

Fundamentals

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U.S. Household Ownership of Mutual Funds in 2000

An estimated 50.6 million U.S. households owned mutual funds as of June 2000 (Figure 1), up 4.5 percent from 48.4 million in 1999. Households owning mutual funds represented

49.0 percent of all U.S. households.^{1,2} Individual owners increased to 87.9 million in 2000 from 82.8 million in 1999.³

figure 1

Number and Percent of U.S. Households Owning Mutual Funds, 1980–2000¹

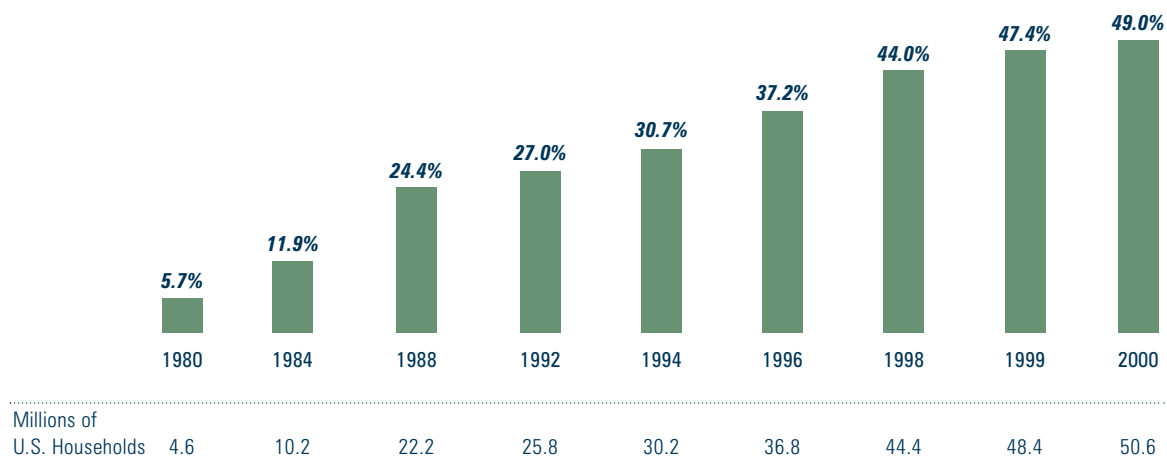


figure footnote:

¹ U.S. households owning mutual funds in 1980 and 1984 were estimated from data on the number of accounts held by individual shareholders and the number of funds owned by fund-owning households; data for 1980 through 1992 exclude households owning mutual funds only through employer-sponsored retirement plans; data for 1994 through 2000 include households owning mutual funds only through employer-sponsored retirement plans. The data for 1998, 1999, and 2000 include fund ownership through variable annuities.

² Based on a survey of 3,000 randomly selected U.S. households conducted in June 2000. The standard error is +/-1.8 percent at the 95 percent confidence level. The sample was weighted to match the age distribution of the U.S. population. (See U.S. Census, Current Population Reports, Series P25-1129, *Projections of the Number of Households and Families in the United States: 1995 to 2010*.) Before 1997, survey results were not weighted.

³ Ownership includes variable annuities, IRAs, Keoghs, and employer-sponsored retirement plans invested in mutual funds. For a complete demographic and financial profile of mutual fund shareholders, see *1998 Profile of Mutual Fund Shareholders*, Investment Company Institute, 1999 (available on the Institute's website at www.ici.org/pdf/rpt_profile99.pdf).

³ The mean number of mutual fund owners per fund-owning household was 1.736 in the 2000 survey.

figure 2

Income Distribution of All U.S. Households and Households Owning Mutual Funds, 2000¹

(percent)



figure footnotes:

¹ Income ranges based upon 1999 pre-tax household income.

² The percent of all U.S. households in each income group is based on the Institute's survey data and is not significantly different from the U.S. Census' 1998 household income data. (See U.S. Census, Current Population Reports, Series P60-206, *Money Income in the United States: 1998*.)

figure 3

Percent of All U.S. Households Owning Mutual Funds by Household Income, 1998–2000¹

	1998	1999	2000
Less than \$25,000	13	15	17
\$25,000 to \$34,999	28	30	37
\$35,000 to \$49,999	47	49	49
\$50,000 to \$74,999	62	62	66
\$75,000 to \$99,999	72	78	77
\$100,000 or more	77	78	79
Less than \$50,000 (net)	27	29	32
\$50,000 or more (net)	68	70	72

figure footnote:

¹ Income ranges based upon 1997, 1998, and 1999 pre-tax household income.

Household Income and Mutual Fund Ownership

Most U.S. mutual fund shareholders have moderate household income. Fifty-eight percent have household incomes of \$25,000 to \$74,999, and 9 percent have household incomes under \$25,000 (Figure 2). Thirty-three percent have household incomes of \$75,000 or more.

