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Kimberly Burham, Economist; Michael Bogdan, Associate Economist; and Daniel Schrass, Associate Economist; prepared this report.

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Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2013

KEY FINDINGS

- » **In 2013, 47.1 percent of U.S. households owned shares of mutual funds or other U.S.-registered investment companies—including exchange-traded funds, closed-end funds, and unit investment trusts—representing an estimated 57.7 million households and 97.9 million investors.** Mutual funds were the most common type of investment company owned, with 56.7 million U.S. households, or 46.3 percent, owning mutual funds in 2013. The survey also found that 96.2 million individual investors owned mutual funds in 2013.
- » **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 two-thirds were headed by individuals between the ages of 35 and 64 in 2013. More than twice as many U.S. households owned mutual funds through tax-deferred accounts—employer-sponsored retirement plans, IRAs, and variable annuities—as owned mutual funds outside such accounts.
- » **Mutual fund owners reported that investment performance was the most influential of the many factors that shaped their opinions of the fund industry.** 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.
- » **Shareholders’ willingness to take investment risk remained at the same subdued levels seen since the 2008 financial crisis.** Three in 10 mutual fund-owning households were willing to take substantial or above-average risk for financial gain in May 2013, compared with 36 percent in May 2008. As in previous years, households who do not own mutual funds are less willing to take investment risk than mutual fund shareholders.

Key findings continued on the next page

- » **Mutual fund companies' favorability rating tends to move with stock market performance.** Mutual funds' favorability among shareholders increased in 2013 as the stock market trended upward, with favorability rising to 68 percent in 2013, up from 65 percent in 2012. In 2013, older mutual fund investors reported higher favorability ratings compared with younger investors and more recent investors.
 - » **Mutual fund-owning households often used the Internet for financial purposes.** More than nine in 10 households owning mutual funds had Internet access in 2013. Eighty-one percent of mutual fund-owning households with Internet access went online at least once a day, and more than eight in 10 used the Internet for financial purposes.
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About the Annual Mutual Fund Shareholder Tracking Survey

ICI conducts the Mutual Fund Shareholder Tracking Survey each spring to gather information on the demographic and financial characteristics of mutual fund-owning households in the United States. The most recent survey was conducted in May 2013 and was based on a sample of 4,001 U.S. households selected by random digit dialing, of which 1,853 households, or 46.3 percent, owned mutual funds. All interviews were conducted over the telephone with the member of the household who was the sole or co-decisionmaker most knowledgeable about the household's savings and investments. The standard error for the 2013 sample of households is ± 1.6 percentage points at the 95 percent confidence level.

Revisions to ICI's Annual Mutual Fund Shareholder Tracking Survey

The Annual Mutual Fund Shareholder Tracking Survey interviews a random sample of U.S. households to determine their ownership of a variety of financial assets and accounts, including mutual funds, individual stocks, individual bonds, defined contribution (DC) plan accounts, individual retirement accounts (IRAs), and education savings accounts. In the usual course of household survey work, researchers periodically reexamine the questions asked in the survey to ensure that the results published are representative of the characteristics of the millions of households in the United States. ICI reexamined its Annual Mutual Fund Shareholder Tracking Survey this year, and the figures presented in this paper for the 2013 survey results reflect a revised questionnaire. The order of the account type choices in the question regarding ownership of retirement and other savings accounts was changed in 2013. This change, which moved 401(k) and other DC plan accounts to be first on the list, primarily was made to avoid possible confusion between individual accounts in 401(k) and other DC plans versus IRAs. In addition, more survey respondents were asked about the types of mutual funds they possibly owned and were asked about more types of mutual funds. For example, "stock funds, such as equity income or growth funds" was not familiar to some respondents, but the phrases "large-, mid-, or small-cap stock funds" and "stock index funds, including the S&P 500 index fund" triggered respondent recollection of their holdings of such funds. The revisions are discussed in more detail in the appendix.

U.S. Households' Ownership of Mutual Funds

More Than 56 million U.S. Households Owned Mutual Funds in 2013

Assets in U.S.-registered investment companies—mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs)—totaled \$15.4 trillion as of mid-2013. Households held about 86 percent, or \$13.2 trillion, of all these fund assets; registered fund assets represented almost one-quarter of households' financial

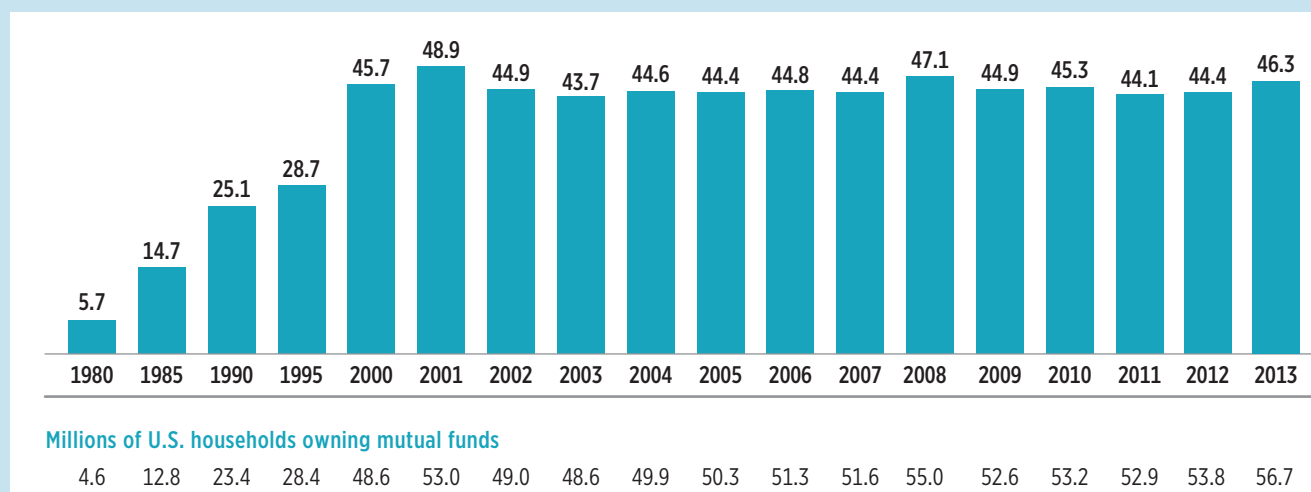
assets.¹ In 2013, 47.1 percent of U.S. households owned some type of registered fund, representing an estimated 57.7 million households and 97.9 million investors.

While 5.7 million households owned ETFs and 3.8 million households owned closed-end funds in 2013, mutual funds were the most common type of fund owned by households. An estimated 56.7 million U.S. households, or 46.3 percent, owned mutual funds in 2013 (Figure 1),² and more than eight

FIGURE 1

46 Percent of U.S. Households Owned Mutual Funds in 2013

Number and percentage of U.S. households owning mutual funds,¹ selected years²



¹ Households owning mutual funds in 1980 through 1986 were estimated by dividing the total number of household accounts by the number of accounts per household. Beginning in 1987, the incidence of mutual fund ownership is estimated through household surveys. Incidence estimates for 1987 through 1993 exclude households owning mutual funds only through employer-sponsored retirement plans; estimates for 1994 through 2013 include households owning mutual funds only through employer-sponsored retirement plans. Incidence estimates for 1998 through 2013 include fund ownership through variable annuities. Incidence estimates for 2000 through 2013 include fund ownership through Roth IRAs, Coverdell Education Savings Accounts, SAR-SEPs, SEP-IRAs, and SIMPLE IRAs.

² For the complete time series of data from 1980 through 2013, see Figure A1 in the appendix.

Sources: Investment Company Institute and U.S. Census Bureau

in 10 households that owned ETFs or closed-end funds also owned mutual funds. The percentage of U.S. households owning mutual funds has stayed about the same since 2002; however, the number of households owning mutual funds increased in 2013. The estimated number of individual investors currently owning mutual funds is 96.2 million (Figure 2).³

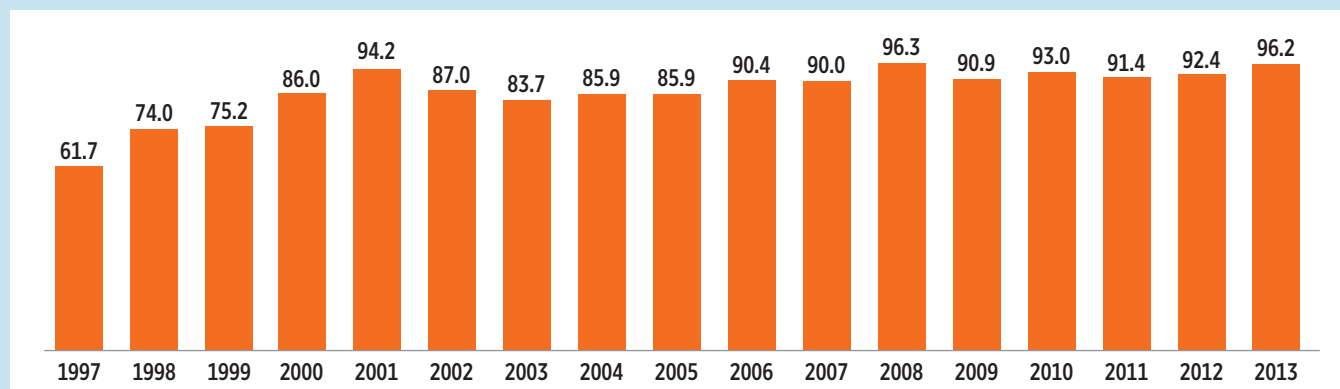
Most Mutual Fund Shareholders Are in Their Peak Earning and Saving Years

People of all ages own mutual funds, but ownership is concentrated among individuals in their prime earning and saving years. For most of the past decade, the incidence of mutual fund ownership has been greatest among households headed by individuals between the ages of 35 and 64.⁴ In the most recent survey, a majority of households in the 45 to 54 and 55 to 64 age groups owned mutual funds (Figure 3); in addition, nearly half of households aged

FIGURE 2

96 Million Individual U.S. Investors Owned Mutual Funds in 2013

Millions of individual U.S. investors owning mutual funds, 1997–2013

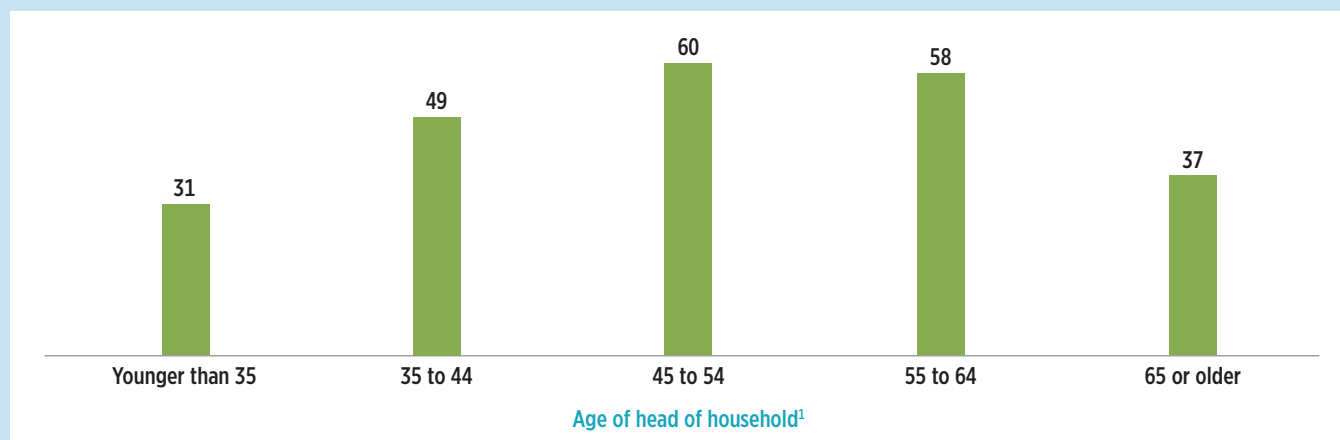


Sources: Investment Company Institute and U.S. Census Bureau

FIGURE 3

Incidence of Mutual Fund Ownership Greatest Among 35- to 64-Year-Olds

Percentage of U.S. households within each age group,¹ 2013²



¹ Age is based on the age of the sole or co-decisionmaker for household saving and investing.

² For the complete time series of data from 1994 through 2013, see Figure A3 in the appendix.

Sources: Investment Company Institute and U.S. Census Bureau

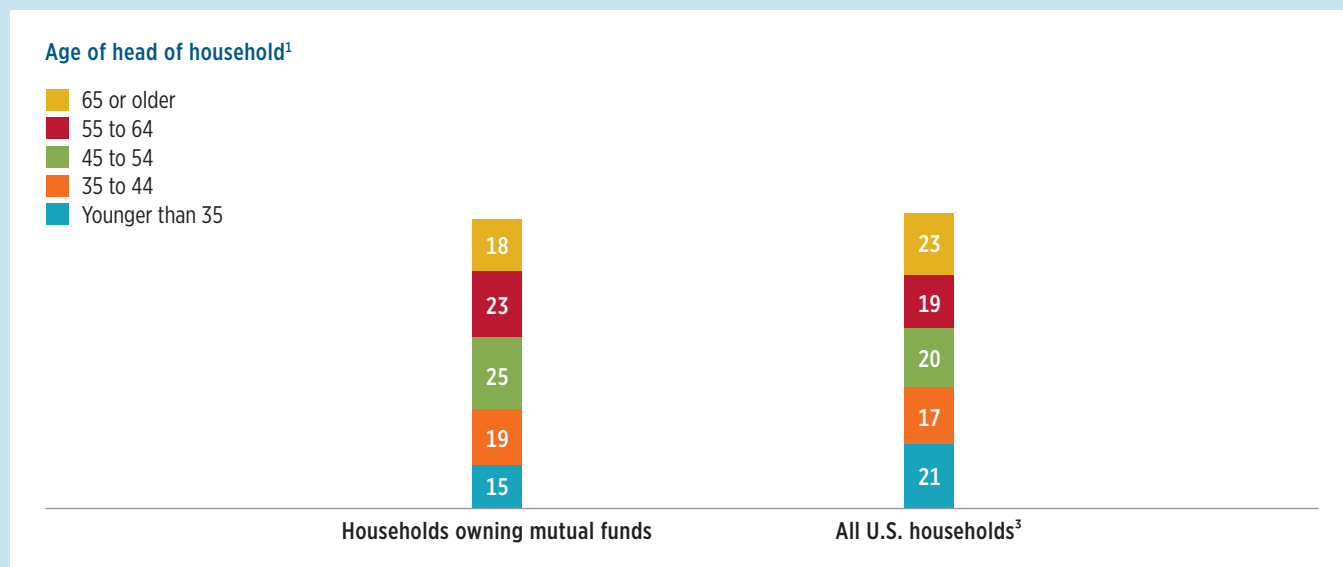
35 to 44, 31 percent of households younger than 35, and 37 percent of households aged 65 or older owned mutual funds. As a result, the majority (two-thirds) of households owning mutual funds were headed by individuals between the ages of 35 and 64, the age range in which saving

and investing traditionally is greatest.^{5, 6} Among all U.S. households, by comparison, fewer than six in 10 were headed by individuals in this age group in 2013 (Figure 4).

