

# ICI RESEARCH PERSPECTIVE

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## Characteristics of Mutual Fund Investors, 2022

### KEY FINDINGS

- » **In 2022, most households that owned mutual funds were headed by individuals in their peak earning and saving years.** Fifty-four percent of mutual fund-owning households were headed by individuals between the ages of 35 and 64.
- » **Many mutual fund owners were employed with moderate household incomes.** Sixty-four percent of individuals heading households owning mutual funds were employed either full- or part-time. The median household income of US households owning mutual funds was \$100,000.
- » **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 2022, 80 percent held more than one fund, and 81 percent owned equity funds.
- » **Almost all mutual fund investors were focused on retirement saving.** Saving for retirement was a financial goal for 90 percent of mutual fund-owning households, and 80 percent indicated that retirement saving was the household's primary financial goal.
- » **Employer-sponsored retirement plans are often the gateway to mutual fund ownership.** Sixty-eight percent of mutual fund-owning households that purchased their first fund in 2010 or later purchased that fund through an employer-sponsored retirement plan compared with 53 percent of those that made their first purchase before 1990. In 2022, 45 percent of mutual fund-owning households owned funds both inside and outside employer-sponsored retirement plans. An additional 28 percent owned mutual funds only inside employer-sponsored retirement plans.
- » **Incidence of mutual fund ownership is higher among older generations.** In 2022, 55 percent of Generation X households; 56 percent of Baby Boomer households and 57 percent Silent Generation households owned mutual funds. By comparison, 47 percent of the Millennial households and 36 percent of Generation Z households owned mutual funds.

Key findings continued »

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For a set of supplemental tables in Microsoft Excel format, see [www.ici.org/files/2022/per28-10\\_data.xls](http://www.ici.org/files/2022/per28-10_data.xls).

### Key findings continued »

- » **Baby Boom households are the largest mutual fund–owning generation, followed closely by Generation X and Millennial households.** In 2022, Baby Boomer households were 35 percent of households owning mutual funds, while Generation X households were 28 percent, and Millennial households were 25 percent. Silent Generation households were 9 percent of the households owning mutual funds in 2022, and Generation Z headed the remaining 3 percent of mutual fund–owning households.
- » **Baby Boomer households hold the largest portion of households' mutual fund assets.** In 2022, 51 percent of households' mutual fund assets were held by Baby Boom households, reflecting the time that they have had to accumulate savings through employer-sponsored retirement plans, individual retirement accounts, and other personal accounts. Generation X households held 24 percent of household mutual fund assets in 2022, and Silent Generation households held 14 percent. Being younger and having had less time to accumulate savings, Millennial households held 10 percent of all household mutual fund assets. Generation Z households held 1 percent of household mutual fund assets, being much fewer in number and the youngest group.
- » **Generation X and Millennial households owning mutual funds are more likely to hold funds only inside employer-sponsored retirement plans.** In 2022, 36 percent of Generation X and Millennial households owning mutual funds held their funds only through employer-sponsored retirement plans, compared with 22 percent of Baby Boom households owning mutual funds.

## US Household Ownership of Mutual Funds in 2022

The annual ICI survey of mutual fund ownership found that 68.6 million, or 52.3 percent, of households in the United States owned mutual funds in 2022. This report highlights the characteristics of those households.

### Most Mutual Fund Owners Are Educated and in Their Prime Earning Years

Mutual fund shareholders vary in their age and educational attainment. In 2022, the median age of individuals heading mutual fund-owning households was 54 (Figure 1). Fifty-four percent of mutual fund-

owning households were headed by individuals between the ages of 35 and 64, the age range in which saving and investing traditionally are the greatest.<sup>1</sup> Nevertheless, 17 percent of mutual fund-owning households were younger than 35 and 29 percent were aged 65 or older.

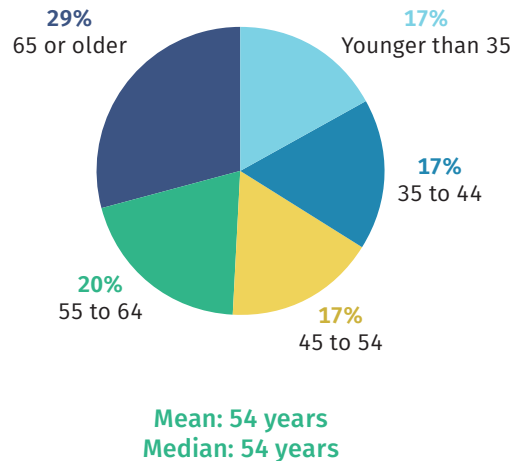
Mutual fund-owning households represent a range of education levels. In 2022, among heads of mutual fund-owning households, 54 percent had college degrees or postgraduate education, and another 26 percent had obtained associate's degrees or some college education (Figure 1). Twenty percent had a high school diploma or less.

FIGURE 1

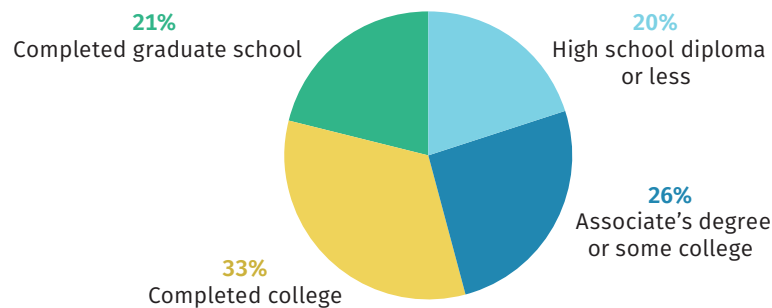
### Mutual Fund Owners Represent a Variety of Demographic Groups

Percentage of US households owning mutual funds, 2022

#### Age of head of household



#### Education level of head of household



Note: Head of household refers to the sole or co-decisionmaker for household saving and investing.  
Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## About the Annual Mutual Fund Shareholder Tracking Survey

ICI conducts the Annual Mutual Fund Shareholder Tracking Survey each year to gather information on the demographic and financial characteristics of mutual fund–owning households in the United States. The most recent survey was conducted from May to June 2022 and was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® is designed and administered by Ipsos, an online consumer research company. The Annual Mutual Fund Shareholder Tracking Survey sample for 2022 included 6,080 US households drawn from the KnowledgePanel®. Of the households contacted, 3,178 households, or 52.3 percent, owned mutual funds. The overall margin of sampling error for the 2022 sample of US households owning mutual funds is  $\pm 1.7$  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 US 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 sampling and weighting methods to ensure that the results published are representative of the millions of households in the United States. ICI reexamined its Annual Mutual Fund Shareholder Tracking Survey in 2022, and the figures presented in this paper for the 2022 survey reflect the revised sampling and weighting methodology and an increased sample size. Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was changed

from a dual frame RDD telephone survey to a self-administered online survey on the KnowledgePanel®, a probability based online panel administered by Ipsos. The KnowledgePanel® includes about 60,000 individuals from randomly sampled households. Initially, participants are chosen scientifically by a random selection of residential addresses. Persons in selected households are then invited by telephone or by mail to participate in the web-enabled KnowledgePanel®. For those who agree to participate but do not already have internet access, Ipsos provides a laptop and internet service provider (ISP) connection at no cost. People who already have computers and internet service are permitted to participate using their own equipment. Panelists then receive unique log-in information for accessing surveys online and are sent emails throughout each month inviting them to participate in research. For a detailed description of the survey methodology, see “Ownership of Mutual Funds and Shareholder Sentiment, 2022,” *ICI Research Perspective* 28, no. 9 (October), available at [www.ici.org/files/2022/per28-09.pdf](http://www.ici.org/files/2022/per28-09.pdf).

