

Words Matter

By Glenn Ullmann, President

In the course of a recent lunch, I noticed that the servers had to balance plates in their right hand while opening the door to the outside patio with their left hand (because of fire code, the door swings in towards the bar area—but to serve food you have to pull the door towards you). Having witnessed this for several minutes, I got up from our high top to open the door and help—and immediately slammed my knee right into the table. Wincing in pain, Lisa looked at me and said, “Well, no good deed goes unpunished...” It’s such a common phrase, but we both wondered from where did it originate? (The answer is we are not sure, but Billy Wilder, Clare Booth Luce, Andrew Mellon and Oscar Wilde have all been credited with coining it).

That got me thinking about the phrases and words we use to define the world we see and experience. Some date back thousands of years, others have come into language in very recent time. As someone



who likes to write and communicate, it got me thinking about not only the words we use in public discourse, but how vital precise language is to my wealth management profession as well.

We have used language to define our highest aspiration: “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness”;

“...that we here highly resolve that these dead shall not have died in vain—that this nation, under God, shall have anew birth of freedom—and that government of the people, by the people, for the people shall not perish from the Earth.”

We use words to frame complex political, moral and ethical questions: “Men, their rights, and nothing more; women, their rights and nothing less”; “We shall overcome because the arc of the moral universe is long, but it bends towards justice.” “General Secretary Gorbachev, if you seek peace, if you seek prosperity for the Soviet Union and Eastern Europe...come here to this gate. Mr. Gorbachev, open this gate. Mr Gorbachev, tear down this wall!”

We use language to teach and nurture our children: “Raising children pushed me to walk the walk and practice life as I preach it”; “If you want your children to improve, let them overhear the nice things you say about them to others”; “Children are a great comfort in your old age and they help you to get there faster”; and in our house, “Build each other up, never tear each other down.”

Our firm uses three areas of wealth management...Investing, Advanced Planning, and Relationship Management. By choosing the right language, we keep our clients on plan, inside the right process to try to achieve goals and aspirations. Using the wrong words can undermine and often destroy a person’s future financial security.

Here are some common phrases that date back many centuries:

- “You can’t have your cake and eat it too.” This popular proverb (or figure of speech) dates to England (14 March 1538) in a letter from Thomas, Duke of Norfolk to Thomas Cromwell. It is the first written description of risk and reward. You cannot eat your cake (have immediate gratification) and then still have your cake (delay gratification for greater future goals).
- “Running amok”. This probably originated as a medical term in the 18th Century. So while we might say today that markets are running amok, it originally applied to European visitors to Malaysia who learned of a tribe, the Amoks, who had a peculiar mental affliction that caused otherwise normal people to go on brutal and seemingly random killing sprees. Interestingly, Warren Buffett, to whom I will turn in a moment, has a similar mental illness quote when describing irrational markets— “Remember that the stock market is a manic depressive.”

In August of this year, Warren Buffet will turn 90 years old. I have no doubt that many of his writings (his annual reports for Berkshire Hathaway are readable, educational and wise) and “proverbs” will stand the test of time. That’s because his words are chosen carefully and precisely to teach the appropriate lesson.

“Price is what you pay. Value is what you get.” This is a realistic depiction of the world—sometimes we pay too much, sometimes we pay the absolute best/lowest price. Most often we are somewhere in the middle. But it’s not the price we pay for company stock that is most important over the long term. It is the value in terms of cash flow (dividends) and future appreciation that is much more valuable than our original purchase price.

“The market is designed to transfer money from the active to the patient” combined with “There seems to be some perverse human characteristic that likes to make easy things difficult.” Investing should never be done in a vacuum. Without a plan and a process, stressful events and markets may cause people to make hasty and poor decisions based not on what they need, but on their fear and emotions. As a pilot, check lists and procedures are designed to counteract instinct decisions (normally wrong and often fatal) when stressful events happen (i.e. engine fires, bird strikes). These simplify complex decisions and improve the chances of positive outcomes.

Why does all this matter? Initially, humans communicated verbally and then with written language. It’s in our DNA! Using precise words and phrases has sometimes meant the difference between war and peace, between prosperity and economic depression, between confidence and fear. People need direction, leadership and the ability to imagine themselves in a future they are trying to create. Our words and language have evolved over millennium. We are sitting in the shade today because someone planted a tree a long time ago. The word choices we make help set and frame our reaction to the world we face—positive or negative, hopeful or anxious, kind or angry. Especially at this time, carefully selecting the right words can make an enormous difference.

Glenn Ullmann founded Ullmann Wealth Partners in 2002. He is a pilot and an avid reader.

