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WHAT'S INSIDE

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For a set of supplemental tables in Microsoft Excel format, see www.ici.org/info/per23-07_data.xls.

INVESTMENT COMPANY INSTITUTE®

Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2017

KEY FINDINGS

» **In mid-2017, 45.4 percent of US households owned shares of mutual funds or other US-registered investment companies—including exchange-traded funds, closed-end funds, and unit investment trusts—representing an estimated 57.3 million households and 101.9 million investors.** Mutual funds were the most common type of investment company owned, with 56.2 million US households, or 44.5 percent, owning mutual funds in mid-2017. The survey also found that 100.0 million individual investors owned mutual funds in mid-2017.

» **Many US mutual fund shareholders had moderate household incomes and were in their peak earning and saving years.** Half of US households owning mutual funds had incomes less than $100,000, and 63 percent were headed by individuals between the ages of 35 and 64 in mid-2017. More than three times as many US households owned mutual funds through tax-deferred accounts—employer-sponsored retirement plans, individual retirement accounts (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.** Sixty-six percent of mutual fund shareholders indicated that fund performance was a "very" important factor influencing their views of the industry, and 45 percent cited fund performance as the most important factor.

» **Shareholders' willingness to take investment risk remained at the same subdued levels seen since the 2007–2009 financial crisis.** Thirty-four percent of mutual fund–owning households were willing to take substantial or above-average risk for financial gain in mid-2017, compared with 36 percent in May 2008. As in previous years, households that 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 among shareholders remained about the same in mid-2017, with favorability at 66 percent.** Fifteen percent of mutual fund–owning households reported having "very favorable" impressions in mid-2017, compared with 13 percent in mid-2016.
- **Mutual fund–owning households used the internet extensively.** Ninety-five percent of households owning mutual funds had internet access in mid-2017. The gaps in internet access between younger and older households and between higher- and lower-income households have narrowed, and in mid-2017, the vast majority of mutual fund–owning households had internet access across each age or income grouping.

US Household Ownership of Mutual Funds

More Than 56 Million US Households Owned Mutual Funds in Mid-2017

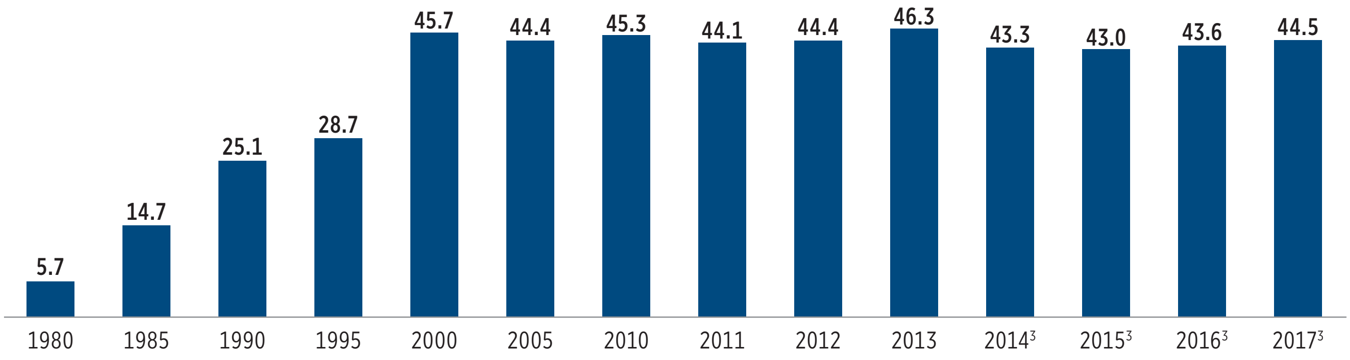
Assets in US-registered investment companies—mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs)—totaled $20.7 trillion as of mid-2017. Households held about 85 percent, or $17.5 trillion, of all these fund assets; registered fund assets represented more than one-fifth of households' financial assets.[1] In mid-2017, 45.4 percent of US households owned some type of registered fund, representing an estimated 57.3 million households and 101.9 million investors.

Though 7.8 million households owned ETFs and 3.6 million households owned closed-end funds in mid-2017, mutual funds were the most common type of fund owned by households. An estimated 56.2 million US households, or 44.5 percent, owned mutual funds in mid-2017 (Figure 1),[2] and more than eight in 10 households that owned ETFs or closed-end funds also owned mutual funds. The estimated number of individual investors owning mutual funds was 100.0 million in mid-2017 (Figure 2).[3]

FIGURE 1

Nearly 45 Percent of US Households Owned Mutual Funds in 2017

Number and percentage of US households owning mutual funds,[1] selected years[2]



Millions of US households owning mutual funds

1980	1985	1990	1995	2000	2005	2010	2011	2012	2013	2014[3]	2015[3]	2016[3]	2017[3]
4.6	12.8	23.4	28.4	48.6	50.3	53.2	52.9	53.8	56.7	53.2	53.6	54.9	56.2

[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 2017 include households owning mutual funds only through employer-sponsored retirement plans. Incidence estimates for 1998 through 2017 include fund ownership through variable annuities. Incidence estimates for 2000 through 2017 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 2017, see Table 1 in the supplemental tables.

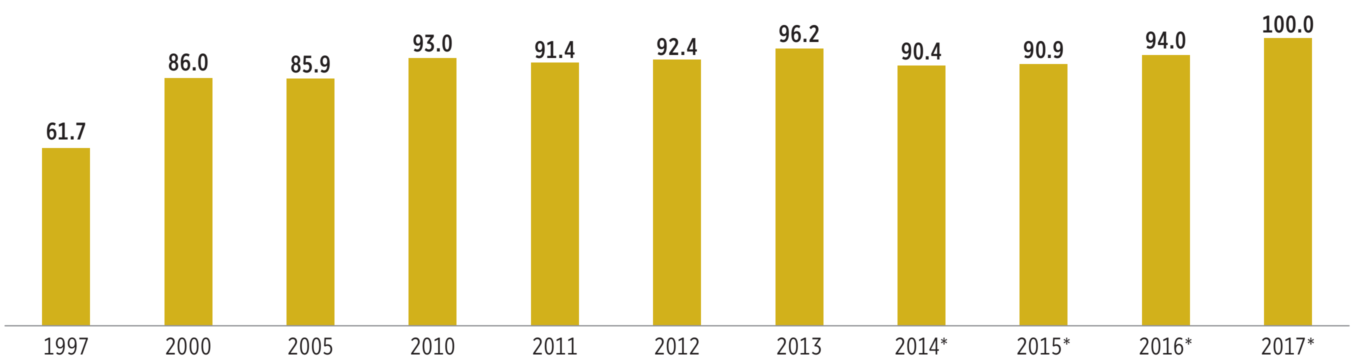
[3] Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Sources: Investment Company Institute and US Census Bureau

FIGURE 2

100 Million Individual US Investors Owned Mutual Funds in 2017

Millions of individual US investors owning mutual funds, selected years



*Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: For the complete time series of data from 1997 through 2017, see Table 2 in the supplemental tables.

Sources: Investment Company Institute and US Census Bureau

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 July 2017 and was based on a dual frame telephone sample of 5,000 US households. Of these, 2,500 households were from a landline random digit dial (RDD) frame and 2,500 households were from a cell phone RDD frame. Of the households contacted, 2,223 households, or 44.5 percent, owned mutual funds. All interviews were conducted over the telephone with the member of the household who was either the sole or the co-decisionmaker most knowledgeable about the household's savings and investments. The standard error for the 2017 sample of households is ± 1.4 percentage points at the 95 percent confidence level.