### Additional Reading

For more detailed information about mutual fund owners, see the forthcoming ICI Research Report “Profile of Mutual Fund Shareholders, 2022,” which fully details the findings of the 2022 Annual Mutual Fund Shareholder Tracking Survey. This report 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 US households use funds to meet their current and long-term financial needs. See also “Ownership of Mutual Funds and Shareholder Sentiment, 2022,” *ICI Research Perspective* 28, no. 9 (October), available at [www.ici.org/files/2022/per28-09.pdf](http://www.ici.org/files/2022/per28-09.pdf).

## Most Mutual Fund Owners Are Employed and Represent a Range of Incomes

Individuals across all employment and income groups own mutual funds. Among households that owned mutual funds in 2022, 64 percent were headed by individuals who were employed full- or part-time (Figure 2). Among the 36 percent who were not employed, 83 percent were retired—that is, they responded affirmatively to the question: “Are you

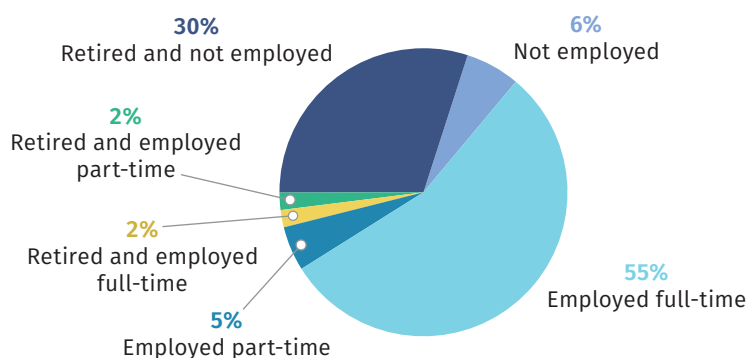
retired from your lifetime occupation?” Overall, 34 percent of individuals heading households that owned mutual funds said that they were retired.<sup>2</sup> The median household income of mutual fund-owning households was \$100,000;<sup>3</sup> 18 percent had household incomes of less than \$50,000; 15 percent had household incomes between \$50,000 and \$74,999; and 15 percent had incomes between \$75,000 and \$99,999. The remaining 52 percent had household incomes of \$100,000 or more.

FIGURE 2

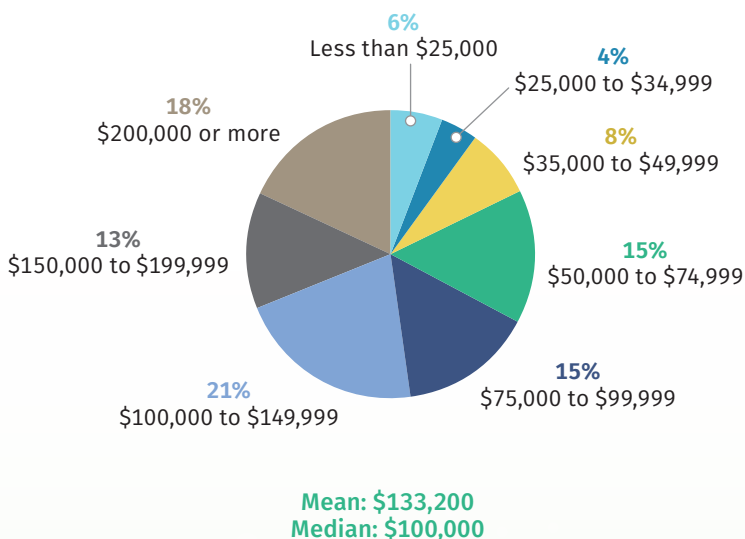
### Mutual Fund Owners Represent Many Different Employment and Income Groups

Percentage of US households owning mutual funds, 2022

#### Employment status of head of household<sup>1</sup>



#### Total household income<sup>2</sup>



<sup>1</sup> Head of household refers to the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> Total reported is household income before taxes in 2021.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Mutual Fund Owners Hold a Range of Other Investments

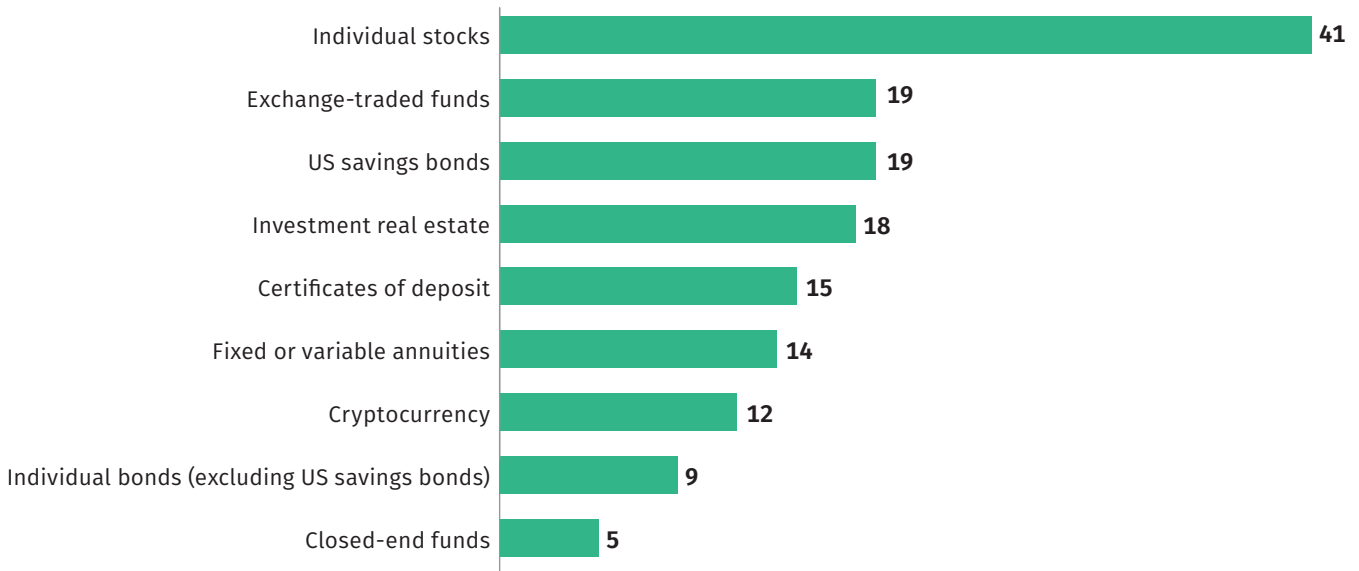
Mutual fund-owning households typically have other types of savings and investments: 41 percent owned individual stocks, 19 percent owned US savings bonds, 18 percent owned investment real estate, 14 percent

owned fixed or variable annuities, and 15 percent owned certificates of deposit in 2022 (Figure 3). In addition, 19 percent owned exchange-traded funds (ETFs), 12 percent owned cryptocurrency, 9 percent owned individual bonds (excluding US savings bonds), and 5 percent owned closed-end funds.

