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Institute Publishes Results from the 2013 Mutual Fund Shareholder Tracking Survey

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TO: BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 42-13
BROKER/DEALER ADVISORY COMMITTEE No. 54-13
OPERATIONS COMMITTEE No. 55-13
SMALL FUNDS COMMITTEE No. 22-13
TRANSFER AGENT ADVISORY COMMITTEE No. 84-13 RE: INSTITUTE PUBLISHES RESULTS FROM THE 2013 MUTUAL FUND SHAREHOLDER TRACKING SURVEY

On October 31, 2013 the Institute published the 2013 update of ICI's Annual Mutual Fund Shareholder Tracking Survey. The 2013 survey results are based on a sample of 4,001 U.S. households selected by random digit dialing, of which, 1,853 households, or 46.3 percent, owned mutual funds.

Survey findings include:

- In 2013, 47.1 percent of U.S. households owned shares of mutual funds or other U.S.-registered investment companies—including exchange-traded funds, closed-end funds, and unit investment trusts—representing an estimated 57.7 million households and 97.9 million investors. Mutual funds were the most common type of investment company owned, with 56.7 million U.S. households, or 46.3 percent, owning mutual funds in 2013. The survey also found that 96.2 million individual investors owned mutual funds in 2013.
- More than twice as many U.S. households owned mutual funds through tax-deferred accounts as owned mutual funds outside such accounts. In 2013, 52.9 million households owned mutual funds through employer-sponsored retirement plans, individual retirement accounts (IRAs), and variable annuities, compared with 18.5 million owning funds outside such tax-deferred accounts.
- Almost all mutual fund investors were focused on saving for retirement. Saving for retirement was one of the household's financial goals for 92 percent of mutual fund-owning households, and almost three-quarters indicated that retirement saving was the household's primary financial goal.
- Most U.S. mutual fund shareholders had moderate household incomes and were in

their peak earning and saving years. More than half of U.S. households owning mutual funds had incomes between \$25,000 and \$99,999, and two-thirds were headed by individuals between the ages of 35 and 64 in 2013.

- Shareholders' willingness to take investment risk remained at the same subdued levels seen since the 2008 financial crisis. Three in 10 mutual fund-owning households were willing to take substantial or above-average risk for financial gain in May 2013, compared with 36 percent in May 2008. As in previous years, households who do not own mutual funds are less willing to take investment risk than mutual fund shareholders.
- Mutual fund companies' favorability rating tends to move with stock market performance. Mutual funds' favorability among shareholders increased in 2013 as the stock market trended upward, with favorability rising to 68 percent in 2013, up from 65 percent in 2012. In 2013, older mutual fund investors reported higher favorability ratings compared with younger investors and more recent investors.
- Mutual fund owners reported that investment performance was the most influential of the many factors that shaped their opinions of the fund industry. Two-thirds of mutual fund shareholders indicated that fund performance was a "very" important factor influencing their views of the industry, and more than four in 10 cited fund performance as the most important factor.
- Mutual fund-owning households often used the Internet for financial purposes. More than nine in 10 households owning mutual funds had Internet access in 2013. Eighty-one percent of mutual fund-owning households with Internet access went online at least once a day, and more than eight in 10 used the Internet for financial purposes.

The two studies [released](#) in October 2013, [Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2013](#) and [Characteristics of Mutual Fund Investors, 2013](#), present results from the survey.

If you have any questions or comments concerning these studies, please call me at (202) 326-5915 or email me at sholden@ici.org.

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