

Snippets

Confidence on the up

Investor confidence continues to grow slowly according to the IFSA/CoreData Investor Sentiment Index¹ dated 9 September 2009.

The Investor Sentiment Index takes into account investors' expectations about the performance of the investment market, their perception of the current financial situation and their future investment intentions. A score of 0 means investors are neutral about the market. A score of +100 is extremely positive while a score of -100 is extremely negative.

Not surprisingly, the global financial crisis sent the index into negative territory back in 2007. For the first quarter of 2009 Investor Sentiment was still in the red at -22.3. The index crept back into the black at +2.3 in the second quarter for the first time since 2007 and stood at +5.0 as at 27 August 2009.

The table summarises some other key findings of the index for the second and third quarters of 2009.

2009	2nd qrt	3rd qrt
Satisfaction levels with existing investments	+7.8	+13.6
Outlook for investments over the coming three months	-10.7	+11.9
Level of financial security	+7.1	+11.2

If you're interested in what other investors are feeling, read the full research report on the IFSA website www.ifsa.com.au.



Keep an eye on your Super Guarantee

If you're employed, you probably take for granted that your employer is paying the compulsory Super Guarantee (SG) contribution (which forms part of your salary package) into your nominated super fund.

A key objective of the SG system is to help you build savings to generate income for your retirement. If your employer goes out of business and you discover your SG contributions haven't been made, it can be devastating – especially if you're close to retirement.

For the majority of Australians, this SG contribution is paid without a hitch. However, last year, the Australian Taxation Office (ATO) received around 20,000 complaints from people whose employers had failed to pay their SG contributions.

This has prompted the ATO to review the SG scheme as part of the wider Australian Government review into Australia's superannuation system. The ATO administers the SG system, including collecting SG contributions from those employers who don't meet their obligations.

The Association for Superannuation Funds of Australia (ASFA) has made a number of recommendations to improve the SG system, including expanding the requirement that employers provide details of SG contributions on payslips. ASFA recommends that details should include the date that contributions are paid so that employees can monitor the receipt of payments into their super fund.

So keep an eye on your super fund to make sure your SG contributions are being paid. It may be too late for the ATO to get outstanding payments if your employer goes out of business.

¹ Investment & Financial Services Association Ltd/CoreData Quarterly Investor Sentiment Research Report September 2009.