

MUTUAL FUND SHAREHOLDERS:



THE PEOPLE BEHIND THE GROWTH



INVESTMENT COMPANY INSTITUTE

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RESEARCH DEPARTMENT

SPRING 1996



INVESTMENT COMPANY INSTITUTE

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INTRODUCTION

More than 30 million households across the U.S. own mutual funds, up from 4.6 million households in 1980. Mutual fund companies have sought to increase their share of this growing market by introducing new services, reinforcing existing and alternate distribution channels, and developing a broad array of funds. As of year end 1995, investors could choose from more than 5,700 funds, compared with less than 600 just fifteen years ago.

Heavy demand for mutual funds has created an environment in which identifying the attributes of mutual fund shareholders is vitally important. To provide the mutual fund industry with characteristics describing the average fund owner, the Investment Company Institute conducted a telephone survey of a randomly selected sample of mutual fund shareholders outside of employer-sponsored retirement plans in mid-1995.

RESEARCH OBJECTIVE AND METHODOLOGY

The key objective of the study was to ascertain the demographic, financial, and fund ownership characteristics of the “average,” or “typical,” mutual fund shareholder nationwide outside of employer-sponsored retirement plans and to identify these characteristics for important segments of the shareholder population. These segments include shareholders who own direct-marketed and sales force-distributed funds; shareholders who own equity, bond and income, and money market funds; and shareholders who recently bought their first mutual funds compared with those who are seasoned shareholders.

Using a random digit dial national probability sample, Intersearch Corporation of Horsham, Pennsylvania, conducted 1,165 interviews with members of mutual fund-owning households, excluding those who only own funds through 401(k) plans at work. All interviews were completed with the household’s primary or co-decisionmaker for saving and investment. Co-decisionmakers were screened to ensure they were the individual most responsible for, and most knowledgeable about, investments in the household.

The findings provide data representative of the average shareholder in the fund owner total population outside of employer-sponsored retirement plans within an overall sampling error of plus or minus 3.2 percent. The findings reflect mutual fund ownership patterns in mid-1995 and are consistent with other industry studies based on national probability samples. As is typically the case with survey research, response rates vary because some respondents will not or cannot answer a particular question. Some totals may not add exactly to 100 percent due to rounding.

LIMITATIONS OF THE STUDY

The survey data does not include individual households that only own mutual funds in a 401(k) employer-sponsored retirement plan.

THE MUTUAL FUND SHAREHOLDER

The typical mutual fund shareholder is 44 years old and has a household income of \$60,000. In comparison, the typical household nationwide has an income of approximately \$31,000. The majority of mutual fund shareholders are married, employed, and college graduates. Fifty-eight percent of all shareholders have at least a four-year college degree, and 20 percent have completed graduate school. Nationally, only 22 percent of adults age 25 or older have a college degree.

The median amount of financial assets of fund-owning households is \$50,000, excluding the primary residence and holdings in employer-sponsored retirement plans. Of that amount a median of \$18,000, or 36 percent, is invested in mutual funds. The typical shareholder has a diversified mutual fund portfolio, owning three funds from two companies. In addition, 63 percent of shareholder households own at least two of the three basic types of mutual funds—equity, bond and income, and money market funds. Altogether, 73 percent of shareholders own equity funds, 49 percent own bond and income funds, and 52 percent own money market funds.

The typical shareholder is not a newcomer to mutual fund investing. Nearly 70 percent of fund owners bought their first fund before 1990. Twelve percent purchased their first mutual fund in the two years prior to the research, a sign that mutual funds continue to attract new investors.

Mutual fund shareholders usually own investments other than mutual funds. More than half own individual stocks and 25 percent own individual bonds. Most shareholders also participate in tax-deferred investment plans. For example, 72 percent of all shareholders have IRAs.

As their investment portfolios suggest, most mutual fund shareholders are willing to take financial risk. Indeed, 84 percent are willing to take at least average risk for average gain. Only 16 percent of shareholders describe themselves as unwilling to take any financial risk.

FIGURE 1
HOUSEHOLD DECISIONMAKER
FOR INVESTMENTS
 (PERCENT)

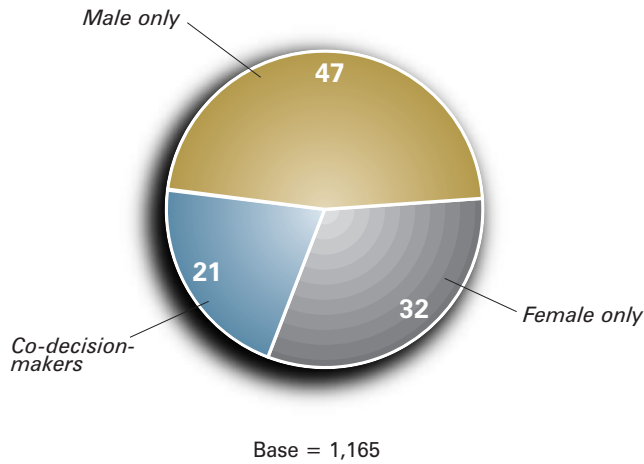


FIGURE 2
AGE OF RESPONDING SHAREHOLDER
 (PERCENT)

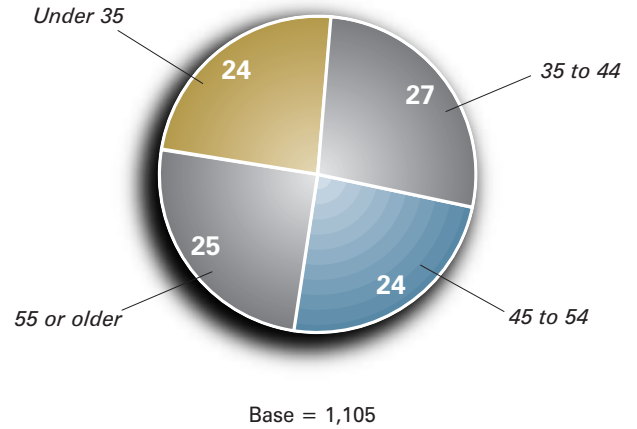


FIGURE 3
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS*

MEDIAN

Age	44
Household income	\$60,000

PERCENT

Married	71%
Widowed	6
Four-year college degree or more	58
Completed graduate school	20
Employed (full- or part-time)	80
Retired from lifetime occupation	18
Spouse employed (full- or part-time)**	76
Have children under age 18	42

*refers to the household's responding financial decisionmaker for mutual fund investments

**percent of married shareholders

Note: Respondent bases vary.

FIGURE 4
HOUSEHOLD FINANCIAL ASSETS*
(PERCENT)

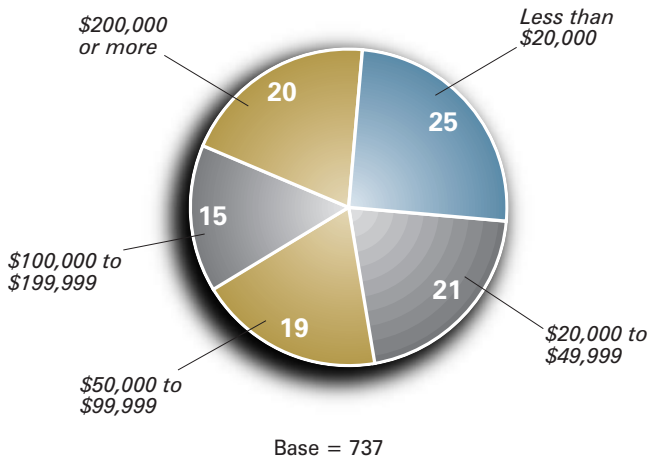
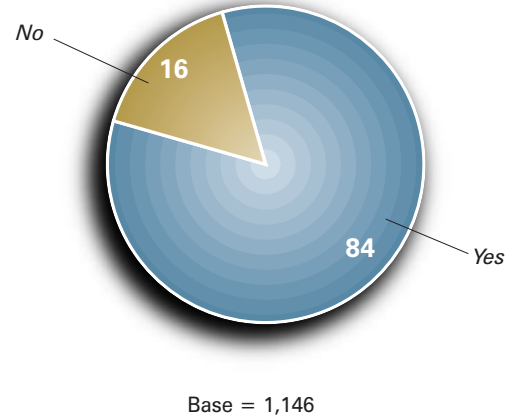


FIGURE 5
RETIREMENT AS GOAL FOR FUND INVESTMENTS
(PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans

FIGURE 6
HOUSEHOLD FINANCIAL CHARACTERISTICS

Median household financial assets* \$50,000

PERCENT OF HOUSEHOLDS

Own:**

Individual stocks.	54%
Individual bonds.	25
Annuities (fixed and variable).	26
Real estate (excluding primary residence).	41

Have:**

An IRA	72
A Keogh or SEP IRA.	17

Willing to take:

Substantial risk for substantial gain	8
Above-average risk for above-average gain	27
Average risk for average gain	49
No risk at all.	16

*excluding primary residence and assets in employer-sponsored retirement plans

**multiple responses included

Note: Respondent bases vary.

FIGURE 7
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS
 (MEAN PERCENT)

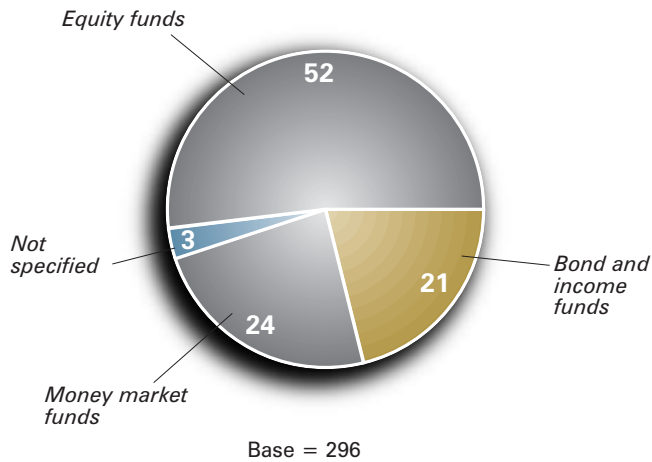
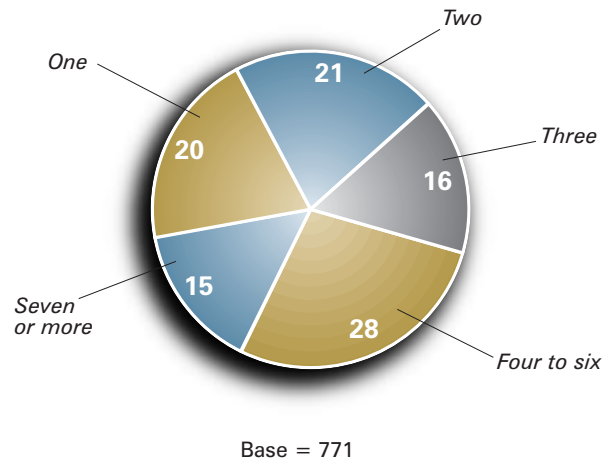


FIGURE 8
NUMBER OF FUNDS OWNED PER HOUSEHOLD
 (PERCENT)



Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

FIGURE 9
MUTUAL FUND OWNERSHIP

MEDIAN PER HOUSEHOLD

Mutual fund assets	\$18,000
Number of funds owned	3
Number of mutual fund companies in which fund assets are invested	2
Percent of financial assets invested in mutual funds	36%

PERCENT OF HOUSEHOLDS

Own:*	
Equity funds	73%
Bond and income funds	49
Money market funds	52
Own mutual fund(s) bought through:*	
Sales-force channel**	72
Direct-market channel***	35
Bought first mutual fund:	
Before 1990	68
Between 1990 and 1992	20
Since 1993	12
Account activity in preceding 12 months:*	
Added money to already owned fund	46
Conducted an exchange	25
Closed an account	13

*multiple responses included

**includes 59 percent of households that own funds from only the sales-force channel and 13 percent that own through both the sales-force and direct market channels

***includes 22 percent of households that own funds only from the direct market channel and 13 percent that own through both the direct market and sales-force channels

Note: Respondent bases vary.

MUTUAL FUND SHAREHOLDERS BY PURCHASE CHANNEL¹

SHAREHOLDERS USING ONLY THE DIRECT-MARKET CHANNEL

Twenty-two percent of shareholders own funds purchased only from the direct-market channel.² The typical shareholder owning only direct-marketed mutual funds is 42 years old, has a household income of \$60,000 and household financial assets of \$72,500. The majority of shareholders using only the direct-market channel are married, employed, and college graduates.

The typical shareholder owning only direct-marketed funds has \$22,000 invested in mutual funds, representing 28 percent of his or her household financial assets. Shareholders using only the direct-market channel typically own three funds purchased from two companies. Nearly all of these shareholders, 90 percent, own equity funds. One half own bond and income funds, and roughly two fifths own money market funds. On average, shareholders owning only direct-marketed funds keep nearly half of their fund assets invested in equity funds, 34 percent in bond and income funds, and 15 percent in money market funds.

SHAREHOLDERS USING ONLY THE SALES-FORCE CHANNEL

Fifty-nine percent of shareholders own funds bought only from the sales-force channel.³ Shareholders who only own sales force-distributed funds have a median age of 45 years. The median household income of these shareholders is \$58,000 and the median household financial assets are \$60,000, \$12,500 less than the median financial assets of shareholders using only the direct-market channel.

Shareholders using only the sales-force channel have a median of \$20,000 invested in funds, or 33 percent of household financial assets. Similar to shareholders using only the direct-market channel, those using only the sales-force channel typically own three funds from two companies. Altogether, 73 percent of shareholders using only the sales-force channel own equity funds, 51 percent own bond and income funds, and 59 percent own money market funds. On average, shareholders who own only sales force-distributed funds keep the majority of their mutual fund assets invested in equity funds.

SHAREHOLDERS USING BOTH THE DIRECT-MARKET AND SALES-FORCE CHANNELS

Thirteen percent of shareholders own funds purchased from both the direct-market and sales-force channels. Shareholders owning funds from both channels have a median age of 44 years. The median household income of these shareholders is \$65,000 and the median household financial assets are \$100,000, \$27,500 more than the median financial assets of shareholders using only the direct-market channel and \$40,000 more than those using only the sales-force channel.

Shareholders using both the direct-market and sales-force channels have a median of \$40,000 invested in funds, or 40 percent of their household financial assets. This group of shareholders owns a median of five funds from three companies. Ninety-three percent of shareholders using both the direct-market and sales-force channels own equity funds, 76 percent own bond and income funds, and 63 percent own money market funds. On average, shareholders who own direct-marketed and sales force-distributed funds keep the majority of mutual fund assets invested in equity funds.

