

Fund Ownership Steady Over the Past Few Years, But Remains Below 2001 Peak, October 2005

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Ownership Continues to Grow Inside Retirement Plans

Washington, DC, October 31, 2005 - The number of households and individuals owning mutual funds has remained steady over the past three years, according to an [annual ICI survey](#). In all, the survey found that an estimated 53.7 million U.S. households (or 47.5 percent of all households) and 91.3 million individual investors own mutual funds in 2005 – down from the peak of 56.3 million households and 95.8 million individuals in 2001.

Ownership of mutual funds outside employer-sponsored retirement plans exceeds ownership inside these plans, but the gap has narrowed in recent years. The survey found that an estimated 35.6 million U.S. households own funds inside employer plans in 2005, compared with 38.9 million US households owning funds outside these plans.

“Mutual funds play a prominent role in helping Americans achieve their long-term financial goals, and many invest in funds through employer-sponsored retirement plans,” said Sandy West, Director of Market Policy Research at ICI. “The number of households owning funds inside retirement plans increased 87 percent between 1997 and 2005, largely due to the widespread use of mutual funds as investment options in defined contribution plans.”

Additional survey findings:

- Most mutual fund shareholders are in their prime earning years. Individuals of all ages own funds, but households that own funds tend to be concentrated among individuals in their prime saving and investing years. Two-thirds of the 53.7 million households owning mutual funds in 2005 are headed by individuals age 35 to 64.
- Mutual fund shareholders typically have moderate household incomes. Mutual funds are largely a middle-class investment product. About half of all U.S. households owning funds in 2005 have incomes between \$25,000 and \$74,999.

The Institute’s current update on household ownership of mutual funds is based on a survey of 3,000 randomly selected U.S. households conducted in June 2005. For more information on shareholder demographics and characteristics, see ICI’s [2004 Profile of Mutual Fund Shareholders](#).