesday morning And the first plane hit at 8:46 AM Eastern Time, and our markets open here in New York at 9:30 AM. So they immediately delayed the market open to figure out what was going on. And for those of you who don't know the geography real well, where the World Trade Center was is just blocks away, walking distance from the New York Stock Exchange.

And the New York Stock Exchange then was real. I don't mean to burst your bubble, but it isn't like a place where a lot of trading is actually happening now. It's more or less a TV studio and a bit of a museum. It's a beautiful building, but it isn't where actual market making and trading is literally happening.
Where back then we were in a very different stage of electronification and it was a real center of market making and trading activity. So anyways they were gonna delay the market open, and then at 9:0- was it 9:03? 9:03 AM is when the second plane hit, and obviously , all hell broke loose from there.
So they canceled the trading for the day. And obviously the market then in the aftermath of , that horrific event, later the Pentagon would be hit and of course Flight 93 was taken down in Pennsylvania as it was en route to the Capitol Building So this ghastly day first of all, there's already the just sort of propriety, like, okay, we're not opening our stock market the day after this, warlike moment, this atrocious terrorist attack on our country.

But just logistically, we would not have been able to accommodate functioning markets. The damage to infrastructure and communications was significant. And even where in some cases ended up being better than feared, we didn't know that at the time. So markets were closed for the remainder of the week.

It was four full days, which was the longest the markets had been closed since nineteen thirty-three. Then markets did reopen the following Monday, which was September seventeenth. And you were down seven point one percent that day. It was six hundred and eighty-four points in the DOW. But by the rest of the week, the Nasdaq was down about sixteen percent, the S&P down about twelve percent, the DOW about fourteen percent.

All in, what was a Massively smaller total market capitalization than we have now one and a half trillion dollars of decline in market value took place in that week following nine eleve. So you take the backdrop of what was happening in markets pre-nine eleven. You take the event itself, the immediate selling rush and then the forward expectation of the ways in which our country had changed, our markets had changed, our economy had changed.

And it's a fair kind of a sequence of thoughts. The health of our corporate economy is already shattered. We just had the worst attack on American soil in history. the way we live, think, function is all gonna change, and companies are gonna face severe declines. The excitement about a valuation isn't coming back anytime soon.

And that, last point being the byproduct of how market multiples work, their beliefs about the future, and the belief about the future in the weeks post nine eleven was extremely grim. And I don't recall any serious person... I mean, there were varying degrees of how pessimistic and how less pessimistic some may be but no one was suggesting that we were getting back to pre-nine eleven travel levels anytime soon.

Consumer activity corporate events, entertainment events. There was a pretty universal pessimism. And on the geopolitical side- there was a pretty united front that we wanted to go catch the bad guys. There was an element of sort of geopolitical unity I'm gonna talk about in a moment.

But yeah, from a expectation of where the economy was going there was a pretty clear verdict that this time was different, that 9/11 had changed things and, it wasn't. It wasn't different. I understand, I can tell you, as it turns out, Americans resumed traveling, but that doesn't capture it.

I mean, they certainly did and they did so quicker than anyone expected, and we were back to pre-9/11 levels of total American passenger activity by early 2004. But we are sitting here now at 150% of what pre-9/11 travel activity was, population adjusted, and that's in a new world where the travel is far more inconvenient than it was.

TSA did not exist pre-9/11. Those lines we deal with, the level of security, the fact that we can't bring visitors and loved ones in to go to the gate with us, there's a significant amount of additional hair that's been put on travel, and it isn't just that it came back almost immediately, but it's far higher than it's ever been.

And I'm using travel as the example 'cause I could use 10 examples and we don't have time for me to do it. Because commercial airplanes were the weapon of choice on 9/11 it's a good analogy to use, but we could

look at all these other categories of consumer activity and retail and obviously
I mentioned the business activity that was expected to be contracted for a long, long time. Look, there is no question that adjustments happened. There's no question that there was a hit to a lot of activity. But the thing that happened is that sectors, in some cases, had to reinvent themselves or adjust, modify.

But there was this element where a profit motive, self-interest, and most importantly, the indomitable human spirit would not stay down, that it did what it always does. It restored the very factors that drive wealth creation, and it did that even after the awful events of 9/11. And I think this is the lesson I want people to understand about 9/11 for investors, okay?

There is going to be another one in markets, and I pray that I'm not referring to a terrorist attack. I pray I'm not referring to a large loss of American civilian life. But what I mean is some event that causes us to think, say, and act as if this time it's different, and it's not going to be. If I were to say to you, "Well, hypothetically, there, will be a global credit crisis, where the stock market drops over fifty percent and tens of millions of Americans that are over-levered lose their homes.

Hypothetically, there could be a global pandemic where they shut most of the world down for a year, some places much longer." Well, you know, obviously I'm saying that now where neither of those events are hypothetical, and I'm not even getting into the euro debt crisis that took place in between and all sorts of other miniature moments that count as historical realities but don't quite get to that level of what the last twenty-five years has produced.

So these weren't even hypothetical, they're real. But what they all have in common, a real tragedy, they had a real impact, a real need for change. But there, there is nothing that changes or adapts corrects better than markets. Because that human nature that markets capture is immutable. And when the next major event comes I believe the temptation to respond the way many did post 9/11 is gonna be irresistible.