¹ This chapter does not describe the 6 percent of respondents who use purchase channels other than the direct-market and sales-force channels, such as lawyers or accountants.

² includes funds purchased directly from a fund company and through discount brokers

³ includes funds purchased from full-service brokers, insurance agents, financial planners, and bank representatives

FIGURE 10
HOUSEHOLD DECISIONMAKER FOR INVESTMENTS BY PURCHASE CHANNEL
 (PERCENT)

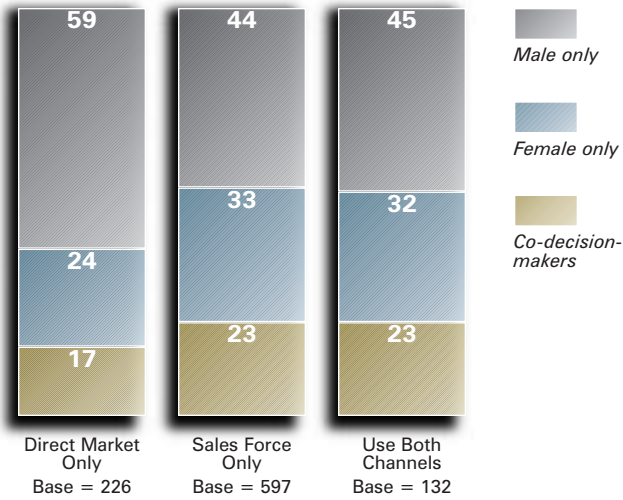


FIGURE 11
AGE OF RESPONDING SHAREHOLDER BY PURCHASE CHANNEL
 (PERCENT)

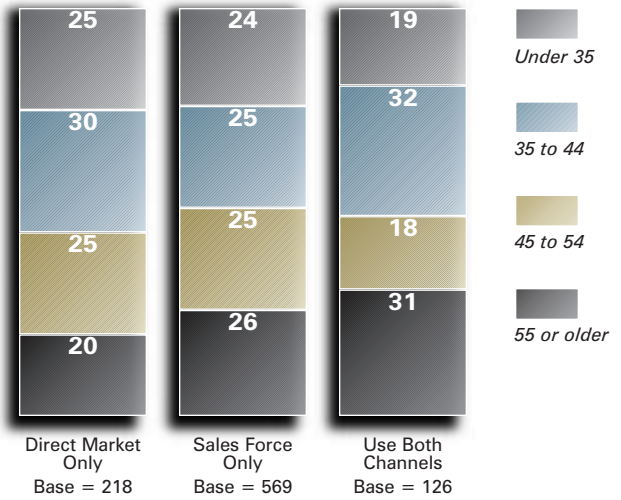


FIGURE 12
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY PURCHASE CHANNEL*

	Direct Market Only	Sales Force Only	Use Both Channels
MEDIAN			
Age	42	45	44
Household income	\$60,000	\$58,000	\$65,000
PERCENT			
Married	71%	72%	70%
Widowed	2	7	4
Four-year college degree or more	74	56	70
Completed graduate school	30	18	31
Employed (full- or part-time)	86	80	72
Retired from lifetime occupation	14	19	24
Spouse employed (full- or part-time)**	73	76	74
Have children under age 18	44	42	36

*refers to the household's responding financial decisionmaker for mutual fund investments

**percent of married shareholders

Note: Respondent bases vary.

FIGURE 13
HOUSEHOLD FINANCIAL ASSETS BY
PURCHASE CHANNEL*
(PERCENT)

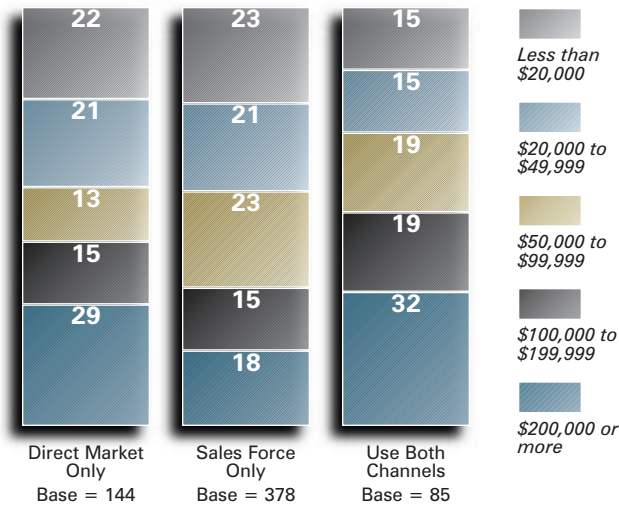
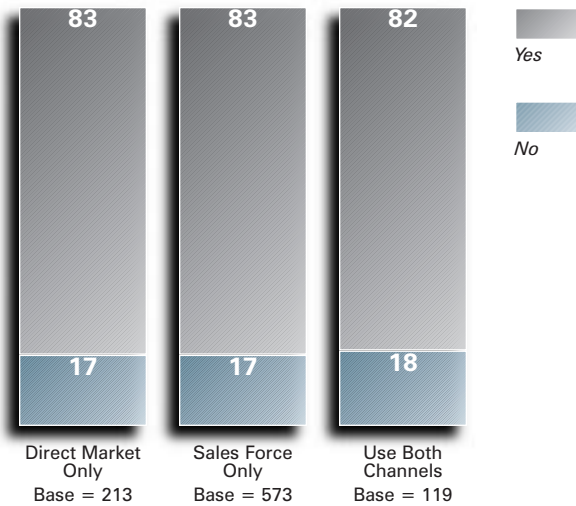


FIGURE 14
RETIREMENT AS GOAL FOR FUND INVESTMENTS
BY PURCHASE CHANNEL
(PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans

FIGURE 15
HOUSEHOLD FINANCIAL CHARACTERISTICS BY PURCHASE CHANNEL

	Direct Market Only	Sales Force Only	Use Both Channels
Median household financial assets*	\$72,500	\$60,000	\$100,000
PERCENT OF HOUSEHOLDS			
Own:**			
Individual stocks	62%	51%	76%
Individual bonds	23	25	38
Annuities (fixed and variable)	21	29	29
Real estate (excluding primary residence)	41	39	54
Have:**			
An IRA	74	70	80
A Keogh or SEP IRA	18	17	24
Willing to take:			
Substantial risk for substantial gain	10	7	12
Above-average risk for above-average gain	40	26	36
Average risk for average gain	44	50	44
No risk at all	6	17	8

*excluding primary residence and assets in employer-sponsored retirement plans

**multiple responses included

Note: Respondent bases vary.

FIGURE 16
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY PURCHASE CHANNEL
 (MEAN PERCENT)

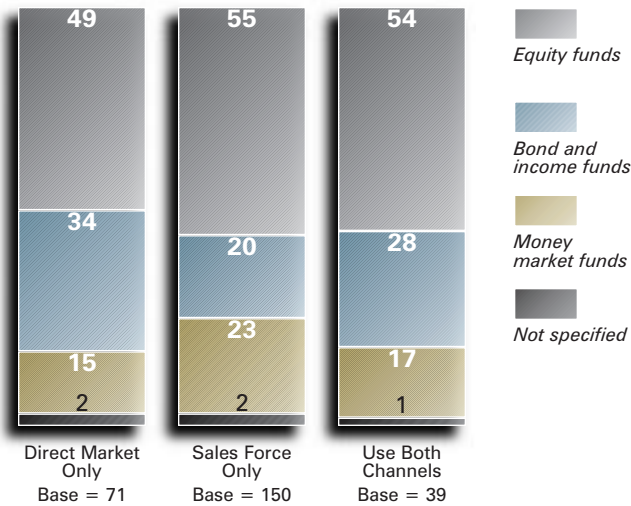
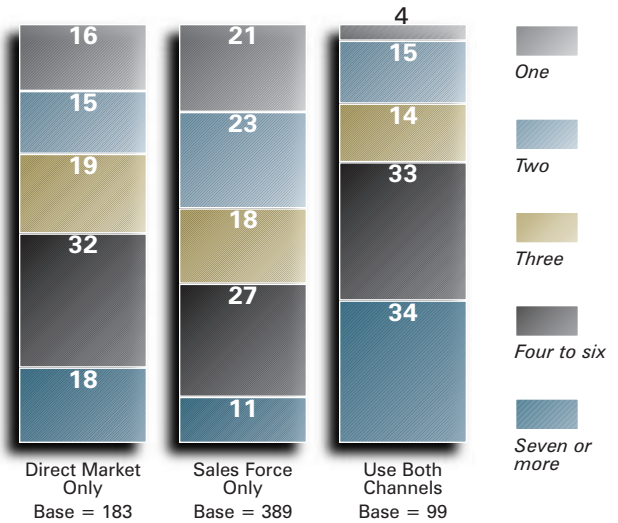


FIGURE 17
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY PURCHASE CHANNEL
 (PERCENT)



Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

FIGURE 18
MUTUAL FUND OWNERSHIP BY PURCHASE CHANNEL

	Direct Market Only	Sales Force Only	Use Both Channels
MEDIAN PER HOUSEHOLD			
Mutual fund assets	\$22,000	\$20,000	\$40,000
Number of funds owned	3	3	5
Number of mutual fund companies in which fund assets are invested	2	2	3
Percent of financial assets invested in mutual funds	28%	33%	40%
PERCENT OF HOUSEHOLDS			
Own:*			
Equity funds	90%	73%	93%
Bond and income funds	51	51	76
Money market funds	44	59	63
Bought first mutual fund:			
Before 1990	66	68	82
Between 1990 and 1992	20	21	11
Since 1993	14	11	17
Account activity in preceding 12 months:*			
Added money to already owned funds	55	44	60
Conducted an exchange	32	25	38
Closed an account	13	11	27

*multiple responses included
 Note: Respondent bases vary.

**MUTUAL FUND SHAREHOLDERS
BY FUND TYPE****EQUITY FUND SHAREHOLDERS**

The typical equity fund shareholder is 44 years old, has a household income of \$60,000 and household financial assets of \$60,000. The typical equity fund shareholder has \$22,000 invested in three mutual funds, representing 37 percent of his or her household financial assets. In addition to owning equity funds, 54 percent of these shareholders also own bond and income funds, and 50 percent own money market funds. Nonetheless, equity fund shareholders keep nearly 60 percent of their mutual fund assets in equity funds.

BOND AND INCOME FUND SHAREHOLDERS

The typical bond and income shareholder is 46 years old, only slightly older than the typical equity fund shareholder. Like the typical equity fund shareholder, the typical bond and income fund shareholder has a household income of \$60,000, but has household financial assets of \$75,000, \$15,000 greater than the typical equity fund shareholder. The typical bond and income fund shareholder owns a total of four mutual funds, compared with three for the typical equity fund shareholder. In addition to owning bond and income funds, 80 percent of these shareholders own equity funds and 56 percent own money market funds. Bond and income fund shareholders generally keep the largest share of their mutual fund assets, 45 percent, in equity funds, while 36 percent is in bond and income funds, and 16 percent is in money market funds.

MONEY MARKET FUND SHAREHOLDERS

Similar to shareholders who own equity and bond and income funds, shareholders who own money market funds are also typically in their mid-forties. However, slightly fewer households owning money market funds have female financial decisionmakers than do households owning bond and income funds. Regardless of sex, though, the typical money market fund shareholder has a household income of \$60,000 and household financial assets of \$65,000. Like the typical equity fund shareholder, the typical money market fund shareholder has \$22,000 invested in mutual funds, representing 34 percent of his or her household financial assets. The typical money market fund shareholder owns four mutual funds. Seventy percent of money market fund shareholders also own equity funds, and 53 percent own bond and income funds. The typical money market mutual fund shareholder has 31 percent of his or her mutual fund assets in money market funds and 66 percent in equity and bond and income funds.

FIGURE 19
HOUSEHOLD DECISIONMAKER FOR INVESTMENTS BY TYPE OF FUND OWNED
(PERCENT)

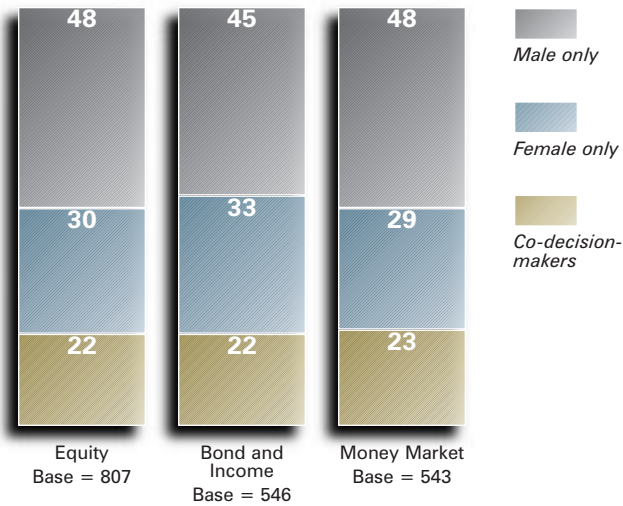
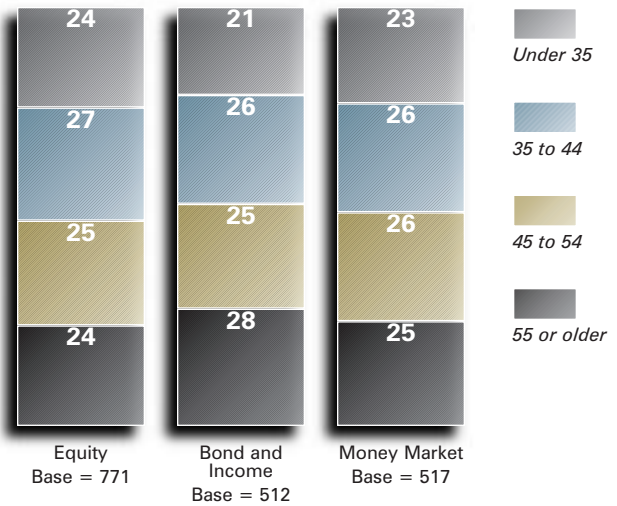


FIGURE 20
AGE OF RESPONDING SHAREHOLDER BY TYPE OF FUND OWNED
(PERCENT)



Note: Respondents can be included in each of the fund types.

FIGURE 21
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY TYPE OF FUND OWNED*

	Equity	Bond and Income	Money Market
MEDIAN			
Age	44	46	45
Household income	\$60,000	\$60,000	\$60,000
PERCENT			
Married	74%	72%	73%
Widowed	5	6	7
Four-year college degree or more	62	64	60
Completed graduate school	22	24	21
Employed (full- or part-time)	81	79	79
Retired from lifetime occupation	18	20	20
Spouse employed (full- or part-time)**	75	74	75
Have children under age 18	43	41	41

*refers to the household's responding financial decisionmaker for mutual fund investments

**percent of married shareholders

Note: Respondents can be included in each of the fund types. Respondent bases vary.