Revisions to ICI's Annual Mutual Fund Shareholder Tracking Survey

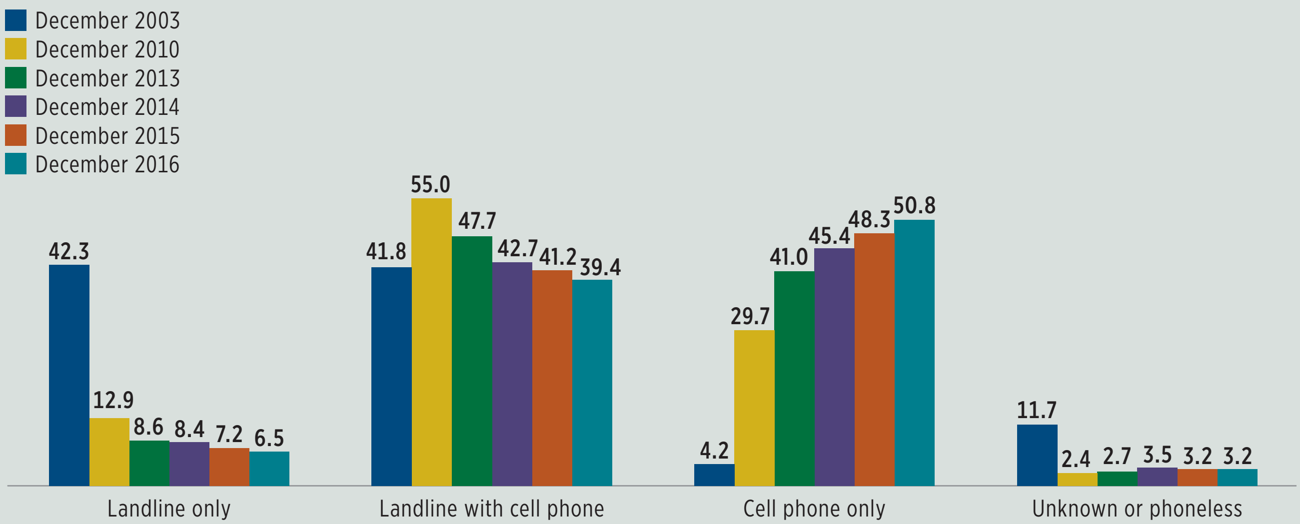
The Annual Mutual Fund Shareholder Tracking Survey interviews a random sample of US households to determine their ownership of a variety of financial assets and accounts, including mutual funds, individual stocks, individual bonds, defined contribution (DC) plan accounts, individual retirement accounts (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 2014, and the figures presented in this paper for the 2017 survey reflect the revised sampling and weighting methodology that was adopted in 2014. To achieve a representative sample of US households, the 2014, 2015, 2016, and 2017 Annual Mutual Fund Shareholder Tracking Surveys were based on dual frame samples of landline and cell phone numbers.[4] Each combined sample includes about 50 percent of households reached on a landline and about 50 percent of households reached on a cell phone. Before 2014, the Annual Mutual Fund Shareholder Tracking Surveys were based on samples of landline phone numbers. If ICI had used the same sampling and weighting method used before 2014, the landline sample would have found that 46.4 percent of US households owned mutual funds in mid-2014 (compared with 43.3 percent in mid-2014 with the new survey design). The change to a combined sample of landline and cell phone numbers improves the representativeness of the sample.

Survey Sample

Survey researchers have reconsidered the representativeness of surveys based on RDD samples using only landline telephone numbers.[5] The portion of US households that primarily use cell phones for telephone service has been steadily increasing, while landline use has been steadily falling. At year-end 2016, 50.8 percent of US households only had cell phones, compared with 4.2 percent at year-end 2003 (see figure on page 5).[6] In contrast, 6.5 percent of households only had landline telephone service at year-end 2016, compared with 42.3 percent at year-end 2003.

The increase in the portion of US households that rely on cell phones for telephone service creates a potential coverage error for surveys based on a landline RDD sample. Because increasing use of cell phones is not distributed evenly across demographic characteristics such as age, income, and education, surveys that are based on a landline RDD sample may underrepresent groups with a higher incidence of cell phone use.[7] For example, at the end of 2016, 73 percent of adults aged 25 to 29 lived in households with only cell phones.[8] Older age groups have lower rates of reliance on cell phones. Cell phone incidence also is unevenly distributed across income and education levels. Applying a dual frame sampling method improves both the coverage and the representativeness of a survey. In response to this challenge, many organizations have supplemented their traditional landline RDD frame with an independent sample of cell phone numbers.[9] This dual frame design is rapidly becoming the standard in modern telephone survey research.[10]

Percent Distribution of Household Telephone Status



Source: Center for Disease Control/National Center for Health Statistics, National Health Interview Survey; December 2003, December 2010, December 2013, December 2014, December 2015, and December 2016

Survey Weights

When a survey sample is drawn from a population, the proportions of segments within the sample (by age, income, or other key variables) may not match the distribution of those segments within the population. The sample's distribution may be different due to sampling techniques, varying degrees of nonresponse from segments of the population, or a survey design that was not able to cover the entire population. It is possible to improve the relation between the sample and the population from which it was drawn by applying weights to the sample that match the proportions present in the population. This process is known as sample-balancing, or raking.[11]

Because the sample methodology for the Annual Mutual Fund Shareholder Tracking Survey was changed to a dual frame RDD survey to include cell phones starting in 2014, it was necessary to adjust the weighting methodology for the survey. To combine the landline and cell phone samples, an initial base weight was created to adjust for households that could have been in both the landline and cell phone sample frames. A second stage of weighting included the standard raking to control totals based on census region, householder age, household income, and educational attainment of the head of household from the most recent version of the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS).[12] In the 2014, 2015, 2016, and 2017 survey, the second stage of weighting also included raking to control totals based on household telephone status from the most recent version of the National Health Interview Survey (NHIS).[13] The weighting adjusts for differences among the households sampled in the ICI survey and the population of US households.

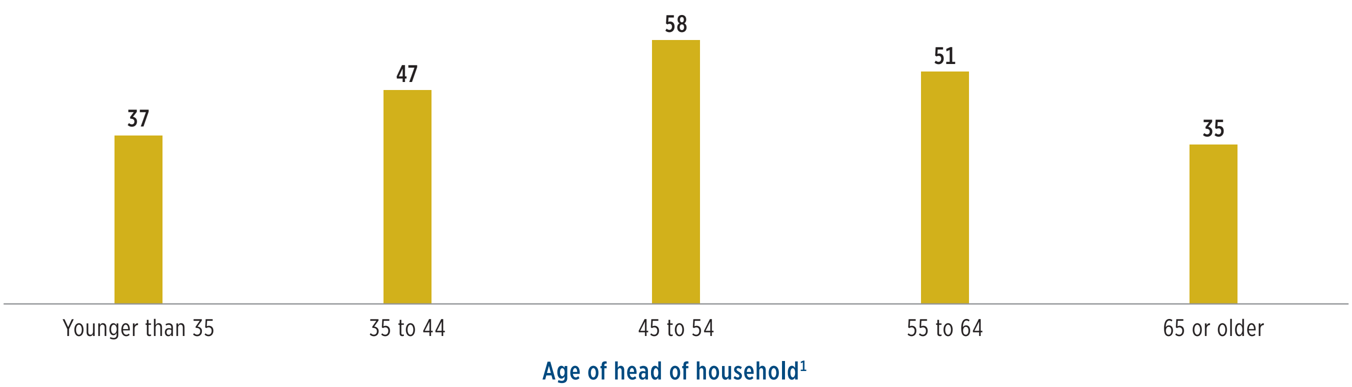
Most Mutual Fund Shareholders Are in Their Peak Earning and Saving Years

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.[14] In the most recent survey, a majority of households aged 45 to 54, nearly half of households aged 35 to 44, and about half of households aged 55 to 64 owned mutual funds (Figure 3). In addition, 37 percent of households younger than 35 and 35 percent of households aged 65 or older owned mutual funds. As a result, the majority (63 percent) of households owning mutual funds were headed by individuals between the ages of 35 and 64 in mid-2017 (Figure 4), the age range in which saving and investing traditionally is greatest.[15] By comparison, among all US households, fewer than six in 10 were headed by individuals in this age group.

