

NEWS RELEASE

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ICI Study Finds IRA Ownership Continues to Grow, October 2003

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Roth IRAs Increase 21 Percent

Washington, DC, October 8, 2003 - More U.S. households today are investing in Roth Individual Retirement Accounts (IRAs) than a year ago, according to updated research released by the Investment Company Institute. The Institute's [annual report](#) on IRA ownership shows that U.S. household ownership of Roth IRAs increased 21 percent to 16 million as of June 2003.

"More Americans investing for their retirement continue to use IRAs as a significant way to achieve their long-term financial goals," said Institute Executive Vice President Julie Domenick.

The Institute reported that more than 41 percent of U.S. households owned IRAs as of June 2003. Households owning any type of IRA increased by two million to an estimated 45.2 million, compared with 43.2 million a year earlier. Additional findings from the latest study include:

- In addition to the rise in Roth IRA ownership, the number of U.S. households that owned "traditional" IRAs increased to an estimated 36.4 million from 35.7 million a year earlier.
- Nearly two-thirds of IRA households included mutual funds in their IRA portfolios, typically equity mutual funds. Thirty-eight percent of IRA households held individual stocks in their IRAs.
- Households owning IRAs generally are headed by middle-aged individuals with moderate household income who are more likely to hold mutual funds, especially long-term mutual funds, in their IRA portfolios than any other type of investment.

IRAs and the Retirement Market

IRAs have been one of the fastest growing components of the U.S. retirement market during the past decade, and are an important way that millions of Americans save for retirement today. Total assets held in IRAs were \$2.3 trillion at year-end 2002, representing 23 percent of the \$10.2 trillion U.S. retirement market.

For the fourth consecutive year, mutual funds held about half of total IRA assets. Mutual fund assets held in IRAs declined 10 percent to \$1.1 trillion at year-end 2002, while total IRA market assets declined 8 percent to \$2.3 trillion. Net new cash flow from IRAs to mutual

funds was an estimated \$50 billion in 2002.

Related Links

This website includes a section devoted to retirement security issues. A recent issue of Fundamentals examines [Mutual Funds and the U.S. Retirement Market](#).

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