

NEWS RELEASE

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Institute Research Profiles Mutual Fund Investors, November 2001

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Typical Fund Investor has Long-Term Financial Goals

Washington, DC, November 12, 2001 - Today's mutual fund shareholder invests primarily to meet retirement goals, has a long-term financial perspective, is not overly concerned with short-term market fluctuations, and has owned mutual funds for a considerable length of time, according to a new study issued by the Investment Company Institute, the national association of the American investment company industry.

"Mutual funds play a crucial role in helping Americans save for long-term financial goals, such as retirement and education," Institute President Matthew P. Fink said. "The advantages of mutual funds—professional management, diversification, choice, liquidity, strict government regulation, and full disclosure—appeal to investors, especially in today's uncertain times."

As of May 2001, 93.3 million individuals, representing 52 percent of all U.S. households, owned mutual funds. In these households, according to the

[2001 Profile of Mutual Fund Shareholders](#), the primary financial decisionmaker:

- has long-term investment goals;
- is employed and of moderate financial means;
- is middle-aged, married, and college-educated;
- has \$40,000 invested in mutual funds; and
- purchased his or her first mutual fund through defined contribution retirement plans.

Highlights of the report include:

- Mutual fund shareholders regard themselves as long-term investors. Ninety-seven percent of shareholders regard their mutual fund investments as long-term, and 72 percent identify retirement as their primary financial goal.
- Eighty-three percent indicate they are not overly concerned with short-term market fluctuations.
- Most mutual fund shareholders have owned mutual funds for a considerable length of time. Nearly half, 47 percent, made their first mutual fund investment before 1990; 39 percent between 1990 and 1997; and the remaining 14 percent purchased their first fund in 1998 or later.
- The median age of financial decisionmakers in households owning mutual funds is 46 years. Two-thirds are married and more than half are college-educated. Seventy-eight

percent are employed, and median household income is \$62,100.

- The typical mutual fund household has \$40,000 invested in mutual funds and four funds, which represents 40 percent of household financial assets. Nearly nine out of ten households include equity funds among their holdings. On average, equity fund holdings make up 65 percent of a shareholder's mutual fund portfolio.
- Fifty-seven percent made their first fund purchase through defined contribution retirement plans.
- Thirty-one percent of shareholders own funds solely inside defined contribution retirement plans; 38 percent own funds only outside these plans. Thirty-one percent hold funds both inside and outside defined contribution retirement plans.

The Institute's survey interviewed more than 2,590 financial decisionmakers in households owning mutual funds between May and June 2001 to determine demographic, financial and fund ownership characteristics of mutual fund shareholders nationwide. The survey also examined patterns of fund ownership through defined contribution retirement plans and outside of those plans.