FIGURE 22
HOUSEHOLD FINANCIAL ASSETS BY TYPE OF FUND OWNED*
 (PERCENT)

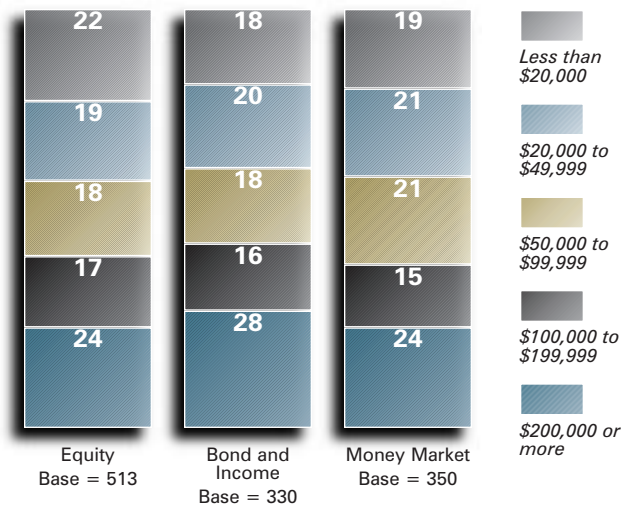
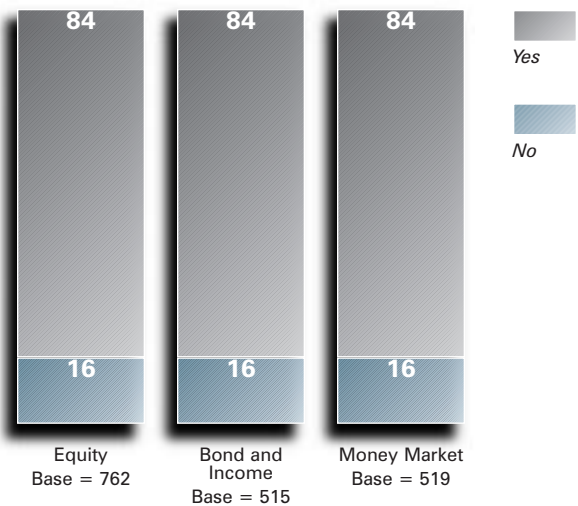


FIGURE 23
RETIREMENT AS GOAL FOR FUND INVESTMENTS BY TYPE OF FUND OWNED
 (PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans
 Note: Respondents can be included in each of the fund types.

FIGURE 24
HOUSEHOLD FINANCIAL CHARACTERISTICS BY TYPE OF FUND OWNED

	Equity	Bond and Income	Money Market
Median household financial assets*	\$60,000	\$75,000	\$65,000
PERCENT OF HOUSEHOLDS			
Own:**			
Individual stocks	61%	59%	56%
Individual bonds	25	33	31
Annuities (fixed and variable)	28	30	29
Real estate (excluding primary residence)	44	45	42
Have:**			
An IRA	72	73	74
A Keogh or SEP IRA	19	21	19
Willing to take:			
Substantial risk for substantial gain	9	7	8
Above-average risk for above-average gain	31	29	29
Average risk for average gain	49	50	47
No risk at all	11	14	16

*excluding primary residence and assets in employer-sponsored retirement plans
 **multiple responses included
 Note: Respondents can be included in each of the fund types. Respondent bases vary.

FIGURE 25
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY TYPE OF FUND OWNED
 (MEAN PERCENT)

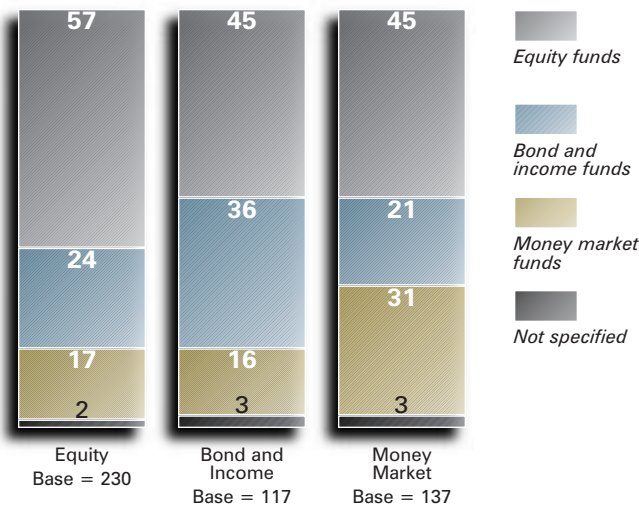
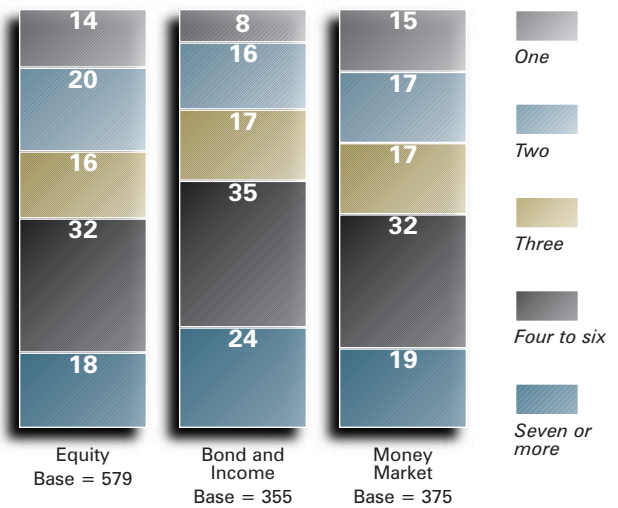


FIGURE 26
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY TYPE OF FUND OWNED*
 (PERCENT)



Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

*Each shareholder classification can include more than one type of fund.

FIGURE 27
MUTUAL FUND OWNERSHIP BY TYPE OF FUND OWNED

	Equity	Bond and Income	Money Market
MEDIAN PER HOUSEHOLD			
Mutual fund assets	\$22,000	\$30,000	\$22,000
Number of funds owned	3	4	4
Number of mutual fund companies in which fund assets are invested	2	2	2
Percent of financial assets invested in mutual funds	37%	40%	34%
PERCENT OF HOUSEHOLDS			
Own:*			
Equity funds	100%	80%	70%
Bond and income funds	54	100	53
Money market funds	50	56	100
Own mutual fund(s) bought through:*			
Sales-force channel	69	74	78
Direct-market channel	41	40	33
Bought first mutual fund:			
Before 1990	71	75	72
Between 1990 and 1992	18	18	17
Since 1993	11	7	11
Account activity in preceding 12 months:*			
Added money to already owned fund	50	54	49
Conducted an exchange	29	33	30
Closed an account	14	15	15

*multiple responses included

Note: Respondents can be included in each of the fund types. Respondent bases vary.

MUTUAL FUND SHAREHOLDERS BY SEX OF
INVESTMENT DECISIONMAKER

MALE SHAREHOLDERS

Males make the investment decisions in 47 percent of fund-owning households.⁴ The typical male shareholder is 43 years old, married, employed, has a household income of \$60,000 and household financial assets of \$60,000. The typical male shareholder has \$20,000 invested in three mutual funds purchased from two companies, representing 33 percent of his household financial assets. Nearly three quarters of male shareholders own equity funds, 47 percent own bond and income funds, and 52 percent own money market funds. The typical male shareholder has 47 percent of his fund assets invested in equity funds, 27 percent in bond and income funds, and 23 percent in money market funds.

Like most shareholders, the typical male shareholder owns mutual funds purchased through the sales-force channel. However, he is also the decisionmaking segment most inclined to own direct-marketed funds.

FEMALE SHAREHOLDERS

Females make the investment decisions in 32 percent of fund-owning households.⁵ The typical female shareholder is 45 years old, two years older than the typical male shareholder. Although she is far more educated than women nationwide,⁶ the typical female shareholder is not as highly educated as the typical male shareholder. Nearly half of female fund owners have four-year college degrees, compared with 63 percent of male shareholders. Only 14 percent of female shareholders have completed graduate school in contrast to 23 percent of male shareholders.

The typical female shareholder has a household income of \$45,000, \$15,000 less than the typical male shareholder. The typical female shareholder's household financial assets of \$40,000 are also lower than those of her male counterpart. The typical female shareholder owns three mutual funds purchased from one mutual fund company, compared with three funds from two fund companies for male shareholders. Female shareholders' ownership of equity, bond and income, and money market funds is fairly similar to that of male shareholders, as is their allocation of assets among the three types of funds. Nevertheless, more female than male shareholders are unwilling to take any financial risk with their investments. Conversely, more male than female shareholders are willing to take substantial financial risk.

CO-DECISIONMAKING SHAREHOLDERS

Investment decisionmaking is a shared responsibility in 21 percent of households.⁷ Similar to the typical male shareholder, the typical co-decisionmaking shareholder is also in his or her mid-forties, has a household income of \$60,000 and household financial assets of \$60,000.

The typical co-decisionmaking shareholder has 37 percent of his or her household financial assets invested in funds, higher than both the 33 percent for the typical male shareholder and the 28 percent for the typical female shareholder. The median dollar amount invested in mutual funds is \$22,000 for co-decisionmaking shareholders, twice as much as the median fund investment of female shareholders. Seventy-six percent of co-decisionmaking shareholders own equity funds, 53 percent own bond and income funds, and 56 percent own money market funds. The median number of funds owned for co-decisionmaking shareholders is three. Co-decisionmaking households typically keep 63 percent of their mutual fund assets invested in equity funds, more than either female or male decisionmakers.

⁴ Referred to as male shareholders.

⁵ Referred to as female shareholders.

⁶ Twenty percent of U.S. women age 25 years and older have completed four years of college or more.

⁷ These individuals are referred to as co-decisionmaking shareholders. Half of responding co-decisionmakers are male, the other half female. Co-decisionmakers were screened to ensure they were the decisionmakers most knowledgeable and responsible for household investments.

FIGURE 28
HOUSEHOLD INCOME BY SEX OF INVESTMENT DECISIONMAKER
(PERCENT)

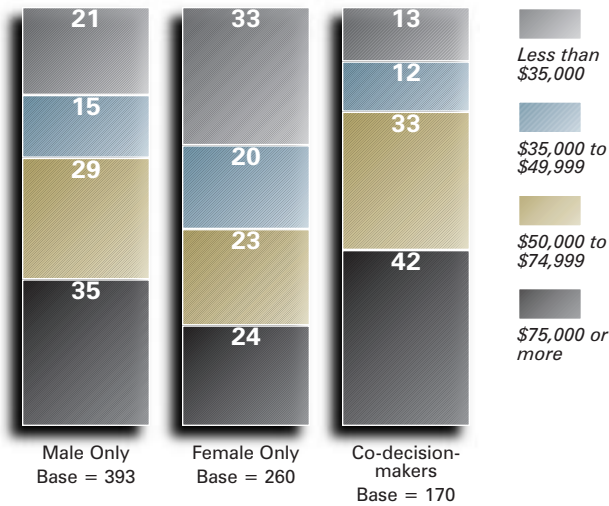


FIGURE 29
AGE OF RESPONDING SHAREHOLDER BY SEX OF INVESTMENT DECISIONMAKER
(PERCENT)

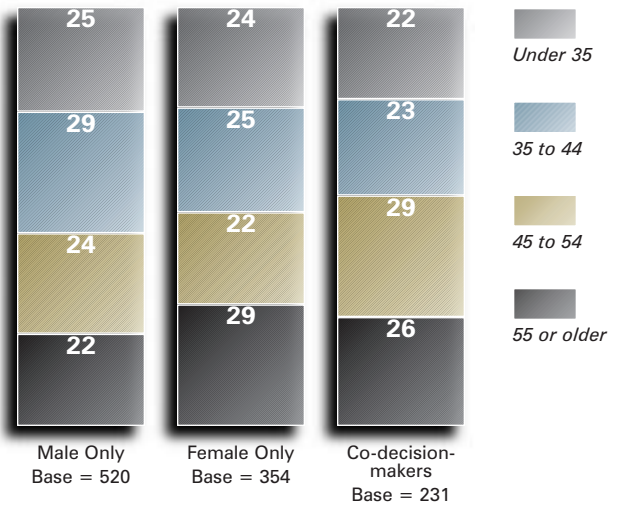


FIGURE 30
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY SEX OF INVESTMENT DECISIONMAKER*

	Male Only	Female Only	Co-decision-makers
MEDIAN			
Age	43	45	46
Household income	\$60,000	\$45,000	\$60,000
PERCENT			
Married	74%	52%	96%
Widowed	2	14	1
Four-year college degree or more	63	49	61
Completed graduate school	23	14	25
Employed (full- or part-time)	85	74	80
Retired from lifetime occupation	18	20	15
Spouse employed (full- or part-time)**	70	83	80
Have children under age 18	42	37	48

*refers to the household's responding financial decisionmaker for mutual fund investments

**percent of married shareholders

Note: Respondent bases vary.

FIGURE 31
HOUSEHOLD FINANCIAL ASSETS BY SEX OF INVESTMENT DECISIONMAKER*
(PERCENT)

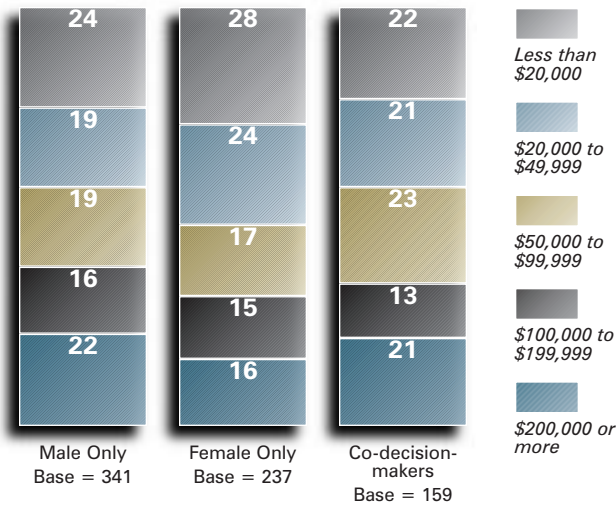
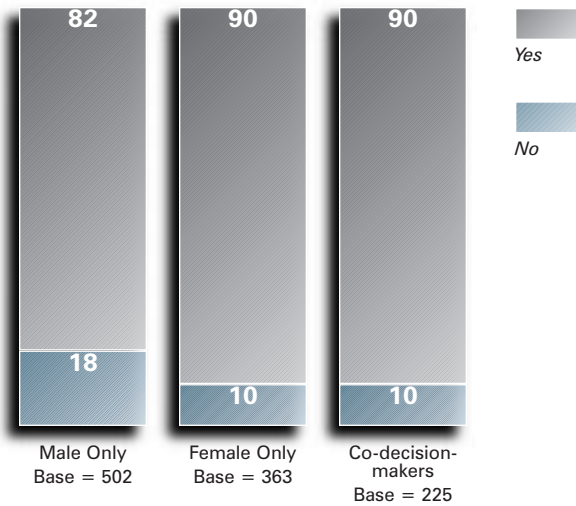


FIGURE 32
RETIREMENT AS GOAL FOR FUND INVESTMENTS BY SEX OF INVESTMENT DECISIONMAKER
(PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans

FIGURE 33
HOUSEHOLD FINANCIAL CHARACTERISTICS BY SEX OF INVESTMENT DECISIONMAKER

	Male Only	Female Only	Co-decision-makers
Median household financial assets*	\$60,000	\$40,000	\$60,000
PERCENT OF HOUSEHOLDS			
Own:**			
Individual stocks	59%	49%	53%
Individual bonds	23	25	27
Annuities (fixed and variable)	25	26	31
Real estate (excluding primary residence)	40	41	42
Have:**			
An IRA	72	70	75
A Keogh or SEP IRA	18	17	18
Willing to take:			
Substantial risk for substantial gain	11	5	4
Above-average risk for above-average gain	32	20	29
Average risk for average gain	46	51	52
No risk at all	11	24	15

*excluding primary residence and assets in employer-sponsored retirement plans

**multiple responses included

Note: Respondent bases vary.

