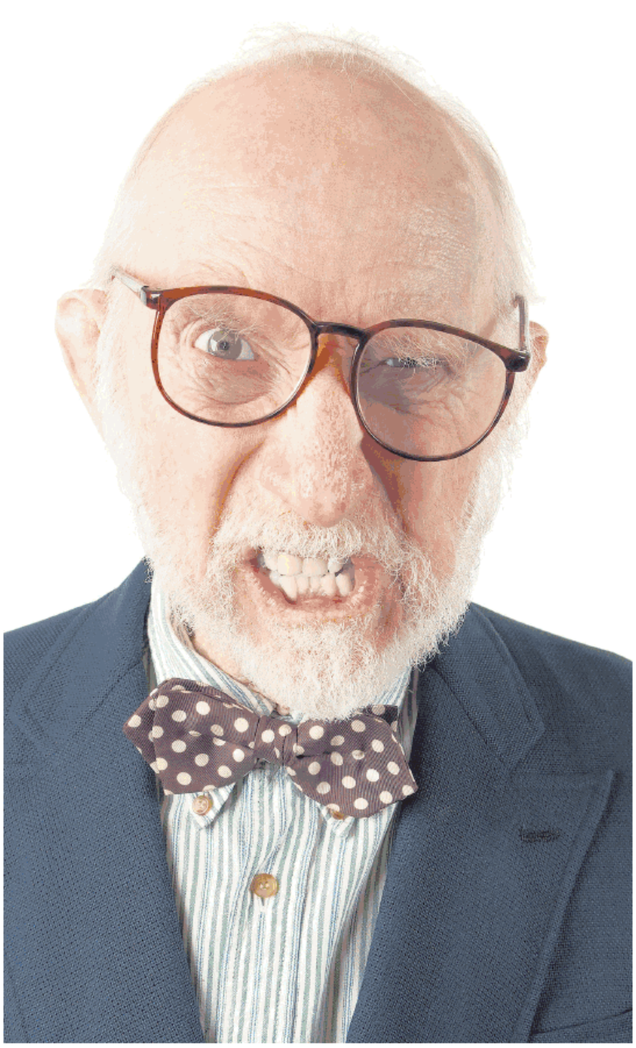

so he could teach me how to make money consistently. After the presentation, we just silently walked out and went home. Today, he rang me. He was very pushy and even suggested I sell my shares so I could afford to join him. I then asked him about your book, and here is what he said: “That book is the last thing I'll read, because I know it doesn't work.”

Please let me know what to do, and what to say to him if he rings me back.

Barefoot says: Of course he would say my book doesn't work. It would make his job of conning $4997 from people infinitely harder. What do you say to him if he calls back? How about: “If you're so successful at trading, why are you calling me up on a week night begging for my money?”

I'm betting that he'll have a comeback ready, like: “I just want to help hardworking people become financially free.” If he does say something like that, tell him to write a book — and let him know you'll borrow it from the library.

Seriously, this guy is dangerous to your wealth. He set up a “free” seminar which was really a pitch for a pricey trading program. Then he followed up with hardcore phone sales pitch. And he's so ruthless that he even encouraged you to sell your investments to pay him.

On second thoughts, just don't answer his call.

Move on with your life.

The Barefoot Investor: The Only Money Guide You'll Ever Need (Wiley) RRP $29.95

Women still lagging on super returns

Noel Whittaker

THIS week I attended a seminar on super and women run by Griffith University. It was so good to be at an information-sharing session where everybody kept to the facts and there were no inferences about gender bias.

There is a wealth of research and it all points in the same direction.

The harsh reality is that most women retire with much less super than men, which makes it difficult for single women and widows. And this is exacerbated by the fact that, on average, women live almost five years longer than men.

The reasons for the disparities in super are obvious. There is a 16 per cent pay gap between males and females; males tend to dominate higher-paid managerial positions; females often take time off work to raise children; and 75 per cent of part-time workers are female. And there is often no employer super paid when a worker is on maternity leave.

Once money is inside superannuation, women still tend to earn less. Why?

Women tend to be less interested in super than men, and because they often have a number of low-paying jobs in their working life, they accumulate multiple accounts.

The research also shows women tend to be more risk-averse than men. As a result, they tend to keep their super in more conservative options and the cost of this in later life can be huge.

CASE STUDY: Two people start work at age 20 on $35,000 a year. Their salary grows at 4 per cent a year and employer contributions remain at 9.5 per cent. The first person is conservative, so their fund earns only 4 per cent a year. At age 65 their super balance is $750,000. The second person adopts a growth-orientated asset allocation and earns 8 per cent a year. At age 65 their super is worth $2 million.

