

What's happening with your super balance

The Coronavirus has hit the superannuation balances of many workers pretty hard. If you, like most people, have an account with shares in it, you'll probably have a lower balance now than you did even just a few weeks ago.

Many workers are concerned about this – but it's important to know that the share market is and always has been volatile. Every day, the share market goes up and down. Some years are better than others. But when you invest in shares and when your fund does, you're do it for the long term.

An important thing to note, is that broadly you still hold the same stocks as just a few weeks ago. It's just that the value of those has temporarily fallen. But you're not just invested in shares. If you're with an industry fund then you're also invested in nation-building infrastructure, property and more. This means that what the share market does only affects part of your fund – not the whole thing.

Many members have raised with their union the idea of switching your money out of a balanced fund, and into cash or defensive options. But if you were to do that, you may be locking in losses which exist only on paper, that you might be able to avoid. Plus, you'll probably lose out when the market does eventually rebound.

Super is invested for the long term, and it's for your retirement. Locking in losses right now is not something many people will want to do.

If you're approaching retirement, you should contact your super fund to get advice on what to do with your super. Your industry super fund will have free or discounted financial advice available for you, which is good quality and trustworthy.

Advice is the most important tool you have at your disposal.