FIGURE 3

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

Percentage of US households within each age group,[1] 2017[2]



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

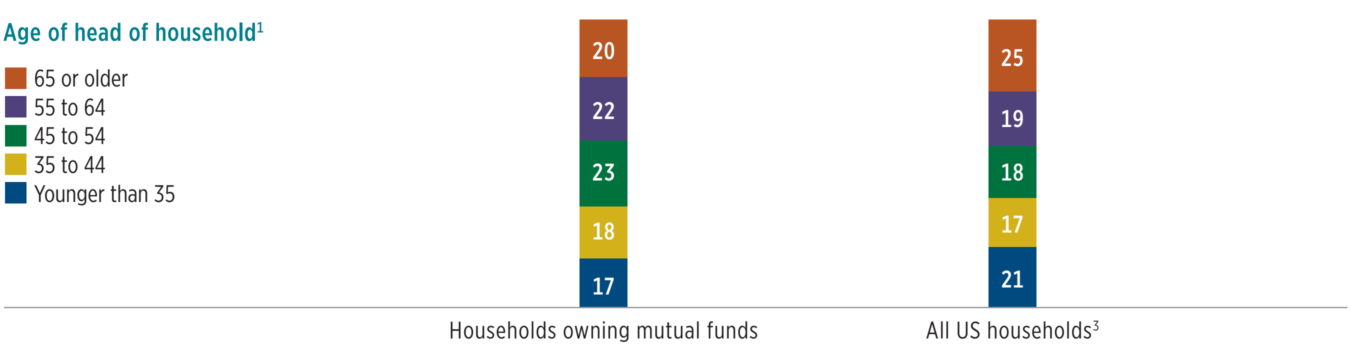
[2] For the complete time series of data from 1994 through 2017, see Table 3 in the supplemental tables.

Sources: Investment Company Institute and US Census Bureau

FIGURE 4

Most Mutual Fund Shareholders Are Between Ages 35 and 64

Percent distribution of households owning mutual funds and all US households by age,[1] 2017[2]



[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 2017, see Table 4 in the supplemental tables.

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

Sources: Investment Company Institute and US Census Bureau

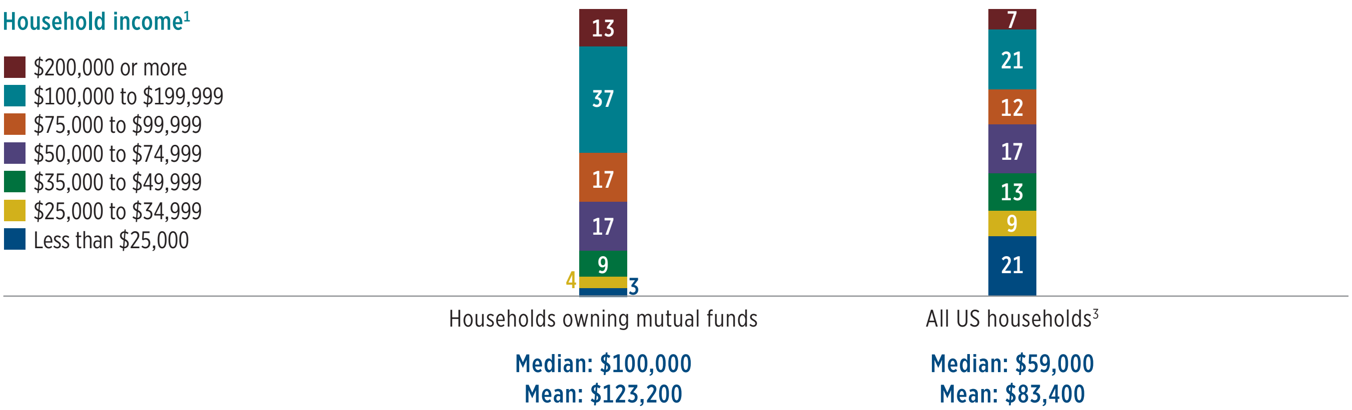
Mutual Fund Shareholders Represent a Full Range of Household Incomes

Half of US households owning mutual funds in mid-2017 had moderate or lower incomes; that is, incomes less than $100,000 (Figure 5).[16] Nevertheless, incomes among mutual fund–owning households tended to be somewhat higher than that of the typical US household. Seven percent of US households owning mutual funds had incomes of less than $35,000, while 30 percent of all US households earned less than $35,000. Half of households owning mutual funds reported incomes of $100,000 or more, compared with 28 percent of US households overall.

FIGURE 5

Half of Households Owning Mutual Funds Have Moderate or Lower Incomes

Percent distribution of households owning mutual funds and all US households by household income,[1] 2017[2]



[1] Total reported is household income before taxes in 2016.

[2] For the complete time series of data from 1998 through 2017, see Table 5 in the supplemental tables.

[3] The percentage of all households in each income group is based on ICI survey data and is weighted to match the US Census Bureau's Current Population Survey (CPS). For 2016, the estimated median and mean income for all US households from the CPS is $59,039 and $83,143, respectively.

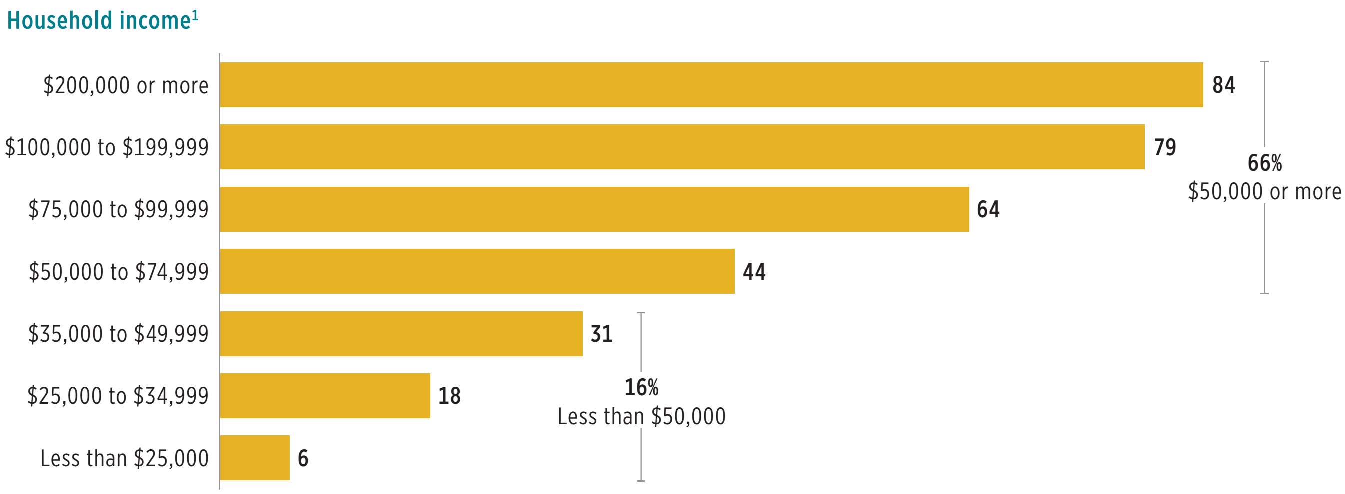
Sources: Investment Company Institute and US Census Bureau

The range 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 mid-2017, 66 percent of all US households with incomes of $50,000 or more owned mutual funds, compared with 16 percent of households with incomes of less than $50,000 (Figure 6).[17] In fact, lower-income households are less likely to have any type of savings. The typical household with income less than $50,000 had $10,000 in savings and investments, while the typical household with income of $50,000 or more held $200,000 in savings and investments.[18]

FIGURE 6

Ownership of Mutual Funds Increases with Household Income

Percentage of US households within each income group,[1] 2017[2]



[1] Total reported is household income before taxes in 2016.

[2] For the complete time series of data from 1994 to 2017, see Table 6 in the supplemental tables.