Education is a critical factor in improving the gap in super returns, and it was great to hear representatives from funds Unisuper and Qsuper telling us what they are doing in this area. A major focus was on offering financial literacy seminars, as well as nudging people towards the ASIC Moneysmart website, which is a great source of information.

So what can be done? A starting point would be to make “high growth” the default option for everybody under, say, 50. This would boost their super in the long term and get them used to growth-orientated assets.

Fortunately, some action is being taken at government level. Last month's Budget flagged changes to require all inactive super accounts with balances below $6000 to be transferred to the ATO. The ATO will then reunite the accounts with a member's active account, where possible.

From last July, everybody has been able to make tax-deductible contributions to super, even if their employer is contributing for them. Best of all, legislation is in place to allow catch-up contributions, enabling women to make additional contributions to compensate for time spent out of the workforce. These three initiatives will help reduce the gap between men and women in regards to super.

Of course, there is still much to do and improving financial literacy for all Australians continues to be one of the greatest challenges facing us. But the better we understand the problem, the better chance we have of solving it. Making equal pay for equal work a reality rather than an aspiration seems out of reach right now, but in my lifetime we have seen big steps towards equal wages, from the 1943 ruling that women must receive at least 75 per cent of a man's wage for the same job, to the 1972 ruling that pay must be based on the value of the work “irrespective of the sex of the worker”.

Noel Whittaker is the author of Making Money Made Simple and other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.

ASK THE EXPERT

Send your questions to Noel Whittaker noelwhit@gmail.com or tweet @NoelWhittaker

Q I'm 31 and expect to make $250,000 from a property sale before the CGT exemption runs out. Would I be better off paying off my 3.88 per cent home loan or investing in the share market?

A If you pay money off your home loan it would be earning a net 3.88 per cent. Over the long term a good share portfolio should do better. But the name of the game is to maximise your tax-deductible debt and minimise your non-deductible debt, so your best strategy may be to pay the $250,000 off your home loan and then borrow back against the home to invest in shares. This would give you the best of both worlds with the interest on the loan to buy shares fully tax deductible. It appears you are retaining a home as your residence and selling one that is covered by the six-year capital gains tax exemption. If that is the case, make sure you talk to your accountant, because once you nominate the home you are selling as your residence, there is potential for CGT on the one you are keeping.

If work is a prison, expect low productivity

WORKPLACE MATTERS

Gary Martin

IT'S not a stretch to say a significant proportion of people reading this column right now will be part of a group that feels as though they are “doing time” and serving a prison sentence at work.

They feel locked in, begrudgingly attend their workplace and constantly dream of their escape — the end of their shift, their next day off, or a job elsewhere.

The fact is, dissatisfied employees can cause significant problems in the workplace. Not only are they less productive and easily distracted, but they are also usually less engaged. When an employee is discontented, the effects can be insidious and reach throughout an organisation.

This is because their interactions with co-workers are often negative, meaning morale can suffer as well.

It is a fact that many employers mistakenly view remuneration as a major cause of employee discontentment. While pay and conditions are key and often-cited sources of dissatisfaction, there is a smorgasbord of reasons that can come into play when the topic turns to staff discontent.

Take, for example, the many employees who work long and hard for little or no recognition. Despite being adequately remunerated, they don't feel appreciated or respected for their work.

Others become disengaged because they do not have access to the basic tools and equipment to do the job.

And still others become disillusioned because they are expected to take on new roles, tasks and responsibilities without receiving the relevant training.

Some employees will feel frustrated and unfulfilled because they have reached the limit of their advancement or development — they have hit the organisational ceiling — and feel they have nowhere to go. Others fail to align with the organisation's values, which makes them feel disconnected.

And, of course, one sure-fire way to make your employees hate their jobs is to employ a difficult, domineering or just lousy boss. Being poorly managed or over-managed is a major source of employee dissatisfaction.

Some liken their work to a prison sentence because their employers offer little in the way of parole or flexibility, making it difficult for them to juggle other commitments.

And while harsh economic conditions for business prevail, job insecurity will continue to be a source of concern for employees.

We have all heard the expression “the grass is always greener on the other side”. Well, it isn't, but this type of thinking often applies in the workplace. Some employees are never satisfied and always looking at what other organisations can offer them.

The fix for business leaders, though, is often straightforward. Identify the root cause of an employee's unhappiness and take action to address it. Quite often the solution is within reach, but requires you as a leader to engage with the employee.

It can make a big difference, boosting employee productivity and morale.

Professor Gary Martin is chief executive at the Australian Institute of Management WA