FIGURE 4

Most Mutual Fund Shareholders Are Between Ages 35 and 64

Percent distribution of households owning mutual funds and all U.S. households by age,¹ 2013²



¹ Age is based on the age of the sole or co-decisionmaker for household saving and investing.

² For the complete time series of data from 1994 through 2013, see Figure A4 in the appendix.

³ The percentage of all households in each age group is based on ICI survey data and is weighted to match the U.S. Census Bureau's Current Population Survey.

Sources: Investment Company Institute and U.S. Census Bureau

Mutual Fund Shareholders Typically Have Moderate Household Incomes

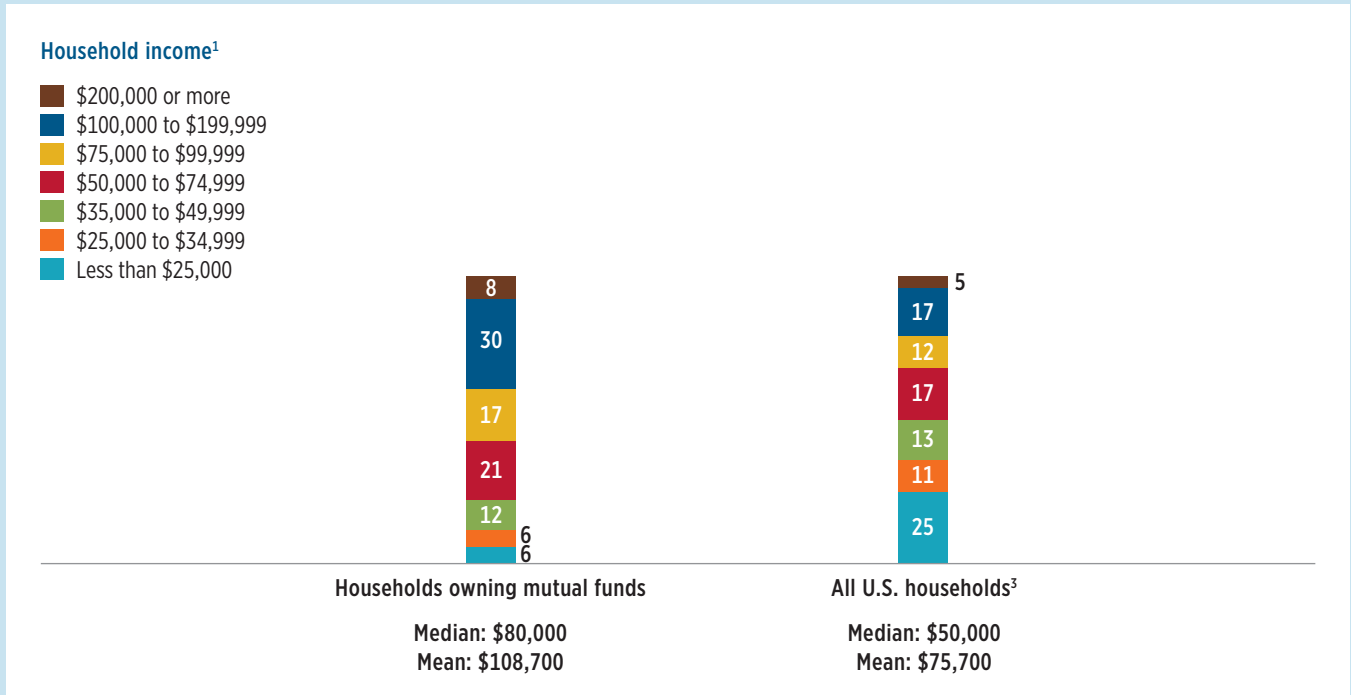
The majority of U.S. households owning mutual funds had moderate incomes. Fifty-six percent of households owning funds in 2013 had incomes between \$25,000 and \$99,999 (Figure 5).⁷ Nevertheless, incomes among mutual fund-owning households tended to be somewhat higher than

that of the typical U.S. household. Twelve percent of U.S. households owning mutual funds had incomes of less than \$35,000, while 36 percent of all U.S. households earned less than \$35,000. Thirty-eight percent of households owning mutual funds reported incomes of \$100,000 or more, compared with only 22 percent of U.S. households overall.

FIGURE 5

Most Households Owning Mutual Funds Have Moderate Incomes

Percent distribution of households owning mutual funds and all U.S. households by household income,¹ 2013²



¹ Total reported is household income before taxes in 2012.

² For the complete time series of data from 1998 through 2013, see Figure A5 in the appendix.

³ The percentage of all households in each income group is based on ICI survey data and is weighted to match the U.S. Census Bureau's Current Population Survey (CPS). For 2012, the estimated median and mean income for all U.S. households from the CPS is \$51,017 and \$71,274, respectively.

Sources: Investment Company Institute and U.S. Census Bureau

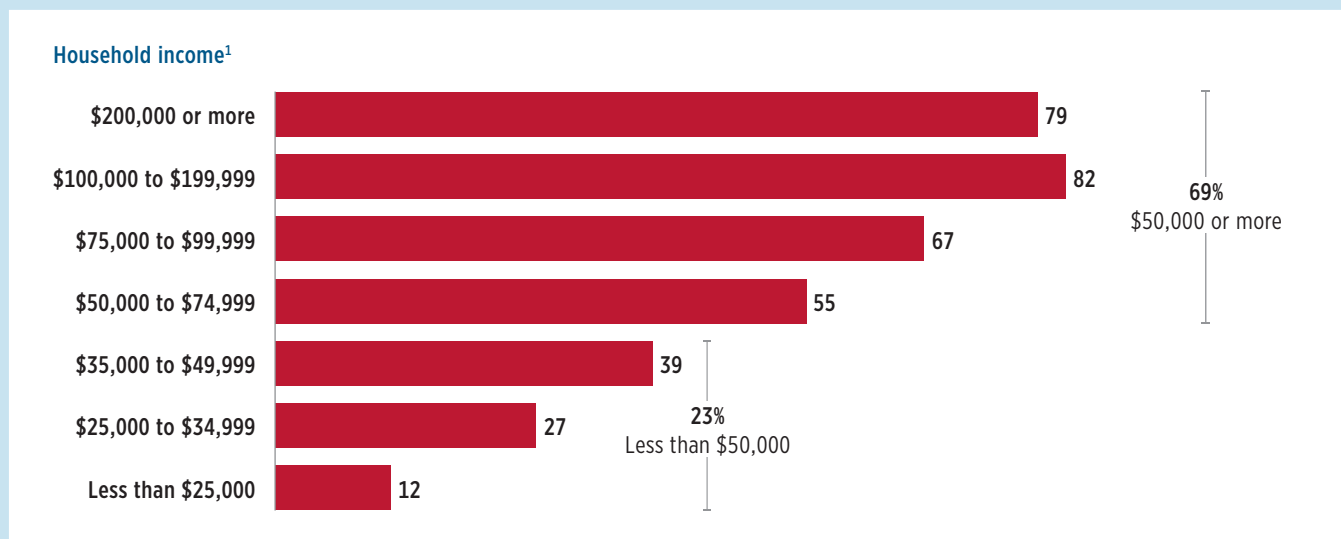
The mix of incomes among mutual fund-owning households reflects the fact that individuals across all income groups own mutual funds, but it also shows that households with higher incomes are more likely to own mutual funds than are lower-income households. In 2013, 69 percent of all U.S. households with incomes of \$50,000 or more owned mutual funds, compared with 23 percent of households

with incomes of less than \$50,000 (Figure 6).⁸ In fact, lower-income households are less likely to have any type of savings. The typical household with income less than \$50,000 had \$7,500 in savings and investments, while the typical household with income of \$50,000 or more held \$200,000 in savings and investments.⁹

FIGURE 6

Ownership of Mutual Funds Increases with Household Income

Percentage of U.S. households within each income group,¹ 2013²



¹ Total reported is household income before taxes in 2012.

² For the complete time series of data from 1994 to 2013, see Figure A6 in the appendix.

Sources: Investment Company Institute and U.S. Census Bureau

Fund Ownership Inside Tax-Deferred Accounts Is Significant

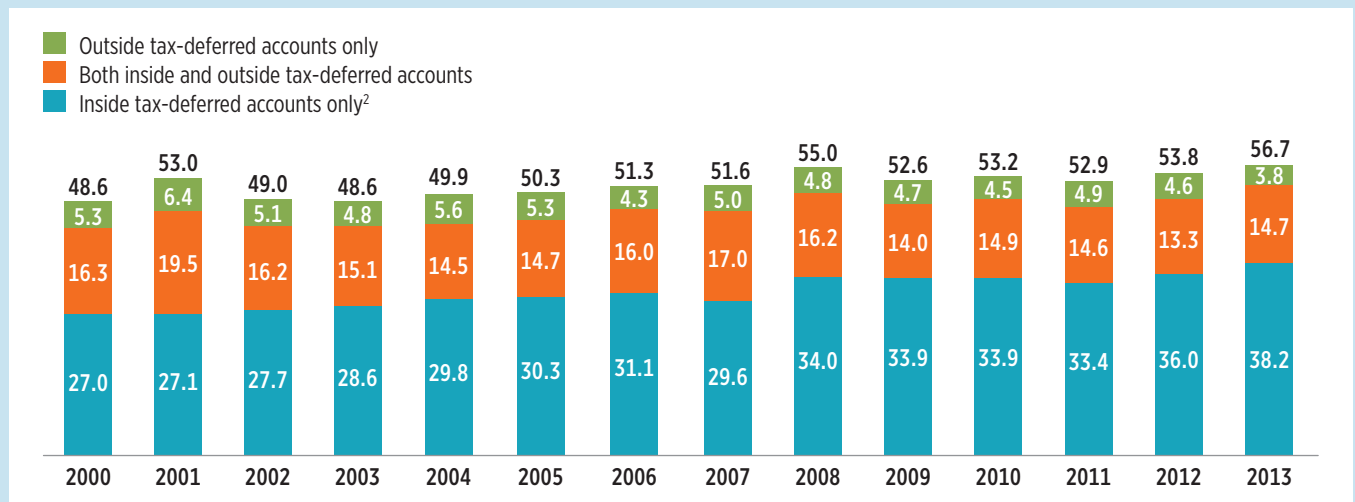
More households own mutual funds inside tax-deferred accounts—such as 401(k) and other defined contribution (DC) plans, individual retirement accounts (IRAs), and variable annuities—than outside these accounts.¹⁰ In 2013, an estimated 52.9 million households owned mutual funds inside tax-deferred accounts, compared with 18.5 million households owning funds outside tax-deferred accounts (Figure 7). Among those households that owned funds outside tax-deferred accounts, more than three-quarters, or 14.7 million households, also held funds in tax-deferred

accounts. The number of households owning mutual funds through tax-deferred accounts has grown by 9.6 million since 2000, while the number of households owning mutual funds outside tax-deferred accounts has declined.¹¹ Indeed, much of the growth in the number of households owning mutual funds through tax-deferred accounts has occurred among those for whom this is their only form of fund ownership. Of the 52.9 million U.S. households owning mutual funds through tax-deferred accounts in 2013, 38.2 million households owned mutual funds only through such accounts, up from 27.0 million in 2000. The number of households holding mutual funds only in taxable accounts has declined since 2000.

FIGURE 7

Tax-Deferred Accounts Are a Popular Way to Hold Mutual Funds

Millions of U.S. households owning mutual funds by account type indicated,¹ 2000–2013



¹ For the incidence (percentage of U.S. households) of mutual fund ownership by account type, see Figures A7 and A8 in the appendix.

² Mutual funds held in employer-sponsored retirement plans, IRAs, and variable annuities are included.

Note: Components may not add to the total because of rounding.

Sources: Investment Company Institute and U.S. Census Bureau

Additional Reading

For more detailed information about mutual fund owners, see “Profile of Mutual Fund Shareholders, 2013,” ICI’s full report of the findings of the 2013 Annual Mutual Fund Shareholder Tracking Survey. “Profile” presents a comprehensive overview of mutual fund owners, including their demographic characteristics, the ways in which they purchase fund shares, and the ways in which U.S. households use funds to meet their current and long-term financial needs. “Profile of Mutual Fund Shareholders, 2013” will be published in early 2014. For a summary of the characteristics of mutual fund-owning households in 2013, see “Characteristics of Mutual Fund Investors, 2013,” *ICI Research Perspective* 19, no. 10 (October), available at www.ici.org/pdf/per19-10.pdf.

Shareholder Sentiment About the Mutual Fund Industry

Positive Shareholder Opinion of the Mutual Fund Industry Increased in 2013

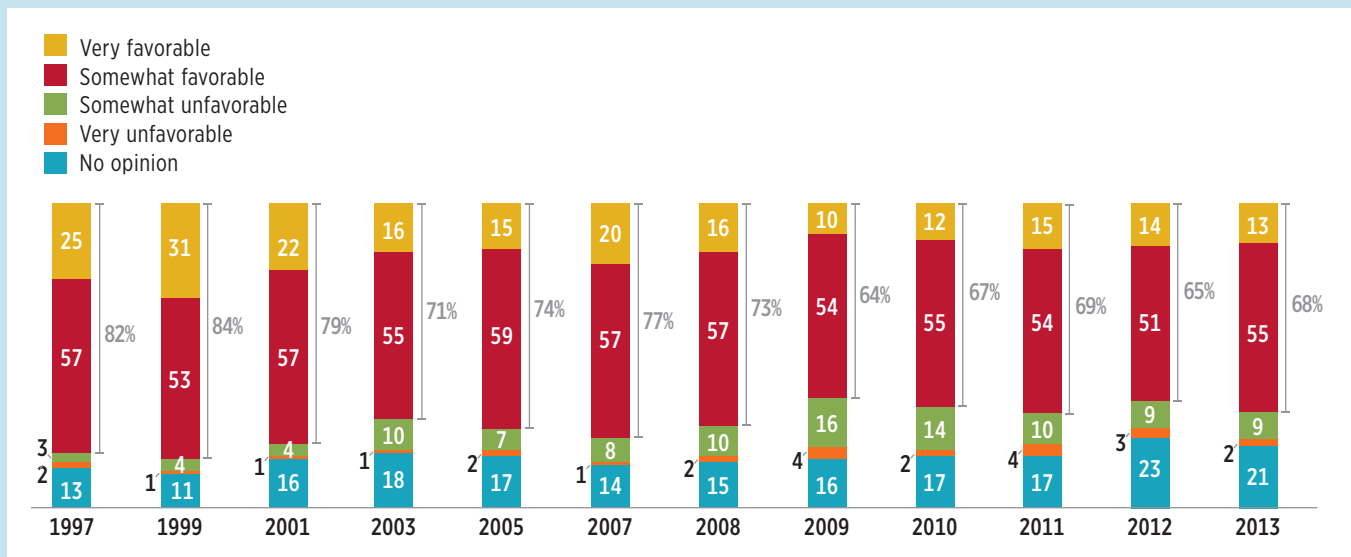
The percentage of fund shareholders with positive opinions about the mutual fund industry increased in 2013. Sixty-eight percent of shareholders familiar with mutual fund companies had “very” or “somewhat” favorable

impressions of fund companies, up from 65 percent in 2012 (Figure 8). The share of fund investors with “very” favorable impressions of fund companies stayed about the same. In 2013, 13 percent of fund investors had a “very” favorable view of the industry, compared with 14 percent in 2012. Among mutual fund shareholders familiar with mutual fund companies and with an opinion about fund companies, 86 percent had “very” or “somewhat” favorable impressions of fund companies (Figure 9).