Sources: Investment Company Institute and US Census Bureau

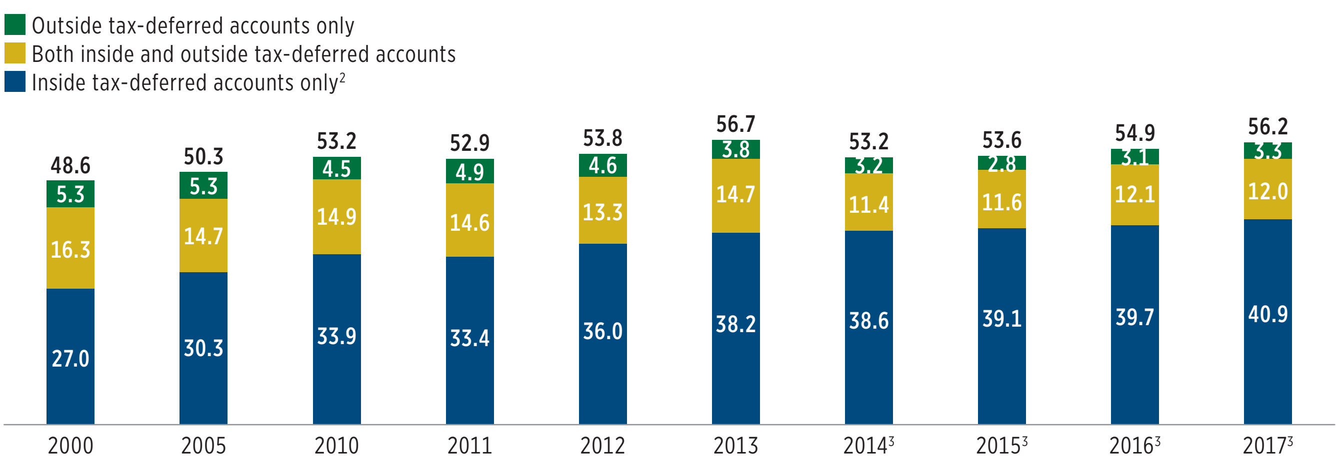
Fund Ownership Inside Tax-Deferred Accounts Is Significant

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.[19] In mid-2017, an estimated 52.9 million households owned mutual funds inside tax-deferred accounts, compared with 15.3 million households owning funds outside tax-deferred accounts (Figure 7). Among households that owned funds outside tax-deferred accounts, nearly eight out of 10, or 12.0 million households, also held funds in tax-deferred accounts. The number of households owning mutual funds only through tax-deferred accounts has grown by 13.9 million since 2000, while the number of households owning mutual funds outside tax-deferred accounts has declined.[20] Indeed, households owning mutual funds only through tax-deferred accounts constitute much of the growth in household mutual fund ownership. Of the 52.9 million US households owning mutual funds through tax-deferred accounts in mid-2017, 40.9 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 US households owning mutual funds by account type indicated,[1] selected years



[1] For the incidence (percentage of US households) of mutual fund ownership by account type, see Tables 7 and 8 in the supplemental tables.

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

[3] Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

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

Sources: Investment Company Institute and US Census Bureau

Shareholder Sentiment About the Mutual Fund Industry

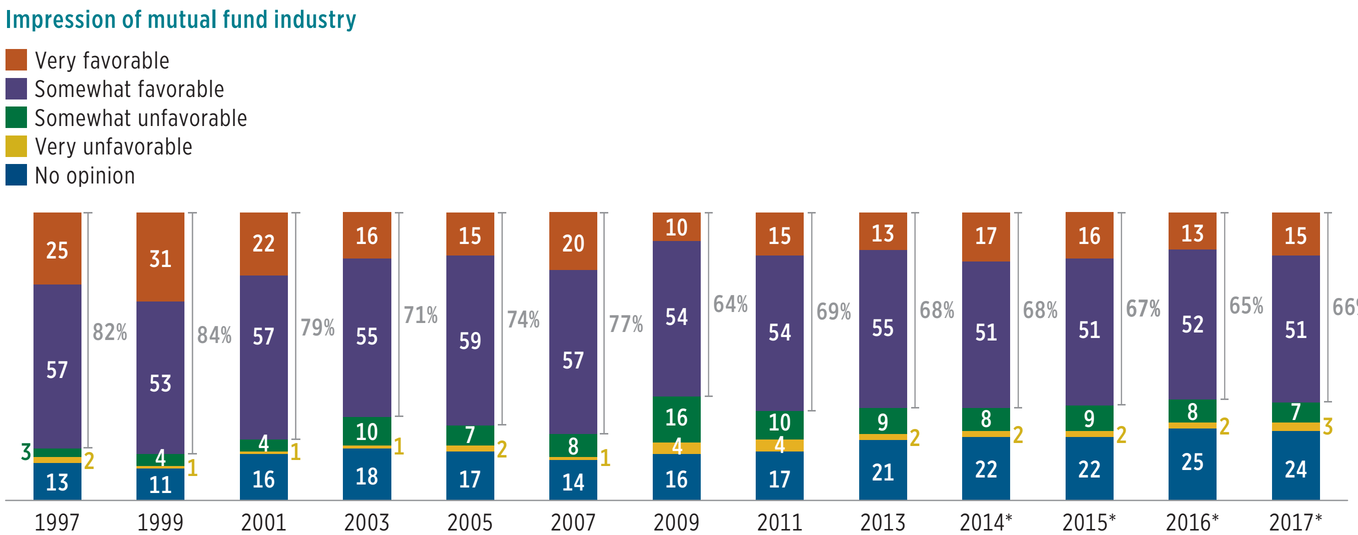
Positive Shareholder Opinion of the Mutual Fund Industry Remained Steady in Mid-2017

The percentage of fund shareholders with positive opinions about the mutual fund industry remained steady in mid-2017. Sixty-six percent of mutual fund–owning households familiar with mutual fund companies had "very" or "somewhat" favorable impressions of fund companies, compared with 65 percent in mid-2016 (Figure 8). In mid-2017, 15 percent of fund investors had a "very" favorable view of the industry, compared with 13 percent in mid-2016 and 16 percent in mid-2015. Narrowing the analysis to mutual fund shareholders familiar with mutual fund companies and with an opinion about fund companies, 87 percent had "very" or "somewhat" favorable impressions of fund companies (Figure 9), the same share as in mid-2016.[21]

FIGURE 8

Most Shareholders View Mutual Fund Industry Favorably

Percentage of mutual fund–owning households familiar with mutual fund companies, selected years



*Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

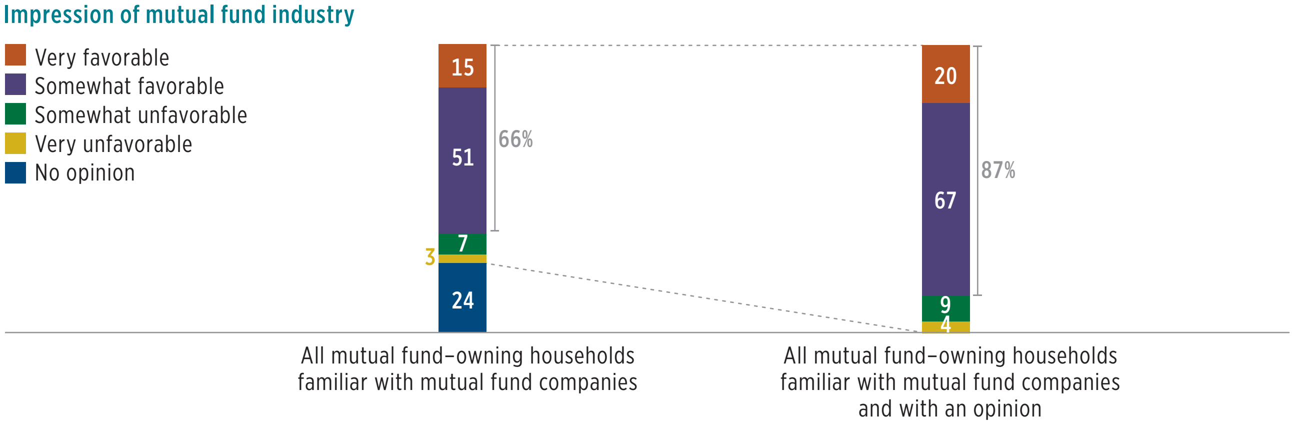
Note: For the complete time series of data from 1997 through 2017, see Table 9 in the supplemental tables.

