

Finance, Banking and Markets: From Jargon into English
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Neil Holdway, Daily Herald
Christine Steele, The Capital Group

1. Careless language has an impact and can ultimately be detrimental to a business, especially in finance or investment where someone else is managing your money.
2. Vocabulary can describe an approach; it is not a style.
3. Financial portfolios are responsibilities: moral, legal or mental accountability; reliability, and trustworthiness.
4. Whether in the midst of a corporate scandal or a bad quarterly financial report, a company's communication with the public must be proactive, consistent and ongoing. ... If the words are right, there is no such thing as overkill.*
5. How you speak determines how you are perceived and received. But creditability and authenticity don't just happen. They are earned.

Watch your thoughts: They become your words.

Watch your words: They become your actions.

Watch your actions: They become your habits.

Watch your habits: They become your character.

Watch your character: It becomes your destiny.

Untitled poem from an anonymous Buddhist monk

bet(s)/betting

Associated with gambling. Avoid use as in these examples. Use other word choices noted in parentheses or similar.

- o The best **bets** are those companies that have strong earnings. (opportunities, prospects)
- o The market's negative tone did not have options traders pressing their **bets** to the downside. (investments, interests)
- o Thursday's economic reports, on net, were disappointing to those **betting** the dollar could continue to stabilize. (speculating)

book of business

The phrase dehumanizes the adviser-client relationship and "book" is somewhat impersonal. If it's appropriate, use "build your business."

credit union vs. bank — Credit union creates the perception of being small, intimate, kind and caring with friendly people inside. A bank conjures up visions of concrete buildings and unattainable wealth. Also being a "member" of a credit union instead of a bank "customer" sounds more participatory and friendly.

crisis — Instead of playing into the hysteria that others seem to promote, substitute words like "turmoil," "turbulence" or "dislocation," as appropriate. The idea is to acknowledge economic and market realities without playing into that hysteria.

* *Words that Work: It's Not What You Say, It's What People Hear,*
by Dr. Frank Luntz, page 129.

expert/expertise

It could have a legal connotation. The word(s) suggest that one will be held to a higher standard if the claim is made. Instead use: "experience" or "knowledge."

foreign — Use more appropriate words. Instead say "outside of the U.S.," but not always; it doesn't mean "not in the United States."

- "Outside of the U.S." refers to companies based outside of the U.S. but that are active in the U.S. and employ a number of Americans.
- "Global" and "international" are also other word choices. "Global" means encompassing the U.S. plus outside of the U.S. "International" means outside of the U.S.
- Instead of "foreign trade" say "international trade."

Exception: The IRS has a foreign tax credit for individuals so OK to use "foreign" in this context.

gaming vs. gambling — "Gaming" is more friendly in the industry and is what families do together (at a family-friendly resort). "Gambling" suggests a bad habit and engages risky behavior.

nobody knows/no one knows — Banish any and all phrases such as this, e.g., "No one knows where equity markets are headed." "Nobody knows why the market fell." While no one may know the specifics, our investors have entrusted us with their hard-earned assets and look to us to create positive long-term investment results for them. We need to tell our readers something that we do believe in. These phrases make it seem like we are at the mercy of the market.

customers vs. clients — Focus on "clients" not "customers." A company would want to strive to fulfill client needs versus wants.

sales/sell/marketing, and related language —

- Sales/selling may imply that a company is offering something that one doesn't need or want and that the central purchase is the most important (or only) part of a broker-shareholder relationship. Brokers don't just "sell" funds, they advise their clients about investing in them, owning them and ultimately redeeming them in retirement. Could substitute with "advise" or "educate" where applicable.
- Sometimes language tied to sales or an income can suggest competition or related concepts to improving productivity. Instead of "improve productivity," replace with "strengthen your business practices."
- Avoid talking about taking a business to the next level. It suggests above and beyond, which can't always be promised. Saying that an adviser can become a top seller is also avoided because it suggests competition and comparing.

What's wrong with these sentences?

1. Extreme market conditions often lead investors to take extreme actions, such as cashing out of their investments and waiting for a better time to invest.

2. Same theme:
 - Making regular investments can help take the guesswork out of when to invest.

 - Another option is to stay the course.

 - The downside of getting out is investors can end up with significantly less than their original investments.

3. The highest return, 33.9%, came in 1955-56 during the Eisenhower administration; the lowest, 1.8%, came in 1987-88 during George H.W. Bush's presidency. The average price return for the S&P for those 17 third years since 1940 is 16.6%.

4. Today we will be discussing the fixed income funds, and digging down to give some characteristics and analysis of the specific American Funds bond funds.

ANSWERS

1. Extreme market conditions often lead investors to take extreme actions, such as cashing out of their investments and waiting for a better time to invest.

You just scared the reader by saying that investors are taking extreme actions and cashing out all their money. They might think they should do the same.

Revision: Recently, some investors may have cashed out of their investments due to fear and may now be waiting for a better time to invest.

2. Be precise. Explain better to help the reader.

Original: Making regular investments can help take the guesswork out of when to invest.