FIGURE 8

Most Shareholders View the Mutual Fund Industry Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies, selected years

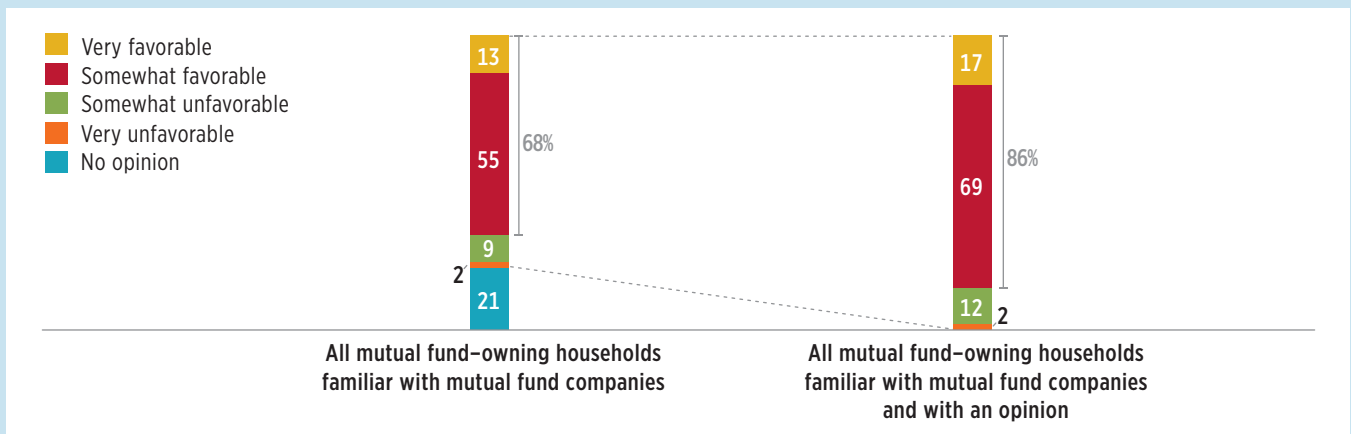


Source: Investment Company Institute

FIGURE 9

Most Shareholders with an Opinion View the Mutual Fund Industry Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies, 2013



Source: Investment Company Institute

Fund Performance Influences Investor Opinion of the Fund Industry

Although many factors influence shareholders' overall opinion of the mutual fund industry, investors said fund performance was the primary factor that shaped sentiment. In 2013, 43 percent of all fund shareholders familiar with mutual fund companies cited fund performance as the most important factor in forming their opinions of the industry (Figure 10). This is consistent with the movement of the mutual fund favorability rating with stock market performance, which can affect mutual fund returns. For example, mutual fund companies' favorability rose in the late 1990s along with stock prices (measured by the S&P 500), declined between May 2000 and May 2003 as stock

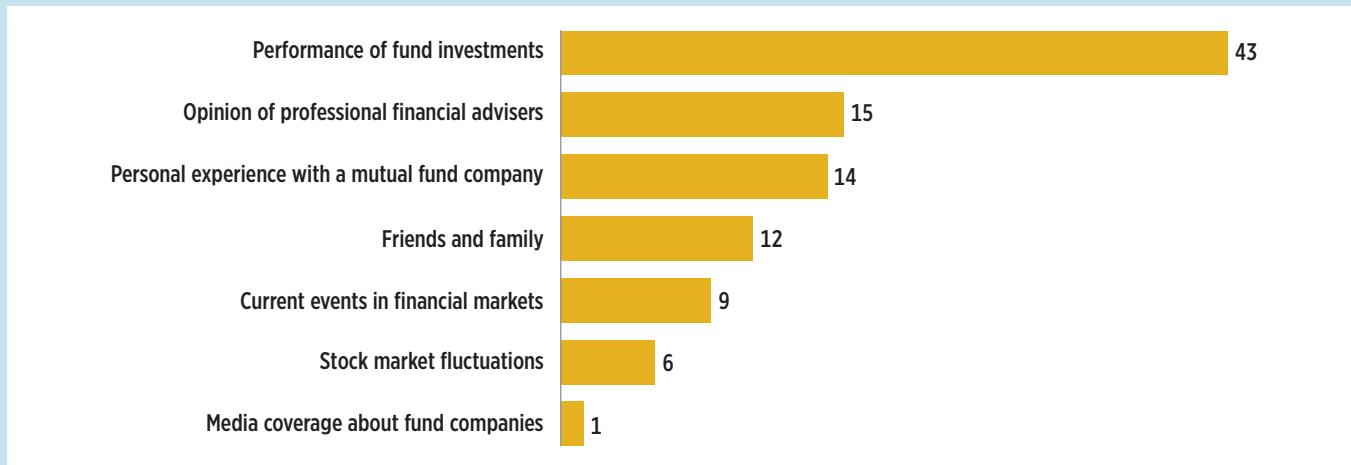
prices fell, increased from 2003 to 2007 as the stock market gained, and fell following the market decline in 2008 and 2009 (Figure 11). As the stock market gained in 2010 and 2011, mutual fund favorability rebounded. Mutual fund favorability increased in 2013 as the stock market moved up in April and May of 2013.

Other important factors that influence shareholder views of mutual fund companies include the opinion of professional financial advisers, personal experience with a mutual fund company, friends and family, and current events in financial markets (Figure 10).¹² Investors reported that stock market fluctuations and media coverage were less influential in shaping their opinions of the fund industry.

FIGURE 10

Fund Performance Is the Most Important Factor Shaping Opinions of the Fund Industry

Percentage of shareholders familiar with mutual fund companies who indicate each factor is "most" important, 2013

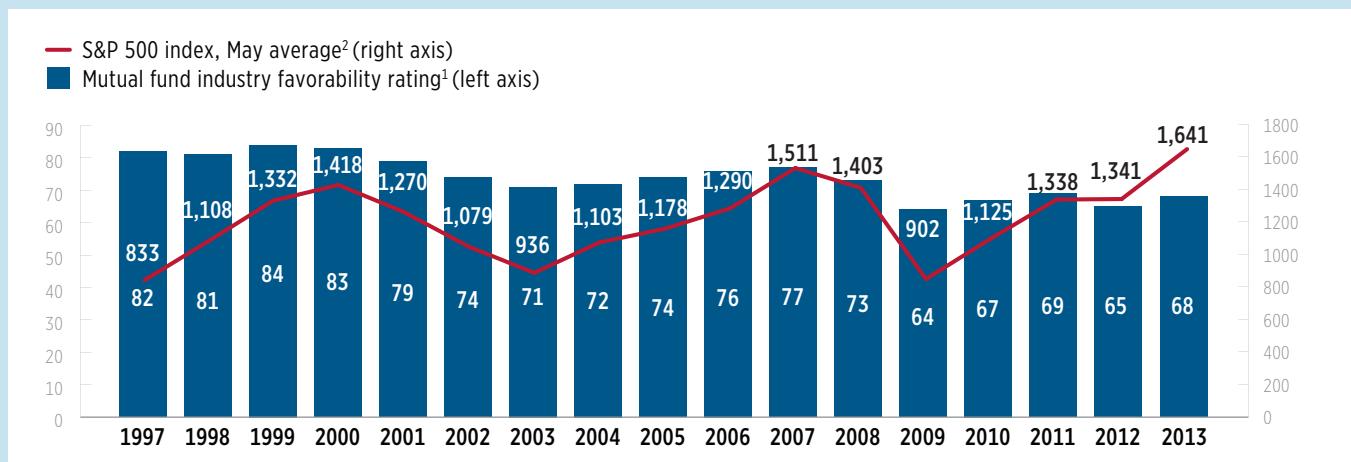


Source: Investment Company Institute

FIGURE 11

Mutual Fund Industry Favorability Rises and Falls with Stock Market Performance

Mutual fund industry favorability rating and S&P 500 index, 1997–2013



¹ The mutual fund industry favorability rating is the percentage of mutual fund shareholders familiar with the mutual fund industry who have a “very” or “somewhat” favorable impression of the fund industry. The survey question on mutual fund industry favorability had five choices; the other three possible responses were “somewhat unfavorable,” “very unfavorable,” and “no opinion.”

² The S&P 500 is an index of 500 stocks chosen for market size, liquidity, and industry group representation.

Sources: Investment Company Institute and Standard & Poor’s

Older Investors Had a More Favorable View of the Mutual Fund Industry in 2013

Mutual fund favorability among older investors was higher compared with younger investors in 2013. Retired investors, older investors, and investors who purchased mutual funds earlier all viewed the mutual fund industry more favorably than the average investor in the current market. In 2013, 54 percent of fund owners younger than 35 who were familiar with mutual fund companies had “very” or “somewhat” favorable impressions of mutual

fund companies, compared with 71 percent of mutual fund owners aged 50 to 64 and 71 percent of mutual fund owners aged 65 or older (Figure 12).¹³ Investors whose first mutual fund purchase was made before 2000 also were more favorable toward the mutual fund industry. About seven in 10 shareholders familiar with mutual fund companies who first purchased funds before 2000 had favorable views of the industry, whereas 63 percent of shareholders familiar with mutual fund companies who had first purchased funds in 2005 or later viewed fund companies favorably.

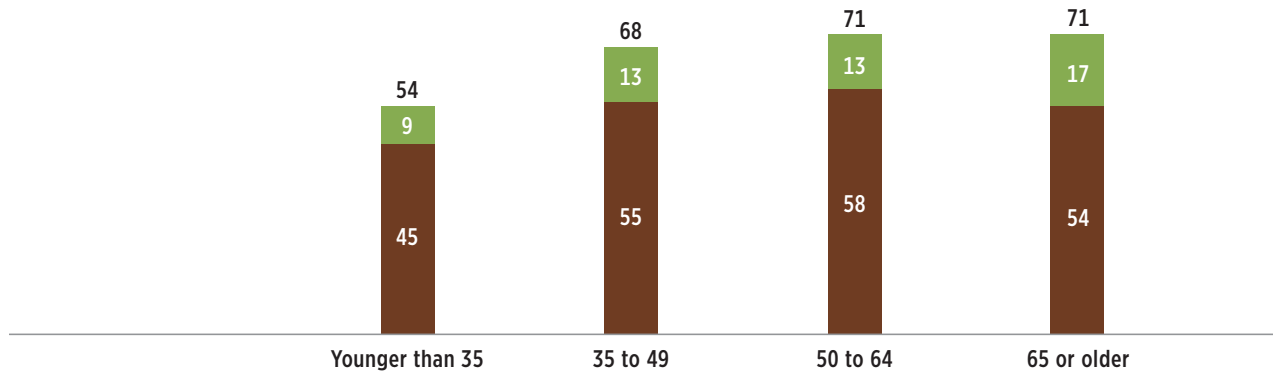
FIGURE 12

Older Shareholders and Seasoned Shareholders Viewed Mutual Fund Industry More Favorably

■ Very favorable
■ Somewhat favorable

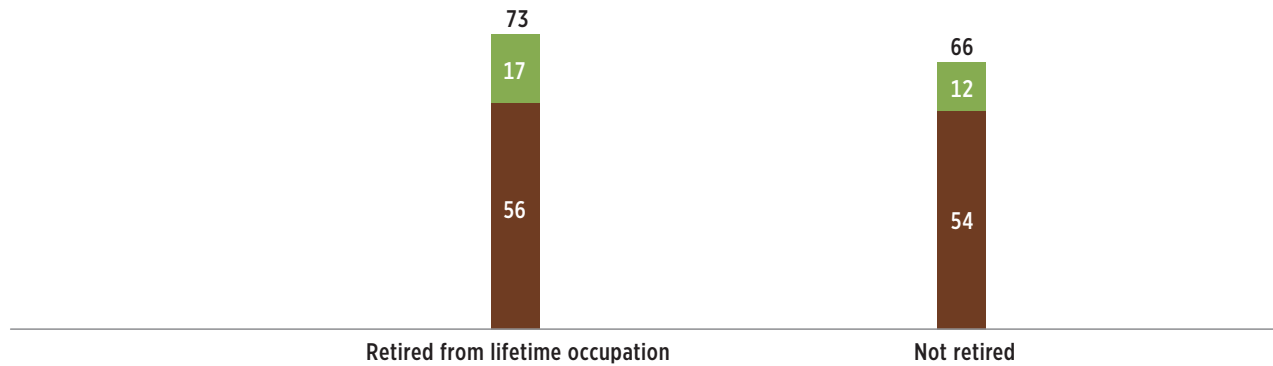
Older Shareholders Viewed Mutual Fund Industry More Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies by age of head of household,* 2013



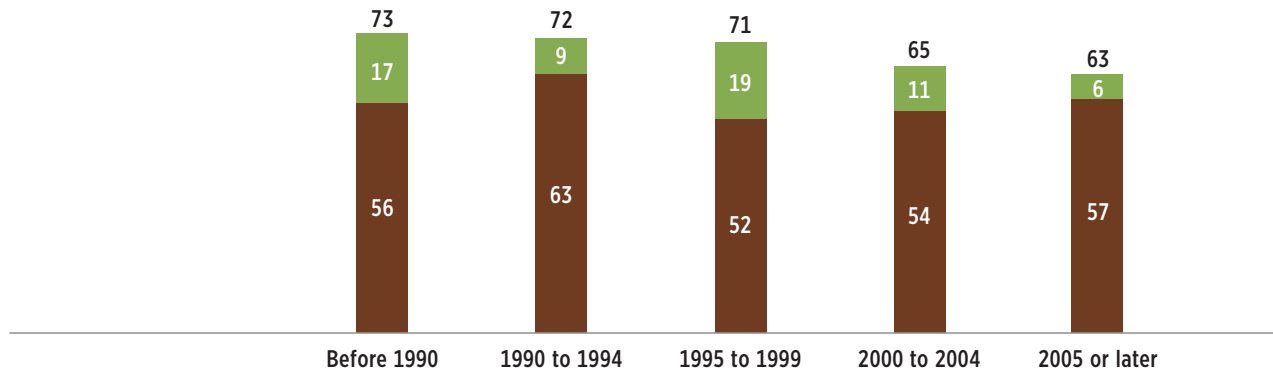
Retired Shareholders Viewed Mutual Fund Industry More Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies by retirement status, 2013



Seasoned Shareholders Viewed Mutual Fund Industry More Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies by year of first mutual fund purchase, 2013



*Age is based on the age of the sole or co-decisionmaker for household saving and investing.

