

Bloomberg Businessweek

Merriam-Webster Gives Business Words New Meanings By David Wescott on August 15, 2012

The word “toxic” (from the Latin *toxicus*) was first used in 1664, according to Merriam-Webster’s Collegiate Dictionary, and meant “containing or being poisonous material especially when capable of causing death or serious debilitation.” This week, Merriam-Webster announced that it has endowed the word with a new meaning: “relating to or being an asset that has lost so much value that it cannot be sold on the market.” Bearing in mind recent economic woes, it’s not surprising to learn that the new definitions for business words introduced by the dictionary in 2012 are for “toxic” and “underwater.” Along with new additions such as “f-bomb” and “man cave”, the phrase “systemic risk” is making its long-awaited dictionary debut.

According to Kory Stamper, an associate editor at Merriam-Webster, staffers scour English-language writing, from beer bottles to trade journals, in order to see what new words have entered our “linguistic and lexical consciousness.” Each new word undergoes a rigorous vetting process to establish cultural significance.

“Systemic risk” has been recognized after many years of being overlooked. “We saw ‘systemic risk’ in ‘87 with the stock market crash,” says Stamper, “and then again in ‘89, with the savings and loan crisis.” Still, the term evaded inclusion in the dictionary in 1980s largely because it was typically accompanied by parenthetical explanations in mass media outlets. After 2008, says Stamper, “that all changed.” The common usage of the word exploded after the collapse of Bear Stearns and Lehman Brothers.

Finally there’s “underwater,” whose new meaning Stamper suggests has been floating under the radar since the 1970s. The use of the word in its financial context (“having, relating to, or being a mortgage loan for which more is owed than the property securing the loan is worth”) flourished after the housing bubble began turning into a crisis in 2006 and 2007. It’s an excellent inclusion to the dictionary, Stamper argues, because it’s “one of the financial idioms the general population understands. It’s very visual. It conveys a sense of sinking vs. staying afloat.”