Source: Investment Company Institute

FIGURE 9

Most Shareholders with an Opinion View Mutual Fund Industry Favorably

Percentage of mutual fund–owning households familiar with mutual fund companies, 2017



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 mid-2017, 66 percent of all mutual fund–owning households familiar with mutual fund companies cited fund performance as a "very" important factor in forming their opinions of the industry, and 45 percent said it was the most important factor (Figure 10). Other important factors that influence shareholder views of mutual fund companies include personal experience with a mutual fund company, current events in financial markets, the opinion of professional financial advisers, stock market fluctuations, and friends and family.

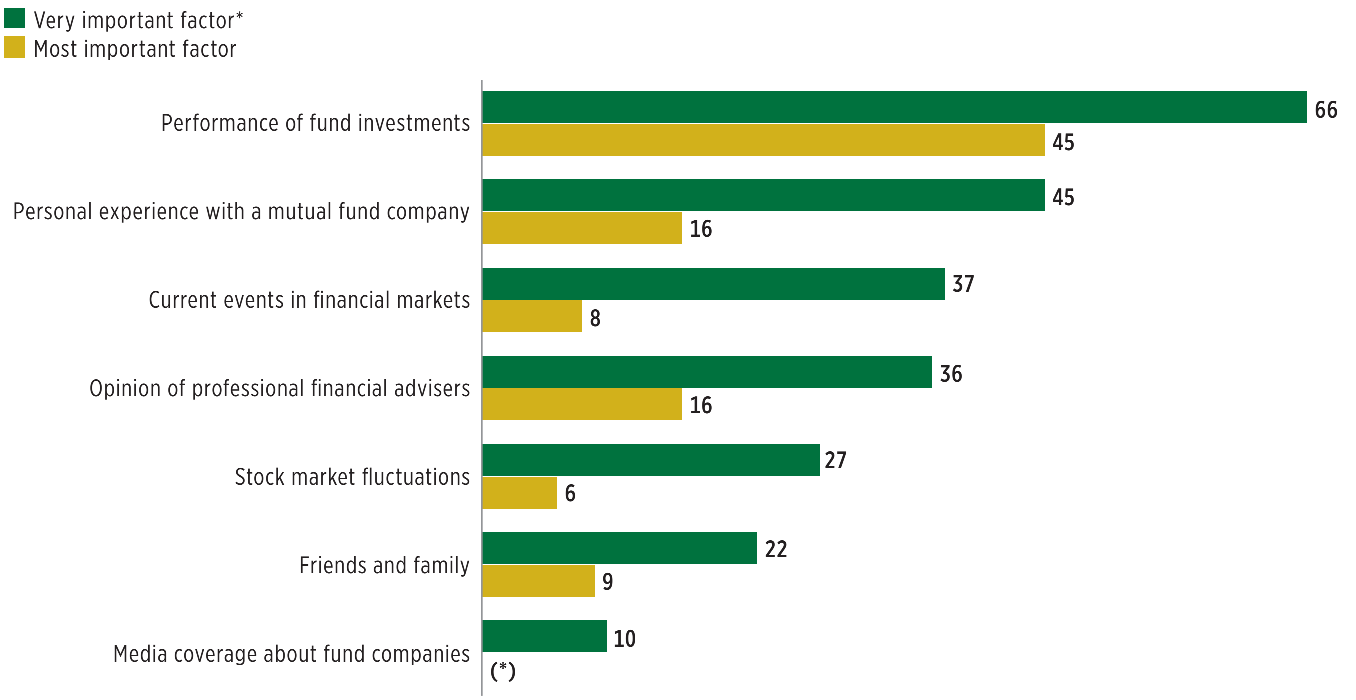
Risk Tolerance and Investing

Risk tolerance can be measured using survey data in various ways—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 within age groups at different times.

FIGURE 10

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

Percentage of mutual fund–owning households familiar with mutual fund companies, 2017



*Multiple responses are included.

(*) = less than 0.5 percent

Note: For the complete time series of data from 1998 through 2017, see Table 10 in the supplemental tables.

Source: Investment Company Institute

US households became less willing to take investment risk after the 2007–2009 financial crisis, reflecting the reduced risk tolerance of households owning mutual funds (Figure 11). Willingness to take financial risk among households not owning mutual funds remained nearly the same from 2008 through 2017. In May 2008, 36 percent of US households owning mutual funds were willing to take above-average or substantial risk with their investments; by May 2012, this number had fallen to 28 percent. In mid-2017, 34 percent of US households owning mutual funds were willing to take above-average or substantial risk with their investments.

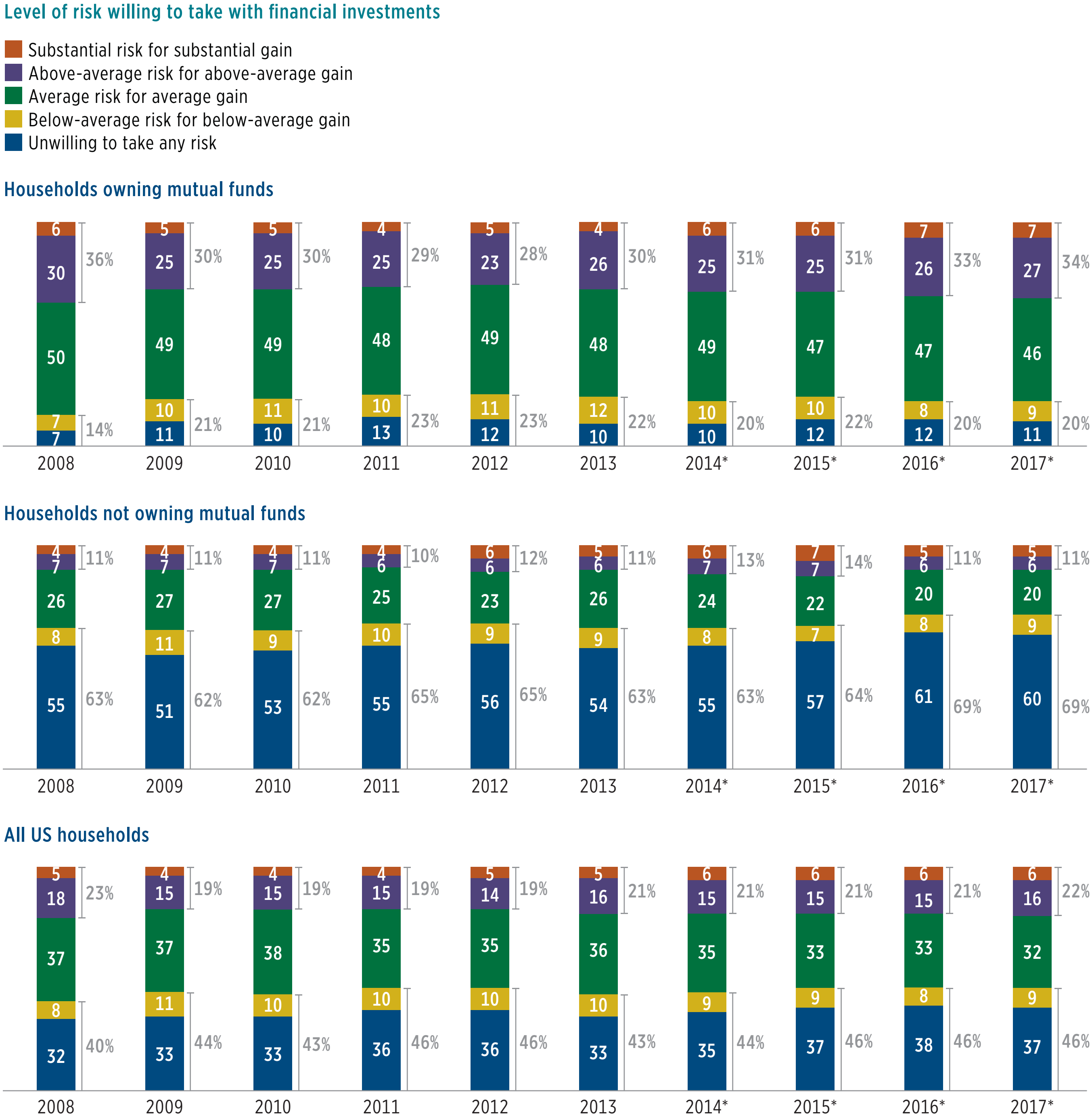
Risk tolerance varies with the age of the head of household, and younger households tend to be more willing to take investment risk than older households (Figure 12). In mid-2017, 38 percent of mutual fund–owning households younger than 35 were willing to take above-average or substantial financial risk, while only 21 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 US households.[22]