Note: The survey question on mutual fund industry favorability had five choices; the other three possible responses were “somewhat unfavorable,” “very unfavorable,” and “no opinion.”

Source: Investment Company Institute

Risk Tolerance and Investing

There are various ways to measure risk tolerance using survey data—ICI's Annual Mutual Fund Shareholder Tracking Survey asks respondents to choose from a range that describes how much risk they are willing to take to get higher investment returns. Willingness to take financial risk is strongly affected by age, but also has varied over time within age groups.

U.S. households became less willing to take investment risk in the past five years since the financial crisis in 2008, reflecting the reduced risk tolerance of households owning mutual funds (Figure 13). Willingness to take financial risk among households not owning mutual funds remained nearly the same from 2008 through 2013. In May 2008, 36 percent of U.S. households owning mutual funds were

willing to take above-average or substantial risk with their investments. By May 2009, this fraction had fallen to 30 percent of mutual fund-owning households and was unchanged in May 2013.

Risk tolerance varies with the age of the head of household, and younger households tend to be more willing to take investment risk than older households (Figure 14). In 2013, the fraction of mutual fund-owning households aged 35 to 49 willing to take above-average or substantial financial risk was 36 percent, while only 20 percent of mutual fund-owning households aged 65 or older were willing to do so. Mutual fund-owning households of all age groups are more willing to take investment risk than the same age groups among all U.S. households.¹⁴

FIGURE 13

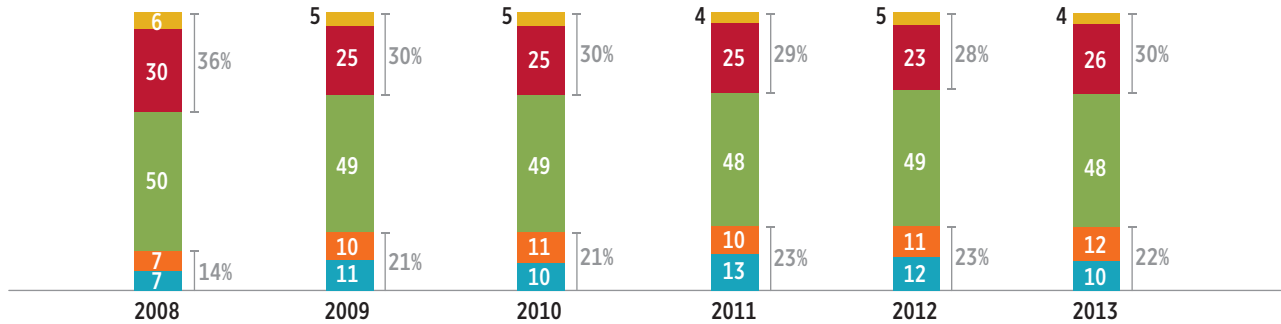
Households' Willingness to Take Investment Risk

Percentage of U.S. households by mutual fund ownership status; May 2008, May 2009, May 2010, May 2011, May 2012, and May 2013

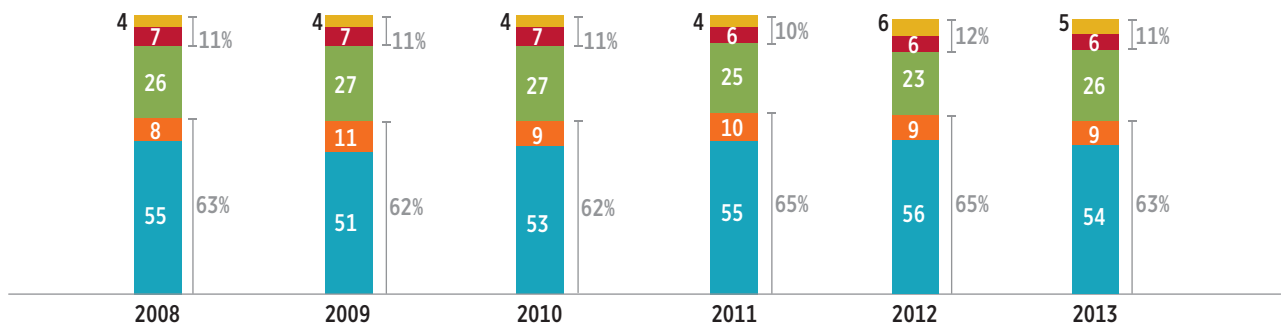
Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

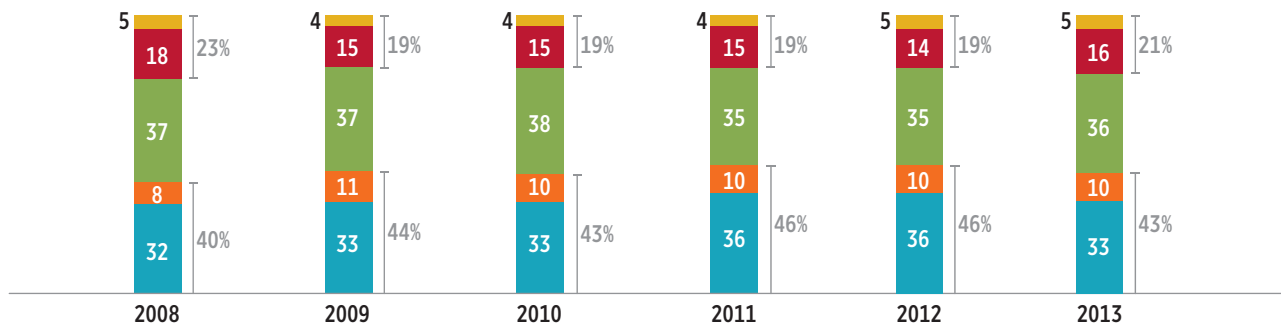
Households owning mutual funds



Households not owning mutual funds



All U.S. households



Source: Investment Company Institute

FIGURE 14

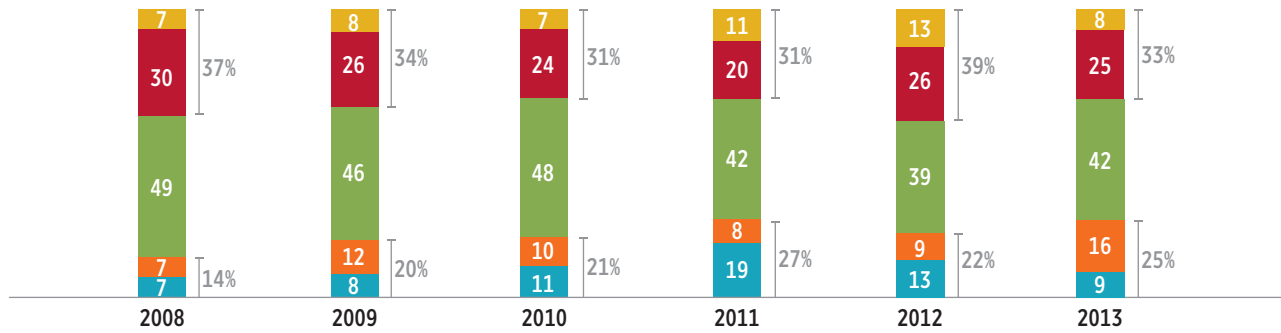
Mutual Fund Shareholders' Willingness to Take Investment Risk Varies with Age

Percentage of mutual fund-owning households within each age group,* May 2008, May 2009, May 2010, May 2011, May 2012, and May 2013

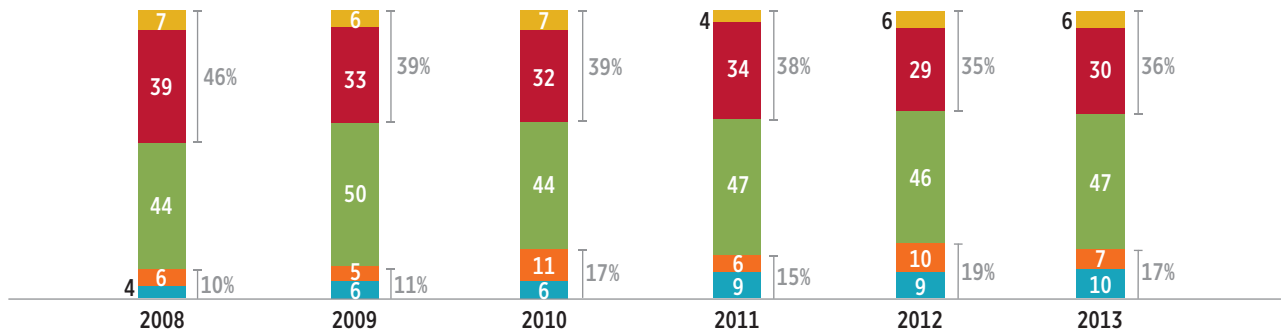
Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

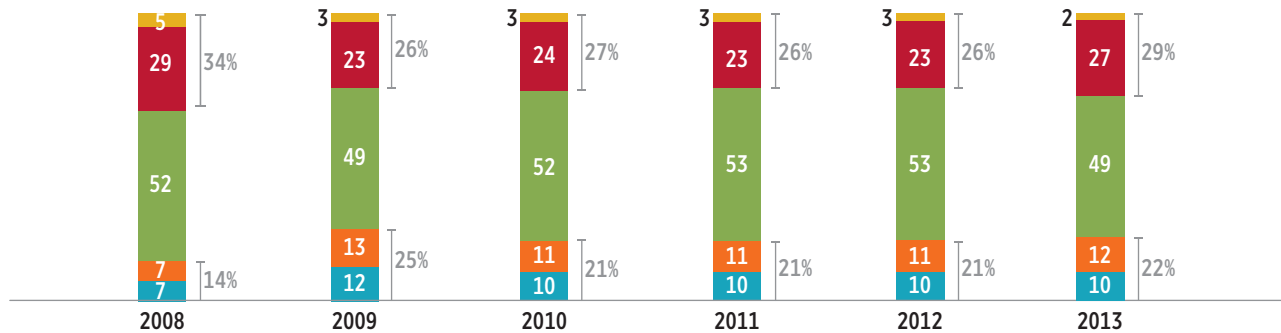
Younger than 35



35 to 49



50 to 64



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FIGURE 14 CONTINUED

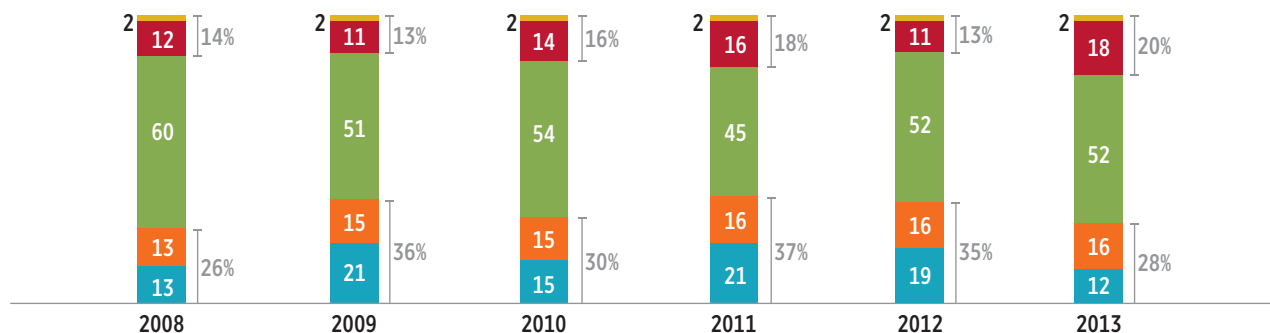
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Percentage of mutual fund-owning households within each age group,* May 2008, May 2009, May 2010, May 2011, May 2012, and May 2013

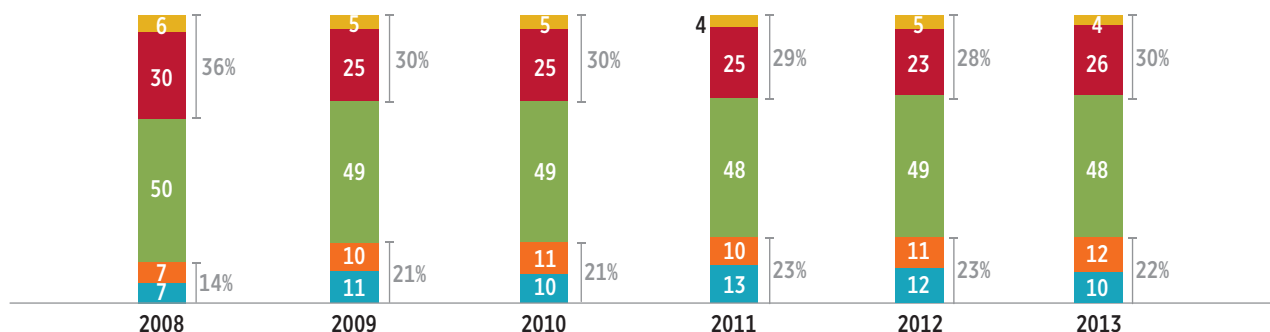
Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

65 or older



All mutual fund-owning households



* Age is based on the age of the sole or co-decisionmaker for household saving and investing.

Source: Investment Company Institute

Between 2012 and 2013, the willingness to take investment risk among all but the youngest shareholder age group increased or remained about the same, while the youngest age group decreased their willingness to take investment risk, reverting to the lower levels seen in recent years. In 2013, 33 percent of mutual fund-owning households younger than 35 were willing to take above-average or substantial financial risk, compared with 39 percent in 2012, and 31 percent in 2011 (Figure 14). Among mutual fund-owning households aged 35 to 49, 36 percent were willing to take at least above-average risk, compared with 35 percent in 2012, and 38 percent in 2011. Among mutual

fund-owning households aged 50 to 64, the share that was willing to take at least above-average risk was 29 percent in 2013, compared with 26 percent in 2012 and 2011. The oldest shareholder age group increased their willingness to take at least above-average risk to 20 percent in 2013, compared with 13 percent in 2012, and 18 percent in 2011.