FIGURE 3

### Mutual Fund–Owning Households Hold a Mix of Financial Assets

Percentage of US households owning mutual funds, 2022



Note: Multiple responses are included.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Mutual Funds Are Important Components in Investor Portfolios

Mutual fund-owning households often hold more than one mutual fund. In 2022, the median number of mutual funds owned by shareholder households was three (Figure 4). Among mutual fund-owning

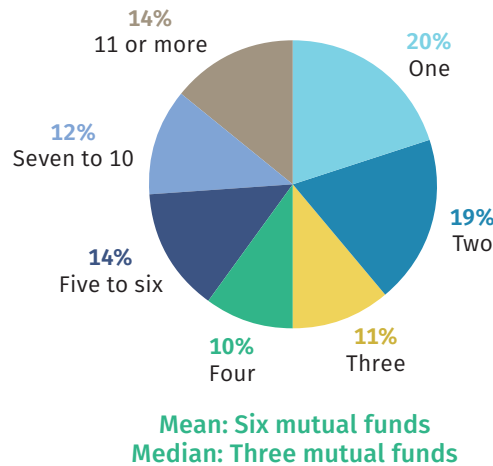
households, 50 percent owned three or fewer funds, and 50 percent owned four or more, with 14 percent reporting they held 11 or more funds. Equity funds were the most commonly owned type of mutual fund, held by 81 percent of mutual fund-owning households (Figure 5). In addition, 35 percent owned balanced

FIGURE 4

### Most Mutual Fund-Owning Households Own Multiple Funds

Percentage of US households owning mutual funds, 2022

#### Number of mutual funds household owns

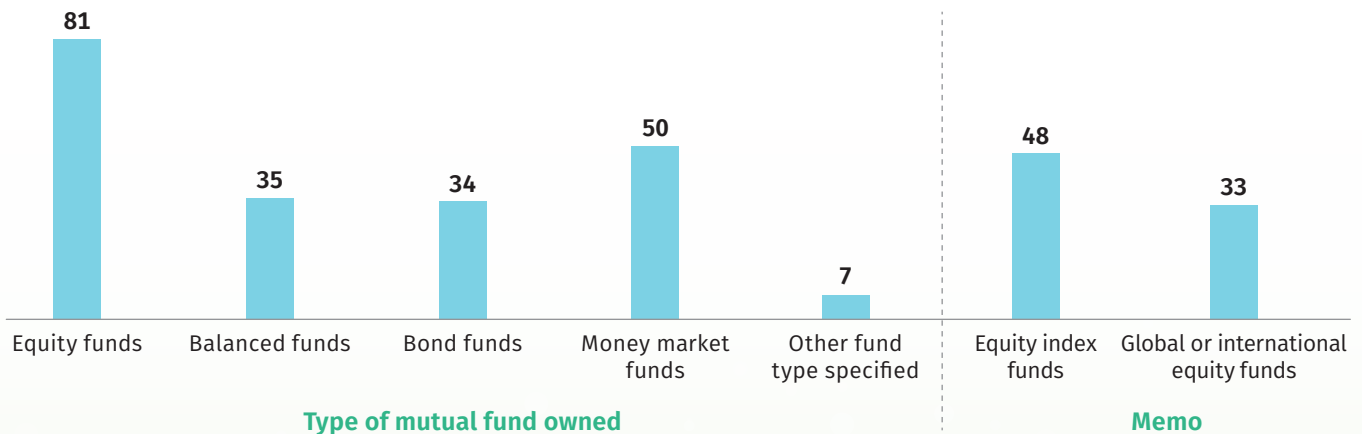


Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 5

### Equity Funds Are the Most Commonly Owned Type of Mutual Fund

Percentage of US households owning mutual funds, 2022



Note: Multiple responses are included.

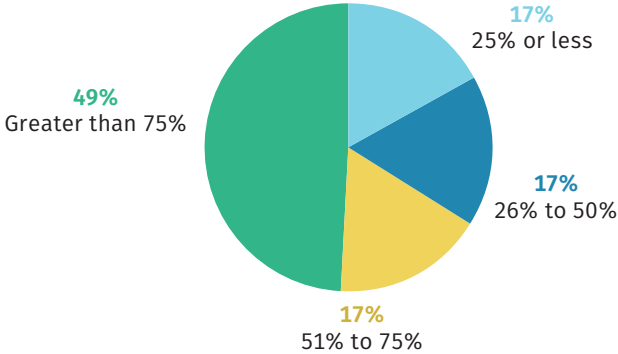
Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

funds, 34 percent owned bond funds, and 50 percent owned money market funds. Forty-eight percent of mutual fund-owning households owned equity index funds and 33 percent owned global or international equity mutual funds. Mutual fund holdings

represented a significant portion of these households' financial assets: 66 percent had more than half of their household financial assets invested in mutual funds (Figure 6).

FIGURE 6  
**Mutual Funds Are an Important Component of Investor Portfolios**  
Percentage of US households owning mutual funds, 2022

**Mutual funds' share of household financial assets**



Note: Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.  
Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey



## Retirement Saving Is Often the Goal of Mutual Fund Investors

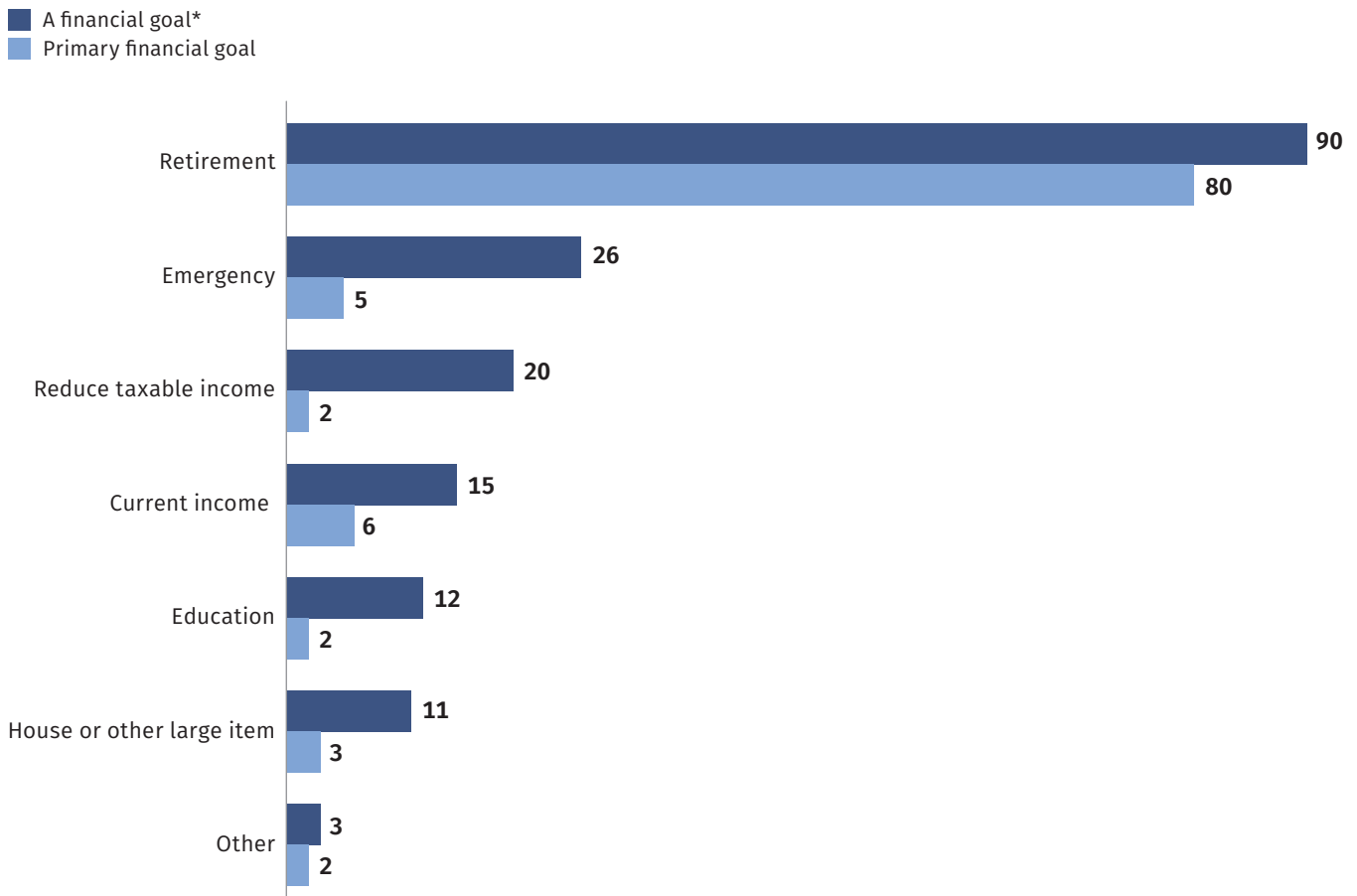
Mutual fund–owning households have a variety of financial goals for their mutual fund investments. The vast majority, 90 percent, indicated that they were using mutual funds to save for retirement, and 80 percent indicated that saving for retirement was their household’s primary financial goal (Figure 7). Retirement however is not the only financial goal for households’

mutual fund investments. Twenty-six percent listed saving for an emergency as a goal, and 12 percent reported saving for education. Twenty percent of mutual fund–owning households reported that reducing their taxable income was one of their goals. Though many mutual fund–owning households (64.2 million) held funds in tax-deferred savings accounts,<sup>4</sup> 22.6 million US households held long-term mutual funds (stock, bond, and balanced funds) in taxable accounts in 2022.