FIGURE 34
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY SEX OF INVESTMENT DECISIONMAKER
 (MEAN PERCENT)

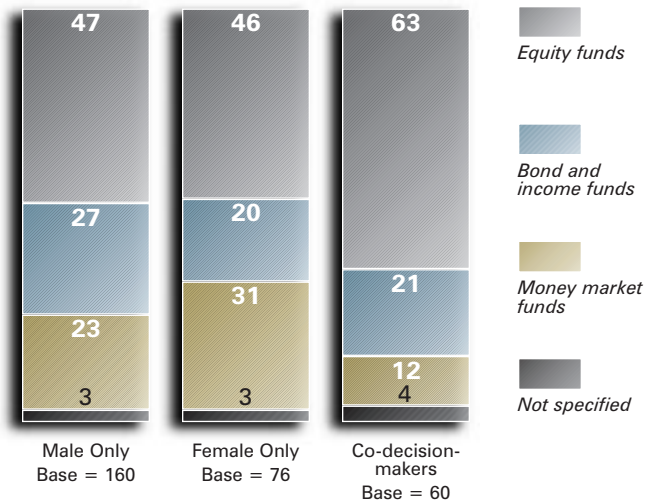
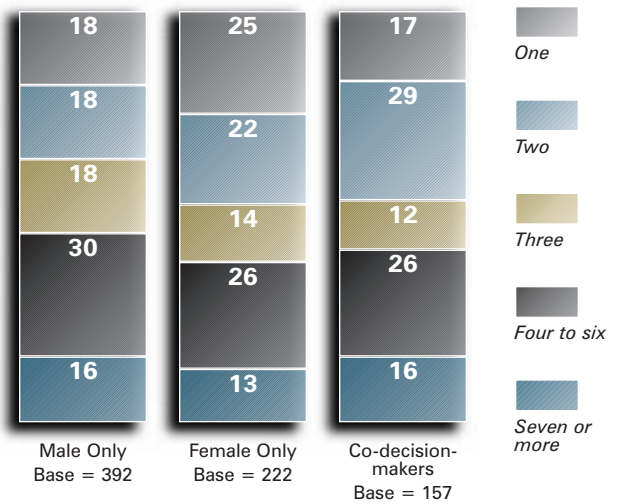


FIGURE 35
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY SEX OF INVESTMENT DECISIONMAKER
 (PERCENT)



Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

FIGURE 36
MUTUAL FUND OWNERSHIP BY SEX OF INVESTMENT DECISIONMAKER

	Male Only	Female Only	Co-decision-makers
MEDIAN PER HOUSEHOLD			
Mutual fund assets	\$20,000	\$11,000	\$22,000
Number of funds owned	3	3	3
Number of mutual fund companies in which fund assets are invested	2	1	2
Percent of financial assets invested in mutual funds	33%	28%	37%
PERCENT OF HOUSEHOLDS			
Own:*			
Equity funds	74%	71%	76%
Bond and income funds	47	51	53
Money market funds	52	48	56
Own mutual fund(s) bought through:*			
Sales-force channel	67	77	76
Direct-market channel	40	31	32
Bought first mutual fund:			
Before 1990	70	65	72
Between 1990 and 1992	20	21	17
Since 1993	10	14	11
Account activity in preceding 12 months:*			
Added money to already owned fund	49	42	47
Conducted an exchange	25	25	26
Closed an account	15	10	11

*multiple responses included
 Note: Respondent bases vary.

MUTUAL FUND SHAREHOLDERS BY GENERATION⁸

GENERATION X SHAREHOLDERS

Twelve percent of mutual fund shareholders were born in 1965 or later, making them members of Generation X (ages 18 to 30). The typical Generation X shareholder is 28 years old, has a household income of \$50,000 and household financial assets of \$16,000. The majority of Generation X shareholders are married, employed, and college graduates.

The typical Generation X shareholder has \$6,000 invested in three funds from a single company, representing 38 percent of his or her household financial assets. Seventy percent of Generation X shareholders own sales force-distributed funds and 30 percent own direct-marketed funds. As a group, 70 percent of Generation X shareholders own equity funds, 44 percent own bond and income funds, and 52 percent own money market funds.

BABY BOOM GENERATION SHAREHOLDERS

Fifty-three percent of all shareholders are members of the Baby Boom Generation, which includes individuals born between 1946 and 1964, or ages 31 to 49. The typical Baby Boom Generation shareholder is college educated, 40 years old, and has a household income of \$60,000 and household financial assets of \$45,000. Most fund-owning Boomers are married and have children under age 18.

The typical Baby Boom shareholder keeps \$12,000, or 27 percent, of his or her household financial assets invested in funds, almost half of which is in equity funds. The typical Baby Boom shareholder owns three mutual funds purchased from two companies. Baby Boomers' ownership of equity, bond and income, and money market funds is similar to that of Generation X shareholders. However, more Baby Boomer than Generation X shareholders have bought funds through the direct-market channel.

SILENT GENERATION SHAREHOLDERS

Twenty-eight percent of mutual fund shareholders are members of the Silent Generation, which includes individuals born from 1925 to 1945, or ages 50 to 70. The typical Silent Generation shareholder is 57 years old and has a household income of \$59,000, only \$1,000 less than that of the typical Baby Boom shareholder. In contrast to Generation X and Baby Boom shareholders, fewer Silent Generation shareholders have completed four years of college and fewer are employed. As a group, 65 percent of Silent Generation shareholders are employed, while 36 percent are retired.

The typical Silent Generation shareholder has accumulated household financial assets of \$100,000, of which \$42,000, or 42 percent, is invested in three funds from two fund companies. Silent Generations' ownership of equity, bond and income, and money market funds is similar to that of Generation X and Baby Boom shareholders. However, Silent Generation shareholders typically keep a greater share of mutual fund assets in equity funds than do other shareholders.

GI GENERATION SHAREHOLDERS

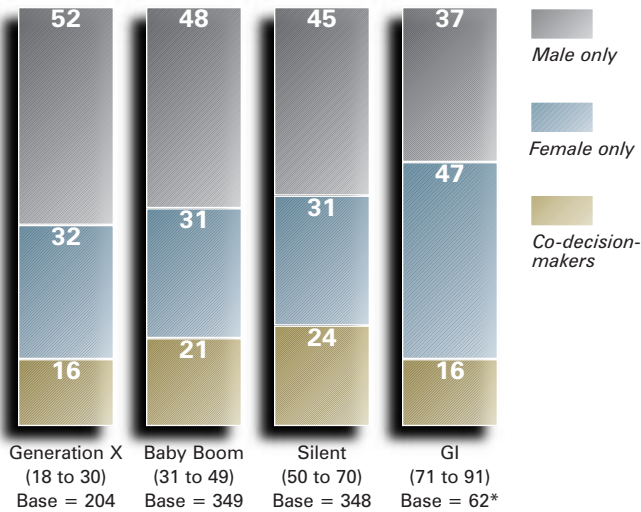
GI Generation shareholders were born between 1904 and 1924 and entered adulthood during World War II. Ages 71 to 91, they represent 6 percent of all shareholders.⁹ The typical GI Generation shareholder is 76 years old, retired, and has a household income of \$37,000 and household financial assets of \$200,000. More than 60 percent of GI Generation shareholders are married, but 28 percent are widowed.

The typical GI Generation shareholder has \$49,000, or 25 percent, of his or her household financial assets invested in five funds from two companies. Although GI Generation shareholders tend to be more risk averse than younger shareholders, they typically keep 77 percent of their mutual fund assets in long-term (stock or bond and income) funds and 23 percent in money market funds.

⁸ This chapter does not describe the 1 percent of respondents who were members of the Lost Generation, which includes individuals born between 1903 and 1923.

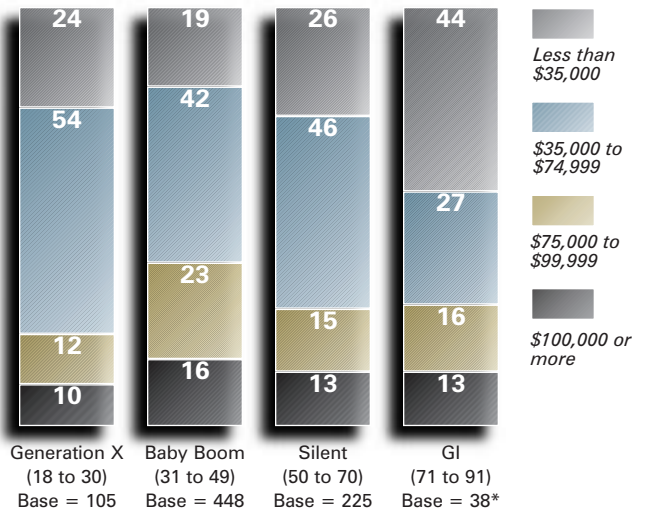
⁹ The sample size for GI Generation shareholders is small—only 62 out of 1,165 respondents fell into this age group. Hence, findings relating to this age group are noteworthy but not necessarily statistically significant.

FIGURE 37
HOUSEHOLD DECISIONMAKER FOR INVESTMENTS BY GENERATION
 (PERCENT)



*small sample size

FIGURE 38
HOUSEHOLD INCOME BY GENERATION
 (PERCENT)



*small sample size

FIGURE 39
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY GENERATION*

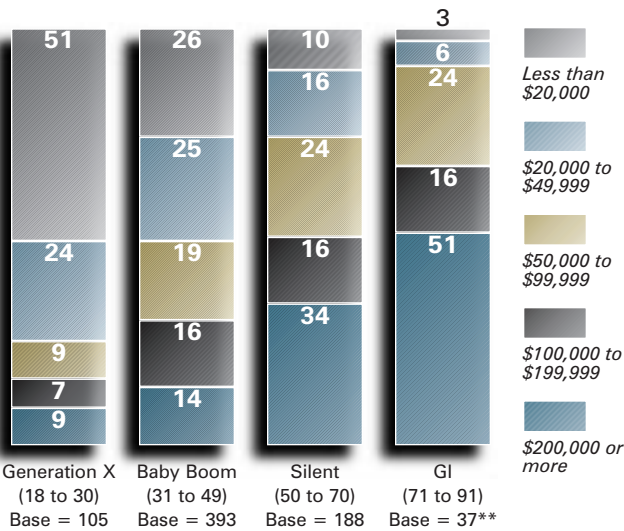
	Generation X (ages 18 to 30)	Baby Boom (ages 31 to 49)	Silent (ages 50 to 70)	GI (ages 71 to 91)
MEDIAN				
Age	28	40	57	76
Household income	\$50,000	\$60,000	\$59,000	\$37,000
PERCENT				
Married	59%	73%	74%	62%
Widowed	0	2	11	28
Four-year college degree or more	65	61	49	53
Completed graduate school	15	21	20	22
Employed (full- or part-time)	95	92	65	12
Retired from lifetime occupation	4	4	36	90
Spouse employed (full- or part-time)**	92	83	66	14
Have children under age 18	34	61	17	10

*refers to the household's responding financial decisionmaker for mutual fund investments

**percent of married shareholders

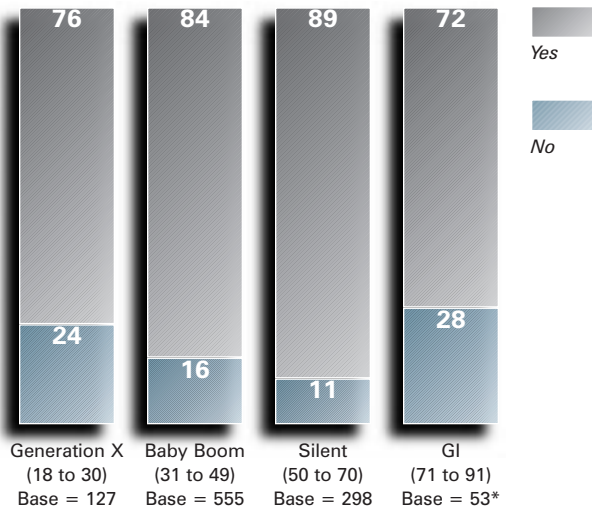
Note: Respondent bases vary.

FIGURE 40
HOUSEHOLD FINANCIAL ASSETS
BY GENERATION*
 (PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans
 **small sample size

FIGURE 41
RETIREMENT AS GOAL FOR FUND
INVESTMENTS BY GENERATION
 (PERCENT)



*small sample size

FIGURE 42
HOUSEHOLD FINANCIAL CHARACTERISTICS BY GENERATION

	Generation X (ages 18 to 30)	Baby Boom (ages 31 to 49)	Silent (ages 50 to 70)	GI (ages 71 to 91)
Median household financial assets*	\$16,000	\$45,000	\$100,000	\$200,000
PERCENT OF HOUSEHOLDS				
Own:**				
Individual stocks	45%	55%	56%	58%
Individual bonds	18	25	24	36
Annuities (fixed and variable)	12	24	34	36
Real estate (excluding primary residence)	28	37	52	37
Have:**				
An IRA	61	70	79	65
A Keogh or SEP IRA	8	19	18	8
Willing to take:				
Substantial risk for substantial gain	13	9	3	2
Above-average risk for above-average gain	40	32	18	13
Average risk for average gain	37	47	56	50
No risk at all	10	12	23	35

*excluding primary residence and assets in employer-sponsored retirement plans
 **multiple responses included
 Note: Respondent bases vary.