Shareholders who indicated they have a higher tolerance for financial risk when investing were more favorable toward the mutual fund industry than shareholders who indicated less tolerance for financial risk (Figure 15). For

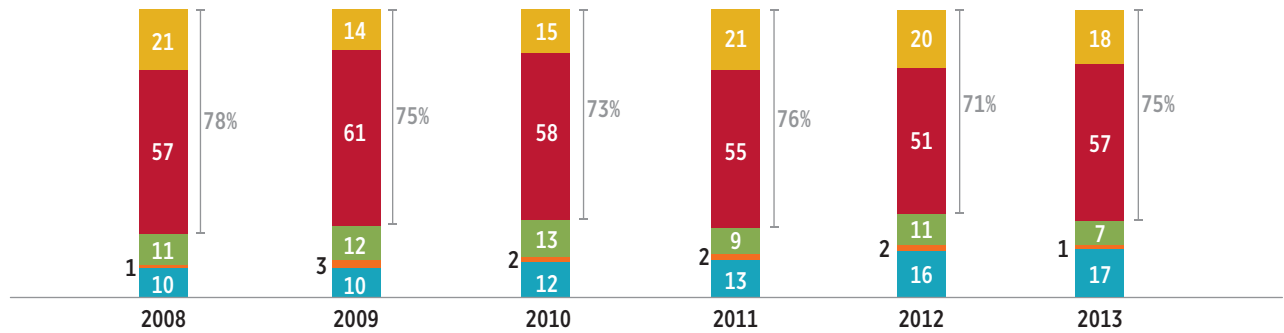
FIGURE 15

Favorability Rises with Shareholders' Risk Tolerance

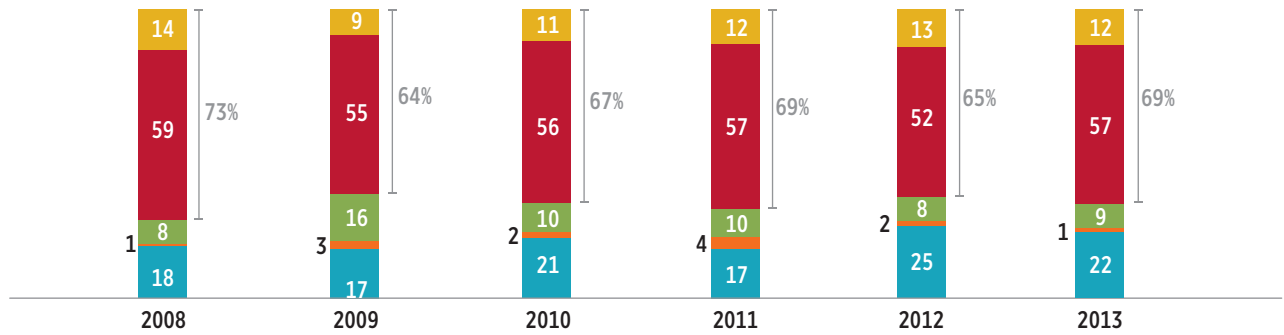
Percentage of mutual fund shareholders familiar with mutual fund companies by willingness to take financial risk; May 2008, May 2009, May 2010, May 2011, May 2012, and May 2013

- Very favorable
- Somewhat favorable
- Somewhat unfavorable
- Very unfavorable
- No opinion

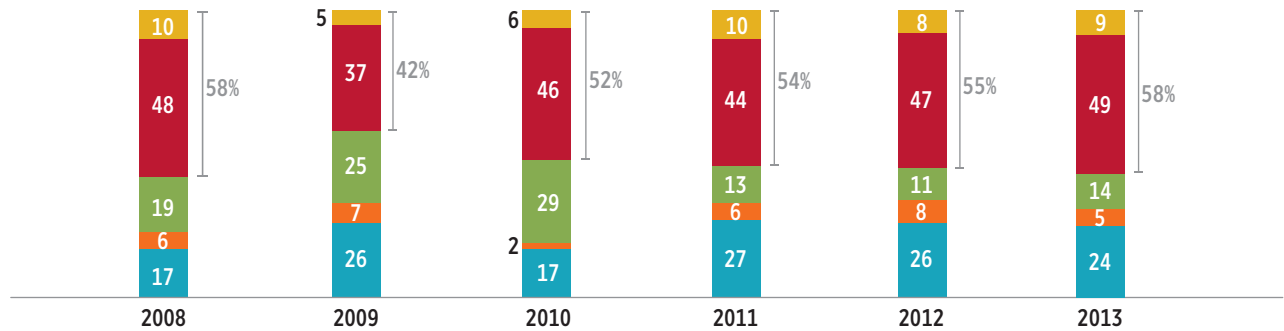
Above-average or substantial risk



Average risk



Below-average or no risk



Source: Investment Company Institute

example, among shareholders familiar with mutual funds who indicated they take little or no investment risk when investing, only 58 percent had favorable views of the mutual fund industry in 2013. This fraction increased to 75 percent for those shareholders who were willing to take at least above-average investment risk. Shareholders with no opinion of mutual funds contribute to this pattern: in 2013, 24 percent of shareholders familiar with mutual funds who indicated they take little or no investment risk when investing had no opinion of mutual funds, compared with 17 percent of households familiar with mutual funds and willing to take above-average or substantial risk.

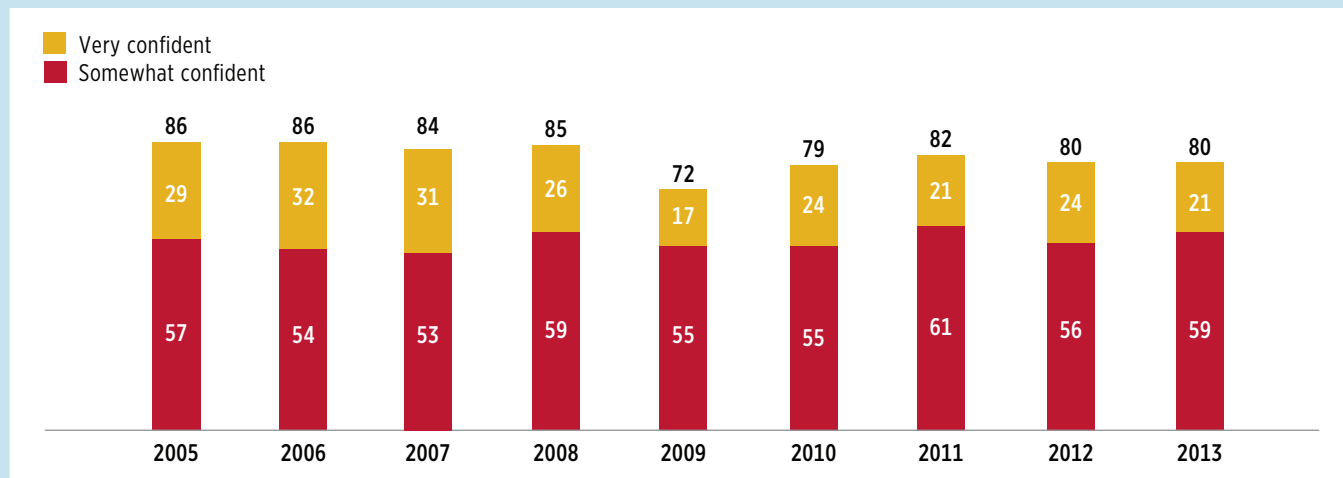
Fund Owners Remain Confident About Achieving Investment Goals

ICI's Annual Mutual Fund Shareholder Tracking Survey finds that investors were confident that mutual funds could help them reach their financial goals. In 2013, 80 percent of all mutual fund shareholders said they were confident in mutual funds' ability to help them achieve their financial goals (Figure 16). Indeed, more than one in five fund investors were "very" confident that mutual funds could help them meet their financial goals.

FIGURE 16

Eight in 10 Mutual Fund–Owning Households Have Confidence in Mutual Funds

Percentage of all mutual fund shareholders by level of confidence that mutual funds can help them meet their investment goals, 2005–2013



Note: This question was not included in the survey prior to 2005. The question has four choices; the other two possible responses were "not very confident" and "not at all confident."

Source: Investment Company Institute

Mutual Fund Owners and Internet Access

More Than Nine in 10 Mutual Fund–Owning Households Have Access to the Internet

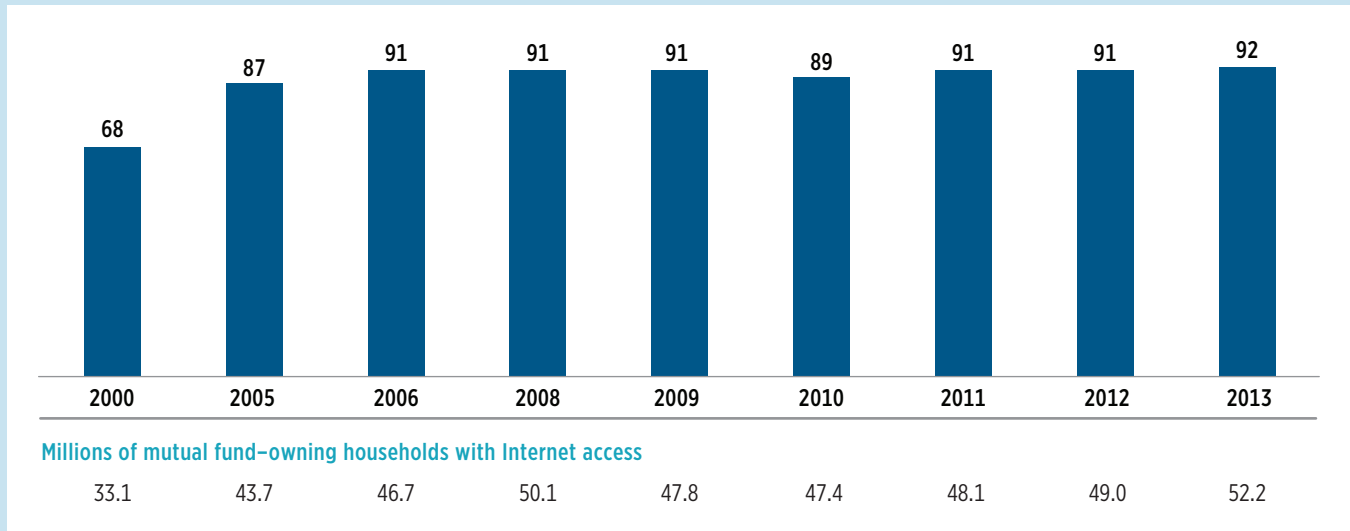
The number of mutual fund investors with Internet access has grown considerably in the past decade. In 2013,

92 percent of households owning mutual funds had Internet access, up from about two-thirds in 2000, the first year in which ICI measured shareholders' access to the Internet (Figure 17). Altogether, 52.2 million mutual fund–owning households had Internet access in 2013.

FIGURE 17

92 Percent of Households Owning Mutual Funds Have Internet Access

Number and percentage of all mutual fund–owning households with Internet access,* selected years



*In 2000, shareholders not using the Internet in the past 12 months or solely using the Internet for email were not counted as having Internet access.

Note: Internet access includes access to the Internet at home, work, or some other location.

Source: Investment Company Institute

Although younger households were more likely to report Internet access, 79 percent of mutual fund-owning households with a household head aged 65 or older had Internet access in 2013 (Figure 18). Internet access among

mutual fund-owning household heads younger than 35 was essentially universal, with 93 percent reporting Internet access.

FIGURE 18

Internet Access Nearly Universal Among Mutual Fund-Owning Households

Percentage of mutual fund-owning households with Internet access, selected years

	Household had Internet access					
	in 2000 ¹	in 2005	in 2009	in 2011	in 2012	in 2013
Respondent age						
Younger than 35	83%	94%	95%	94%	93%	93%
35 to 49	75	91	96	98	95	96
50 to 64	60	90	92	93	92	93
65 or older	30	60	70	72	77	79
Respondent education						
High school graduate or less	39	75	79	82	78	80
Some college or associate's degree	68	87	92	90	92	94
College or postgraduate degree	81	94	96	96	96	96
Household income²						
Less than \$50,000	47	74	78	78	75	78
\$50,000 to \$99,999	77	90	92	93	93	95
\$100,000 to \$149,999	92	97	98	99	96	96
\$150,000 or more	94	96	98	96	98	97
Total	68	87	91	91	91	92

¹ In 2000, shareholders not using the Internet in the past 12 months or solely using the Internet for email were not counted as having Internet access.

² Total reported is household income before taxes in prior year.

Note: Internet access includes access to the Internet at home, work, or some other location.

Source: Investment Company Institute

Mutual Fund Shareholders Report Frequent Use of the Internet

Mutual fund shareholders' daily use of the Internet is widespread. More than eight in 10 mutual fund-owning households with Internet access in 2013 went online at least once a day, up from less than two-thirds in 2005 (Figure 19).

Younger shareholders, shareholders with higher reported education levels, and shareholders with higher household incomes all reported higher daily use of the Internet (Figure 20). Between 89 percent and 96 percent of these groups reported using the Internet at least once a day.

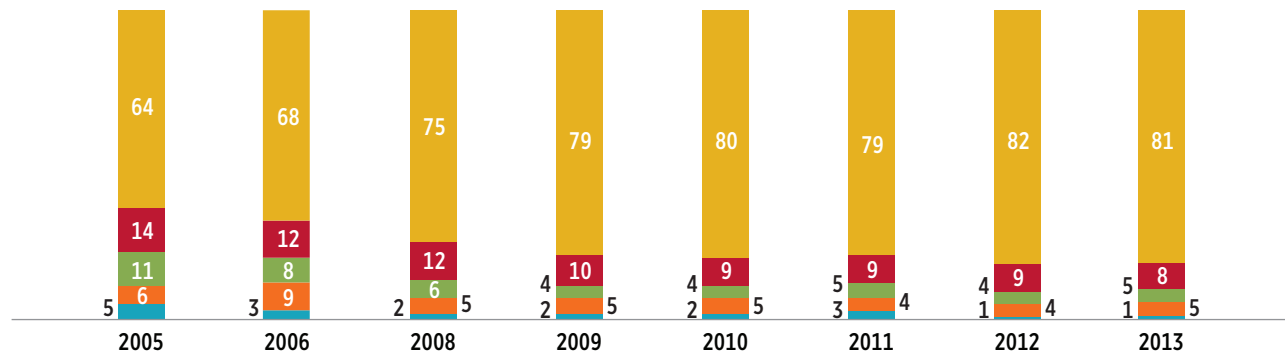
FIGURE 19

Mutual Fund Shareholders' Daily Use of the Internet Remains Stable

Percentage of mutual fund-owning households with Internet access by frequency of Internet use; selected years

Frequency of Internet use

- At least once a day
- 3 to 5 days a week
- 1 to 2 days a week
- Less than once a week
- Never in the past 12 months



Note: Internet use is based on the sole or co-decisionmaker for household saving and investing. Internet access includes access to the Internet at home, work, or some other location.

Source: Investment Company Institute

FIGURE 20

Mutual Fund Owners' Daily Use of the Internet, 2013*Percentage of mutual fund-owning households with Internet access, 2013*

	Household had Internet access	Frequency of use ¹			
		Never in the past 12 months or less than once a week	1 to 2 days a week	3 to 5 days a week	At least once a day
Respondent age					
Younger than 35	93%	2%	0%	2%	96%
35 to 49	96	2	6	7	85
50 to 64	93	7	5	11	77
65 or older	79	13	10	11	66
Respondent education					
High school graduate or less	80	14	7	12	67
Some college or associate's degree	94	5	8	11	76
College or postgraduate degree	96	3	3	5	89
Household income²					
Less than \$50,000	78	12	7	12	69
\$50,000 to \$99,999	95	6	5	9	80
\$100,000 to \$149,999	96	2	4	9	85
\$150,000 or more	97	3	4	3	90
Total	92	6	5	8	81

¹ Internet use is based on the sole or co-decisionmaker for household saving and investing.² Total reported is household income before taxes in 2012.