FIGURE 7

### Majority of Mutual Fund Investors Focus on Retirement

Percentage of US households owning mutual funds, 2022



\* Multiple responses are included.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Employer-Sponsored Retirement Plans and Investment Professionals Are the Main Channels of Fund Investments

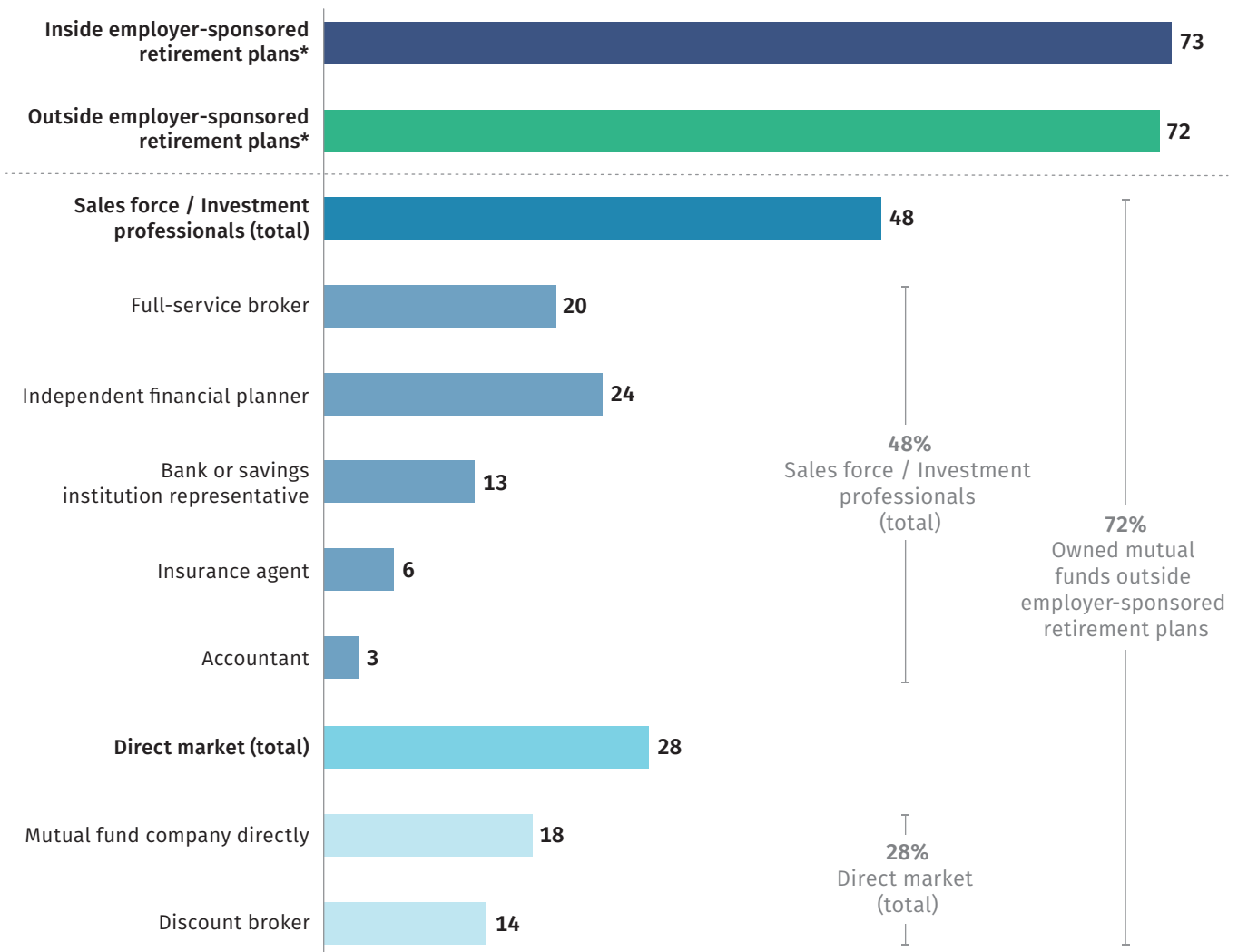
In 2022, 73 percent of mutual fund-owning households held mutual funds through employer-sponsored retirement plans, and 72 percent owned mutual funds outside such plans (Figure 8).<sup>5</sup> This latter group

purchased funds through two sources: the sales force channel (investment professionals) and the direct market channel. In 2022, almost half (48 percent) of households owning mutual funds held funds purchased through an investment professional, and 28 percent owned funds purchased through the direct market channel.<sup>6</sup>

FIGURE 8

### Mutual Fund Investors Purchase Mutual Funds Through a Variety of Channels

Percentage of mutual fund-owning households, 2022



\* Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

Note: Multiple responses are included.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

Among mutual fund-owning households, 28 percent invested in mutual funds solely inside employer sponsored retirement plans, which include defined contribution (DC) plans and employer-sponsored individual retirement accounts (IRAs);<sup>7</sup> 27 percent owned funds solely outside these plans; and 45 percent

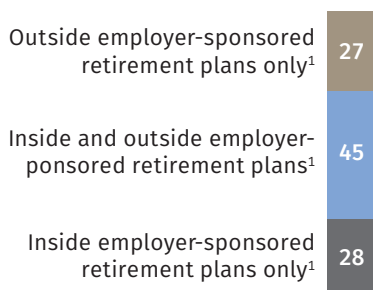
had funds both inside and outside employer-sponsored retirement plans (Figure 9). Among households owning mutual funds outside of employer-sponsored retirement plans, 67 percent owned funds purchased from an investment professional.

FIGURE 9

**Mutual Fund Investments Outside Retirement Plans Are Often Guided by Investment Professionals**  
2022

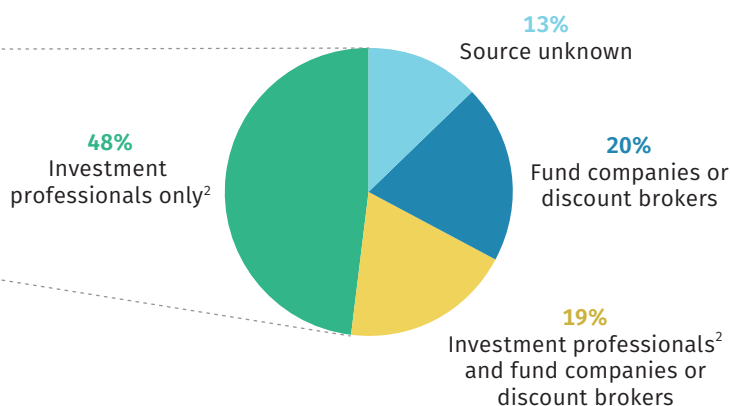
**Sources of mutual fund ownership**

Percentage of US households owning mutual funds



**Sources for households owning mutual funds outside employer-sponsored retirement plans**

Percentage of US households owning mutual funds outside employer-sponsored retirement plans<sup>1</sup>



<sup>1</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

Nearly half (49 percent) of mutual fund–owning households held mutual funds through multiple sources (Figure 10). In 2022, 19 percent of mutual fund–owning households held them both inside employer-sponsored retirement plans and through investment professionals; 10 percent owned them both inside employer-sponsored retirement plans and directly through fund companies or discount brokers; and 4 percent held them through investment professionals and fund companies or discount brokers. Another 9 percent owned mutual funds through all three source categories. When a household owned funds through only one source category, the most common route to fund ownership was employer-sponsored retirement plans with 28 percent of mutual fund–owning households owning funds only through their employer-sponsored retirement plans in 2022.

