U.S. Household Ownership of Mutual Funds in 2003

An estimated 53.3 million U.S. households owned mutual funds as of July 2003, down from 54.2 million in May 2002 (Figure 1). Household mutual fund owners represented 47.9 percent of all U.S. households in July 2003, compared with 49.6 percent in May 2002. The number of individuals owning mutual funds declined to 91.2 million in July 2003 from 94.9 million in May 2002 (Figure 2).

An estimated 36.4 million U.S. households, or 32.7 percent of all U.S. households, held mutual funds in employer-sponsored retirement plans in 2003.
Household Income and Mutual Fund Ownership

Fifty-two percent of U.S. households owning funds have incomes between $25,000 and $74,999, while 41 percent have incomes of $75,000 or more. Seven

Income Distribution of Households Owning Mutual Funds and All U.S. Households, 2003

(percent of households owning mutual funds and all U.S. households)

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Households Owning Mutual Funds</th>
<th>All U.S. Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>29</td>
<td>23</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>23</td>
<td>14</td>
</tr>
</tbody>
</table>

1 Income ranges based upon 2002 pretax household income.
2 The percent of all U.S. households in each income group is based on ICI’s survey data.

Note: Based on respondents who provided income data.

Employer-sponsored retirement plans include 401(k) plans, 403(b) plans, 457 plans, SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

figure 3


<table>
<thead>
<tr>
<th>Year</th>
<th>Inside Employer-Sponsored Retirement Plans (millions)</th>
<th>Outside Employer-Sponsored Retirement Plans (millions)</th>
<th>Inside Employer-Sponsored Retirement Plans (percent)</th>
<th>Outside Employer-Sponsored Retirement Plans (percent)</th>
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</thead>
<tbody>
<tr>
<td>1998</td>
<td>26.2</td>
<td>33.2</td>
<td>25.9%</td>
<td>32.9%</td>
</tr>
<tr>
<td>1999</td>
<td>28.9</td>
<td>37.5</td>
<td>28.3%</td>
<td>36.7%</td>
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<tr>
<td>2000</td>
<td>33.5</td>
<td>36.6</td>
<td>31.8%</td>
<td>34.7%</td>
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<tr>
<td>2001</td>
<td>36.1</td>
<td>41.4</td>
<td>33.4%</td>
<td>38.3%</td>
</tr>
<tr>
<td>2002</td>
<td>35.9</td>
<td>39.8</td>
<td>32.8%</td>
<td>36.4%</td>
</tr>
<tr>
<td>2003</td>
<td>36.4</td>
<td>38.4</td>
<td>32.7%</td>
<td>34.5%</td>
</tr>
</tbody>
</table>

1 Multiple responses included.
2 Includes mutual funds held in 401(k) plans, 403(b) plans, 457 plans, SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs. Formation of new SAR-SEP IRAs was prohibited after December 31, 1996.

figure 4

Income Distribution of Households Owning Mutual Funds and All U.S. Households, 2003

Households Owning Mutual Funds

Households Owning Mutual Funds

Less than $25,000 | 7
$25,000 to $34,999 | 9
$35,000 to $49,999 | 14
$50,000 to $74,999 | 23
$75,000 to $99,999 | 18
$100,000 or more | 23

1 Income ranges based upon 2002 pretax household income.
2 The percent of all U.S. households in each income group is based on ICI’s survey data.

Note: Based on respondents who provided income data.

Employer-sponsored retirement plans include 401(k) plans, 403(b) plans, 457 plans, SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.
percent of U.S. households owning funds have incomes under $25,000 (Figure 4).

Mutual fund ownership increases with income. As of July 2003, 28 percent of all U.S. households with incomes less than $50,000 owned mutual funds, while 70 percent of those with incomes of $50,000 or more owned funds (Figure 5). Among households with incomes between $25,000 and $99,999, the percentages owning funds in 2003 declined from 2002, but the declines are not statistically significant. Ownership among households with incomes under $25,000 or with incomes of $100,000 or more were virtually unchanged from 2002 to 2003.

Age and Mutual Fund Ownership

Eighty-three percent of U.S. households owning mutual funds are headed by individuals age 25 to 64, most of whom are between age 35 and 54 (Figure 6). Thirteen percent of households owning funds are headed by individuals age 65 or older; 4 percent are headed by individuals younger than age 25.

Incidence of mutual fund ownership continues to be greatest among households headed by individuals between age 35 and 64 (Figure 7). Fund ownership in 2003 increased among households headed by individuals between age 55 and 64, and remained unchanged for households headed by individuals younger than age 25. Fund ownership in 2003 declined among households headed by individuals in all other age groups, but the declines are not statistically significant.
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