

## NEWS RELEASE

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# Majority of U.S Households Own Mutual Funds, October 2001

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Washington, DC, October 3, 2001 - The estimated number of U.S. households owning mutual funds grew to 54.8 million—or 52 percent of all U.S. households—during the past year, up from 51.7 million households—or 49 percent of all U.S. households—the year before, according to [survey results](#) released today by the Investment Company Institute.

The number of individuals owning mutual funds rose to 93.3 million from 89.7 million in 2000. As a result, one out of every three individuals in the United States now owns mutual funds.

“More Americans own mutual funds than ever before,” Investment Company Institute President Matthew P. Fink said. “Investors recognize the benefits of professional management, diversification, strict regulation, and affordability that mutual funds offer. Mutual funds help investors achieve significant financial goals, including financing education and retirement.”

Fink attributed the six percent rise in household mutual fund ownership in large part to an increase in the percentage of shareholders who invest through defined contribution retirement plans. This indicates that the employer is an important investment channel for new fund owners. The research also found an increase in the percentage of investors who own funds outside of employer plans, including through IRAs.

One-third of U.S. households, 33 percent, held mutual funds in employer-sponsored retirement plans as of May 2001. These plans include 401(k), 403(b), and 457 plans and SEP-IRAs, SAR-SEPs, and SIMPLE IRAs. A somewhat larger share of U.S. households, 38 percent, owned mutual funds outside employer retirement plans, in accounts either purchased directly from fund companies or through professional financial advisers. These accounts include taxable accounts; traditional, rollover, and Roth IRAs; and variable annuities.

Additional survey findings include:

- Most mutual fund households are headed by an individual 35 to 54 years old. About one-third of households headed by an individual under 25 years owned funds, while 41 percent of U.S. households headed by individuals 65 years or older owned funds.
- Nearly half (49 percent) of households earning \$35,000 to \$49,999 owned mutual

funds, as did 66 percent of households earning \$50,000 to \$74,999.

The Institute's report is based on a survey of 3,019 randomly selected U.S. households conducted in May 2001. The Investment Company Institute is the national association of the American investment company industry. Its membership includes mutual funds, closed-end funds, and sponsors of unit investment trusts.

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