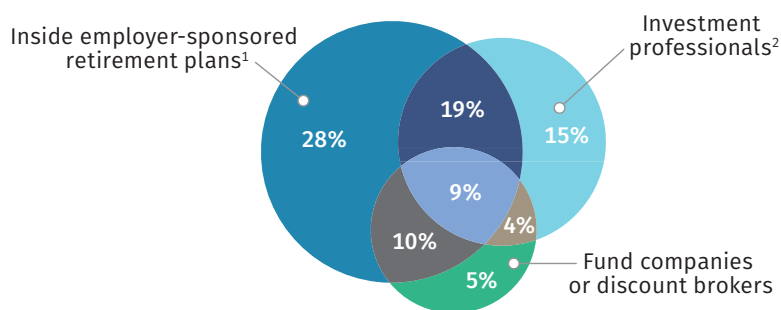
Where households own mutual funds tends to vary with the age of the head of household.<sup>9</sup> Younger mutual fund–owning households are more likely to own funds

inside employer-sponsored retirement plans, while older mutual fund–owning households are more likely to own funds outside such plans. In 2022, 84 percent of mutual fund–owning households younger than 50 held mutual funds inside employer-sponsored retirement plans (Figure 11).<sup>10</sup> Thirty-five percent held mutual funds only inside employer-sponsored retirement plans. Thirty-eight percent of these households owned mutual funds through investment professionals, and 27 percent held funds directly through fund companies or discount brokers. Older mutual fund–owning households tend to own mutual funds outside of employer-sponsored retirement plans. In 2022, 65 percent of mutual fund–owning households aged 50 or older held mutual funds inside employer-sponsored retirement plans (Figure 12).<sup>11</sup> Twenty-three percent held mutual funds only inside employer-sponsored retirement plans. Fifty-six percent of these older households owned mutual funds through investment professionals, and 28 percent held funds directly through fund companies or discount brokers.

FIGURE 10

**Nearly Half of Mutual Fund–Owning Households Held Shares Through Multiple Sources**

Percentage of US households owning mutual funds, 2022



<sup>1</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants.

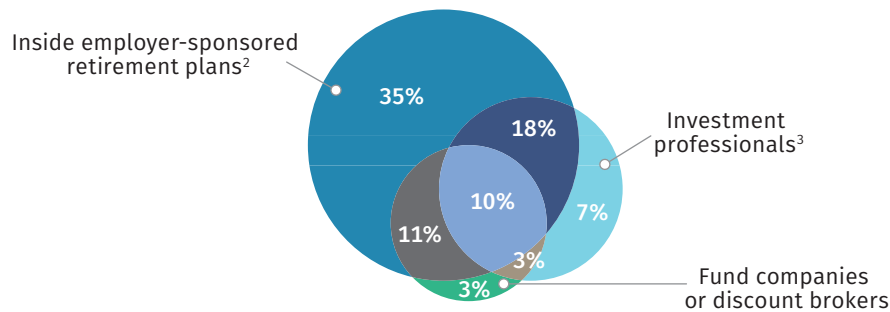
Note: Figure does not add to 100 percent because 10 percent of households owning mutual funds outside of employer-sponsored retirement plans did not indicate which source was used to purchase funds. Seven percent owned funds both inside and outside employer-sponsored retirement plans and 3 percent owned funds only outside of employer-sponsored retirement plans.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 11

### Younger Mutual Fund–Owning Households Are More Likely to Hold Funds Through Employer-Sponsored Retirement Plans

Percentage of mutual fund–owning households younger than 50,<sup>1</sup> 2022



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

<sup>2</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>3</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants.

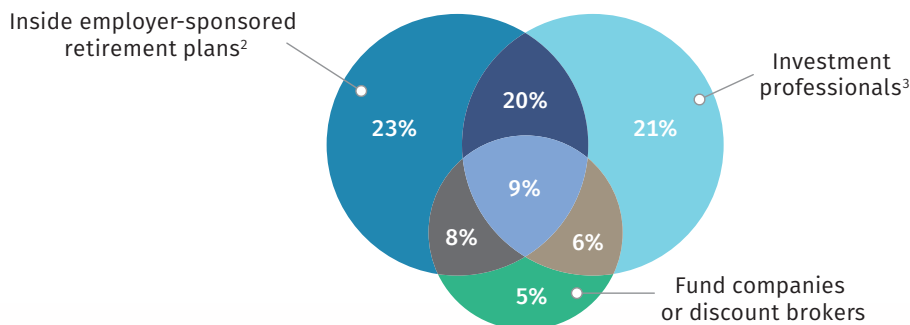
Note: Figure does not add to 100 percent because 13 percent of mutual fund–owning households younger than 50 owned funds outside of employer-sponsored retirement plans, but did not indicate which source was used to purchase funds. Ten percent owned funds both inside and outside employer-sponsored retirement plans and 3 percent owned funds only outside of employer-sponsored retirement plans.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 12

### Older Mutual Fund–Owning Households Are More Likely to Hold Funds Outside Employer-Sponsored Retirement Plans

Percentage of mutual fund–owning households aged 50 or older,<sup>1</sup> 2022



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

<sup>2</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>3</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants.

Note: Figure does not add to 100 percent because 8 percent of mutual fund–owning households aged 50 or older owned funds outside of employer-sponsored retirement plans, but did not indicate which source was used to purchase funds. Five percent owned funds both inside and outside employer-sponsored retirement plans and 3 percent only owned funds outside of employer-sponsored retirement plans.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## First Mutual Fund Purchases Are Often Made Through Employer-Sponsored Retirement Plans

Mutual fund-owning households often purchase their first mutual fund through employer-sponsored retirement plans. In 2022, across all mutual fund-owning households, 65 percent had purchased their first fund through that channel (Figure 13).

Households that made their first mutual fund purchase more recently were more likely to have done so through employer-sponsored retirement plans. Among households that bought their first mutual fund in 2010 or later, 68 percent bought that first fund through such a plan, compared with 53 percent of households that first purchased mutual funds before 1990.