Explain what the guesswork is.

Revision: Investors who stick to a program of regular investing can fare even better than those who held their investment for an entire period. (Sentence accompanies a hypothetical investment in a chart.) By making regular investments, these investors were able to buy more shares when prices were lower, allowing them to take advantage of the fund's long-term growth.

Original: Another option is to stay the course.

Explain how to stay the course.

Revision: Investors who held their investment for the entire 10-year period were able to weather a decline because they were still invested as the fund's results improved.

Original: The downside of getting out is investors can end up with significantly less than their original investments.

What is meant by "getting out"?

Revision: The downside of selling is that investors may end up with significantly less than their original investments.

3. The highest return, 33.9%, came in 1955-56 during the Eisenhower administration; the lowest, 1.8%, came in 1987-88 during George H.W. Bush's presidency. The average price return for the S&P for those 17 third years since 1940 is 16.6%.

Ronald Reagan was president during 1987-1988 instead of George H.W. Bush.

George G.W. Bush: January 20, 1989–January 20, 1993

Ronald Reagan: January 20, 1981 – January 20, 1989

ANSWERS *(continued)*

4. Today we will be discussing the fixed income funds, and digging down to give some characteristics and analysis of the specific American Funds bond funds.

Revision: Today we will be discussing the fixed-income funds and providing some characteristics and analysis of our specific American Funds bond funds.

“Digging down” isn’t polished or mature for a corporation, and it isn’t clear. What is the intended message? Voice expresses a company’s basic personality, for example, it could be practical, authoritative, trendy, etc. A company with a consistent voice can communicate in different tones, depending on the topic at hand, but this one isn’t appropriate for an adviser or shareholder audience.

Delete comma in first line, and add a hyphen between “fixed income”

tone/voice —

- Voice expresses a company’s basic personality, for example, it could be practical, authoritative, trendy, etc.
- Tone expresses the mood or feeling of the voice — friendly, excited, disappointed. A company with a consistent voice can communicate in different tones, depending on the topic at hand.

Material should often be written/presented from the standpoint of how it will affect or interest the reader. The emphasis of a sentence is shifted from the writer’s point of view to the reader’s by focusing on the benefits to the reader in the situation. By stressing the reader’s point of view and the benefit to the reader, a friendly, helpful tone can be created.

Writer emphasis: We are mailing your issue of *Investor* magazine on Friday.

Reader emphasis: You will receive your issue of *Investor* magazine on Friday.

Writer emphasis: To reduce our costs, we are changing the billing system.

Reader emphasis: To provide you with clear records, we are changing our billing system.

Headline sounds serious and important, appropriate for an investment or wealth management firm, but ... subhead doesn't sound serious or important

Your Story, Your Future

Could be read as "enjoy a night of women," which could be read another way ...

Girls Night Out

who?
why?

Bring a girlfriend, dress to impress and enjoy an night of Women and

Sounds very basic - assumes that women have no knowledge about investing (condescending)

Information about Investing.

Date: Wednesday, April 24, 2013

Time: Please arrive by 7:00 p.m.

Place: The Community Room

21 Nicholas St., Los Angeles

Investments R Us Inc. proudly presents our keynote speakers:

Sandie Smith, Senior Vice President, Mutual Funds, Inc.

Kandace Jones, Vice President, Host of Investment Talk radio

James Bruce, Vice President, Asset Management Ltd.

hors d'oeuvres

Again, does not seem consistent with "Your Story, Your Future." Is a woman's story, or my story, all about indulgences?

Evening indulgences include: Cocktails, ~~Hor D'oeuvres~~ and a Fashion presentation from Clothes and Company with a couple of

other surprises.

Word choice? Could be read another way.

Not exclusively if one of the speakers is male

This exclusively female event is hosted by:

The investment advice team of Christine Susan, Vice President, Portfolio Manager and Heidi Johnson, Marketing Vice President.

Kindly

Please RSVP by: April 19, 2013

guest

Don't forget to include the name and address of your girlfriend

as well on the enclosed reply card.

Overall tone is condescending and off-putting. It seems wrong for a firm to stoop so low that they have to entice "girls" with fashion, indulgences, and "information about investing" (which could imply that they know nothing).

Suggest for an event that's more consistent with investment/wealth management. If the target audience is women with wealth, or women who aspire to have wealth, focus more on strategies to preserve and build wealth, and less on indulgence. The tone should be elegant and distinguished, but not silly or cute. "Girls' night out" might turn off a key part of the target audience.

Cover:

Women and Wealth

Your Story, Your Future

Inside:

Women and Wealth

Your Story, Your Future

This event is exclusively for women to discuss strategies for building and preserving wealth. Bring a friend and enjoy an evening of practical information, good company and conversation.

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Cocktail attire

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The evening will include cocktails and hors d'oeuvres, an exclusive fashion presentation from Clothes and Company, and a few other surprises.

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Kindly RSVP by April 19, 2013

Please include the name of your guest on the enclosed reply card.