FIGURE 43
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY GENERATION
 (MEAN PERCENT)

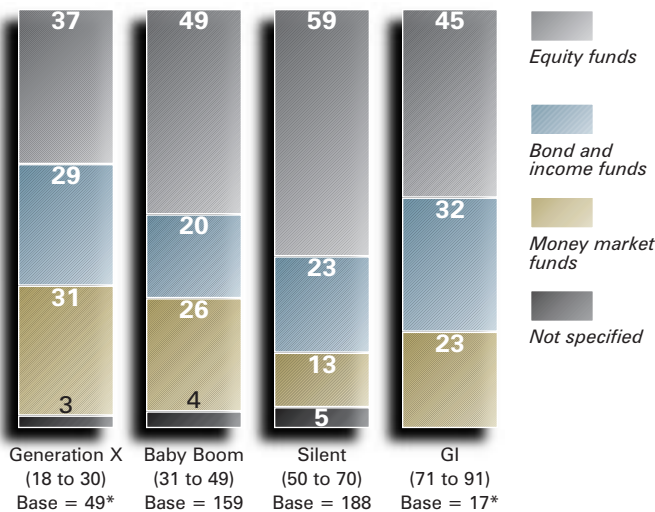
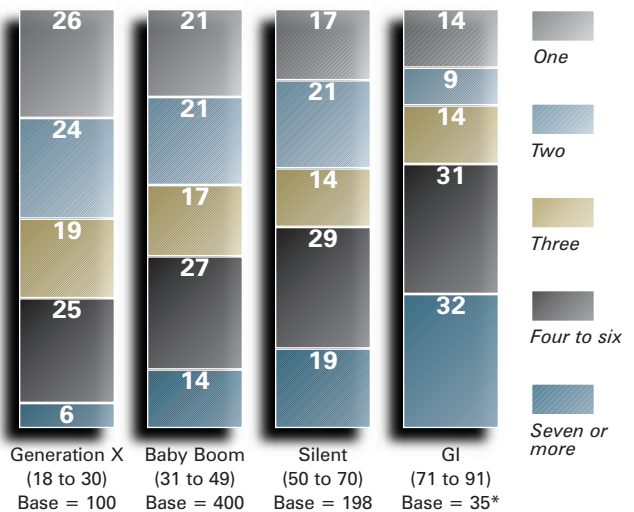


FIGURE 44
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY GENERATION
 (PERCENT)



*small sample size

Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

*small sample size

FIGURE 45
MUTUAL FUND OWNERSHIP BY GENERATION

	Generation X (ages 18 to 30)	Baby Boom (ages 31 to 49)	Silent (ages 50 to 70)	GI (ages 71 to 91)
MEDIAN PER HOUSEHOLD				
Mutual fund assets	\$6,000	\$12,000	\$42,000	\$49,000
Number of funds owned	3	3	3	5
Number of mutual fund companies in which fund assets are invested	1	2	2	2
Percent of financial assets invested in mutual funds	38%	27%	42%	25%
PERCENT OF HOUSEHOLDS				
Own:*				
Equity funds	70%	77%	72%	76%
Bond and income funds	4	48	52	52
Money market funds	52	51	51	66
Own mutual fund(s) bought through:*				
Sales-force channel	70	70	77	74
Direct-market channel	30	39	33	37
Bought first mutual fund:				
Before 1990	36	65	85	87
Between 1990 and 1992	39	21	10	13
Since 1993	25	14	5	0
Account activity in preceding 12 months:*				
Added money to already owned fund	48	49	41	40
Conducted an exchange	22	24	28	31
Closed an account	12	10	16	16

*multiple responses included
 Note: Respondent bases vary.

MUTUAL FUND SHAREHOLDERS BY HOUSEHOLD INCOME

SHAREHOLDERS WITH HOUSEHOLD INCOMES LESS THAN \$40,000

Twenty-nine percent of mutual fund shareholders have household incomes below \$40,000. The typical shareholder with a household income below \$40,000 is 43 years old, a high school graduate, and not married.¹⁰ The median household financial assets for shareholders in this income category is \$30,000, of which 33 percent is invested in mutual funds. Shareholders with household incomes below \$40,000 typically allocate mutual fund assets among two mutual funds purchased from one fund company. Altogether, 64 percent of shareholders with household incomes below \$40,000 own equity funds, 39 percent own bond and income funds, and 49 percent own money market funds.

SHAREHOLDERS WITH HOUSEHOLD INCOMES BETWEEN \$40,000 AND \$75,000

Shareholders with household incomes between \$40,000 and \$75,000 represent 38 percent of shareholders. The typical shareholder with a household income in this category is 43 years old, married, and a college graduate. Shareholders with incomes of \$40,000 to \$75,000 also tend to have greater household financial assets than do shareholders with household incomes below \$40,000—a median of \$45,000 compared with \$30,000, respectively.

The typical shareholder with an income of \$40,000 to \$75,000 keeps 40 percent of his or her household financial assets invested in three funds purchased from two companies. As a group, 72 percent of shareholders with household incomes between \$40,000 and \$75,000 own equity funds, 46 percent own bond and income funds, and 50 percent own money market funds.

SHAREHOLDERS WITH HOUSEHOLD INCOMES OF \$75,000 OR MORE

Thirty-three percent of shareholders have household incomes of \$75,000 or more. The typical shareholder with a household income of \$75,000 or more is 43 years old, married, and a college graduate. As a group, 74 percent of shareholders in this upper income category have completed college, compared with 38 percent of shareholders in the lowest income group.

The median household financial assets of shareholders with incomes of \$75,000 or more is \$100,000, more than double that of shareholders with household incomes between \$40,000 and \$75,000. Shareholders in this high income group keep 40 percent of their household financial assets invested in four funds purchased from two companies. Eighty percent of shareholders with household incomes of \$75,000 or more own equity funds, 53 percent own bond and income funds, and 56 percent own money market funds.

With their relatively large financial portfolios, it is not surprising that shareholders with household incomes in this highest category are the segment most likely to own shares of individual stock. They are also more likely to own bonds, annuities, and investment real estate than are other shareholders.

¹⁰ As in earlier chapters, medians are used to describe the “typical” shareholder for a particular segment of the shareholder population. Because shareholders with household incomes below \$40,000 include two very different groups—those who are young and employed and those who are old and retired—data about the “typical” shareholder with a household income below \$40,000 should be used with caution.

FIGURE 46
HOUSEHOLD DECISIONMAKER FOR INVESTMENTS BY HOUSEHOLD INCOME
 (PERCENT)

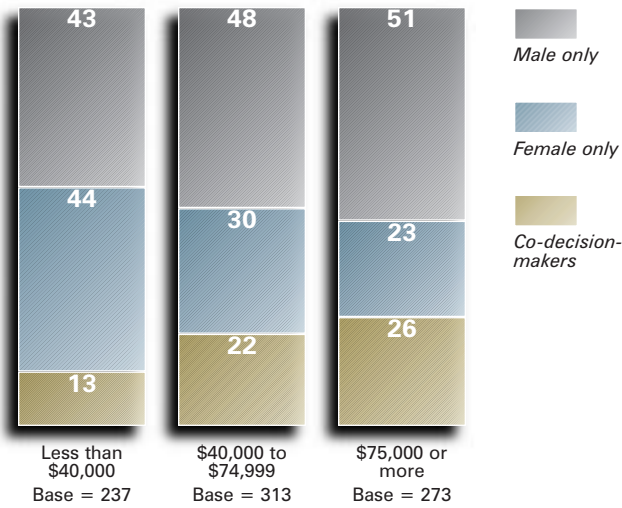


FIGURE 47
AGE OF RESPONDING SHAREHOLDER BY HOUSEHOLD INCOME
 (PERCENT)

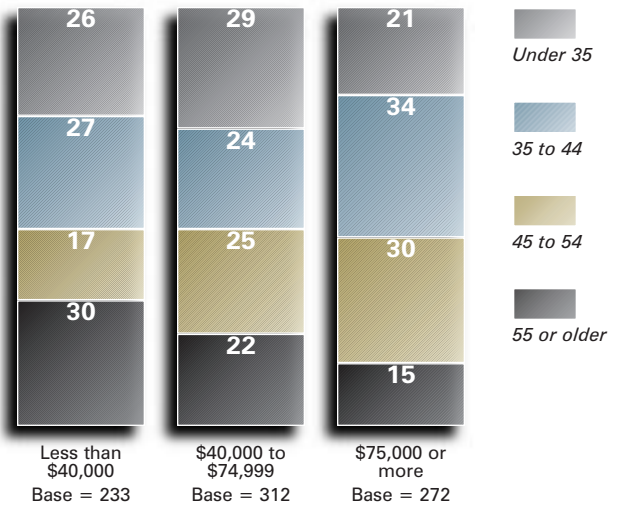


FIGURE 48
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY HOUSEHOLD INCOME*

	Less than \$40,000	\$40,000 to \$74,999	\$75,000 or more
MEDIAN			
Age	43	43	43
PERCENT			
Married	49%	73%	86%
Widowed	9	4	2
Four-year college degree or more	38	57	74
Completed graduate school	10	16	31
Employed (full- or part-time)	76	81	90
Retired from lifetime occupation	22	16	9
Spouse employed (full- or part-time)**	61	78	85
Have children under age 18	39	41	50

*refers to the household's responding financial decisionmaker for mutual fund investments
 **percent of married shareholders
 Note: Respondent bases vary.

FIGURE 49
HOUSEHOLD FINANCIAL ASSETS BY
HOUSEHOLD INCOME*
 (PERCENT)

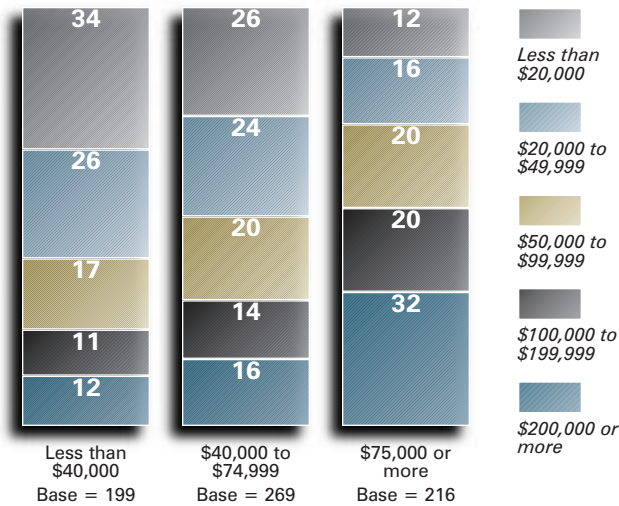
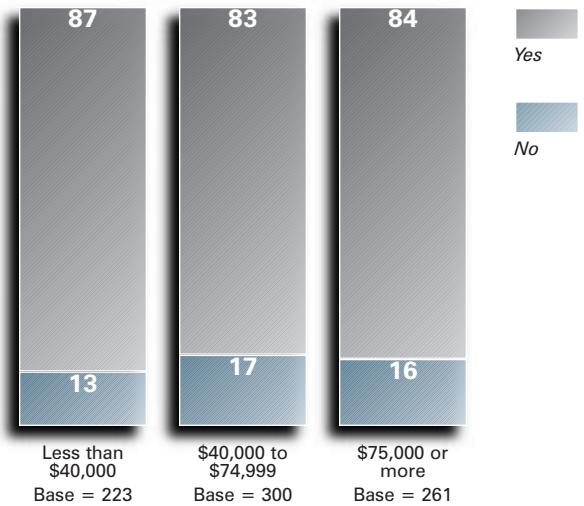


FIGURE 50
RETIREMENT AS GOAL FOR FUND
INVESTMENTS BY HOUSEHOLD INCOME
 (PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans

FIGURE 51
HOUSEHOLD FINANCIAL CHARACTERISTICS BY HOUSEHOLD INCOME

	Less than \$40,000	\$40,000 to \$74,999	\$75,000 or more
Median household financial assets*	\$30,000	\$45,000	\$100,000
PERCENT OF HOUSEHOLDS			
Own:**			
Individual stocks	42%	51%	66%
Individual bonds	19	27	28
Annuities (fixed and variable)	18	27	30
Real estate (excluding primary residence)	32	35	50
Have:**			
An IRA	63	71	73
A Keogh or SEP IRA	7	15	28
Willing to take:			
Substantial risk for substantial gain	9	6	9
Above-average risk for above-average gain	19	28	37
Average risk for average gain	48	52	44
No risk at all	24	14	10

*excluding primary residence and assets in employer-sponsored retirement plans

**multiple responses included

Note: Respondent bases vary.

FIGURE 52
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY HOUSEHOLD INCOME
 (MEAN PERCENT)

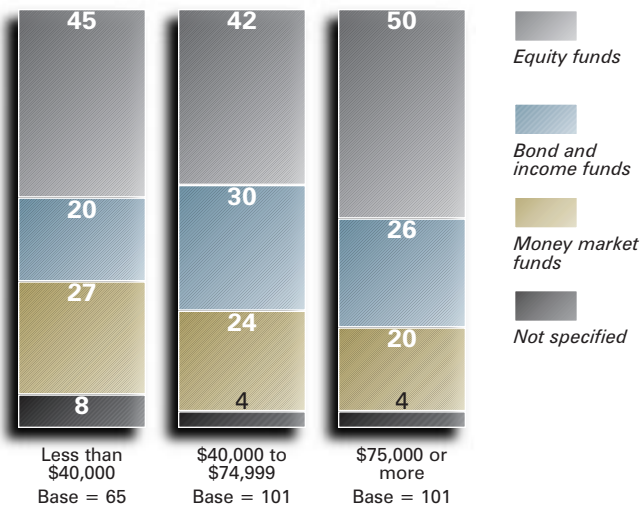
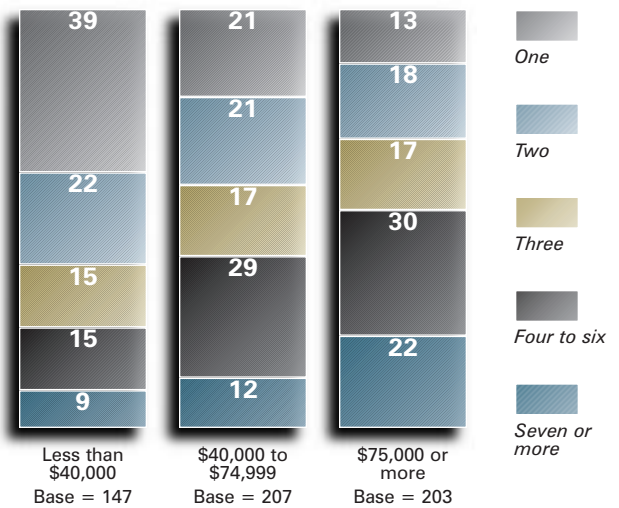


FIGURE 53
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY HOUSEHOLD INCOME
 (PERCENT)



Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

FIGURE 54
MUTUAL FUND OWNERSHIP BY HOUSEHOLD INCOME

	Less than \$40,000	\$40,000 to \$74,999	\$75,000 or more
MEDIAN PER HOUSEHOLD			
Mutual fund assets	\$10,000	\$18,000	\$40,000
Number of funds owned	2	3	4
Number of mutual fund companies in which fund assets are invested	1	2	2
Percent of financial assets invested in mutual funds	33%	40%	40%
PERCENT OF HOUSEHOLDS			
Own:*			
Equity funds	64%	72%	80%
Bond and income funds	39	46	53
Money market funds	49	50	56
Own mutual fund(s) bought through:*			
Sales-force channel	73	72	70
Direct-market channel	32	32	43
Bought first mutual fund:			
Before 1990	63	65	73
Between 1990 and 1992	21	22	19
Since 1993	16	13	8
Account activity in preceding 12 months:*			
Added money to already owned fund	33	41	57
Conducted an exchange	19	24	29
Closed an account	9	12	12

*multiple responses included
 Note: Respondent bases vary.