Note: Internet access includes access to the Internet at home, work, or some other location.

Source: Investment Company Institute

Mutual Fund Shareholders Use the Internet for Financial Purposes

The Internet has become central to many mutual fund shareholders' management of their finances. Eighty-two percent of mutual fund-owning households with Internet access went online for financial purposes, such as to check their bank or investment accounts, obtain investment information, or buy or sell investments (Figure 21).¹⁵

In addition, mutual fund owners were much more likely than non-fund owners to engage in common online activities, such as accessing email, obtaining information about nonfinancial products and services, or purchasing products and services other than investments (Figure 21). Younger shareholders, shareholders with higher education, and shareholders with higher household incomes all reported the highest levels of Internet use for email and for financial and nonfinancial purposes (Figure 22). About nine in 10 members of these groups indicated using the Internet for the online tasks indicated.

FIGURE 21

Most Mutual Fund Shareholders Use the Internet for Financial Purposes

Percentage of U.S. households with Internet access by mutual fund ownership and online activities in past 12 months, 2013^{1, 2}

	Own mutual funds	Do not own mutual funds
Accessed email	94%	86%
Used Internet for a financial purpose (total)	82	56
Accessed any type of financial account, such as bank or investment accounts	77	53
Obtained investment information	54	17
Bought or sold investments online	19	6
Used Internet for a nonfinancial purpose (total)	90	71
Obtained information about products and services other than investments	75	58
Bought or sold something other than investments online	83	61

¹ Online activities are based on the sole or co-decisionmaker for household saving and investing.

² For this survey, the past 12 months were June 2012 through May 2013.

Note: Internet access includes access to the Internet at home, work, or some other location.

Source: Investment Company Institute

FIGURE 22

Shareholders' Use of the Internet by Age, Education, or Income*Percentage of U.S. households with Internet access by mutual fund ownership and online activities in past 12 months, 2013^{1, 2}*

	Accessed email	Used Internet for a financial purpose	Used Internet for a nonfinancial purpose
Respondent age			
Younger than 35	98%	86%	91%
35 to 49	95	85	93
50 to 64	94	83	90
65 or older	87	70	82
Respondent education			
High school graduate or less	85	67	82
Some college or associate's degree	94	79	89
College or postgraduate degree	97	90	94
Household income³			
Less than \$50,000	88	66	82
\$50,000 to \$99,999	93	82	87
\$100,000 to \$149,999	98	91	95
\$150,000 or more	97	88	97
All	94	82	90

¹ Online activities are based on the sole or co-decisionmaker for household saving and investing.² For this survey, the past 12 months were June 2012 through May 2013.³ Total reported is household income before taxes in 2012.

Note: Internet access includes access to the Internet at home, work, or some other location.

Source: Investment Company Institute

Appendix: Additional Data on the Ownership of Mutual Funds, 2013

Figure A1 presents the data displayed in Figure 1 for all years, along with the total number of U.S. households. Mutual fund incidence in 2013 reflects a revised questionnaire that better represents mutual fund ownership by U.S. households.¹⁶ Standard statistical methods (imputation) to deal with uncertain responses were used from 2000 to 2012 to better represent 401(k) and 403(b) plan participants who own mutual funds.¹⁷ The revisions to the 2013 questionnaire make the imputations used from 2000 to 2012 unnecessary. Figure A2 reports the average number of mutual fund owners per household and millions of individuals owning mutual funds (the latter also is reported in Figure 2).

Figure A3 contains the full historical data displayed in Figure 3. Although households in their peak earning and saving years have always had the highest incidence of mutual fund ownership, ownership rates have increased significantly for all age groups. Similarly, Figure A4 shows the history for the data displayed in Figure 4; Figure A5 shows the history for the data displayed in Figure 5; and Figure A6 shows the history for the data in Figure 6.

Figure A7 reports the number and percentage of U.S. households owning mutual funds through tax-deferred accounts, along with the number and percentage of U.S.

households owning mutual funds only inside tax-deferred accounts, only outside tax-deferred accounts, and both inside and outside tax-deferred accounts. Figure A8 reports ownership of mutual funds through employer-sponsored retirement plans.

Figure A9 contains the full historical data for mutual fund favorability displayed in Figure 8. Figure A10 shows the many factors that shape shareholders' opinions of the mutual fund industry (multiple responses are included).

Figure A11 reports the willingness to take investment risk for all U.S. households. Figure 14 reports the willingness to take investment risk for U.S. households owning mutual funds.

Figure 8 reports favorability ratings for the mutual fund industry among all mutual fund owners familiar with mutual fund companies. Figure 10 reports the factors that shape shareholders' opinions of the mutual fund industry. Figure 16 reports shareholders' level of confidence that mutual funds can help them achieve their investment goals. Figures A12, A13, and A14 report the same data among respondents whose households own mutual funds inside their DC accounts.

Figure A15 reports the financial goals that respondents whose households own mutual funds inside their DC accounts have for their mutual funds.

FIGURE A1

Household Ownership of Mutual Funds*Number and percentage of U.S. households owning mutual funds, 1980–2013*

	U.S. households owning mutual funds <i>Millions</i>	Share of U.S. households <i>Percent</i>	Memo: total number of U.S. households* <i>Millions</i>
1980	4.6	5.7%	80.8
1981	6.9	8.4	82.4
1982	9.0	10.8	83.5
1983	9.8	11.7	83.9
1984	10.1	11.9	85.3
1985	12.8	14.7	86.8
1986	17.3	19.6	88.5
1987	22.5	25.1	89.5
1988	22.2	24.4	91.1
1989	23.2	25.0	92.8
1990	23.4	25.1	93.3
1991	25.5	27.0	94.3
1992	25.8	27.0	95.7
1993	27.0	28.0	96.4
1994	27.6	28.4	97.1
1995	28.4	28.7	99.0
1996	32.6	32.7	99.6
1997	35.3	34.9	101.0
1998	41.9	40.9	102.5
1999	43.4	41.8	103.9

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FIGURE A1 CONTINUED

Household Ownership of Mutual Funds

Number and percentage of U.S. households owning mutual funds, 1980–2013

	U.S. households owning mutual funds <i>Millions</i>	Share of U.S. households <i>Percent</i>	Memo: total number of U.S. households* <i>Millions</i>
2000	48.6	45.7%	106.4
2001	53.0	48.9	108.2
2002	49.0	44.9	109.3
2003	48.6	43.7	111.3
2004	49.9	44.6	112.0
2005	50.3	44.4	113.3
2006	51.3	44.8	114.4
2007	51.6	44.4	116.0
2008	55.0	47.1	116.8
2009	52.6	44.9	117.2
2010	53.2	45.3	117.5
2011	52.9	44.1	119.9
2012	53.8	44.4	121.1
2013	56.7	46.3	122.5

*The number of households is as of March of the year indicated.

Note: Households owning mutual funds from 1980 through 1986 were estimated by dividing the total number of household accounts by the number of accounts per household. Beginning in 1987, the incidence of mutual fund ownership is estimated through household surveys. Incidence estimates for 1987 through 1993 exclude households owning mutual funds only through employer-sponsored retirement plans; estimates for 1994 through 2013 include households owning mutual funds only through employer-sponsored retirement plans. Incidence estimates for 1998 through 2013 include fund ownership through variable annuities. Incidence estimates for 2000 through 2013 include fund ownership through Roth IRAs, Coverdell Education Savings Accounts, SAR-SEPs, SEP-IRAs, and SIMPLE IRAs. Prior to 1994, survey weights are based on census region and householder age. For 1994 and later, survey weights are based on census region, householder age, household income, and educational attainment. To better represent 401(k) and 403(b) plan participants who own mutual funds, mutual fund incidence for 2000 through 2012 used standard statistical methods (imputation) to deal with uncertain responses from households with 401(k) or 403(b) plan accounts who indicated they did not know if they owned mutual funds. These households were assigned mutual fund ownership using a technique known as “hot deck” imputation. In 2013, the Annual Mutual Fund Shareholder Tracking Survey questionnaire was revised to improve the ordering and content of the questions used to measure ownership of mutual funds inside employer-sponsored retirement plans. The revisions to the 2013 questionnaire make the imputations used from 2000 to 2012 unnecessary.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A2

Ownership of Mutual Funds by Individual Investors

Millions of individual U.S. investors owning mutual funds, 1997–2013

	Mutual fund owners per household	Millions of individuals owning mutual funds
1997	1.747	61.7
1998	1.767	74.0
1999	1.732	75.2
2000	1.769	86.0
2001	1.777	94.2
2002	1.775	87.0
2003	1.723	83.7
2004	1.721	85.9
2005	1.707	85.9
2006	1.763	90.4
2007	1.744	90.0
2008	1.751	96.3
2009	1.729	90.9
2010	1.748	93.0
2011	1.728	91.4
2012	1.717	92.4
2013	1.697	96.2

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A3

Incidence of Mutual Fund Ownership

Percentage of U.S. households within each age group owning mutual funds,* 1994–2013

	Incidence of mutual fund–owning households				
	Younger than 35	35 to 44	45 to 54	55 to 64	65 or older
1994	26%	36%	34%	30%	17%
1995	25	36	38	33	16
1996	28	41	38	37	22
1997	27	42	44	41	24
1998	33	50	49	45	30
1999	36	51	52	42	28
2000	37	57	59	51	27
2001	45	59	59	49	33
2002	38	51	58	49	30
2003	36	50	56	48	30
2004	37	55	53	50	30
2005	37	53	53	52	30
2006	34	49	60	49	33
2007	35	49	52	54	34
2008	38	54	58	52	35
2009	35	51	57	49	34
2010	33	48	57	53	37
2011	32	52	52	50	37
2012	34	52	53	52	34
2013	31	49	60	58	37

* Age is based on the sole or co-decisionmaker for household saving and investing.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A4

Most Mutual Fund Shareholders Are Between Ages 35 and 64*Percent distribution of U.S. households owning mutual funds and all U.S. households by age,¹ 1994–2013*

	Share of mutual fund–owning households				
	Younger than 35	35 to 44	45 to 54	55 to 64	65 or older
1994	24%	29%	21%	13%	13%
1995	22	29	23	14	12
1996	21	29	21	14	15
1997	19	28	23	15	15
1998	20	28	23	14	15
1999	21	28	24	13	14
2000	19	28	26	14	13
2001	21	27	25	13	14
2002	20	25	26	15	14
2003	19	25	26	16	14
2004	19	26	24	17	14
2005	19	24	25	18	14
2006	17	22	28	18	15
2007	18	22	24	20	16
2008	18	22	26	19	15
2009	17	21	27	19	16
2010	16	19	27	20	18
2011	16	21	24	21	18
2012	17	20	24	22	17
2013	15	19	25	23	18

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FIGURE A4 CONTINUED

Most Mutual Fund Shareholders Are Between Ages 35 and 64

Percent distribution of U.S. households owning mutual funds and all U.S. households by age,¹ 1994–2012

	Share of U.S. households ²				
	Younger than 35	35 to 44	45 to 54	55 to 64	65 or older
1994	26%	23%	17%	13%	21%
1995	25	23	18	12	22
1996	25	23	18	12	22
1997	24	24	19	12	21
1998	24	23	19	13	21
1999	24	23	19	13	21
2000	23	23	20	13	21
2001	24	22	20	13	21
2002	23	22	20	14	21
2003	23	22	20	15	20
2004	23	21	21	15	20
2005	23	21	21	15	20
2006	23	20	21	16	20
2007	22	20	21	17	20
2008	22	19	21	17	21
2009	22	19	21	17	21
2010	22	18	21	17	22
2011	22	18	21	18	21
2012	21	18	20	19	22
2013	21	17	20	19	23

¹ Age is based on the age of the sole or co-decisionmaker for household saving and investing.

² The percentage of all households in each age group is based on ICI survey data and is weighted to match the U.S. Census Bureau's Current Population Survey.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A5

Income Distribution of Mutual Fund–Owning Households and All U.S. Households

Percent distribution of U.S. households owning mutual funds and all U.S. households by household income,¹ 1998–2013

	Share of mutual fund–owning households						
	Less than \$25,000	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$199,999	\$200,000 or more
1998	7%	3%	13%	22%	22%	27%	6%
1999	7	4	12	23	20	27	7
2000	5	5	11	23	21	28	7
2001	5	5	11	23	18	30	8
2002	4	4	12	22	21	31	6
2003	5	5	12	19	20	33	6
2004	6	5	11	21	19	32	6
2005	6	5	13	19	20	29	8
2006	7	5	12	23	15	30	8
2007	7	6	9	24	18	29	7
2008	5	4	12	19	21	31	8
2009	5	5	12	21	19	30	8
2010	5	6	12	20	19	30	8
2011	7	7	9	20	18	32	7
2012	5	6	11	20	19	31	8
2013	6	6	12	21	17	30	8

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FIGURE A5 CONTINUED

Income Distribution of Mutual Fund–Owning Households and All U.S. Households

Percent distribution of U.S. households owning mutual funds and all U.S. households by household income,¹ 1998–2013

	Share of U.S. households ²						
	Less than \$25,000	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$199,999	\$200,000 or more
1998	24%	10%	17%	17%	14%	15%	3%
1999	22	10	17	18	14	15	4
2000	22	10	14	19	14	16	5
2001	21	12	14	19	12	17	5
2002	22	9	16	17	15	17	4
2003	22	11	15	17	14	17	4
2004	24	11	14	18	13	17	3
2005	24	9	16	16	14	17	4
2006	22	11	15	20	11	17	4
2007	22	12	12	20	12	18	4
2008	24	9	15	16	14	18	4
2009	24	11	14	18	12	17	4
2010	24	11	13	19	12	17	4
2011	25	11	13	18	11	18	4
2012	25	11	14	17	11	18	4
2013	25	11	13	17	12	17	5

¹ Total reported is household income before taxes in prior year. Income is reported in 2012 CPI-U-RS adjusted dollars.

