

NEWS RELEASE

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ICI Study: Baby Boom Generation and Gen X Have Highest Rate of Household Ownership of Mutual Funds

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About Half of U.S. Households Headed by a Baby Boomer or Gen Xer Owned Mutual Funds

Washington, DC, November 19, 2014—Members of the Baby Boom Generation and Generation X had the highest rates of mutual fund ownership in mid-2014, according to an annual survey of U.S. households by the Investment Company Institute (ICI) released today.

ICI's annual survey, released in two studies, "[Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2014](#)" and "[Characteristics of Mutual Fund Investors, 2014](#)," showed that 51 percent of U.S. households headed by a Baby Boomer—born between 1946 and 1964—owned mutual funds, as did 49 percent of households headed by a member of Gen X—born between 1965 and 1980. The studies also reported that in mid-2014, 32 percent of households headed by an adult Millennial (born 1981–1996) and 31 percent of Silent and GI Generation households (born 1904–1945) owned mutual funds. Among all U.S. households, an estimated 53.2 million households, or 43.3 percent, owned mutual funds in mid-2014. ICI estimates that more than 90 million individual investors owned mutual funds.

Incidence of Mutual Fund Ownership Is Greatest Among the Baby Boom Generation and Generation X
Percentage of U.S. households within each generation group, 2014

*The Millennial Generation is aged 10 to 33 in 2014; however, survey respondents must be 18 or older.

Note: Generation is based on the age of the household sole or co-decisionmaker for saving and investing.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

Baby Boom Generation Represented Largest Share of Mutual Fund-Owning Households

Members of the Baby Boom Generation were the largest share of mutual fund-owning households in mid-2014, representing 42 percent of all mutual fund-owning households. Baby Boom households also held the largest share of households' mutual fund assets at that time, with 51 percent of the total.

"Our 2014 household survey showed that mutual funds are an investment staple in about half the households headed by either a Baby Boomer or member of Generation X," said Sarah Holden, ICI senior director of retirement and investor research. "This high incidence of ownership makes sense in light of the findings that among mutual fund-owning households, most are headed by individuals in their peak earning years, most own mutual funds in a tax-deferred account, and nearly all are focused on retirement saving."

Other survey findings for 2014 include:

- Three times as many U.S. households owned mutual funds through tax-deferred accounts as owned mutual funds outside such accounts. An estimated 50.0 million households owned mutual funds through employer-sponsored retirement plans, individual retirement accounts (IRAs), and variable annuities, compared with 14.6 million households owning funds outside tax-deferred accounts. Those figures include 11.4 million households that owned funds both inside and outside tax-deferred accounts.
- Almost all mutual fund investors were focused on retirement saving. Saving for retirement was one of the financial goals for 91 percent of mutual fund-owning households, and almost three-quarters indicated that retirement saving was the household's primary financial goal.
- Most U.S. mutual fund shareholders had moderate household incomes and were in their peak earning and saving years. More than half of U.S. households owning mutual funds had incomes between \$25,000 and \$99,999, and nearly two-thirds were headed by individuals between the ages of 35 and 64.
- Mutual fund-owning households often held several funds, and equity funds were the most commonly owned type of mutual fund. Among households owning mutual funds in mid-2014, 83 percent held more than one fund and 86 percent owned equity funds.
- Of the many factors that shape shareholders' opinions of the fund industry, performance of fund investments continues to be the most influential. Two-thirds of mutual fund shareholders indicated that fund performance was a "very" important factor influencing their views of the industry, and more than four in 10 cited fund performance as the most important factor.
- Mutual fund-owning households used the Internet extensively. More than nine in 10 households owning mutual funds had Internet access in mid-2014.

About the survey:

ICI has conducted its Annual Mutual Fund Shareholder Tracking Survey to measure the incidence and characteristics of mutual fund ownership since 1987. For 2014, ICI significantly increased the survey sample and changed the survey design to a dual frame sample of 6,003 U.S. households selected by random digit dialing of both landline and cell phone numbers, with about 50 percent of households reached on a landline and about 50 percent of households reached on a cell phone. Of the surveyed households, 2,599 households, or 43.3 percent, owned mutual funds. In addition, the survey collected information on households' ownership of closed-end funds and ETFs. Overall, 44.3 percent

of U.S. households owned shares of mutual funds or other U.S.-registered investment companies in mid-2014, representing an estimated 54.5 million U.S. households and 92.7 million investors. All interviews were conducted over the telephone with the member of the household aged 18 or older who was the sole or co-decisionmaker most knowledgeable about the household's savings and investments.

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