

MEMO# 1376

September 29, 1989

MARKET PENETRATION FOR MUTUAL FUNDS, 1989

September 29, 1989 TO: RESEARCH COMMITTEE NO. 27-89 MEMBERS - ONE PER COMPLEX NO. 31-89 DIRECT MARKETING COMMITTEE NO. 28-89 MARKETING COMMITTEE NO. 24-89 PUBLIC INFORMATION COMMITTEE NO. 25-89 SALES FORCE MARKETING COMMITTEE NO. 29-89 SHAREHOLDER COMMUNICATIONS COMMITTEE NO. 23-89 SMALL FUNDS COMMITTEE NO. 7-89 RE: MARKET PENETRATION FOR MUTUAL FUNDS, 1989

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@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@@ Since May 1987 ICI conducted four random telephone surveys among U.S. households to track the incidence of mutual fund ownership. The four surveys monitored the market penetration of mutual funds over time. These tracking studies use carefully designed questions, including a screening to identify the financial decision maker in the household. They use the telephone omnibus survey facilities of Opinion Research Corporation which contact the main financial decision maker of the household. The following report reflects the findings of all four studies-- May 1987, November 1987, May 1988, and May 1989--and provides details about types of ownership. Our analysis determines that the results provide reasonable and valid aggregate measures of the percentage of U.S. households that own mutual funds and, where appropriate, data from the studies are combined to create an enlarged database. The margin of error is approximately + 2 percent, depending on sample size. For further information or comments, contact Sandy West, Director, Marketing Research at ICI, (202) 955-3509. Jacob Dreyer Vice President and Chief Economist