² The percentage of all U.S. households in each income group is based on ICI survey data and is weighted to match the U.S. Census Bureau's Current Population Survey.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A6

Incidence of Mutual Fund Ownership Increases with Household Income*Percentage of U.S. households within each income group* owning mutual funds, 1994–2013*

	Incidence of mutual fund–owning households						Less than \$50,000	\$50,000 or more
	Less than \$25,000	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 or more		
1994	10%	22%	41%	47%	59%	64%	19%	52%
1995	9	21	36	46	60	73	18	55
1996	9	28	39	53	65	73	20	60
1997	10	28	39	54	65	77	20	62
1998	12	31	48	63	76	76	25	69
1999	15	29	47	60	77	74	26	67
2000	13	35	48	68	76	78	27	72
2001	14	32	52	71	85	81	28	77
2002	10	30	47	64	76	83	24	72
2003	13	29	40	58	77	83	23	70
2004	12	26	43	62	74	83	23	71
2005	10	31	47	58	74	78	24	69
2006	14	28	41	55	72	82	24	68
2007	14	26	38	57	67	75	24	66
2008	10	24	41	58	75	83	22	72
2009	10	22	42	53	71	79	21	68
2010	10	28	40	50	73	80	23	68
2011	12	29	32	52	67	81	21	68
2012	8	25	36	53	71	81	20	69
2013	12	27	39	55	67	81	23	69

*Total reported is household income before taxes in prior year.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A7

Mutual Fund Ownership Inside and Outside Tax-Deferred Accounts*Number and percentage of U.S. households, 1998–2013*

	Number of U.S. households <i>Millions</i>			Total ²
	Own mutual funds inside tax-deferred accounts only ¹	Own mutual funds both inside and outside tax-deferred accounts	Own mutual funds outside tax-deferred accounts only	
1998	20.9	14.8	6.3	41.9
1999	21.4	16.1	6.0	43.4
2000	27.0	16.3	5.3	48.6
2001	27.1	19.5	6.4	53.0
2002	27.7	16.2	5.1	49.0
2003	28.6	15.1	4.8	48.6
2004	29.8	14.5	5.6	49.9
2005	30.3	14.7	5.3	50.3
2006	31.1	16.0	4.3	51.3
2007	29.6	17.0	5.0	51.6
2008	34.0	16.2	4.8	55.0
2009	33.9	14.0	4.7	52.6
2010	33.9	14.9	4.5	53.2
2011	33.4	14.6	4.9	52.9
2012	36.0	13.3	4.6	53.8
2013	38.2	14.7	3.8	56.7

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FIGURE A7 CONTINUED

Mutual Fund Ownership Inside and Outside Tax-Deferred Accounts

Number and percentage of U.S. households, 1998–2013

	Share of U.S. households			Total ²
	Percent			
	Own mutual funds inside tax-deferred accounts only ¹	Own mutual funds both inside and outside tax-deferred accounts	Own mutual funds outside tax-deferred accounts only	
1998	20.4%	14.4%	6.1%	40.9%
1999	20.6	15.5	5.7	41.8
2000	25.4	15.3	5.0	45.7
2001	25.0	18.0	5.9	48.9
2002	25.3	14.9	4.7	44.9
2003	25.7	13.6	4.3	43.7
2004	26.6	12.9	5.0	44.6
2005	26.7	13.0	4.6	44.4
2006	27.2	13.9	3.7	44.8
2007	25.5	14.7	4.3	44.4
2008	29.2	13.9	4.1	47.1
2009	28.9	12.0	4.0	44.9
2010	28.8	12.7	3.8	45.3
2011	27.8	12.2	4.1	44.1
2012	29.7	11.0	3.8	44.4
2013	31.2	12.0	3.1	46.3

Continued on next page

FIGURE A7 CONTINUED

Mutual Fund Ownership Inside and Outside Tax-Deferred Accounts

Number and percentage of U.S. households, 1998–2013

	Number of U.S. households <i>Millions</i>		Share of U.S. households <i>Percent</i>	
	Own mutual funds inside tax-deferred accounts (total) ^{1, 2, 3}	Own mutual funds outside tax-deferred accounts (total) ^{2, 3}	Own mutual funds inside tax-deferred accounts (total) ^{1, 2, 3}	Own mutual funds outside tax-deferred accounts (total) ^{2, 3}
1998	35.7	21.1	34.8%	20.6%
1999	37.5	22.0	36.1	21.2
2000	43.3	21.6	40.7	20.3
2001	46.6	25.9	43.1	23.9
2002	43.9	21.3	40.2	19.5
2003	43.8	19.9	39.4	17.9
2004	44.3	20.1	39.6	17.9
2005	45.0	20.0	39.7	17.6
2006	47.0	20.2	41.1	17.7
2007	46.6	22.0	40.1	19.0
2008	50.2	21.0	43.0	17.9
2009	47.9	18.7	40.9	16.0
2010	48.7	19.4	41.5	16.5
2011	48.0	19.5	40.0	16.3
2012	49.3	17.8	40.7	14.7
2013	52.9	18.5	43.2	15.1

¹ Mutual funds held in employer-sponsored retirement plans, IRAs, and variable annuities are included.

² Components may not add to the total because of rounding.

³ Multiple responses are included.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A8

Ownership of Mutual Funds Inside and Outside Retirement Plans

Number and percentage of U.S. households, 1998–2013

	Number of U.S. households owning mutual funds			Total ²
	Inside employer-sponsored retirement plans only ¹	Both inside and outside employer-sponsored retirement plans	Outside employer-sponsored retirement plans only	
1998	12.2	14.8	14.9	41.9
1999	10.6	17.3	15.5	43.4
2000	15.7	17.8	15.1	48.6
2001	15.2	20.7	17.1	53.0
2002	14.6	19.5	14.9	49.0
2003	15.1	19.6	13.9	48.6
2004	15.6	20.1	14.3	49.9
2005	15.2	20.3	14.8	50.3
2006	14.8	22.4	14.1	51.3
2007	14.1	20.7	16.7	51.6
2008	16.8	22.6	15.5	55.0
2009	17.6	19.9	15.0	52.6
2010	16.2	21.1	16.0	53.2
2011	17.1	19.5	16.2	52.9
2012	18.6	20.2	14.9	53.8
2013	22.1	23.9	10.8	56.7

Continued on next page

FIGURE A8 CONTINUED

Ownership of Mutual Funds Inside and Outside Retirement Plans

Number and percentage of U.S. households, 1998–2013

	Share of U.S. households			Total ²
	Own mutual funds inside employer-sponsored retirement plans only ¹	Own mutual funds both inside and outside employer-sponsored retirement plans	Own mutual funds outside employer-sponsored retirement plans only	
1998	11.9%	14.5%	14.6%	40.9%
1999	10.2	16.7	14.9	41.8
2000	14.8	16.7	14.2	45.7
2001	14.0	19.1	15.8	48.9
2002	13.4	17.8	13.7	44.9
2003	13.5	17.6	12.5	43.7
2004	13.9	17.9	12.7	44.6
2005	13.4	17.9	13.1	44.4
2006	13.0	19.6	12.3	44.8
2007	12.2	17.9	14.4	44.4
2008	14.4	19.4	13.3	47.1
2009	15.0	17.0	12.8	44.9
2010	13.8	17.9	13.6	45.3
2011	14.3	16.3	13.5	44.1
2012	15.4	16.7	12.3	44.4
2013	18.0	19.5	8.8	46.3

¹ Mutual funds held in DC plans (including 401(k) plans, 403(b) plans, and 457 plans) and employer-sponsored IRAs (SAR-SEP IRAs, SEP-IRAs, and SIMPLE IRAs) are included.

² Components may not add to the total because of rounding.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Sources: Investment Company Institute and U.S. Census Bureau

FIGURE A9

Most Shareholders View Fund Companies Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies, 1997–2013

	No opinion	Very unfavorable	Somewhat unfavorable	Somewhat favorable	Very favorable
1997	13%	2%	3%	57%	25%
1998	15	0	4	53	28
1999	11	1	4	53	31
2000	13	1	3	55	28
2001	16	1	4	57	22
2002	16	3	7	56	18
2003	18	1	10	55	16
2004	15	2	11	56	16
2005	17	2	7	59	15
2006	16	2	6	57	19
2007	14	1	8	57	20
2008	15	2	10	57	16
2009	16	4	16	54	10
2010	17	2	14	55	12
2011	17	4	10	54	15
2012	23	3	9	51	14
2013	21	2	9	55	13

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Source: Investment Company Institute

FIGURE A10

Many Factors Shape Shareholders' Opinions of the Fund Industry

Percentage of mutual fund shareholders familiar with the mutual fund industry who indicate each factor is "very" important,* 1998–2013

	Performance of fund investments	Current events in financial markets	Personal experience with a mutual fund company	Stock market fluctuations	Opinion of professional financial advisers	Friends and family	Media coverage about fund companies
1998	83%	50%	55%	45%	44%	34%	22%
1999	85	52	58	45	45	39	23
2000	71	50	63	42	46	47	21
2001	68	51	58	45	43	47	20
2002	69	50	58	39	45	45	22
2003	69	49	60	43	49	44	18
2004	69	49	57	39	48	45	21
2005	73	51	53	42	39	30	19
2006	74	52	54	43	40	32	19
2007	71	36	47	32	40	23	12
2008	71	40	45	35	36	22	12
2009	67	47	44	37	35	23	12
2010	67	43	45	36	38	20	11
2011	69	43	47	36	37	22	10
2012	66	42	49	30	38	27	13
2013	67	35	45	30	35	27	11

*Multiple responses are included.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Source: Investment Company Institute

FIGURE A11

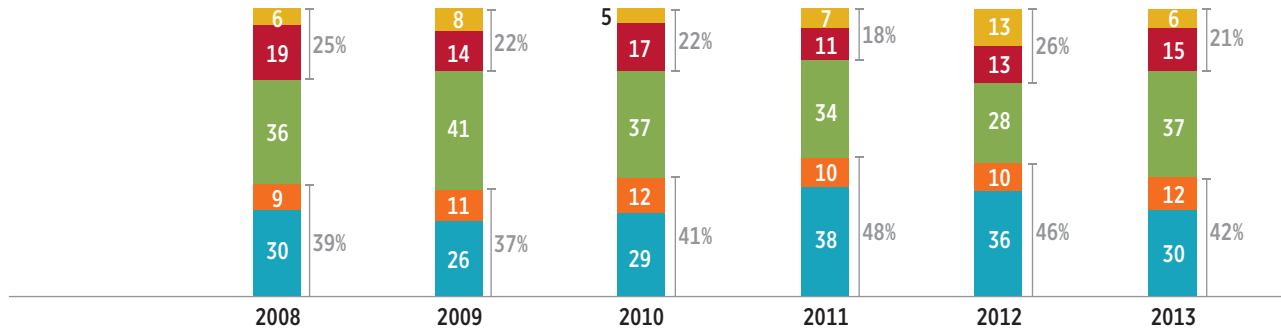
Households' Willingness to Take Investment Risk Varies with Age

Percentage of U.S. households within each age group,* May 2008, May 2009, May 2010, May 2011, May 2012, and May 2013

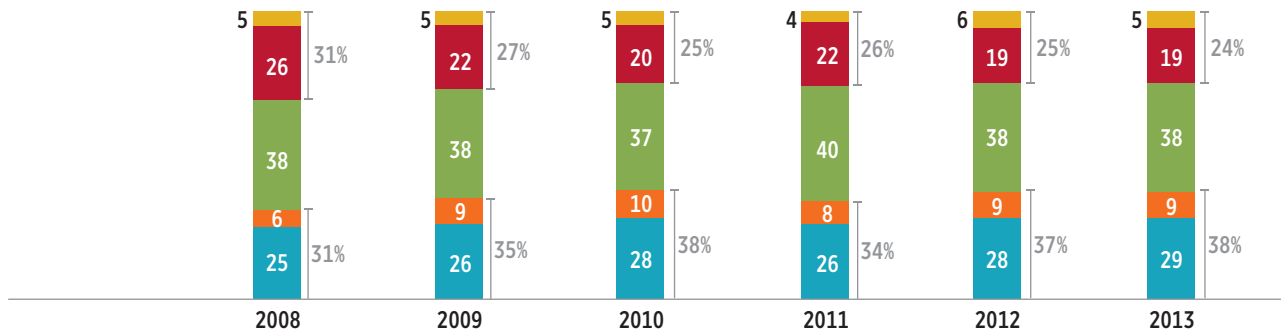
Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

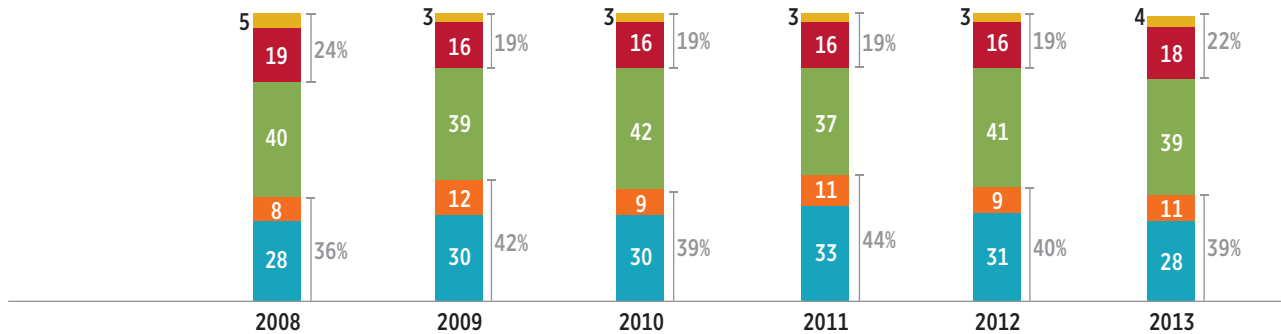
Younger than 35



35 to 49



50 to 64



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FIGURE A11 CONTINUED

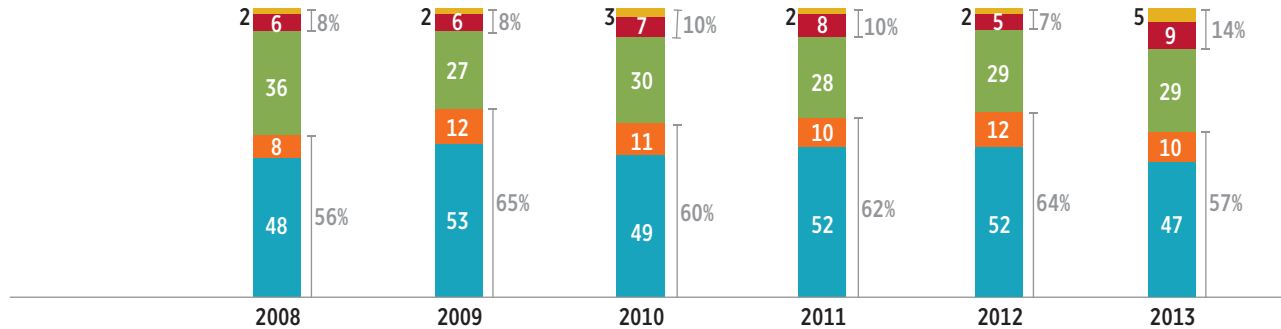
Households' Willingness to Take Investment Risk Varies with Age

Percentage of U.S. households within each age group,* May 2008, May 2009, May 2010, May 2011, May 2012, and May 2013