FIGURE 13

### Employer-Sponsored Retirement Plans Often Are the Source of First Fund Purchase

Percentage of US households owning mutual funds, 2022

Source of first mutual fund purchase	Year of household's first mutual fund purchase					Memo: all mutual fund-owning households
	Before 1990	Between 1990 and 1999	Between 2000 and 2009	Between 2010 and 2019	2020 or later	
Inside employer-sponsored retirement plans	53	64	68	70	62	65
Outside employer-sponsored retirement plans	47	36	32	30	38	35

Note: Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## More Than Four in 10 Mutual Fund–Owning Households Bought Their First Fund Before 2000

Most mutual fund–owning households surveyed in 2022 have invested in mutual funds for many years: 20 percent bought their first mutual fund

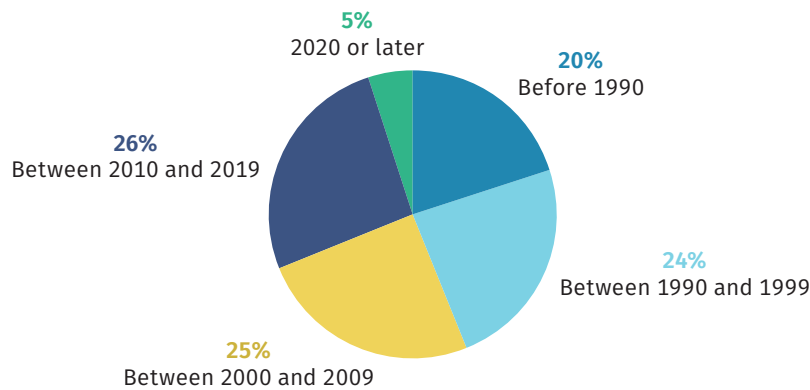
before 1990; 24 percent purchased their first fund between 1990 and 1999; and 25 percent bought their first fund between 2000 and 2009 (Figure 14). Thirty-one percent of mutual fund–owning households purchased their first fund in 2010 or later.

FIGURE 14

### Most Mutual Fund–Owning Households Purchased Their First Fund More Than a Decade Ago

Percentage of US households owning mutual funds, 2022

#### Year of household's first mutual fund purchase



Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Mutual Fund Ownership Varies by Household Generation

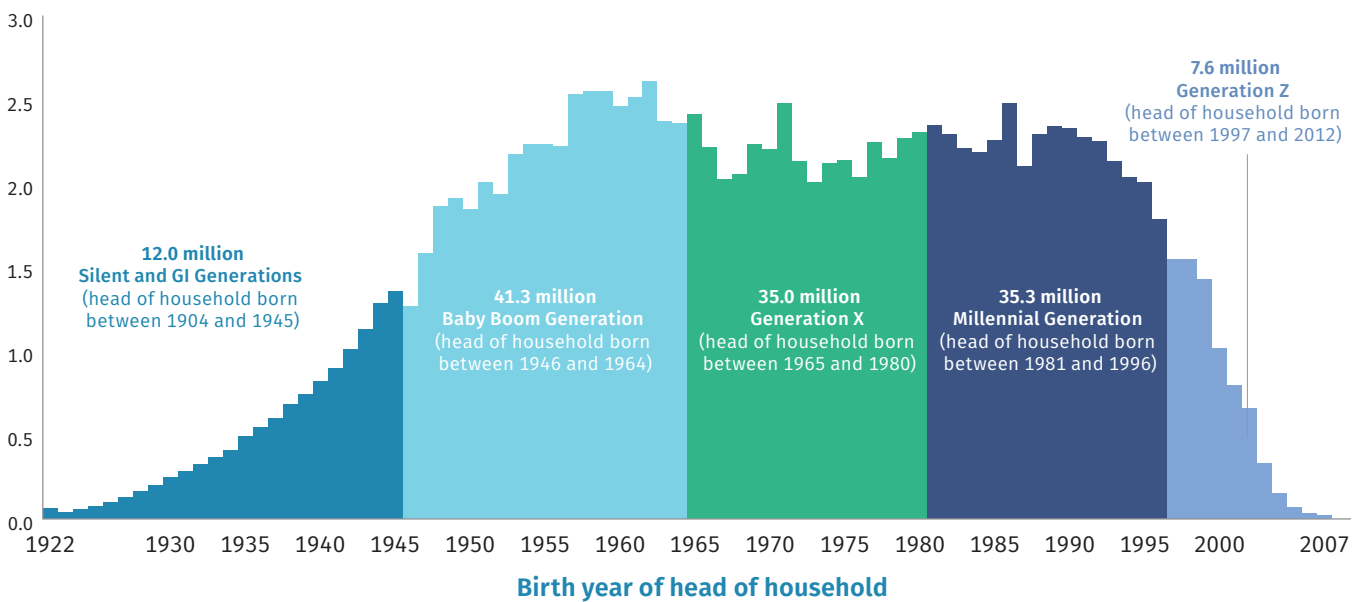
Households can be grouped by generation based on the birth year of the head of household. In 2022, there were 131.2 million US households (Figure 15).<sup>12</sup> Baby Boom households (head of household born between 1946 and 1964) were the largest household generation, with 41.3 million, or 31 percent of, US households. The

second-largest group was the Millennial Generation (born between 1981 and 1996), heading 35.3 million households. Generation X (born between 1965 and 1980) headed 35.0 million households; individuals aged 77 or older—from the Silent and GI Generations (born between 1904 and 1945)—headed 12.0 million US households. Finally, Generation Z (born after 1996) headed 7.6 million households.

FIGURE 15

### Number of US Households by Birth Year of Head of Household

Millions of households, 2022



Note: In 2022, there were 131.2 million US households.

Source: ICI tabulations of the US Census Bureau's Current Population Survey



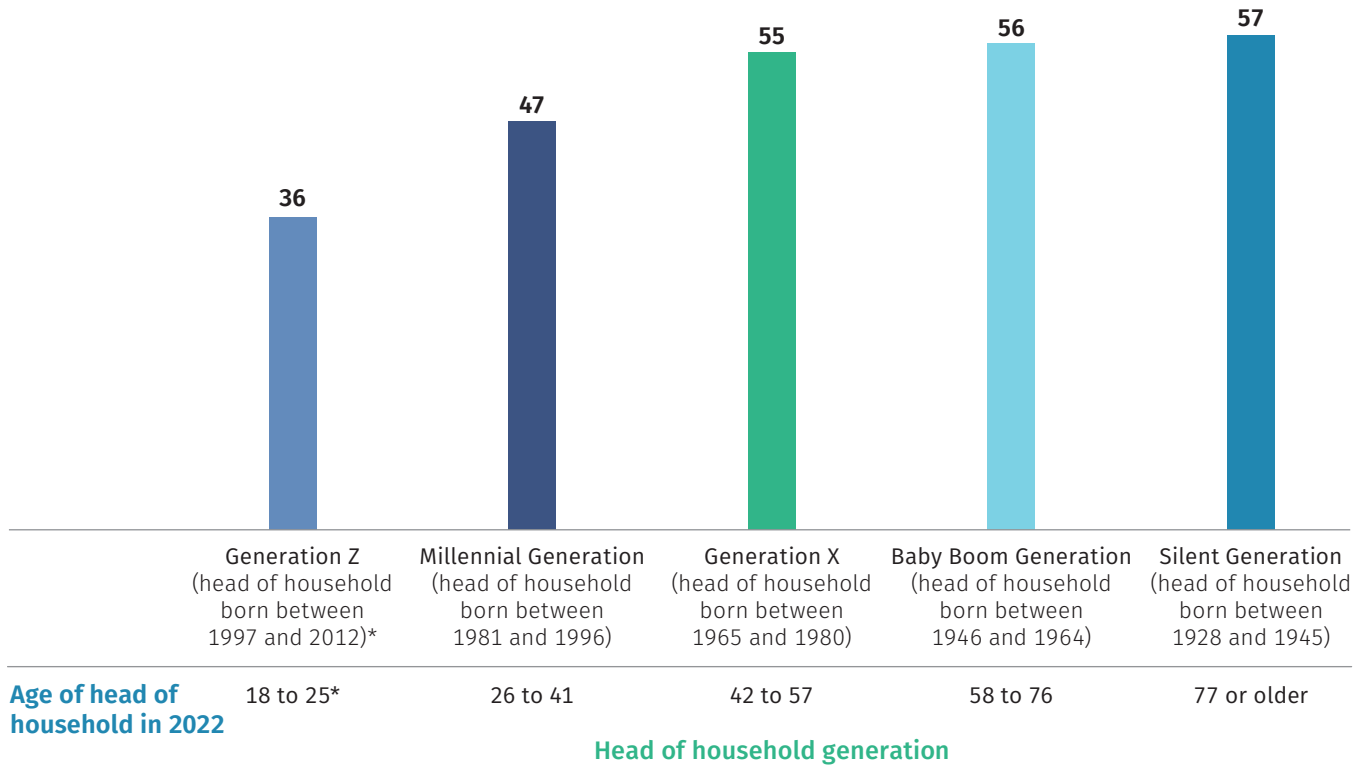
Mutual fund-owning households are headed by members of all generations, but members of the older generations had the highest ownership rates in 2022. Fifty-five percent of households headed by a member of Generation X owned mutual funds in 2022 (Figure 16). Fifty-six percent of households

headed by a Baby Boomer owned mutual funds in 2022. Fifty-seven percent of households headed by a member of the Silent Generation owned mutual funds in 2022. Forty-seven percent of Millennial households owned mutual funds, and 36 percent of Generation Z households owned mutual funds in 2022.<sup>13</sup>