MUTUAL FUND SHAREHOLDERS BY TENURE IN FUNDS

NEW SHAREHOLDERS

New shareholders, defined as those who purchased their first mutual fund since January 1993, account for 12 percent of all fund owners. The typical new shareholder is 37 years old, married, employed, and has a household income of \$50,000 and household financial assets of \$20,000. However, fewer new shareholders are married and more are employed than the average seasoned shareholder. Just 4 percent of new shareholders are retired, compared with almost one fifth of seasoned shareholders.

The median amount invested in mutual funds by new shareholders is \$5,000, or 25 percent of their median household financial assets. New shareholders typically allocate mutual fund assets among two mutual funds purchased from a single company. As a group, 69 percent of new shareholders own equity funds, 50 percent own money market funds, and 31 percent own bond and income funds. The typical new shareholder keeps the majority of his or her fund assets in long-term funds, with 57 percent of fund assets invested in equity funds. Many new shareholders do not own investments other than mutual funds. For example, less than half of new shareholders own individual stocks, less than a quarter own investment real estate, and only 16 percent own individual bonds.

SEASONED SHAREHOLDERS

Seasoned shareholders, defined as those who bought their first mutual fund before 1993, represent 88 percent of all fund owners. The typical seasoned shareholder is 45 years old, eight years older than the typical new shareholder. Predictably, seasoned shareholders tend to have greater household incomes and household financial assets than new shareholders. The median household income of seasoned shareholders is \$60,000, compared with \$50,000 for new shareholders.

The typical seasoned shareholder has 37 percent of his or her household financial assets invested in funds, much more than the typical new shareholder's 25 percent. Seasoned shareholders have median mutual fund assets of \$22,000, more than four times greater than that of new shareholders. Hence, it is not surprising that the median number of funds that seasoned shareholders own is three, and that more seasoned shareholders own nonfund investments than do new shareholders. Nevertheless, seasoned shareholders are more risk averse than new shareholders. Only about a third of seasoned shareholders portray themselves as willing to take at least above-average risk for above-average gain, whereas more than half of new shareholders describe themselves this way.

FIGURE 55
HOUSEHOLD DECISIONMAKER FOR INVESTMENTS BY TENURE IN FUNDS
 (PERCENT)

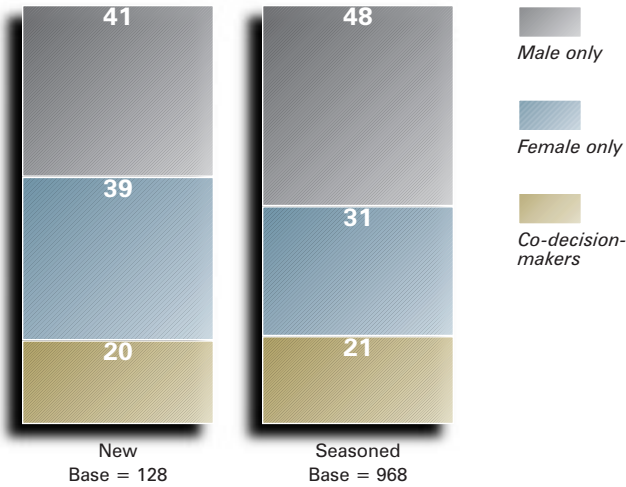
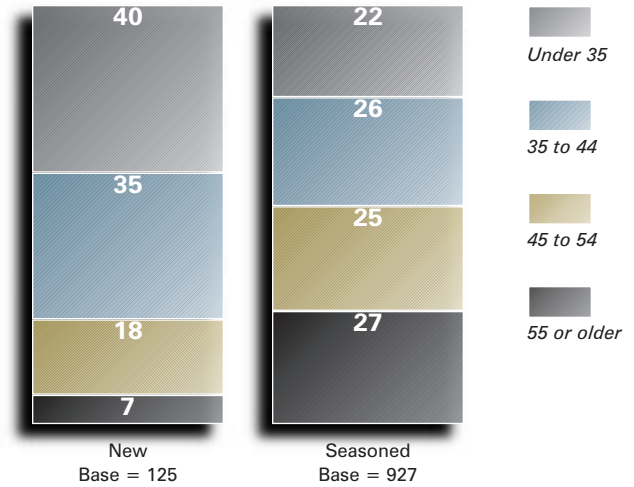


FIGURE 56
AGE OF RESPONDING SHAREHOLDER BY TENURE IN FUNDS
 (PERCENT)



Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993.

Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993.

FIGURE 57
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY TENURE IN FUNDS*

	New	Seasoned
MEDIAN		
Age	37	45
Household income	\$50,000	\$60,000
PERCENT		
Married	63%	72%
Widowed	4	6
Four-year college degree or more	50	60
Completed graduate school	20	21
Employed (full- or part-time)	90	80
Retired from lifetime occupation	4	19
Spouse employed (full- or part-time)**	82	75
Have children under age 18	45	42

*refers to the household's responding financial decisionmaker for mutual fund investments

**percent of married shareholders

Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993.

FIGURE 58
HOUSEHOLD FINANCIAL ASSETS BY
TENURE IN FUNDS*
 (PERCENT)

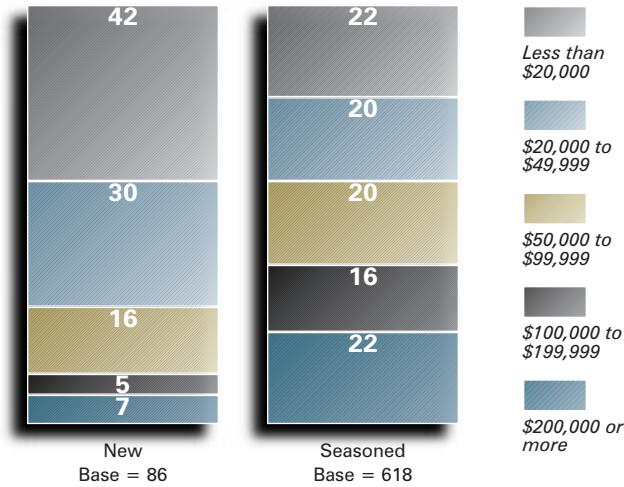
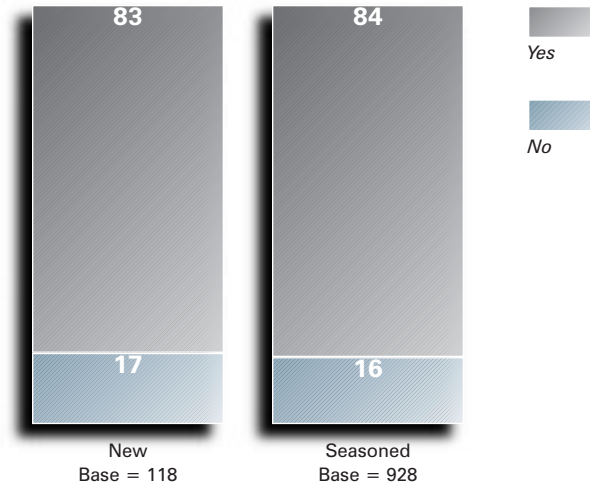


FIGURE 59
RETIREMENT AS GOAL FOR FUND
INVESTMENTS BY TENURE IN FUNDS
 (PERCENT)



*excludes primary residents and assets in employer-sponsored retirement plans
 Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993.

Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993.

FIGURE 60
HOUSEHOLD FINANCIAL CHARACTERISTICS BY TENURE IN FUNDS

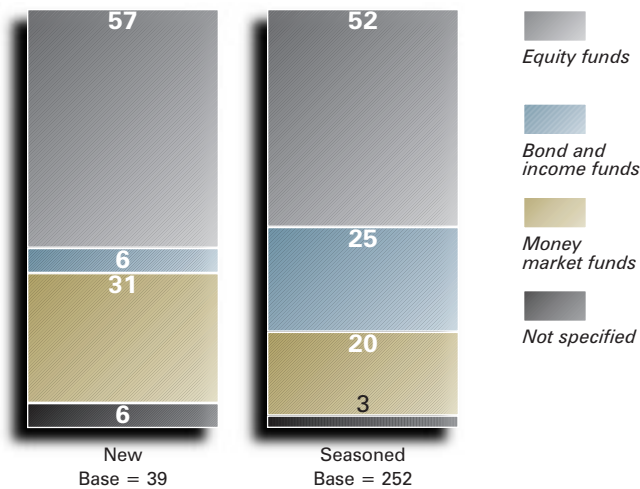
	New	Seasoned
Median household financial assets*	\$20,000	\$60,000
PERCENT OF HOUSEHOLDS		
Own:**		
Individual stocks	43%	56%
Individual bonds	16	26
Annuities (fixed and variable)	16	28
Real estate (excluding primary residence)	23	43
Have:**		
An IRA	57	74
A Keogh or SEP IRA	11	18
Willing to take:		
Substantial risk for substantial gain	17	6
Above-average risk for above-average gain	35	28
Average risk for average gain	38	51
No risk at all	10	15

*excluding primary residence and assets in employer-sponsored retirement plan assets

**multiple responses included

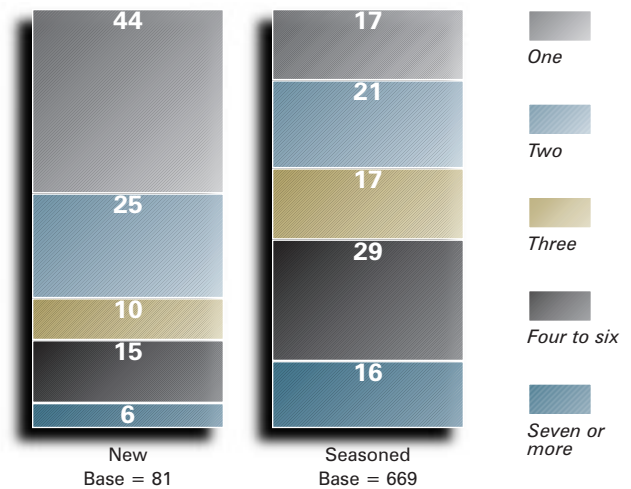
Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993. Respondent bases vary.

FIGURE 61
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY TENURE IN FUNDS
 (MEAN PERCENT)



Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993. The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

FIGURE 62
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY TENURE IN FUNDS
 (PERCENT)



Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993.

FIGURE 63
MUTUAL FUND OWNERSHIP BY TENURE IN FUNDS

	New	Seasoned
MEDIAN PER HOUSEHOLD		
Mutual fund assets	\$5,000	\$22,000
Number of funds owned	2	3
Number of mutual fund companies in which fund assets are invested	1	2
Percent of financial assets invested in mutual funds	25%	37%
PERCENT OF HOUSEHOLDS		
Own:*		
Equity funds	69%	75%
Bond and income funds	31	52
Money market funds	50	53
Own mutual fund(s) bought through:*		
Sales-force channel	66	73
Direct-market channel	35	36
Account activity in preceding 12 months:*		
Added money to already owned fund	36	48
Conducted an exchange	15	27
Closed an account	11	13

*multiple responses included
 Note: New shareholders bought their first fund on or after January 1, 1993; seasoned shareholders bought before 1993. Respondent bases vary.

MUTUAL FUND SHAREHOLDERS BY REGION

NORTHEASTERN SHAREHOLDERS

Eighteen percent of shareholders reside in the Northeast. The typical Northeastern shareholder is 43 years old, married, employed, has a college degree, and has a household income of \$60,000 and household financial assets of \$50,000. The typical shareholder living in the Northeast has \$20,000, or 40 percent, of his or her household financial assets invested in funds. Roughly two thirds of Northeastern shareholders own sales force-distributed funds and 40 percent own direct-marketed funds, a proportion greater than that for other shareholders.

MIDWEST SHAREHOLDERS

Twenty-nine percent of shareholders live in the Midwest. Like the typical Northeastern shareholder, the typical Midwestern shareholder is also married and employed. Unlike the typical Northeastern shareholder, however, the typical Midwestern shareholder does not have a college degree. The median household income of shareholders living in the Midwest is \$52,000, the lowest of all four regions. Nevertheless, Midwestern shareholders' median household financial assets are \$50,000, the same as the median for Northeastern and Southern shareholders. The typical Midwestern shareholder keeps \$12,000, or 24 percent, of his or her household financial assets invested in funds. Similar to other shareholders, the median number of funds owned by Midwestern shareholders is three. Three quarters of shareholders in the Midwest own sales force-distributed funds and 31 percent own direct-marketed funds.

SOUTHERN SHAREHOLDERS

Thirty percent of shareholders live in the South. The typical Southern shareholder is 44 years old, married, employed and has a four-year college degree. Southern shareholders' median household income is \$60,000 and median household financial assets are \$50,000, similar to that of shareholders in the Northeast. Southern shareholders typically have more money in mutual funds, both as a percent of assets and as a total dollar amount. The typical Southern shareholder keeps \$22,000, or 44 percent, of his or her household financial assets invested in mutual funds. Seventy-one percent of shareholders in the South own sales force-distributed funds and 35 percent own direct-marketed funds.

