

## NEWS RELEASE

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# Shareholders Confident That Funds Help Them Meet Financial Goals

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## 100 Million Shareholders Across All Generations Use Funds to Save for Retirement, Education, Homeownership, and Other Goals

**Washington, DC, October 11, 2017**—The vast majority of American mutual fund shareholders are confident in mutual funds' ability to help them meet their financial goals, according to new survey results released today by the Investment Company Institute (ICI). The study also shows the number of US mutual fund shareholders is now 100 million, representing 44.5 percent of all US households.

The survey results, released in two studies—“[Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2017](#)” and “[Characteristics of Mutual Fund Investors, 2017](#)”—also find that mutual fund-owning households represent a full range of ages, incomes, and educational achievement.

“America’s mutual fund shareholders choose funds to help them reach a variety of financial goals, including saving for retirement, education, a home, or for an emergency,” said ICI Senior Director of Retirement and Investor Research Sarah Holden. “These investors typically hold more than one mutual fund, and the vast majority—85 percent—of all mutual fund-owning households say they are confident in mutual funds’ ability to help them achieve their financial goals.”

## Mutual Fund-Owning Households Often Hold Funds Through Multiple Channels

Among the 56.2 million mutual fund-owning households in the United States, 81 percent purchased their funds through employer-sponsored retirement plans, such as 401(k) plans. Sixty-four percent held mutual funds outside employer-sponsored retirement plans, and 45 percent held mutual funds both inside and outside such plans.

Shareholders purchasing funds outside of employer-sponsored retirement plans use a wide variety of financial services providers. In mid-2017, 50 percent of mutual fund-owning households had purchased mutual funds from an investment professional, such as a full-service broker, independent financial planner, or bank or insurance company

representative. Thirty-six percent of mutual fund-owning households held their funds directly through discount brokers or mutual fund companies.

#### **Households Own Mutual Funds Through a Variety of Purchase Sources Percentage of mutual fund-owning households, mid-2017**

“Mutual funds are an important component of investor portfolios,” Holden said. “The survey results indicate that almost two-thirds of mutual fund-owning households had more than half of their household financial assets invested in mutual funds.”

#### **Other Key Survey Findings Include:**

- **Mutual fund-owning households often held several funds, and equity funds were the most commonly owned type of mutual fund.** Among households owning mutual funds in mid-2017, 83 percent held more than one mutual fund and 87 percent owned equity funds.
- **Almost all mutual fund investors were focused on saving for retirement.** Saving for retirement was a financial goal for 92 percent of mutual fund-owning households, and 75 percent indicated that retirement saving was their household’s primary financial goal.
- **Incidence of mutual fund ownership was highest among the Baby Boom Generation and Generation X.** In mid-2017, nearly half of Baby Boom households and more than half of Gen X households owned mutual funds. Overall, Baby Boom households were 37 percent of households owning mutual funds and Gen X households were 33 percent. Nearly four in 10 Millennial households owned mutual funds; such households constitute one-fifth of mutual fund-owning households.

#### **About the Annual Mutual Fund Shareholder Tracking Survey**

ICI conducts the Annual Mutual Fund Shareholder Tracking Survey each year to gather information on the demographic and financial characteristics of mutual fund-owning households in the United States. The most recent survey, conducted from May to July 2017, was based on a dual-frame telephone sample of 5,000 US households. Half of these households were from a landline random-digit dial (RDD) frame and half were from a cell phone RDD frame. Of the households contacted, 2,223 (44.5 percent) owned mutual funds. All interviews were conducted over the telephone with the member of the household who was either the sole or the co-decisionmaker most knowledgeable about the household’s savings and investments. The standard error for the 2017 sample of households owning mutual funds is  $\pm 2.1$  percentage points at the 95 percent confidence level.

Supplemental tables for “[Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2017](#)” and “[Characteristics of Mutual Fund Investors, 2017](#)” can be found on ICI’s [website](#).