Every new disaster feels like a new disaster, 'cause it is to some degree. And it's imperative, I think, to remember that just as inevitable, as it is that there will be another disaster, it's inevitable that there will be a recovery and a restoration, and yes, eventually a reprimand to those who fail to remember these lessons.
Markets did not correct after 9/11 and do not correct after all systemic and major events because of a thermodynamic law. They correct because humans are acting They correct because humans are wildly innovative, capable, creative, and productive. And understanding that basic anthropology gives you the ability to be immunized from the temptation as an investor to react wrongly to these types of events, including such awful ones like 9/11.

9/11 called into question the interaction of markets with human nature, but the God-given spirit, nature, reality of the human person spoke. And the US equity market is up 1,100% since the week after 9/11, with a global financial crisis, a European debt crisis, a global pandemic all happening in between Hold on to that line.

Remember that line. That in the immediate aftermath of this 9/11 tragedy, through all of these other events as we sit here right now, for the reasons I've outlined today, markets are up 1100%.

I believe that our reflections here that I've provided so far as an investor are important, and I hope reinforced by history and reinforced by what I just said was anthropology, a particular understanding of the human person, which becomes very pertinent in the way we understand, interpret and believe markets to be.

But let me say this as an American. I put a little link In Dividend Cafe to the moment . I could have picked like 15 different highly sentimental, highly real, highly authentic, highly historical incidents that took place in the immediate aftermath. But I remember - then President George W. Bush throwing out the first pitch at a Yankee game in Yankee Stadium here in New York City shortly after 9/11. And you can imagine the political makeup of the audience. you don't necessarily wanna assume this was a red audience, a Republican audience, a right-wing, the New York State and all this stuff.

But just nobody cared. Had nothing to do with politics. Had nothing to do with partisanship. Those events did generate something that I'm pretty confident saying we haven't had happen since, which was any semblance of national unity or breakdown of this highly tribalistic impulse. I think the basic decency of human beings to mourn the loss of life, to be infuriated at the evildoers who did it was present then, and it feels less present now.

I think moral clarity to call out jihadism, treat it as a mortal threat, it was real then. It feels lost in ambiguity today. Political correctness, a lack of moral clarity a sort of historical amnesia, I don't know that I ever heard anyone back then, when they mourned the loss of human life on 9/11, they had to call into question what the political beliefs were of the people who died.
There was this sort of understanding that we're all Americans, that our citizenship mattered, and we've always been a nation that had a lot of people disagreeing with each other on a lot of things, including important things. And I don't want to take that away. I think it's important that we continue disagreeing on things.

There's a lot of things worth disagreeing on. But this thing of hating each other over it to a point where then a national tragedy allowed us to still come together as a country, and I'm not sure that it would now. I frankly am understating it, because I'm quite sure it would not And the tribal disdain that permeates American public life today, it was not caused by 9/11.

But our noble, admirable response to 9/11, it didn't hold and I think we need to reverse that. Now, the other element that I wanna reflect on 9/11 is not, as an American , citizen, and as an investor but on a human level, I made reference to the piece I wrote five years ago, but I do think about this.

It's a milestone in my life because 9/11, no matter what, even if there was nothing happening in my life at , that time, would've been one of the top newsworthy events of my entire human life. And it just so happened to coincided with the week that I got married and Joleen and

I were on our honeymoon and that it was not a melodramatic or exaggerated fear.

Being reasonably new in finance and markets tanking like that there was a real question on my whole honeymoon whether or not I was coming back to a job or not. My wife worked in marketing for the agency that represented the Hilton Hotel chain, and that was the account she covered. And the whole idea, people weren't gonna be traveling again.

There was this thought of are we newlyweds returning from our honeymoon unemployed? And I guess I just wanna say That was an event I dealt with in my early years as a young married man and an earlier stage of my career, but everyone has these things. And I think about it a lot now, people wondering in this AI moment what the future holds.

People can think about all kinds of stuff about the future of the country. I- is China gonna beat us? Are we gonna go to war with this? Or where are we at here in the political side? You can just make up anything you want about the cultural, social, geopolitical challenges, questions. There's always something.

But I guess what I would say is that our lives, careers, marriages, the journeys we have, they're not defined by or at a particular point in time, and certainly not by one that is going through a particular excess, adversity, and hardship Those periods matter, but they're not the be all and end all of it.

And I think of what has happened in, my business life in the last 25 years, and it's impossible to reconcile to where my mentality was at that immediate aftermath of 9/11 because we lack the imagination and we lack the hope to, in the current state of affairs, appreciate what the future state of affairs will offer us.

It requires optimism, which is the only realism, as one of my mentors, Nick Murray, is fond of saying. It's sage advice to remember in these various difficult moments, whether they be internal in your own life and relationships or external in what that awful event was 25 years ago that we refer to as 9/11, that this too shall pass.

And I think that as a human the way in which this incredible city recovered, our country, so many individuals whose lives were turned upside down, but then restored always affected, but not ruined. That one foot in front of the other mentality, that ability to fight on I just hope we always reflect on that as a part of the 9/11 story.

9/11 story is a story of loss and mourning. If you have not been to the city and gone to the 9/11 Museum, I cannot possibly recommend it enough. If you're able to get through it, listening to the recordings of folks who are calling home to their loved ones in their final moments on Earth, it's one of the most emotional experiences I've ever had, painfully so.
But all At once say that we will never forget in the sense of both honoring and remembering what happened on 9/11. And as for our purposes here today in The Dividend Cafe, as an investor, as an American citizen, and as a human being, we'll never forget. Thank you for listening, watching, and reading The Dividend Cafe.

I look forward to being with you next week, and I hope you do have a wonderful weekend.