WESTERN SHAREHOLDERS

Twenty-three percent of shareholders live in the West. The typical Western shareholder is 45 years old, and, similar to those counterparts residing in the South and Northeast, is married, employed, has a college degree, and household income of \$60,000. Median household financial assets of Western shareholders are \$70,000, the greatest of all shareholders. Shareholders living in the West keep \$20,000, or 29 percent, of household financial assets invested in mutual funds. Almost three quarters own sales force-distributed funds and 38 percent own direct-marketed funds.

FIGURE 64
HOUSEHOLD DECISIONMAKER FOR INVESTMENTS BY REGION
 (PERCENT)

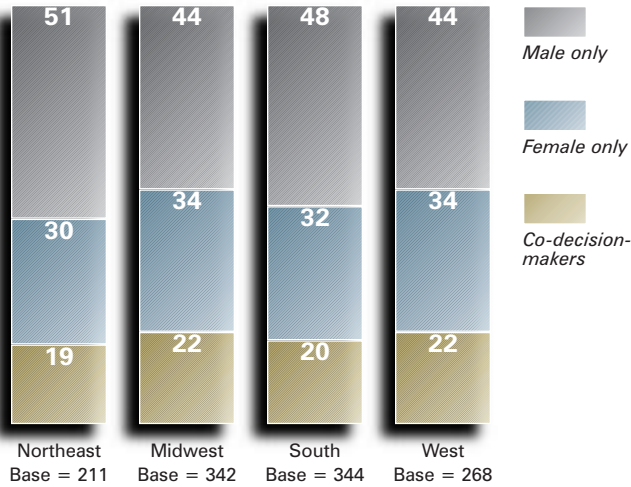


FIGURE 65
AGE OF RESPONDING SHAREHOLDER BY REGION
 (PERCENT)

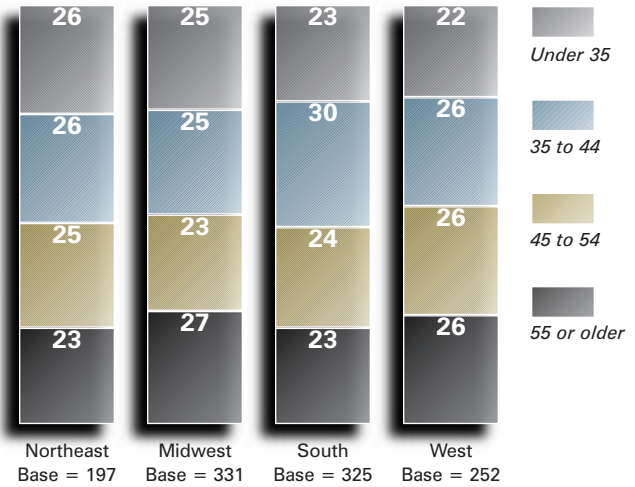


FIGURE 66
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY REGION*

	Northeast	Midwest	South	West
MEDIAN				
Age	43	45	44	45
Household income	\$60,000	\$52,000	\$60,000	\$60,000
PERCENT				
Married	71%	72%	71%	70%
Widowed	3	6	5	8
Four-year college degree or more	64	48	63	61
Completed graduate school	20	16	21	26
Employed (full- or part-time)	82	81	78	80
Retired from lifetime occupation	15	16	20	19
Spouse employed (full- or part-time)**	76	75	76	77
Have children under age 18	42	42	44	38

*refers to the household's responding financial decisionmaker for mutual fund investments
 **percent of married shareholders
 Note: Respondent bases vary.

FIGURE 67
HOUSEHOLD FINANCIAL ASSETS
BY REGION*
(PERCENT)

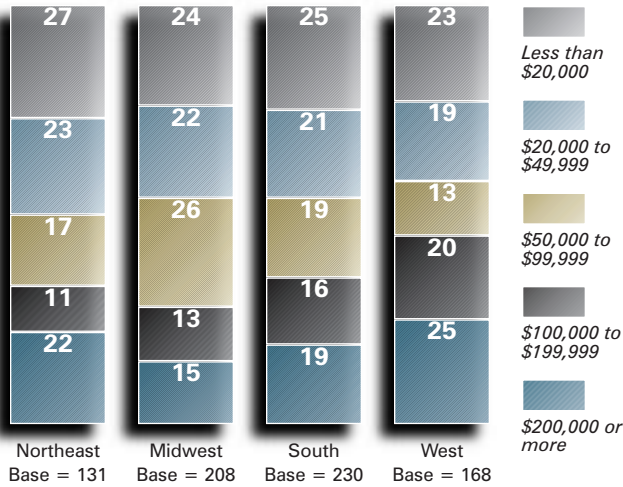
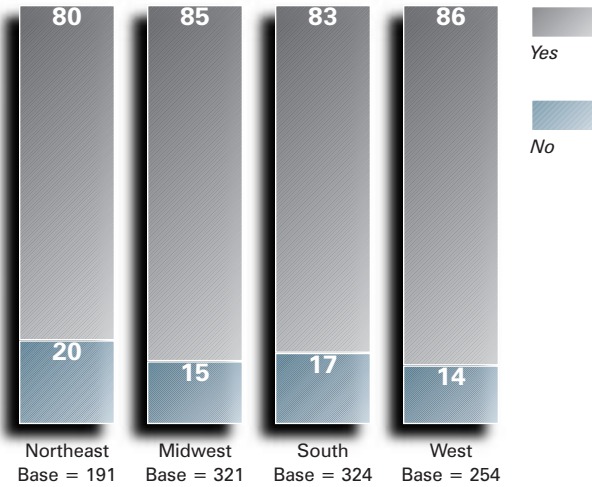


FIGURE 68
RETIREMENT AS GOAL FOR FUND
INVESTMENTS BY REGION
(PERCENT)



*excludes primary residence and assets in employer-sponsored retirement plans

FIGURE 69
HOUSEHOLD FINANCIAL CHARACTERISTICS BY REGION

	Northeast	Midwest	South	West
Median household financial assets*	\$50,000	\$50,000	\$50,000	\$70,000
PERCENT OF HOUSEHOLDS				
Own:**				
Individual stocks	56%	51%	58%	52%
Individual bonds	26	27	24	20
Annuities (fixed and variable)	27	29	25	25
Real estate (excluding primary residence)	36	39	44	42
Have:**				
An IRA	71	72	73	72
A Keogh or SEP IRA	21	14	15	21
Willing to take:				
Substantial risk for substantial gain	5	8	8	8
Above-average risk for above-average gain	27	26	28	29
Average risk for average gain	48	50	48	50
No risk at all	20	16	16	13

*excluding primary residence and assets in employer-sponsored retirement plans

**multiple responses included

Note: Respondent bases vary.

FIGURE 70
DISTRIBUTION OF HOUSEHOLD MUTUAL FUND ASSETS BY REGION
 (MEAN PERCENT)

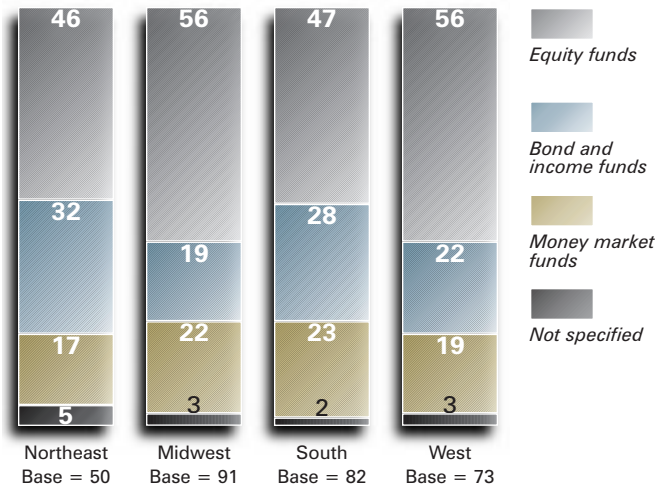
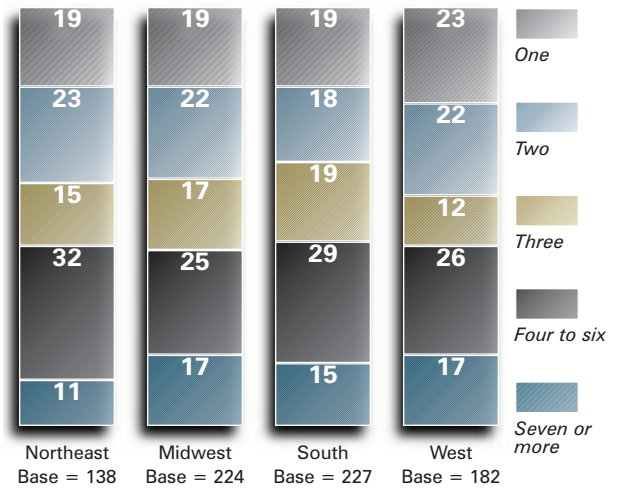


FIGURE 71
NUMBER OF FUNDS OWNED PER HOUSEHOLD BY REGION
 (PERCENT)



Note: The base is restricted to those respondents who were able to identify the allocation of their mutual fund assets; respondents not owning a particular fund type are included as having zero dollars invested in that fund type.

FIGURE 72
MUTUAL FUND OWNERSHIP BY REGION

	Northeast	Midwest	South	West
MEDIAN PER HOUSEHOLD				
Mutual fund assets	\$20,000	\$12,000	\$22,000	\$20,000
Number of funds owned	3	3	3	3
Number of mutual fund companies in which fund assets are invested	2	2	2	2
Percent of financial assets invested in mutual funds	40%	24%	44%	29%
PERCENT OF RESPONDING HOUSEHOLDS				
Own:*				
Equity funds	71%	73%	73%	76%
Bond and income funds	50	48	48	52
Money market funds	50	48	54	55
Own mutual fund(s) bought through:*				
Sales-force channel	67	75	71	74
Direct-market channel	40	31	35	38
Bought first mutual fund:				
Before 1990	66	68	69	72
Between 1990 and 1992	23	20	19	17
Since 1993	11	12	12	11
Account activity in preceding 12 months:*				
Added money to already owned fund	47	47	43	48
Conducted an exchange	23	26	25	26
Closed an account	15	9	12	15

*multiple responses included
 Note: Respondent bases vary.

DETAILED TABULATIONS FOR
KEY MARKET SEGMENTS

FIGURE 73
DETAILED DEMOGRAPHIC CHARACTERISTICS OF MUTUAL FUND SHAREHOLDERS*
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
FINANCIAL DECISIONMAKER									
Male only	47.	54.	51.	62.	44.	47.	43.	40.	43
Female only	32.	27.	29.	21.	33.	32.	30.	33.	36
Co-decisionmakers	21.	19.	20.	17.	23.	21.	27.	27.	21
Base =	1,165.	358.	266.	116.	729.	360.	164.	176.	146
AGE									
Under 35	24.	23.	22.	22.	23.	21.	26.	25.	22
35 to 44	27.	31.	30.	36.	27.	25.	30.	23.	30
45 to 54	24.	22.	23.	21.	24.	22.	26.	29.	23
55 to 64	14.	13.	14.	13.	15.	16.	13.	15.	10
65 or older.	12.	11.	11.	9.	12.	16.	6.	8.	14
Base =	1,105.	344.	257.	110.	695.	342.	157.	168.	139
Mean (in years)	46.	46.	46.	45.	47.	49.	44.	46.	46
Median (in years).	44.	43.	43.	43.	45.	46.	43.	46.	44
EDUCATIONAL LEVEL									
High school or less	17.	10.	10.	8.	16.	13.	20.	13.	21
Some college or associate's degree	25.	18.	19.	16.	26.	21.	28.	32.	30
Completed 4 years of college	31.	34.	34.	30.	31.	35.	30.	26.	30
Some graduate school	7.	8.	7.	10.	7.	8.	6.	8.	7
Completed graduate school	20.	30.	29.	36.	20.	23.	17.	21.	12
Base =	1,118.	346.	258.	110.	698.	346.	158.	168.	138
MARITAL STATUS									
Never married	13.	15.	14.	16.	12.	13.	10.	9.	17
Married	71.	71.	71.	71.	72.	69.	78.	74.	70
Divorce/Separated.	11.	12.	13.	10.	10.	10.	10.	11.	7
Widowed.	6.	3.	2.	3.	7.	8.	3.	5.	5
Base =	1,109.	343.	257.	108.	698.	344.	157.	167.	138
EMPLOYMENT STATUS									
Employed full-time	73.	75.	73.	78.	70.	65.	78.	74.	69
Employed part-time.	7.	6.	6.	5.	8.	9.	9.	7.	10
Not employed	20.	19.	21.	17.	22.	26.	13.	19.	21
Base =	1,111.	344.	256.	110.	697.	343.	158.	165.	137

FIGURE 73, CONTINUED
DETAILED DEMOGRAPHIC CHARACTERISTICS OF MUTUAL FUND SHAREHOLDERS*
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
RETIREMENT STATUS									
Retired from life-time occupation	18	17	19	13	20	24	9	20	19
Not retired from life-time occupation	82	83	81	87	80	76	91	80	81
Base =	1,165	345	258	109	698	344	158	167	136
EMPLOYMENT STATUS OF SPOUSE**									
Employed full-time	63	58	57	60	61	58	66	63	58
Employed part-time.	13	15	15	14	14	14	13	17	14
Not presently employed	24	27	28	26	25	28	21	20	28
Base =	784	240	180	77	500	237	122	123	97
NUMBER OF CHILDREN UNDER 18									
None	58	59	59	60	59	63	52	55	56
1	17	18	17	18	17	16	23	15	16
2	16	17	19	14	16	13	17	18	18
3 or more	9	6	5	8	8	8	8	12	10
Base =	1,104	342	256	108	697	345	158	166	135

*Shareholder refers to the household's primary financial decisionmaker or co-decisionmaker for mutual fund investments.
**percent of married shareholders

