

Focus on Funds: Across Generations, US Investors Choose Mutual Funds

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ICI research shows that American investors young and old are using mutual funds in pursuit of their savings goals. In the February 28, 2020, edition of *Focus on Funds*, ICI Senior Director of Retirement and Investor Research Sarah Holden provides insight on what we know about fund investment among Millennial, Generation X, and Baby Boom households.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: What are the latest insights on mutual fund-owning households? ICI conducts an annual survey, and the [latest results](#) are out. Sarah Holden, our senior director of retirement and investor research—your team looks out for this each year, and what are the latest findings?

Sarah Holden, ICI senior director of retirement and investor research: So the key statistic that comes out of the survey is that about 46 percent of US households—or nearly 59 million households—own mutual funds, and this represents more than 100 million individual investors in mutual funds.

Ortvals-Tibbs: When you break it down generationally, Sarah, what do you see there?

Holden: About four in 10 Millennial and [Gen Z] households already own mutual funds. More than half of Gen X households own mutual funds, and nearly half of Baby Boom households own mutual funds. And about a third of oldest households own mutual funds. So these patterns make sense in that if you think about the lifecycle of saving and investing, you tend to be an older household before you make an investment in funds. And so that the Baby Boom and the Gen X are more likely to own funds makes sense. But what's very encouraging is that these young households have already been put on the path to investing.

Ortvals-Tibbs: What else will you find in this report that might be of interest?

Holden: We also ask these households about their willingness to take financial risk. Because if you are going to be investing in the stock market, you have to have some recognition that, you know, stocks go up and stocks go down. And, you know, are you able to weather that, and are you comfortable with that. And what we see is that mutual fund-owning households tend to be more willing to take financial risk than households that don't own mutual funds.

We also ask them about their use of the internet. More than nine in 10 of them go online, use the internet. We ask them about their confidence in mutual funds, and we find that about nine in 10 are confident that mutual funds will help them reach their financial

goals. And we also ask them about their financial goals.

Additional Resources

- [Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2019](#)
- [Profile of Mutual Fund Shareholders, 2019](#)
- [ICI Explains: Who Invests in Mutual Funds and Why?](#)
- [ICI Viewpoints: Mutual Funds: Rated E for Everyone](#)
- [ICI Research](#)

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