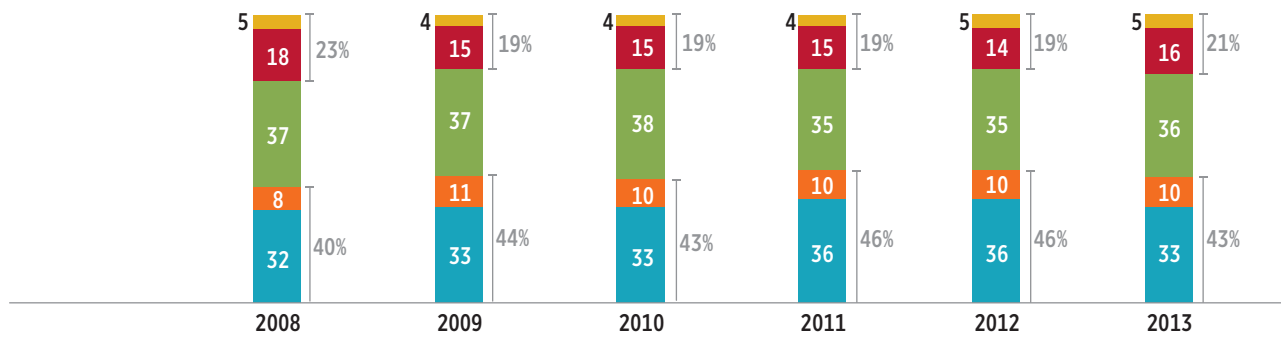
Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

65 or older



All U.S. households

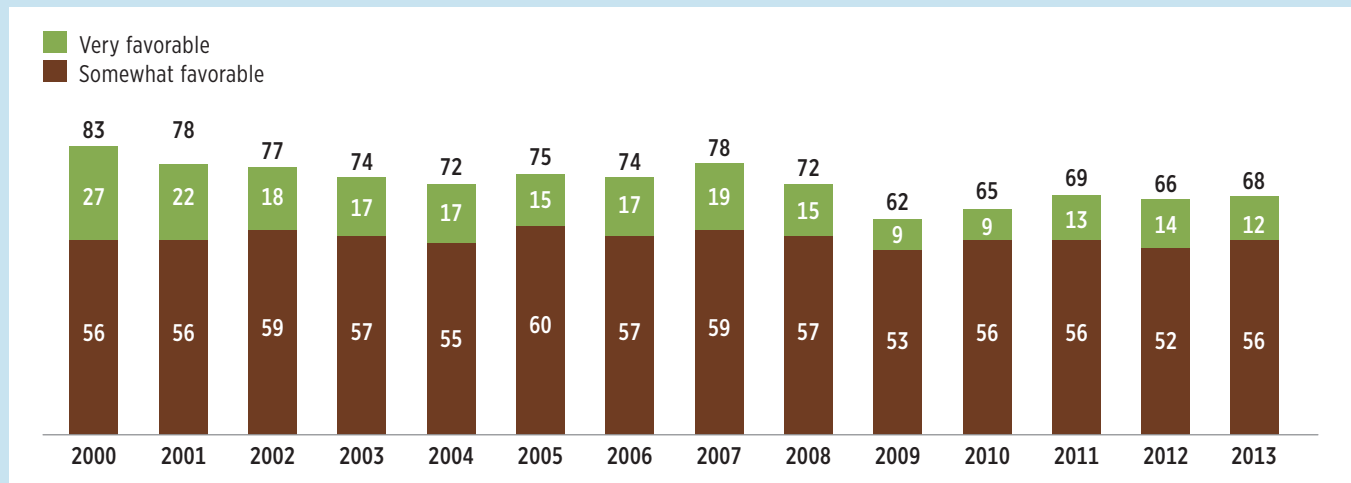


* Age is based on the age of the sole or co-decisionmaker for household saving and investing.
Source: Investment Company Institute

FIGURE A12

Most Defined Contribution Plan Shareholders View the Mutual Fund Industry Favorably

Percentage of respondents whose households have mutual funds in their DC accounts* and are familiar with mutual fund companies, 2000–2013



*DC accounts include 401(k), 403(b), 457, and other DC accounts.

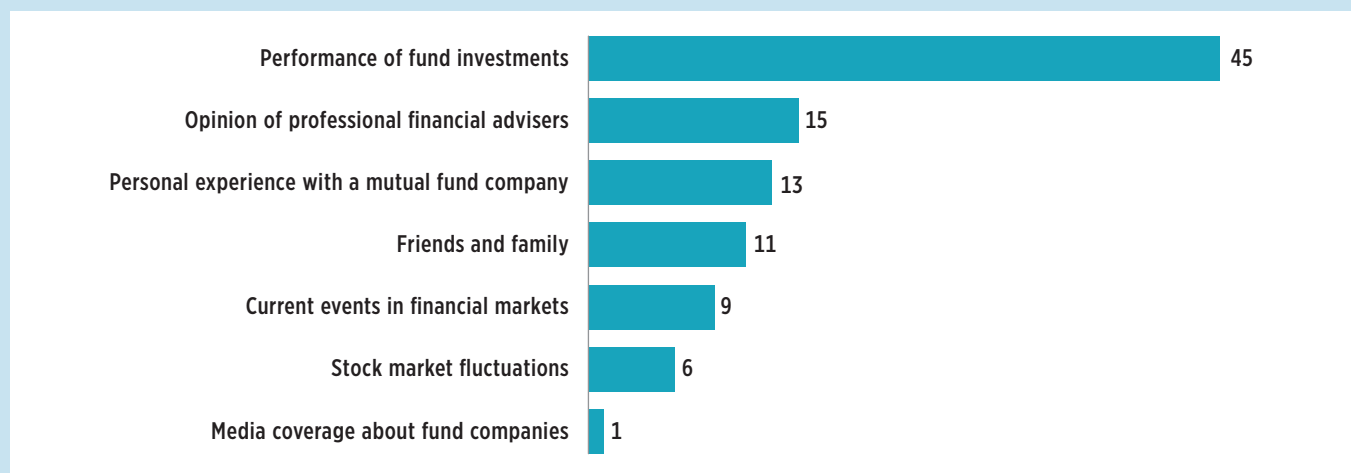
Note: The survey question on mutual fund industry favorability had five choices; the other three possible responses were “somewhat unfavorable,” “very unfavorable,” and “no opinion.” See note to Figure A1 for survey methods regarding mutual fund ownership.

Source: Investment Company Institute

FIGURE A13

Fund Performance Is the Most Important Factor Shaping Defined Contribution Mutual Fund Owners’ Opinions of the Fund Industry

Percentage of respondents whose households have mutual funds in their DC accounts* and are familiar with mutual fund companies who indicate each factor is “most” important, 2013



*DC accounts include 401(k), 403(b), 457, and other DC accounts.

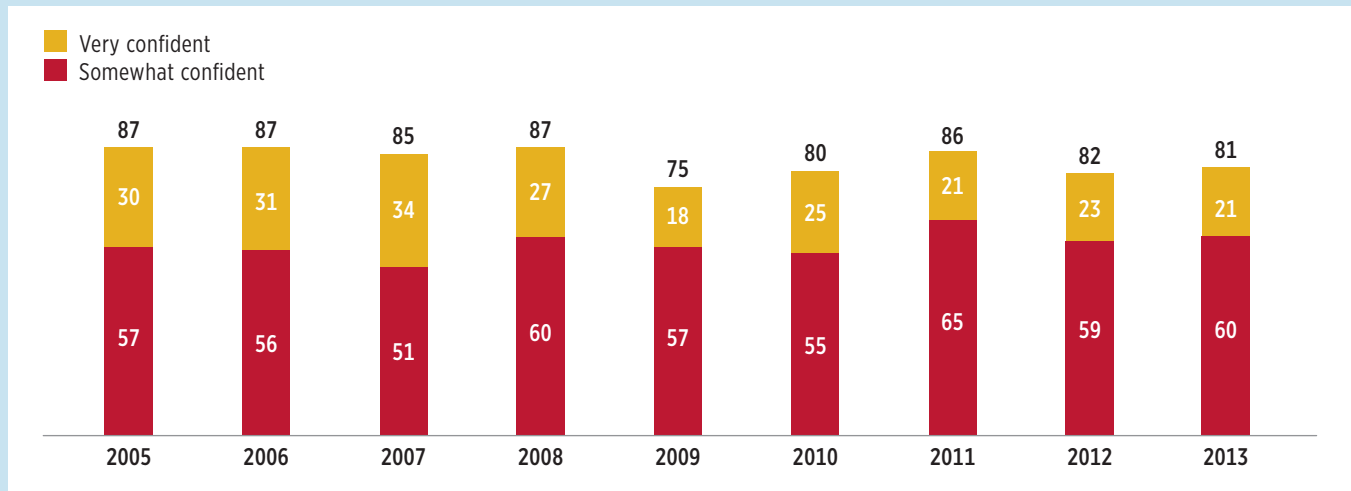
Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Source: Investment Company Institute

FIGURE A14

Defined Contribution Plan Shareholders Are Confident That Funds Can Help Them Achieve Their Investment Goals

Percentage of respondents whose households have mutual funds in their DC accounts* by level of confidence that mutual funds can help them meet their investment goals, 2005–2013



*DC accounts include 401(k), 403(b), 457, and other DC accounts.

Note: This question was not included in the survey prior to 2005. The question had four choices; the other two possible responses were “not very confident” and “not at all confident.”

Source: Investment Company Institute

FIGURE A15

Nearly All Defined Contribution Owners with Mutual Funds in Their Defined Contribution Accounts Are Investing in Mutual Funds for Retirement

Percentage of respondents whose households have mutual funds in their DC accounts,¹ 2013

	Households' financial goals for mutual fund investments ²	Households' primary financial goal for mutual fund investments
To finance retirement	94%	76%
To reduce taxable income	49	3
To provide money for an emergency	48	6
To pay for education	26	5
To provide yourself with income now	19	6
To buy a house or some other large purchase	13	2
Other	6	2

¹ DC accounts include 401(k), 403(b), 457, and other DC accounts.

² Multiple responses are included.

Note: See note to Figure A1 for survey methods regarding mutual fund ownership.

Source: Investment Company Institute

Notes

- ¹ Households' total financial assets were \$61.9 trillion as of June 2013. See U.S. Federal Reserve Board 2013.
- ² Ownership includes mutual funds held in variable annuities.
- ³ The survey data include the number of mutual fund owners per household, which is applied to the number of U.S. households owning mutual funds. The average number of mutual fund owners per household is reported in Figure A2 in the appendix.
- ⁴ See Figure A3 in the appendix for the complete time series showing incidence of mutual fund ownership by age.
- ⁵ The life-cycle pattern of savings suggests that older individuals are able to save at higher rates because they no longer face the expenses of buying a home and/or putting children through college and/or paying for their own education. An augmented version of the life-cycle theory predicts that the optimal savings pattern increases with age. For a summary discussion of life-cycle models, see Browning and Crossley 2001. In addition, see discussion in Brady and Bogdan 2013. See Figure A4 in the appendix for the complete time series showing the age composition of mutual fund-owning households.
- ⁶ For additional information on the characteristics of mutual fund-owning households, see Burham, Bogdan, and Schrass 2013 and Bogdan and Schrass 2014, forthcoming.
- ⁷ See Figure A5 in the appendix for the complete time series showing the income composition of mutual fund-owning households. For additional information on the characteristics of mutual fund-owning households, see Burham, Bogdan, and Schrass 2013 and Bogdan and Schrass 2014, forthcoming.
- ⁸ See Figure A6 in the appendix for the complete time series showing incidence of mutual fund ownership by household income.
- ⁹ These results are from the 2013 ICI Annual Mutual Fund Shareholder Tracking Survey.
- ¹⁰ Mutual fund ownership inside tax-deferred accounts includes ownership of funds held inside employer-sponsored retirement plans, any type of IRA, educational savings accounts, and mutual funds held in variable annuities. For additional information on mutual funds in DC plans and IRAs, see Investment Company Institute 2013.
- ¹¹ See Figure A7 in the appendix.
- ¹² See Figure A10 in the appendix.
- ¹³ Some of the variation in the mutual fund favorability rating across the age groups is affected by differences in the frequency of the "no opinion" response. For example, 39 percent of the youngest age group had "no opinion" in 2013, compared with 19 percent of the oldest age group.
- ¹⁴ See Figure A11 in the appendix for the risk tolerance of all U.S. households from 2008 to 2013.
- ¹⁵ Other ICI household survey research has found that a majority of shareholders use the Internet for financial purposes. According to a 2006 ICI survey, 85 percent of recent fund investors who went online used the Internet to obtain financial information during the 12 months preceding the survey, 26 percent used it to buy or sell investments, and 19 percent used it to contact a professional financial adviser (see Investment Company Institute 2006). In addition, a winter 2007 survey of more than 500 mutual fund shareholders gathered respondents' views of the Securities and Exchange Commission's proposed Summary Prospectus as well as information on their Internet use. Almost all respondents (95 percent) reported that they accessed the Internet, and about three-quarters reported doing so at least once a day. Rates of Internet access and use were lower for respondents aged 60 or older, but were still quite significant: 85 percent accessed the Internet, and more than half reported using the Internet daily (see Sabelhaus 2008). For discussion of households' use of the Internet across different U.S. demographic and financial groups, see Investment Company Institute 2011.

¹⁶ The survey questionnaire for 2013 was refined in several ways. First, the order of the account type choices in the question regarding ownership of retirement and other savings accounts was changed in 2013. This change was made primarily to avoid possible confusion between individual accounts in 401(k) and other employer-sponsored DC plan accounts versus IRAs. In 2013, respondents were asked if they own a 401(k) and other employer-sponsored DC retirement plans, then respondents were asked if they own a traditional IRA or a Roth IRA, then if they own an employer-sponsored IRA, and finally, if they own a 529 plan or Coverdell Education Savings Account (ESA). In prior years, respondents were asked first if they own a traditional IRA or Roth IRA, then if they own a Coverdell ESA, then if they own an employer-sponsored IRA, and finally, if they own a 401(k) or other employer-sponsored plan account (529 plan ownership was a separate question).

In previous years, respondents were asked separately if they have an employer-sponsored IRA and about the size of their employer. In 2013 the questions were not asked separately. When asked what type of employer-sponsored IRA they own, respondents were told that a SIMPLE IRA is offered by businesses with less than 100 employees and has employer and employee contributions, a SAR-SEP includes only employee contributions, and a SEP-IRA includes only employer contributions.

Respondents who owned any type of account were asked about the mutual funds in that account. The list of possible mutual funds was refined to include more types of mutual funds and names most commonly used for different mutual fund types. This change was made primarily to keep up to date with new types of investments and the names used for them. For example, “stock funds, such as equity income or growth funds” was not familiar to some respondents, but the phrases “large-, mid-, or small-cap stock funds” and “stock index funds including the S&P 500 index fund” triggered respondent recollection of their holdings of such funds. Respondents also were asked if they hold “money market funds that pay a money market rate of interest, are NOT federally insured, and may be taxable or tax-exempt,” if they hold “international or global stock funds,” if they hold “bond funds including corporate, municipal, or government bond funds,” if they hold “balanced funds including hybrid, lifestyle, lifecycle, or asset allocation funds,” if they hold “target date funds,” and finally, if they hold “any other funds.” Respondents were asked if any of their investments were automatically selected for them.

¹⁷ For 2000 through 2012, households with 401(k) or 403(b) plan accounts who indicated they did not know if they owned mutual funds were assigned mutual fund ownership using a technique known as “hot deck” imputation—where a missing value is imputed from a randomly selected similar record. See Little and Rubin 1987.

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1401 H Street, NW
Washington, DC 20005
202-326-5800
www.ici.org

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