FIGURE 16

**Incidence of Mutual Fund Ownership by Generation**

Percentage of US households within each generation group, 2022



\* Generation Z (born 1997 to 2012) are aged 10 to 25 in 2022; 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

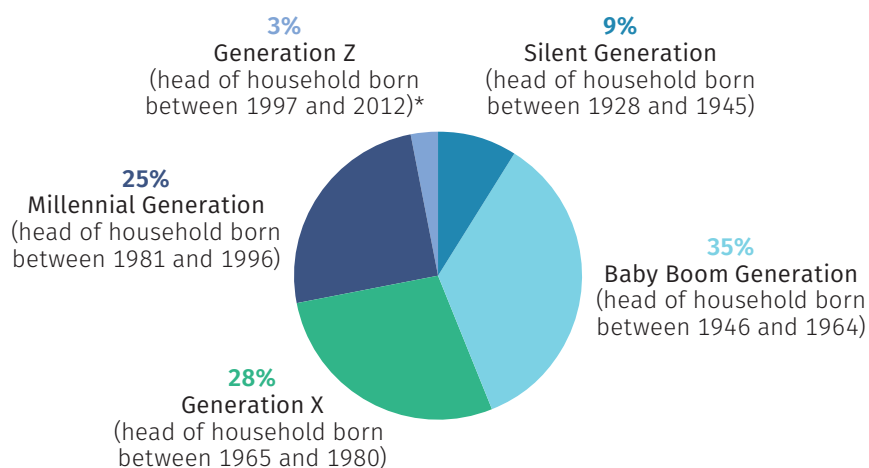
Members of the Baby Boom Generation and Generation X were the largest shares of mutual fund-owning households in 2022, reflecting both their generation sizes and their high incidence of mutual fund ownership. Thirty-five percent of households owning mutual funds were headed by members of the Baby Boom Generation, and 28 percent of households

owning mutual funds were headed by members of Generation X (Figure 17). In addition, 25 percent were headed by members of the Millennial Generation and 3 percent by members of Generation Z. Nine percent of households owning mutual funds were headed by members of the Silent Generation.<sup>14</sup>

FIGURE 17

### Baby Boomers and Generation X Are the Largest Mutual Fund-Owning Generations

Percentage of US households owning mutual funds, 2022



\* Generation Z (born 1997 to 2012) are aged 10 to 25 in 2022; 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

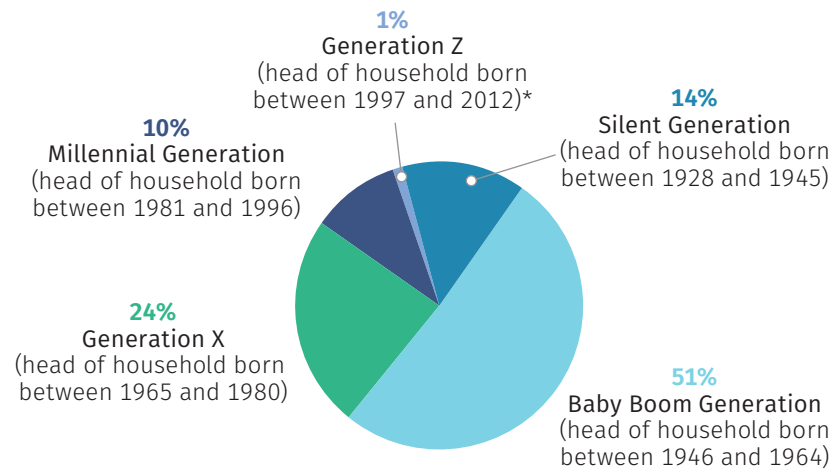
Baby Boomers were not only a large shareholder group—they also held the largest percentage of household mutual fund assets. In 2022, 51 percent of households' total mutual fund assets were owned by households headed by Baby Boomers; Generation X households held 24 percent; and households headed by members of the Silent Generation held another 14 percent of households' total mutual fund assets

(Figure 18). Although Generation Z and Millennial households were 28 percent of mutual fund-owning households in 2022, they held only 11 percent of households' mutual fund assets. This pattern of ownership reflects the fact that Generation Z and Millennials are younger and have not had as much time to save as Baby Boomer households that are in their peak earning and saving years.<sup>15</sup>

FIGURE 18

### Baby Boomers Held Largest Portion of Household Mutual Fund Assets

Percentage of total household mutual fund assets held by generation, 2022



\* Generation Z (born 1997 to 2012) are aged 10 to 25 in 2022; 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

Younger generations are more likely to own mutual funds only inside employer-sponsored retirement plans, while older generations are more likely to own funds outside such plans. In 2022, 36 percent of Millennial mutual fund-owning households owned funds only inside employer-sponsored retirement plans, compared with 22 percent of mutual fund-owning households headed by members of the Baby Boom Generation (Figure 19). Sixty-four percent of Millennial mutual fund-owning households owned funds outside of employer-sponsored retirement plans, compared with 78 percent of mutual fund-owning households headed by a Baby Boomer. Younger generation households are

more likely than older generations to own funds both inside and outside employer-sponsored retirement plans. In 2022, 48 percent of Generation Z, 50 percent of Millennial, and 49 percent of Generation X mutual fund-owning households owned mutual funds both inside and outside employer-sponsored retirement plans, compared with 42 percent of Baby Boom mutual fund-owning households and 28 percent of Silent Generation mutual fund-owning households. At 66 percent, Silent Generation households that own mutual funds are the most likely to hold them only outside employer-sponsored retirement plans.