FIGURE 74
DETAILED FINANCIAL CHARACTERISTICS OF MUTUAL FUND SHAREHOLDERS
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
TOTAL HOUSEHOLD INCOME									
Less than \$25,000	10	7	7	6	9	7	8	13	6
\$25,000 to \$34,999	14	11	12	7	14	14	13	13	16
\$35,000 to \$49,999	16	13	14	11	15	12	23	13	14
\$50,000 to \$74,999	28	28	28	28	29	29	24	27	31
\$75,000 to \$99,999	19	24	22	32	19	22	18	18	15
\$100,000 to \$249,999	11	14	15	12	12	13	12	14	13
\$250,000 or more	2	3	2	4	2	3	2	2	5
Base =	823	254	196	72	510	231	120	121	109
Mean	\$69,300	\$77,000	\$74,000	\$92,000	\$70,000	\$77,000	\$63,000	\$64,000	\$89,000
Median	\$60,000	\$60,000	\$60,000	\$70,000	\$60,000	\$60,000	\$57,000	\$57,000	\$60,000
TOTAL HOUSEHOLD FINANCIAL ASSETS*									
Less than \$20,000	24	19	16	26	21	20	25	22	15
\$20,000 to \$24,999	7	3	3	3	8	8	7	8	7
\$25,000 to \$34,999	8	7	8	6	7	6	8	5	11
\$35,000 to \$49,999	7	8	10	3	5	4	6	7	7
\$50,000 to \$74,999	12	10	9	9	14	14	17	9	17
\$75,000 to \$99,999	7	6	6	6	9	9	8	8	11
\$100,000 to \$149,999	11	11	10	12	11	12	9	13	10
\$150,000 to \$249,999	10	13	15	12	10	9	7	12	12
\$250,000 or more	14	23	22	23	14	19	13	15	0
Base =	737	229	174	66	463	208	110	120	94
Mean	\$118,800	\$159,300	\$164,200	\$144,300	\$122,100	\$129,300	\$99,000	\$149,100	\$149,400
Median	\$50,000	\$80,000	\$87,500	\$87,500	\$60,000	\$62,500	\$57,000	\$70,000	\$60,000
OWNERSHIP OF NONFUND PRODUCTS**									
Individual stocks	54	67	66	73	56	64	49	56	54
Real estate (excluding primary residence)	41	45	44	50	42	48	43	40	34
Individual bonds	25	28	29	31	28	25	30	31	35
Annuities (fixed and variable)	26	24	23	27	29	32	26	36	22

FIGURE 74, CONTINUED
DETAILED FINANCIAL CHARACTERISTICS OF MUTUAL FUND SHAREHOLDERS
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
OWNERSHIP OF RETIREMENT ACCOUNTS**									
IRA	72	77	77	78	72	72	67	80	70
Keogh or SEP IRA	17	58	60	55	53	52	52	56	54
WILLINGNESS TO TAKE FINANCIAL RISK									
Will take substantial risk for substantial gain	8	11	8	16	8	7	8	9	5
Will take above-average risk for above-average gain	27	38	37	41	28	29	28	32	23
Will take average risk for average gain	49	44	47	36	49	50	47	48	52
Not willing to take any risk	16	7	8	7	15	14	17	11	20
Base =	1,083	335	252	105	679	335	156	161	132

*excluding real estate and assets in employer-sponsored retirement plans

**multiple responses included

FIGURE 75
DETAILED MUTUAL FUND OWNERSHIP CHARACTERISTICS
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
TOTAL HOUSEHOLD FINANCIAL ASSETS IN MUTUAL FUNDS									
Less than \$1,000	4	4	3	4	4	2	6	4	3
\$1,000 to \$4,999	14	10	8	12	12	12	16	8	5
\$5,000 to \$9,999	15	15	15	18	15	11	16	20	17
\$10,000 to \$19,999	17	13	13	14	17	16	14	13	21
\$20,000 to \$29,999	8	8	10	5	8	10	9	4	7
\$30,000 to \$49,999	11	14	15	11	11	8	8	17	15
\$50,000 to \$99,999	15	14	14	15	18	22	21	12	21
\$100,000 or more	16	22	23	22	16	19	10	23	11
Base =	809	252	190	74	518	233	116	133	110
Mean	\$56,700	\$69,300	\$73,500	\$57,500	\$61,000	\$69,500	\$43,300	\$76,700	\$57,000
Median	\$18,000	\$28,500	\$30,000	\$22,000	\$22,000	\$25,000	\$12,000	\$30,000	\$23,500
NUMBER OF MUTUAL FUNDS OWNED PER HOUSEHOLD									
One	20	12	11	12	17	13	22	12	17
Two	21	15	14	19	22	19	23	26	26
Three	16	17	19	10	17	17	16	17	19
Four to six	28	33	35	32	28	35	23	24	25
Seven or more	15	23	21	27	16	16	16	21	13
Base =	771	282	212	88	488	254	101	113	90
Mean	4	5	5	6	4	5	4	5	5
Median	3	4	4	4	3	4	3	3	3
TYPES OF MUTUAL FUNDS OWNED*									
Equity fund	73	91	92	91	76	82	76	76	66
Bond and income fund	49	60	65	53	55	60	56	59	58
Money market fund	52	51	47	61	60	60	57	62	69

FIGURE 75, CONTINUED
DETAILED MUTUAL FUND OWNERSHIP CHARACTERISTICS
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
COMBINATION OF FUNDS OWNED									
Stock funds only	21	24	22	26	18	17	21	16	10
Bond and income funds only	6	2	3	0	6	4	8	5	9
Money market funds only	10	2	2	3	11	9	9	9	14
Equity and money market funds	14	13	11	18	12	11	14	14	16
Bond and income and money market funds	5	3	3	3	7	6	6	8	10
Equity and bond and income funds	18	22	27	11	17	19	13	17	12
Own all three types	26	34	33	39	29	34	29	31	29
Base =	861	311	233	97	593	301	124	144	119
NUMBER OF MUTUAL FUND COMPANIES IN WHICH MUTUAL FUND ASSETS ARE INVESTED									
One	39	25	27	17	38	31	38	35	38
Two	26	24	23	27	28	27	38	24	31
Three	13	19	19	18	13	12	9	16	16
Four to six	17	24	24	28	18	24	14	19	11
Seven to nine	2	5	6	3	2	3	1	4	1
Ten or more	2	2	1	7	2	2	1	1	3
Base =	881	308	233	93	563	282	124	136	104
Mean	2	3	3	4	3	3	2	3	2
Median	2	2	2	3	2	2	2	2	2
PURPOSE OF MUTUAL FUND INVESTMENTS*									
Supplement retirement income	84	83	83	81	83	83	84	86	78
Pay for education expenses	26	29	32	24	27	26	27	26	38
Supplement current living expenses	9	12	12	13	9	11	7	9	9
Buy home or other real estate	7	8	9	5	6	7	6	3	8
Pay for vacation	4	5	6	4	4	5	3	4	4
Long-term savings	2	2	3	1	2	2	2	4	2
Emergency	0	0	0	0	1	0	2	0	2
Purchase a vehicle	0	1	1	2	0	0	0	0	0
Base =	1,090	332	247	105	692	338	157	165	141

*multiple responses included

FIGURE 75, CONTINUED
DETAILED MUTUAL FUND OWNERSHIP CHARACTERISTICS
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
OWNERSHIP OF INTERNATIONAL OR GLOBAL MUTUAL FUNDS									
Yes.....	30.....	36.....	36.....	41.....	32.....	37.....	20.....	43.....	25
No.....	70.....	64.....	64.....	59.....	68.....	63.....	80.....	57.....	75
Base =	1,074.....	350.....	260.....	113.....	670.....	336.....	147.....	164.....	133
OWNERSHIP OF MUNICIPAL BOND MUTUAL FUNDS									
Yes.....	16.....	17.....	17.....	20.....	19.....	24.....	20.....	18.....	21
No.....	84.....	83.....	83.....	80.....	81.....	76.....	80.....	82.....	79
Base =	1,006.....	333.....	247.....	106.....	635.....	317.....	137.....	152.....	134
YEAR OF FIRST MUTUAL FUND INVESTMENT									
Prior to 1980.....	24.....	27.....	28.....	28.....	27.....	33.....	24.....	26.....	26
1980-1984.....	17.....	16.....	17.....	17.....	17.....	18.....	13.....	20.....	18
1985-1989.....	27.....	28.....	29.....	26.....	27.....	24.....	30.....	26.....	25
1990.....	9.....	8.....	6.....	10.....	8.....	8.....	6.....	8.....	8
1991.....	5.....	6.....	6.....	5.....	5.....	5.....	7.....	4.....	4
1992.....	6.....	4.....	3.....	5.....	7.....	5.....	7.....	7.....	9
1993.....	5.....	5.....	4.....	6.....	4.....	3.....	4.....	2.....	5
1994.....	5.....	5.....	5.....	2.....	4.....	3.....	4.....	4.....	2
January 1995 to July 1995.....	2.....	2.....	2.....	1.....	3.....	1.....	4.....	4.....	3
Base =	1,096.....	348.....	259.....	110.....	697.....	342.....	159.....	172.....	137
DISTRIBUTION CHANNEL(S) THROUGH WHICH FUNDS ARE PURCHASED*									
Sales force (net).....	72.....	37.....	34.....	49.....	100.....	100.....	100.....	100.....	100
Full-service brokerage firm.....	36.....	20.....	18.....	29.....	49.....	100.....	19.....	12.....	19
Bank or savings institution.....	14.....	8.....	8.....	9.....	20.....	8.....	13.....	10.....	100
Financial planner.....	17.....	10.....	9.....	15.....	24.....	6.....	10.....	100.....	12
Insurance company or agent.....	16.....	8.....	7.....	15.....	22.....	9.....	100.....	9.....	14
Direct market (net).....	35.....	100.....	100.....	100.....	18.....	20.....	18.....	20.....	19
Fund company.....	26.....	74.....	100.....	21.....	12.....	13.....	11.....	14.....	15
Discount brokerage firm.....	11.....	32.....	9.....	100.....	8.....	9.....	10.....	10.....	7
Other.....	6.....	0.....	0.....	0.....	0.....	0.....	0.....	0.....	0
Base =	1,011.....	358.....	266.....	116.....	729.....	360.....	164.....	176.....	146

FIGURE 75, CONTINUED
DETAILED MUTUAL FUND OWNERSHIP CHARACTERISTICS
(PERCENT)

	DIRECT MARKET				SALES FORCE				
	All Fund Shareholders	Total	Fund Company	Discount Broker	Total	Full-service Broker	Insurance	Financial Planner	Bank
PRIMARY DISTRIBUTION CHANNEL									
Sales force (net)	66	18	17	23	92	92	94	92	91
Full-service brokerage firm	30	9	8	14	42	85	12	6	12
Financial planner	14	4	4	4	19	2	3	81	4
Insurance company or agent	12	3	3	5	17	4	75	1	5
Bank or savings institution	10	2	2	0	14	1	4	4	70
Direct market (net)	29	82	83	77	8	8	6	8	9
Fund company	21	60	81	10	5	5	3	5	6
Discount brokerage firm	8	22	2	67	3	3	3	3	3
Other	6	0	0	0	0	0	0	0	0
Base =	982	343	255	111	698	347	154	164	138
ACCOUNT ACTIVITY IN PRECEDING 12 MONTHS*									
Exchanged/moved money from one mutual fund to another	25	34	34	36	27	31	23	35	26
Invested more money in a mutual fund already owned other than through exchanges	46	57	57	57	47	49	46	55	43
Purchased a mutual fund not previously owned, other than through exchanges	22	33	32	35	22	28	18	24	21
Automatically purchased shares in a fund from bank account or paycheck	32	33	33	32	33	32	37	40	34
Withdrew money (redeemed in part)	20	23	23	26	21	23	22	21	17
Reinvested dividends, other than through automatic reinvestment	16	20	18	26	15	18	13	18	12
Closed an account (redeemed in full)	13	18	17	24	14	18	10	15	13
Automatically reinvested dividends and distributions	75	84	86	79	76	81	73	84	65

*multiple responses included

MUTUAL FUND SHAREHOLDERS BY AGE

FIGURE 76
SHAREHOLDER DEMOGRAPHIC CHARACTERISTICS BY AGE*

	Under 45 Years	45 to 64 Years	65 Years or Older
MEDIAN			
Household income	\$58,000	\$60,000	\$35,000
PERCENT			
Married	69%	77%	63%
Widowed	1	6	26
Four-year college degree or more	62	54	50
Completed graduate school	18	22	19
Employed (full- or part-time)**	93	81	18
Retired from lifetime occupation	4	18	85
Spouse employed (full- or part-time) **	85	77	21
Have children under age 18	55	34	9

*Refers to the household's responding financial decisionmaker for mutual fund investments.
 **percent of married shareholders
 Note: Respondent bases vary.

FIGURE 77
SHAREHOLDER FINANCIAL CHARACTERISTICS BY AGE

	Under 45 Years	45 to 64 Years	65 Years or Older
Median household financial assets*	\$31,000	\$80,000	\$130,000
PERCENT OF HOUSEHOLDS			
Own:**			
Individual stock	54%	53%	58%
Individual bonds	24	24	28
Annuities (fixed and variable)	19	33	34
Real estate (excluding primary residence)	32	51	39
Have:**			
An IRA	67	76	75
A Keogh or SEP IRA	16	21	11
Willing to take:			
Substantial risk for substantial gain	11	5	1
Above-average risk for above-average gain	36	22	13
Average risk for average gain	45	54	48
No risk at all	9	19	38

*excluding primary residence and assets in employer-sponsored retirement plans
 **multiple responses included
 Note: Respondent bases vary.

**FIGURE 78
MUTUAL FUND OWNERSHIP BY AGE**

	Under 45 Years	45 to 64 Years	65 Years or Older
MEDIAN PER HOUSEHOLD			
Mutual fund assets	\$11,000	\$40,000	\$40,000
Number of funds owned	3	3	3
Mutual fund companies with which fund assets are invested	2	2	2
Percent of financial assets invested in mutual funds	35%	50%	31%
PERCENT OF HOUSEHOLDS			
Own:*			
Equity mutual funds	75%	74%	71%
Bond and income mutual funds	45	53	51
Money market mutual funds	50	52	58
Own mutual fund(s) bought through:*			
Sales-force channel	70	74	76
Direct-market channel	38	34	34
Bought first mutual fund:			
Before 1990	57	79	85
Between 1990 and 1992	26	14	13
Since 1993	17	7	2
Account activity in preceding 12 months:*			
Added money to already owned fund	50	46	30
Conducted an exchange	23	29	24
Closed an account	12	13	17

*multiple responses included
Note: Respondent bases vary.



U.S. CENSUS REGIONS USED IN THE REPORT

REGIONS	DIVISIONS	STATES
Northeast	New England	Maine New Hampshire Vermont Massachusetts Rhode Island Connecticut
	Middle Atlantic	New York New Jersey Pennsylvania
Midwest	East North Central	Ohio Indiana Illinois Michigan Wisconsin
	West North Central	Minnesota Iowa Missouri North Dakota South Dakota Nebraska Kansas
South	South Atlantic	Delaware Maryland Washington, D.C. Virginia West Virginia North Carolina South Carolina Georgia Florida
	East South Central	Kentucky Tennessee Alabama Mississippi
	West South Central	Arkansas Louisiana Oklahoma Texas
West	Mountain	Montana Idaho Wyoming New Mexico Arizona Utah Nevada Colorado
	Pacific	Washington Oregon California Alaska Hawaii