Shareholders who indicated that 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 13). For example, among shareholders familiar with mutual funds who indicated they take little (below-average) or no investment risk when investing, 57 percent had favorable views of the mutual fund industry in mid-2017. This fraction increased to 67 percent for those shareholders who were willing to take average investment risk, and to 70 percent for those willing to take at least above-average investment risk.

FIGURE 11

Households' Willingness to Take Investment Risk

Percentage of US households by mutual fund ownership status, 2008–2017



*Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Source: Investment Company Institute

FIGURE 12

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

Percentage of mutual fund–owning households within each age group,[1] 2008–2017

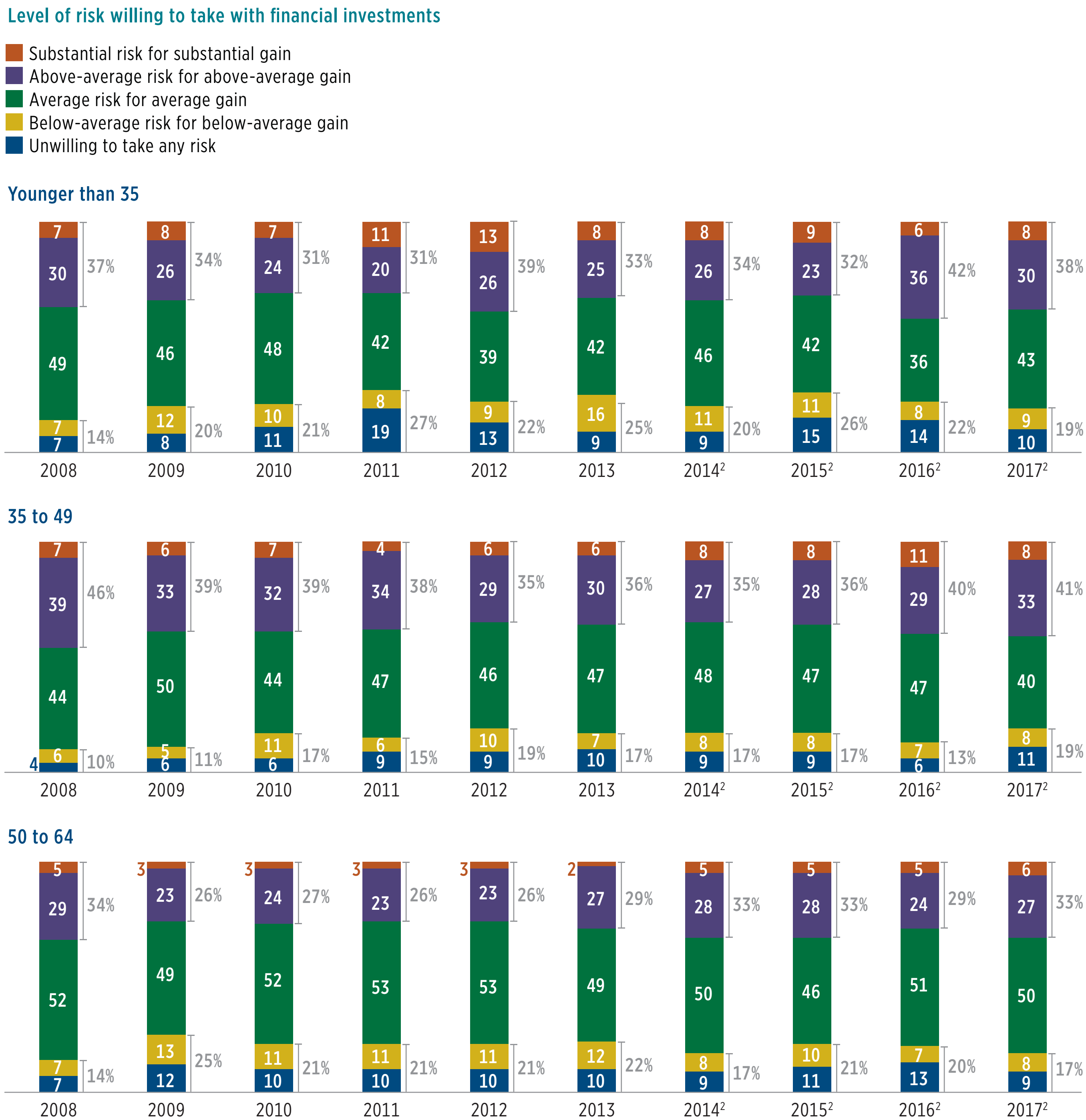


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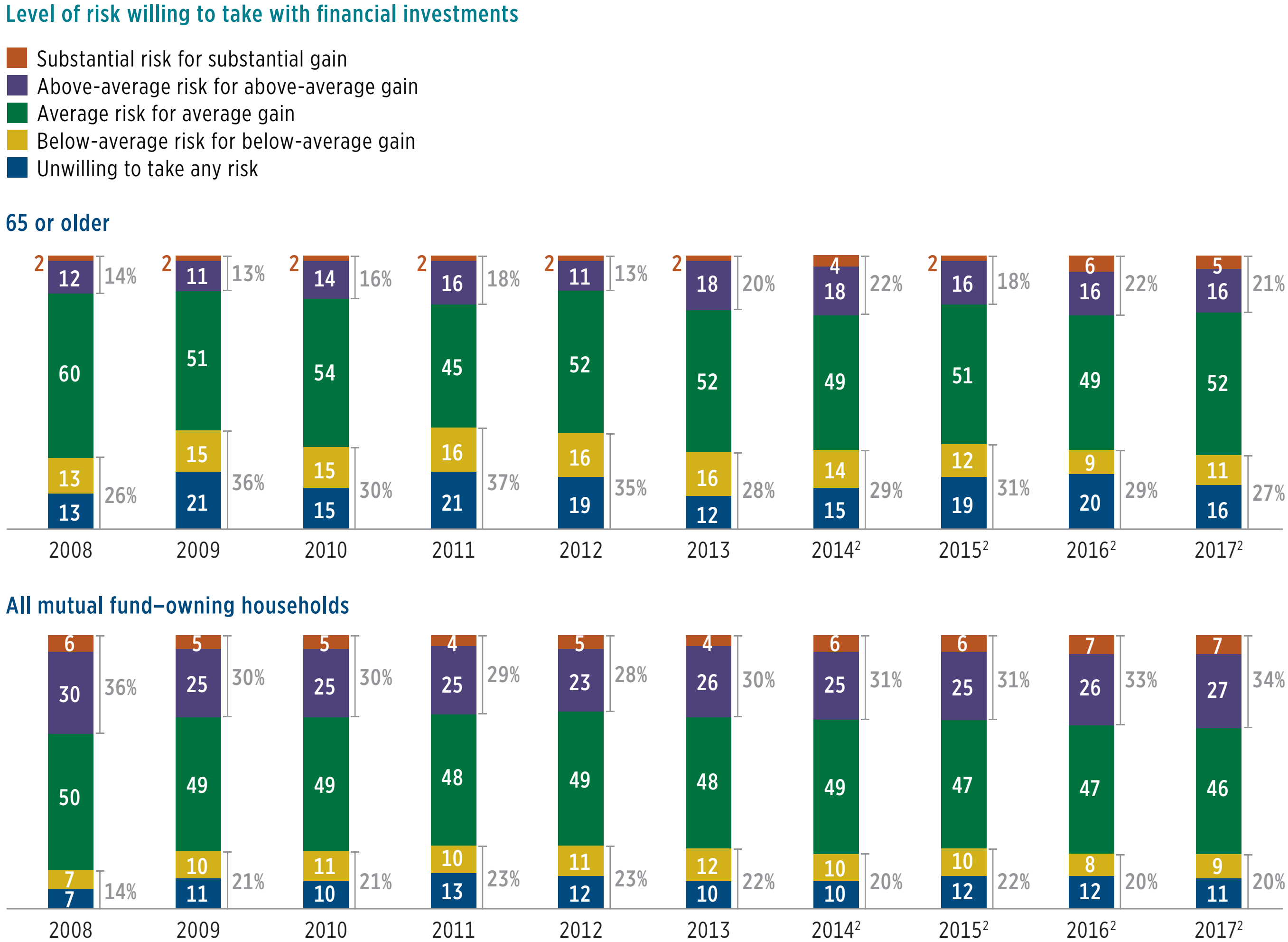
FIGURE 12 CONTINUED

