
Investors more optimistic in 4Q 2011: John Hancock

By Editor Test Thu, Jan 19, 2012

More than half of all investors surveyed said they expect to be in a better position financially two years from now compared with today.

For the fourth quarter of 2011, the John Hancock Investor Sentiment Index score is +15, an improvement from the annual low of +10 measured in the year's third quarter.

The fourth quarter survey was conducted in late November through early December of 2011. The John Hancock Investor Sentiment Index is a quarterly poll of approximately 1,000 investors, and reflects the percentage of those who say they believe it is a "good" or "very good" time to invest, minus those who feel the opposite.

Many of those surveyed "feel better about investing in retirement vehicles, like 401(k)s and IRAs," according to a release. "Three out of four investors said they believe that now is a good or very good time to be investing in retirement products such as 401(k) plans and IRAs (73% each). Both of these figures represent meaningful increases over last quarter's lows (66% for 401(k)s and 67% for IRAs in Q3)."

"Investors are dealing with market uncertainty by further diversifying their investments," observed Bill Cheney, chief economist for John Hancock. "Half of the investors surveyed say it is a good time to invest in balanced mutual funds, and about three-quarters say they plan to invest in mutual funds in 2012."

More than half of the investors surveyed said they expect to be in a better position financially two years from now compared with today. A little more than a third of investors think they are in a better financial position today compared with two years ago; 41% said they are in about the same position, and 25% said they are worse off.

Three-quarters of American investors (72%) believed that consumer spending this holiday season would help the U.S. economy and stock market. Most (61%) planned to spend the same amount of money on the holidays as they did in 2010, though 25% said they planned to spend less. About a third (31%) said they planned to cut back on gifts to friends and colleagues, while 83% planned to spend the same amount or more on family.

Most (65%) believe that fewer than 10% of Americans actually make and keep New Year's resolutions. However, those who are employed say that saving for retirement is their top financial priority for 2012. More than a quarter (27%) intend to trim household budgets and reduce debt.

Financial New Year's resolutions appear directly related to investors' primary concerns for the new year ahead, which include declining investment values (37 percent) and not being able to accumulate enough savings for retirement (18 percent.)

Other findings for Q4 2011 include:

- Investors continue to think long-term (95%) and are focused on savings (90%).
- A greater share of investors (62%, compared to 53% in Q3) feel that now is a bad or very bad time to hold cash in the form of CDs or money market funds.
- The national debt (63%) and the cost of healthcare (61%) remain as issues investors are most concerned about. Consistent with Q3 results, more than half (54%) say they are highly concerned about the unemployment rate.
- Just one in three (37%) are very concerned about oil and gas prices, compared to 62% who worried about them in the second quarter of 2011.
- Only 20% of investors feel that gold will perform the best in the coming six months, compared to 32% who felt gold would outperform other investment types in the third quarter.

John Hancock's Investor Sentiment Survey is a quarterly poll of 1,001 investors with household incomes of at least \$75,000 and assets of \$100,000 or more. Mathew Greenwald & Associates conducted the survey in November and December 2011.