

NEWS RELEASE

February 27, 2009

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It's the Top Financial Goal for Three-Fourths of Fund-Owning Households, ICI Reports

Washington, DC, February 27, 2009 - Saving for retirement is a financial goal in 95 percent of households that own mutual funds, and the number one goal for 76 percent of fund-owning households, according to a report the Investment Company Institute released today.

The ICI annual report, [Characteristics of Mutual Fund Investors, 2008](#), also revealed that in 2008 most households owning mutual funds were headed by individuals in their peak earning and saving years. About two-thirds of such households were headed by persons between the ages of 35 and 64. In addition, most fund owners were employed and had moderate household incomes. Analysis of fund ownership by generation shows that 46 percent of households owning mutual funds were headed by members of the Baby Boom Generation. In addition to being the largest shareholder group, Baby Boom Generation households owned the largest share of households' total mutual fund assets—56 percent. Thirty-six percent of households owning mutual funds were headed by members of Generation X and Generation Y (born in 1965 or later), and 18 percent were headed by members of the Silent and GI Generations (born in 1945 or earlier).

"The fact that Boomers have been exposed to retirement savings plans to a greater extent than other generations may explain why their mutual fund ownership rate tends to be higher," said Sarah Holden ICI Senior Director of Retirement and Investor Research. "Building a retirement nest egg is clearly uppermost in the minds of most mutual fund owners as they develop and act on their financial goals."

The report highlights additional characteristics of the estimated 52.5 million U.S. households owning mutual fund shares in 2008, including:

- Equity funds were the most commonly owned type of mutual fund, held by 80 percent of mutual fund-owning households. In addition, 38 percent owned hybrid funds, 48 percent owned bond funds, and 66 percent owned money market funds.
- Sixty-eight percent of mutual fund-owning households owned funds through employer-sponsored retirement plans, and 73 percent owned funds outside of such

plans. Forty-one percent of fund-owning households held funds both inside and outside of employer-sponsored retirement plans.

- Employer-sponsored plans are increasingly investors' avenue into mutual fund ownership. Sixty-eight percent of households who purchased their first fund in 2000 or later purchased that fund through such a plan, while only 53 percent of households that made their first purchase before 1990 did so through an employer-sponsored plan.
- Among households owning mutual funds outside of employer-sponsored retirement plans, 77 percent owned funds purchased from a professional financial adviser.

The Characteristics report's findings are derived from a larger ICI study entitled [Profile of Mutual Fund Shareholders, 2008](#), which was also released today.

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