



New Word Order

It's not just about what you say; it's what people hear.

In an effort to help plan sponsors and financial professionals communicate more effectively with participants, Invesco Consulting teamed up with the political consultants and word specialists, Maslansky + Partners, to conduct one of the largest, most comprehensive studies of its kind on financial language. The research included measuring investors' emotional responses to words using unique instant dial-response technology. We then conducted a national survey with the goal of validating our findings, and here is what we found.

Key words to use when communicating with participants

Financial security	Costs	Straightforward	Diversified	Strategies
<p>Which is more important to you today? Achieving ... ?</p> <ul style="list-style-type: none"> ■ 85% Financial security ■ 15% Financial freedom 	<p>Which of the following do you LEAST like to pay as an investor?</p> <ul style="list-style-type: none"> ■ 53% Fees ■ 26% Commissions ■ 15% Charges ■ 6% Costs 	<p>When it comes to the costs of investing, what kind of fee arrangement do you prefer? One that is ...</p> <ul style="list-style-type: none"> ■ 58% Straightforward ■ 23% Clear ■ 20% Transparent 	<p>What type of investment approach appeals to you most?</p> <ul style="list-style-type: none"> ■ 42% Diversified ■ 33% Balanced ■ 13% Mixed-asset ■ 12% Comprehensive 	<p>Which of the following do you most want to hear about when managing investments?</p> <ul style="list-style-type: none"> ■ 40% Strategies ■ 22% Solutions ■ 21% Advice ■ 17% Opportunities

Toxic words and phrases to never use when communicating with participants

You say	1. "Automatic/default"	2. "Longevity risk"	3. "Institutional management"	4. "Outlive your money"	5. "Beta" (or other technical investment terms)
They hear	"Loss of choice and control"	"Isn't 'longevity' a benefit and 'death' a risk?"	"Felon's are managing the money."	"You are scaring me into investing. I would rather discuss having enough money for as long as I live."	"This is going over my head. It's hard work, and it's confusing."

Which words resonate with investors today?

- “Dream retirement” or “comfortable retirement”?
- “Financial freedom” or “financial security”?
- “Investment solutions” or “investment strategies”?

4 communication principles

In addition to uncovering toxic words and phrases to never use, we found four core communication principles based on the research findings.

Communication principle 1

Positive: Don't sell fear or risk

Which is the best way to describe the level of contributions taken from your salary?

Voluntary contribution level	57%
Automatic contribution level	37%
Default contribution level	6%

Communication principle 2

Plausible: Sell credible potential benefits

When it comes to retirement, my top priority is:

Comfortable retirement	57%
Maintain current lifestyle	32%
Dream retirement	11%

Communication principle 3

Plain English: Avoid jargon

Which is most appealing?

Automatic monthly investments	51%
Regular interval investing	30%
Dollar-cost averaging	19%

Communication principle 4

Personalize: Personalize the potential benefits

How likely are you to put your entire portfolio into a:

Comprehensive diversification strategy that maximizes potential for growth while adjusting for the appropriate level of risk as your needs change over time	63% “What it does”
Target-date fund	24% “What it is”

Contact us

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About Invesco Consulting

Founded in 1998, Invesco Consulting (I-C) specializes in unique and creative programs designed to help plan sponsors tailor the messages and words they use with the goal of better resonating with participants. The group has published dozens of books and programs based on leading-edge financial language and investor communications research.

About Maslansky + Partners

Maslansky + Partners specializes in communications and research strategies. They advise leading organizations on what to say, how to say it and most important, why it matters. They have conducted hundreds of research projects in twenty countries using the firm's proprietary polling and focus group methodology and have been cited by *The New York Times*, *The Washington Post*, *The New Yorker*, *60 Minutes*, *Nightline*, and PBS's *Frontline*, among others.

About Invesco

At Invesco, we're dedicated to delivering an investment experience that helps people get more out of life. We offer a wide range of investment capabilities across equity, fixed income and alternative asset classes, delivered through a diverse set of investment vehicles.

With extensive experience in the defined contribution market and a clear understanding of today's regulatory and market environment, Invesco can help identify the right solutions to meet your retirement plan needs. To better serve qualified retirement plans, Invesco makes our investment products available through a number of vehicles including mutual funds, separate accounts, subadvised portfolios, ETFs, and over 70 daily-valued collective investment trusts.¹

Our focus on investment quality has helped us grow to more than \$834.8 billion in assets under management as of Mar. 31, 2017.² Invesco is listed on the New York Stock Exchange under the symbol IVZ.

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