

NEWS RELEASE

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ICI Study Shows How Mutual Fund Shareholders Use the Internet, July 2000

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Use the Internet

Washington, DC, July 28, 2000 - Mutual fund shareholders use the Internet to obtain information about fund performance, cost and other account information, according to [new research](#) from the Investment Company Institute, the national association of the American mutual fund industry.

According to the research, 68 percent of the 48 million U.S. households owning mutual funds use the Internet. Shareholders who used the Internet typically had \$40,000 invested in four funds. The median age of shareholders on the Internet was 42 years; their median household income, \$63,900; and median household financial assets, \$100,900.

Nearly half of shareholders who used the Internet during the study period (April, 1999 to March, 2000) visited mutual fund websites. These shareholders most frequently visited fund websites to review fund performance information, share prices, and general information about their accounts. The study also found that 42 percent reviewed expense ratios for specific funds, while 39 percent examined sales charges for specific funds.

The study found that most shareholders continue to buy or sell mutual fund shares by methods other than the Internet. Although slightly more than half (51 percent) of all fund-owning households conducted fund transactions during the prior year, including allocation changes to their retirement plan contributions and account balances, only 9 percent bought or sold fund shares online. Shareholders who bought fund shares online outnumbered online sellers by three to two.

Shareholders who conducted mutual fund transactions online were typically younger, with greater household income and household financial assets, but owned smaller mutual fund portfolios than those who conducted transactions by other methods.

Fund shareholders also used the Internet for other financial purposes. Sixty percent of fund households that are online used the Internet to check stock prices; 49 percent to read online financial publications, and 44 percent to seek information about retirement or personal financial planning.

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