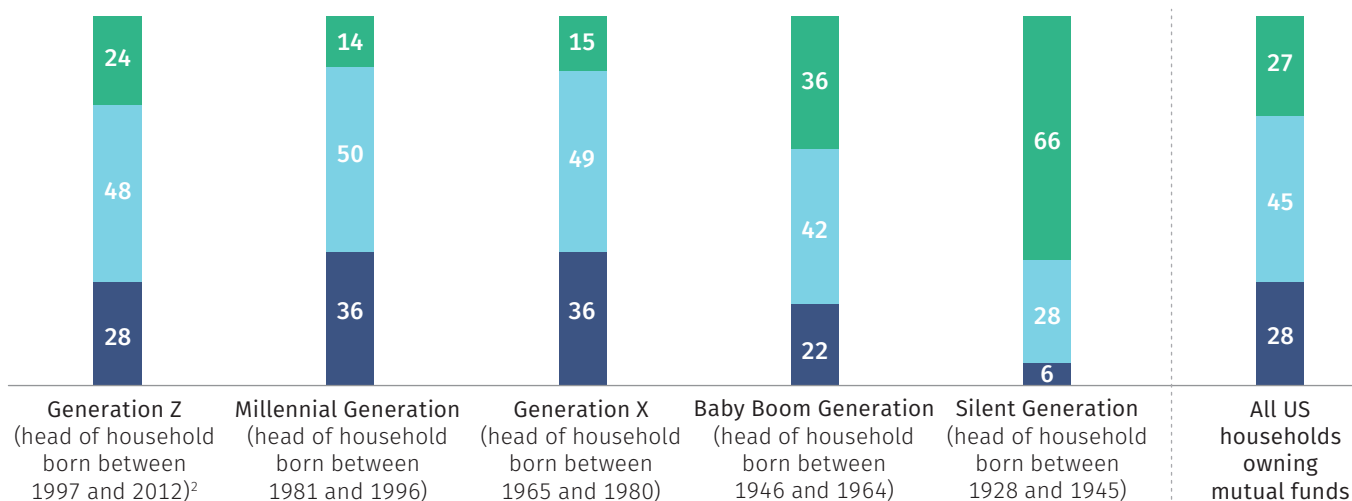
FIGURE 19

### Mutual Fund Ownership Inside and Outside of Employer-Sponsored Retirement Plans

Percentage of US households owning mutual funds by generation, 2022

#### Source of mutual fund ownership

- Outside employer-sponsored retirement plans only<sup>1</sup>
- Inside and outside employer-sponsored retirement plans<sup>1</sup>
- Inside employer-sponsored retirement plans only<sup>1</sup>



<sup>1</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup> Generation Z (born 1997 to 2012) are aged 10 to 25 in 2022; 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

Older generations are more likely to purchase mutual funds primarily through investment professionals,<sup>16</sup> particularly full-service brokers or independent financial planners. In 2022, 46 percent of mutual fund-owning households headed by a Baby Boomer used an investment professional as their primary source for purchasing mutual funds, compared with 15 percent of

Millennial mutual fund-owning households (Figure 20). Thirty-nine percent of mutual fund-owning Baby Boomer households reported that their primary source for purchasing mutual funds was full-service brokers or independent financial planners, compared with 11 percent of Millennial mutual fund-owning households.

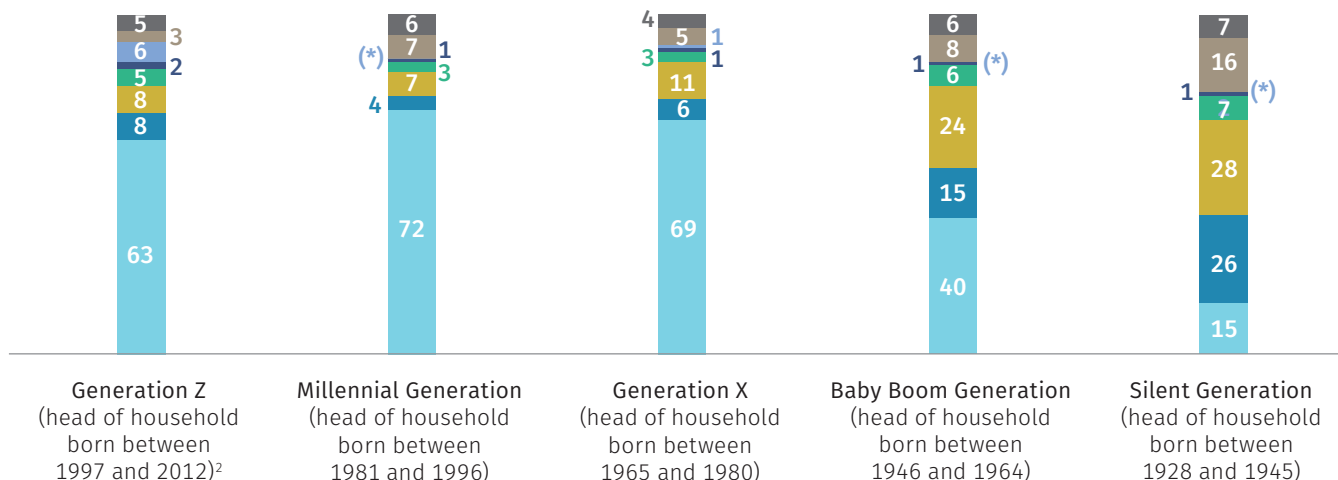
FIGURE 20

### Primary Channels Used to Purchase Mutual Funds

Percentage of US households owning mutual funds by generation, 2022

#### Primary source of mutual fund ownership

- Discount broker
- Mutual fund company directly
- Accountant
- Insurance agent
- Bank or savings institution representative
- Independent financial planner
- Full-service broker
- Inside employer-sponsored retirement plans<sup>1</sup>



<sup>1</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup> Generation Z (born 1997 to 2012) are aged 10 to 25 in 2022; 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.

(\*) = less than 0.5 percent

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Notes

- <sup>1</sup> 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, putting children through college, 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 Bass 2021; Brady and Bogdan 2014; and Sabelhaus, Bogdan, and Schrass 2008.
- <sup>2</sup> Among households whose heads reported that they were retired, 88 percent were not employed, 6 percent were employed part-time, and 6 percent were employed fulltime.
- <sup>3</sup> This is higher than the median household income across all US households (\$69,000 in 2021), reflecting, in part, mutual fund-owning households' higher likelihood to be headed by individuals who are working and between the ages of 35 and 64, the age range in which saving and investing traditionally are the greatest. See Holden, Schrass, and Bogdan 2022 for additional information.
- <sup>4</sup> Tax-deferred accounts include employer-sponsored retirement plans (including employer-sponsored IRAs), traditional IRAs, Roth IRAs, and variable annuities. See Holden, Schrass, and Bogdan 2022 for additional information.
- <sup>5</sup> Mutual funds held in traditional IRAs or Roth IRAs were counted as funds owned outside employer-sponsored retirement plans. Fifty-six percent of US households that owned mutual funds held funds in traditional IRAs or Roth IRAs in 2022 (see Schrass and Bogdan, forthcoming).
- <sup>6</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants. The direct market channel includes fund companies and discount brokers. For additional information on mutual fund owners' use of investment professionals, see Schrass and Bogdan, forthcoming; Leonard-Chambers and Bogdan 2007; and Schrass 2013.
- <sup>7</sup> DC plans include 401(k), 403(b), 457 plans, and other DC plans. Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs. For more information on employer-sponsored retirement plans, see Investment Company Institute 2022. For additional information on households that own IRAs, see Holden and Schrass 2022a and 2022b.
- <sup>8</sup> In addition, 7 percent of mutual fund-owning households owned mutual funds both inside and outside employer-sponsored retirement plans, but did not indicate specifically which outside source they used.
- <sup>9</sup> For a similar analysis by generation of the head of household, see Table 1 in the supplemental tables.
- <sup>10</sup> In 2022, 10 percent of mutual fund-owning households younger than 50 owned mutual funds both inside and outside employer-sponsored retirement plans, but did not indicate specifically which outside source they used.
- <sup>11</sup> In 2022, 5 percent of households aged 50 or older owned mutual funds both inside and outside of employer-sponsored retirement plans, but did not indicate specifically which outside source they used.
- <sup>12</sup> See US Census Bureau 2022.
- <sup>13</sup> Survey participants must be 18 or older and be the most knowledgeable about the household's savings and investments; so although people born between 1997 and 2012 are members of Generation Z, only those born between 1997 and 2004 are included in this survey.
- <sup>14</sup> For additional information on mutual fund-owning households by generation, see Schrass and Bogdan, forthcoming.
- <sup>15</sup> Ownership of 401(k) assets and IRA assets has a similar pattern by age. See Holden, Bass, and Copeland 2022; Holden, Schrass, and Bass 2021; and Holden and Schrass, 2021.
- <sup>16</sup> See note 6 for the definition of investment professional.

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