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

Percentage of mutual fund–owning households within each age group,[1] 2008–2017



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

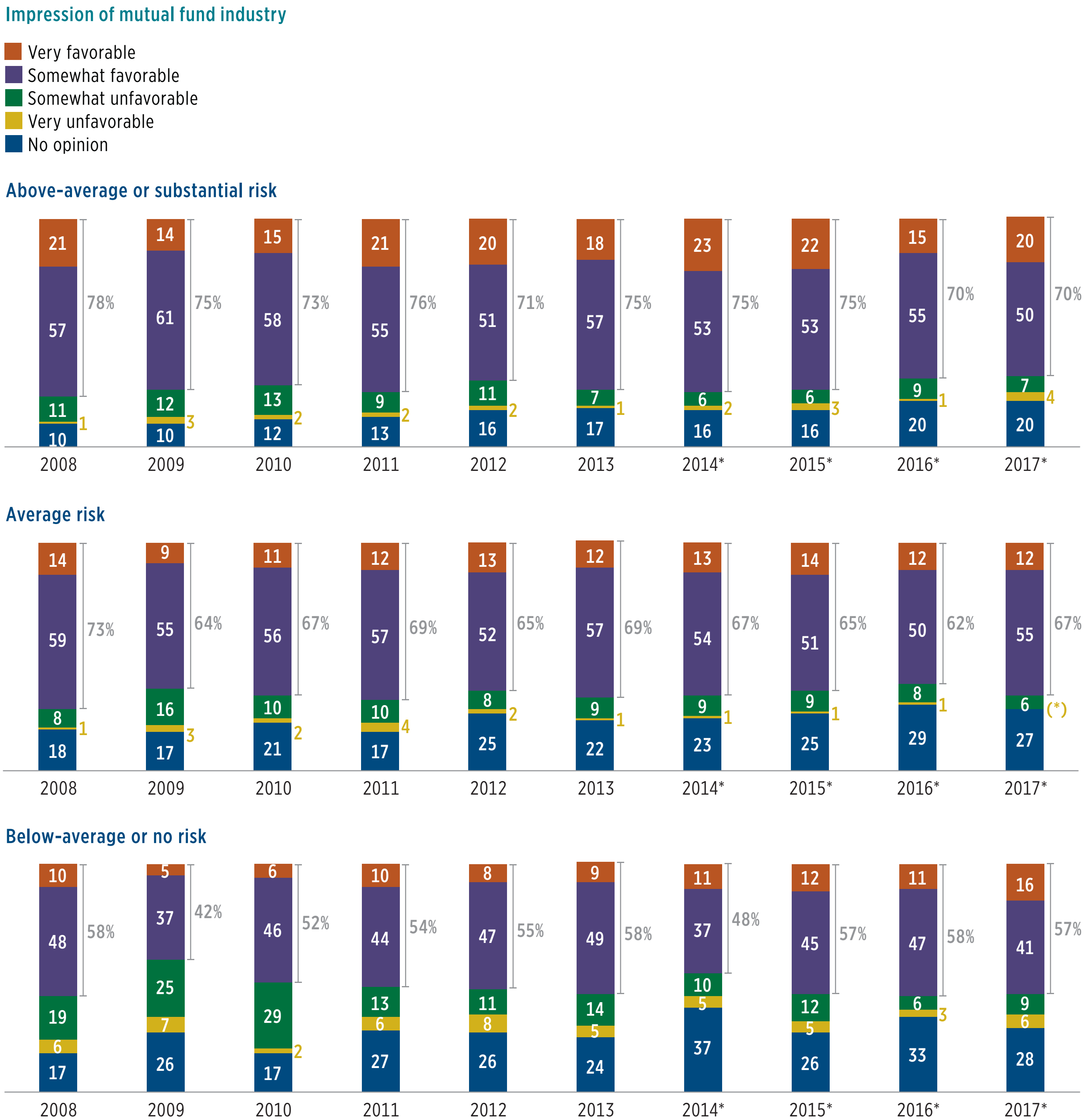
[2] Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Source: Investment Company Institute

FIGURE 13

Favorability Rises with Shareholders' Risk Tolerance

Percentage of mutual fund–owning households familiar with mutual fund companies by willingness to take financial risk, 2008–2017



*Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

(*) = less than 0.5 percent

Source: Investment Company Institute

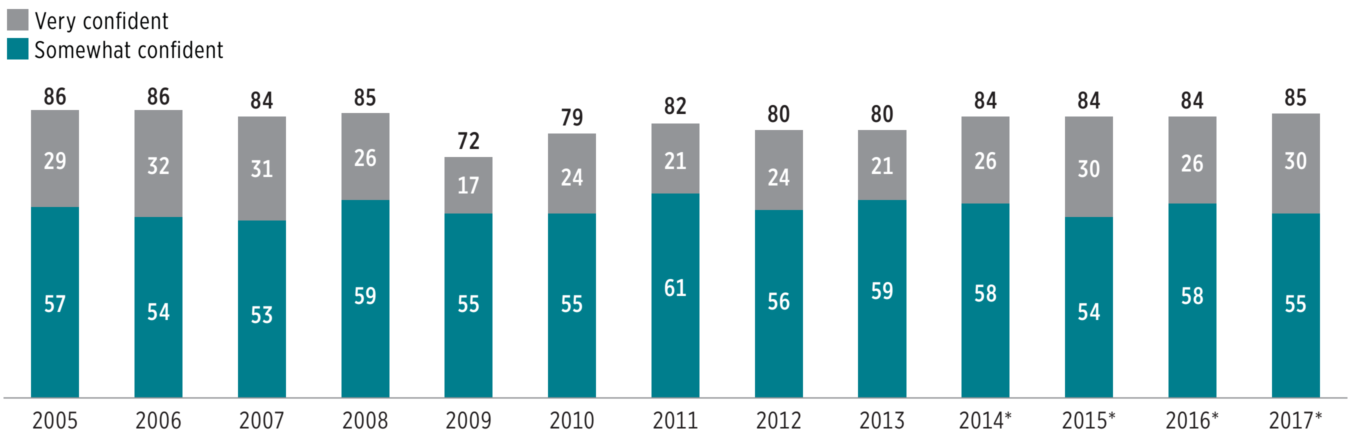
Fund Owners Are Confident About Achieving Investment Goals

ICI's Annual Mutual Fund Shareholder Tracking Survey finds that investors were confident that mutual funds could help them reach their financial goals. In mid-2017, 85 percent of all mutual fund–owning households said they were confident in mutual funds' ability to help them achieve their financial goals (Figure 14). Indeed, three in 10 mutual fund–owning households were "very" confident that mutual funds could help them meet their financial goals.

