

Practice Management—Cutting the Jargon

Has your physician ever said that you can have a *medicine PRN*? Has she ever asked if you have pain *in the upper right quadrant*? Has he recommended that you have a *coronary bypass surgery due to myocardial insufficiency*, and left you wondering whether that's good or bad?

Chances are, most of us have had these or similar experiences. When confronted with technical, impersonal, language like this, we are faced with a difficult choice. Either we act like we know what our doctor means, or we ask for an interpretation. In the first case, we risk failing to understand the critical information. In the second case, we risk exposing our lack of knowledge—maybe we're not nearly as smart as we thought we were.

But this is really a case of physician heal thyself. The problem lies with the speaker, not the listener. Instead of relying on plain language to describe the condition or situation, the physician has fallen into the trap of relying on technical jargon. Intended or not, the result is likely to be confusion, anger, and/or feelings of inadequacy on the part of the patient.

Unfortunately, physicians are not the only professionals to fall into the jargon trap: financial advisors and wealth managers are also notoriously guilty. How often do you use terms like *indexed fund*, *discount FLP*, *Crummey Trust*, *basis points*, or *universal-variable life* in conversations with clients? How does exposure to this language leave you clients feeling? Is that the way you want them to feel following a meeting with you?

The Jargonese Disease

Webster's Dictionary defines jargon as "*the technical terminology or characteristic idiom of a special activity or group...obscure and often pretentious language marked by circumlocutions and long words.*"

The implication is that financial and legal jargon can be both a tool for effective and efficient communication, as well as a significant barrier to understanding. The sophistication of the audience determines the effectiveness and efficiency of jargon. When used as a short-hand for communicating with other professionals, jargon allows us to "cut to the chase." On the other hand, when used with clients, jargon tends to intimidate, separate, and insulate. The end result is distrust on the part of the client, about the last thing any financial advisor or wealth manager wants.

How bad is the “jargonese disease” among financial services professionals? According to a recent survey by AARP Financial Inc., a subsidiary of AARP, Americans are basically befuddled when it comes to talking about their money. Nearly three-fourths of the 1,203 adults polled said their auto mechanic uses clearer English than their financial professionals, and more than half said they do not read financial literature because it’s confusing, too hard to understand—and it’s written in jargon, defined as “a confused, unintelligible, strange, barbarous or outlandish language...obscure and often pretentious.”

The Roots of Jargon

Eliminating jargon from client communication begins with an understanding of where jargon derives from. Many financial services professionals rely on jargon to convey complex concepts quickly or without even realizing they are using it.

On the other hand, use of financial and legal jargon in client communications may have less benign roots. It may be used to make the professional sound important, overcome his own lack of confidence, purposely obfuscate, or impress a client as a way to justify high fees.

A good starting point in eliminating jargon from your client communications and building greater client trust is to:

- Identify instances of jargon usage, and
- Identify why you are using the jargon.

Role play a client review or presentation with a peer. Record the session, then carefully evaluate your words for jargon. Do you fall back on it when explaining concepts, answering questions, or responding to client objections?

Be honest with yourself when it comes to identifying why you are using jargon. Getting to the root cause of jargon is the key to its cure.

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When and why do you use jargon with clients?

Tips for Eliminating Jargon

There are some concrete steps you can use to eliminate jargon in client communications.

- 1. Avoid use of acronyms** even if you think they are in common usage. Acronyms like EFT, IPO, and NASDAQ are common to you, but may cause discomfort in clients.
- 2. Use examples and details** rather than falling back on technical terms. For example, rather than saying *grantor trust*, consider saying something like “an arrangement where an individual or institution manages your assets for the benefit of your children or others. You retain enough power over the assets that you continue to be taxed on the income.” Then try taking it even further. For example, “someone else manages your assets, you pay taxes on the income, and your kids and grandkids receive the benefit.”
- 3. Listen to the words your client uses** and build an explanation bridge from their terms to yours.
- 4. Watch your client’s face** for signs of doubt or confusion so you know when to clarify a point.
- 5. Test your message** on a friend or relative who is not in the industry.

Bottom Line

Jargon can be great for communicating with professional peers. However, when it comes to client communications, jargon may alienate and create distrust. Focus on using plain language. Seek to educate, not obfuscate.

Practice Management and similar topics are covered in great detail in many of Cannon’s professional development solutions. To find out more visit: www.cannonfinancial.com.

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