Fund ownership tends to increase with income. As of June 2000, 32 percent of all households with income less than \$50,000 owned mutual funds, while 72 percent of those with income of \$50,000 or more owned mutual funds (Figure 3). The increase in fund ownership between 1998 and 2000 was strongest among households with income less than \$35,000.

figure 4

Age Distribution of All U.S. Households and Households Owning Mutual Funds, 2000¹

(percent)

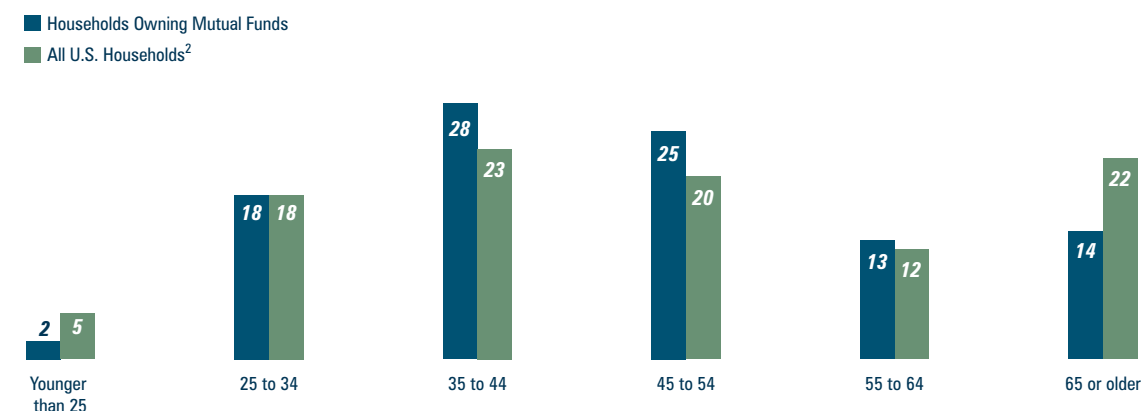


figure footnotes:

¹ Head-of-household age.

² The percent of all U.S. households in each age group is based on the Institute's survey data, and is weighted to match that of the U.S. Census' 2000 estimate of the age distribution of heads of households. (See U.S. Census, Current Population Reports, Series P25-1129, *Projections of the Number of Households and Families in the United States: 1995 to 2010.*)

Household Age and Mutual Fund Ownership

Eighty-four percent of fund-owning U.S. households are headed by individuals age 25 to 64, most of whom are between age 35 and 54 (Figure 4). Fourteen percent are age 65 or older; 2 percent are younger than age 25.

Fund ownership has been highest in the 45-to-54 age group since 1998 (Figure 5). The greatest increase in fund ownership since 1998 has been in the 25-to-34 age group. Mutual fund ownership is lowest among those under age 25 and those age 65 or older.

Household Ownership by Type of Mutual Fund

U.S. households in all income and age groups own equity funds more than bond funds, hybrid funds, or money market funds (Figures 6 and

figure 5

Percent of All U.S. Households Owning Mutual Funds by Age, 1998–2000¹

	1998	1999	2000
Younger than 25	24	28	23
25 to 34	42	47	49
35 to 44	52	55	58
45 to 54	53	58	59
55 to 64	51	50	54
65 or older	31	34	32

figure footnote:

¹ Head-of-household age.

figure 6

Percent of All U.S. Households Owning Mutual Funds by Type of Fund and by Household Income, 2000¹

	Equity Funds	Bond Funds	Hybrid Funds	Money Market Funds
All U.S. Households	35	16	12	24
Less than \$35,000	13	6	4	9
\$35,000 to \$49,999	33	14	11	26
\$50,000 to \$74,999	46	20	15	32
\$75,000 to \$99,999	60	28	24	39
\$100,000 or more	68	31	27	44

figure footnote:

¹ Income ranges based upon 1999 pre-tax household income.

7). Between 1998 and 2000, the percentage of households owning equity funds rose from 29 percent to 35 percent (Figure 8). Ownership of money market funds increased from 19 percent to 24 percent, and ownership of bond funds increased from 13 percent to 16 percent from 1998 to 2000. Hybrid fund ownership declined from 18 percent to 12 percent between 1998 and 2000.

24 percent, and ownership of bond funds increased from 13 percent to 16 percent from 1998 to 2000. Hybrid fund ownership declined from 18 percent to 12 percent between 1998 and 2000.

figure 7

Percent of All U.S. Households Owning Mutual Funds by Type of Fund and Age, 2000¹

	Equity Funds	Bond Funds	Hybrid Funds	Money Market Funds
All U.S. Households	35	16	12	24
Younger than 25	14	7	2	8
25 to 34	33	12	10	23
35 to 44	44	17	12	26
45 to 54	42	20	16	30
55 to 64	37	17	15	29
65 or older	21	14	11	19

figure footnote:

¹ Head-of-household age.

figure 8

Percent of All U.S. Households Owning Mutual Funds by Type of Fund, 1998–2000