FIGURE 14

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

Percentage of all mutual fund–owning households by level of confidence that mutual funds can help them meet their investment goals, 2005–2017



* Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

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

Nearly All Mutual Fund–Owning Households Have Access to the Internet

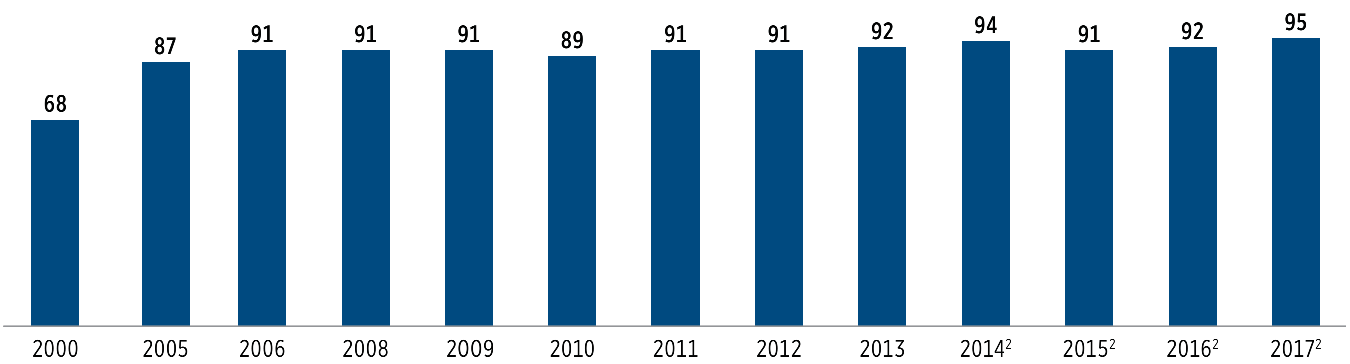
The number of mutual fund investors with internet access has grown considerably since 2000.[23] In mid-2017, 95 percent of households owning mutual funds had internet access, up from about two-thirds in 2000, the first year in which ICI measured shareholders' access to the internet (Figure 15). Altogether, 53.4 million mutual fund–owning households had internet access in mid-2017.

Although younger households were more likely to report internet access, 86 percent of mutual fund–owning households with a household head aged 65 or older had internet access in mid-2017 (Figure 16). Internet access among mutual fund–owning household heads younger than 65 was essentially universal, with 97 to 99 percent reporting internet access. The majority of mutual fund–owning households in each income group had internet access in mid-2017. Eighty-eight percent of households with annual incomes less than $50,000 had internet access in mid-2017, up substantially from 47 percent in 2000. Households with incomes of more than $50,000 had nearly universal internet access in mid-2017.

FIGURE 15

95 Percent of Households Owning Mutual Funds Have Internet Access

Number and percentage of all mutual fund–owning households with internet access,[1] selected years



Millions of mutual fund–owning households with Internet access

2000	2005	2006	2008	2009	2010	2011	2012	2013	2014[2]	2015[2]	2016[2]	2017[2]
33.1	43.7	46.7	50.1	47.8	47.4	48.1	49.0	52.2	50.1	48.8	50.5	53.4

[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] Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

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

Source: Investment Company Institute

FIGURE 16

Internet Access Is Nearly Universal Among Mutual Fund–Owning Households

Percentage of mutual fund–owning households with internet access, selected years

	Household had internet access									
	2000[1]	2005	2009	2011	2012	2013	2014[2]	2015[2]	2016[2]	2017[2]
Respondent age										
Younger than 35	83%	94%	95%	94%	93%	93%	96%	93%	96%	99%
35 to 49	75	91	96	98	95	96	95	95	97	97
50 to 64	60	90	92	93	92	93	95	92	92	97
65 or older	30	60	70	72	77	79	86	84	83	86
Respondent education										
High school diploma or less	39	75	79	82	78	80	84	82	84	87
Some college or associate's degree	68	87	92	90	92	94	95	92	93	96
College or postgraduate degree	81	94	96	96	96	96	97	95	95	98
Household income[3]										
Less than $50,000	47	74	78	78	75	78	84	79	80	88
$50,000 to $99,999	77	90	92	93	93	95	94	93	91	95
$100,000 to $149,999	92	97	98	99	96	96	98	95	98	96
$150,000 or more	94	96	98	96	98	97	98	96	97	99
Total	68	87	91	91	91	92	94	91	92	95

[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] Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the callout box on page 4 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

[3] Total reported is household income before taxes in the prior year.

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

Source: Investment Company Institute

Notes

[1] Households' total financial assets were $78.3 trillion as of June 2017. See US Federal Reserve Board 2017.

[2] Ownership includes mutual funds held in variable annuities. See Table 1 in the supplemental tables for the complete time series of mutual fund ownership. Starting in 2013, the survey questionnaire 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 to avoid possible confusion between individual accounts in 401(k) and other employer-sponsored DC plan accounts versus IRAs. Starting 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. Starting 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. Starting in 2013, 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 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, or asset allocation funds," or if they hold "target date funds." Starting in 2014, a category for "lifecycle funds" was added. Finally, respondents were asked if they hold "any other funds."

[3] The survey data include the number of mutual fund owners per household, which is applied to the number of US households owning mutual funds. The average number of mutual fund owners per household is reported in Table 2 in the supplemental tables.

[4] See note 2 for additional detail on changes to the survey.

[5] See Ehlen and Ehlen 2007; Blumberg and Luke 2007; Kennedy 2007; Keeter et al. 2007; and Link et al. 2007.

[6] In addition to the 50.8 percent of households that use only cell phones, 15.0 percent of households have both landline and cell phones and received all or almost all of their calls on cell phones. See Blumberg and Luke 2017.

[7] See Ehlen and Ehlen 2007; Blumberg and Luke 2007; Kennedy 2007; Keeter et al. 2007; and Link et al. 2007.

[8] See Blumberg and Luke 2017.

[9] See Pew Research Center 2017 and Gallup 2017.

[10] See Fahimi 2014.

[11] See Izrael, Hoaglin, and Battaglia 2004.

[12] See US Census Bureau 2017.

[13] Responses were weighted to five telephone status categories: cell phone only; both, cell phone mostly; both, equally; both, landline mostly; and landline only. See Blumberg and Luke 2017.

[14] See Table 3 in the supplemental tables for the complete time series showing incidence of mutual fund ownership by age.

[15] 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 2017 and Brady and Bogdan 2014. See Table 4 in the supplemental tables for the complete time series showing the age composition of mutual fund–owning households. For additional information on the characteristics of mutual fund–owning households, see Holden, Schrass, and Bogdan 2017 and Schrass and Bogdan, forthcoming.

[16] See Table 5 in the supplemental tables 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 Holden, Schrass, and Bogdan 2017 and Schrass and Bogdan, forthcoming.

[17] See Table 6 in the supplemental tables for the complete time series showing incidence of mutual fund ownership by household income.

[18] These results are from the 2017 ICI Annual Mutual Fund Shareholder Tracking Survey.

[19] 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 2017.

[20] See Table 7 in the supplemental tables.

[21] See Holden, Schrass, and Bogdan 2016.

[22] See Table 11 in the supplemental tables for the risk tolerance of all US households from 2008 to 2017.

[23] To shorten the survey, the questions about how mutual fund–owning households use the internet were dropped in 2014, 2015, 2016, and 2017. For 2013 results, see Burham, Bogdan, and Schrass 2013.

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