

## Mutual Funds Are Key to Building Wealth for Majority of US Households

### Majority of American Households Own Mutual Funds, Ownership Occurs Across All Ages and Incomes

**Washington, DC; October 31, 2022**—According to new research published today by the Investment Company Institute (ICI), 68.6 million, or 52.3 percent of, households in the United States owned mutual funds in 2022. This represents 115.3 million individual investors owning mutual funds in 2022, an increase from prior years, reflecting a change in survey methodology. ICI’s latest reports “Characteristics of Mutual Fund Investors, 2022” and “Ownership of Mutual Funds and Shareholder Sentiment, 2022” also found that equity funds were the most commonly owned type of fund, and that the majority of mutual fund shareholders are in their peak earning and saving years. Mutual fund–owning households hail from all age and income groups, with more than two-thirds earning less than \$150,000.

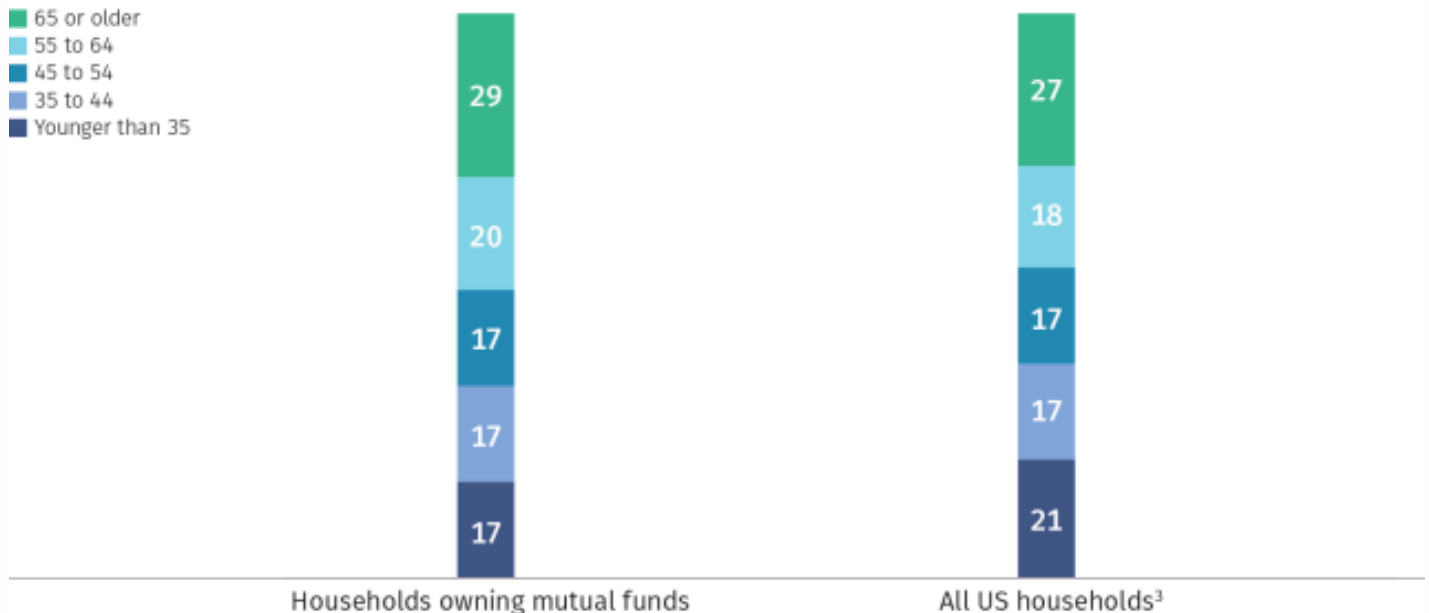
“Mutual funds are a key component of the household balance sheet for millions of Americans, especially moderate-income Americans, helping them to build a secure financial future,” said Sarah Holden, ICI senior director of retirement and investor research. “Most shareholders view the mutual fund industry favorably and are confident that mutual funds can help them achieve their financial goals.”

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

*Percent distribution of households owning mutual funds and all US households by age,<sup>1</sup> 2022<sup>2</sup>*

#### Age of head of household<sup>3</sup>

- 65 or older
- 55 to 64
- 45 to 54
- 35 to 44
- Younger than 35



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

<sup>2</sup>For the complete time series of data from 1994 through 2022, see Table 4 in the supplemental tables.

<sup>3</sup>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 Annual Mutual Fund Shareholder Tracking Survey and US Census

Almost all mutual fund–owning households were focused on retirement saving and many households purchased their first mutual fund through a retirement plan at work. Sixty-eight percent of mutual fund–owning households that purchased their first fund in 2010

or later made the purchase through an employer-sponsored retirement plan, compared with 53 percent of those that made their first purchase before 1990.

### **Other findings include:**

#### **Mutual fund–owning households’ risk appetite is higher, reflecting long-term investment mindset.**

- Households owning mutual funds are more willing to take investment risk than other households. Thirty-four percent of mutual fund–owning households were willing to take substantial or above-average risk for financial gain in 2022, compared with 14 percent for households not owning mutual funds, and 24 percent for all US households.

#### **Baby Boomer households hold the largest portion of households’ mutual fund assets.**

- In 2022, 51 percent of households’ mutual fund assets were held by Baby Boomers, reflecting the time that they have had to accumulate savings through employer-sponsored retirement plans, individual retirement accounts (IRAs), and other personal accounts.

#### **Generation X and Millennial mutual fund–owning households are more likely to hold funds only inside employer-sponsored retirement plans.**

- In 2022, 36 percent of Generation X mutual fund–owning households and 36 percent of Millennial mutual fund–owning households held their funds only through employer-sponsored retirement plans, compared with 22 percent of Baby Boom mutual fund–owning households.

#### **Incidence of mutual fund ownership is higher among older generations.**

- In 2022, 56 percent of the 41.3 million households headed by a member of the Baby Boom Generation owned mutual funds, as did 55 percent of the 35.0 million households headed by Generation X. Millennial households are approaching a majority owning mutual funds, with 47 percent of the 35.3 million households they head owning mutual funds in 2022.

#### **US households across all income groups own mutual funds.**

- In 2022, more than two-thirds of US households owning mutual funds had incomes less than \$150,000, including one-third with incomes less than \$75,000.

About the Annual Mutual Fund Shareholder Tracking Survey The Annual Mutual Fund Shareholder Tracking Survey’s purpose is to gather information on the demographic and financial characteristics of mutual fund–owning households in the United States. The most recent survey was conducted from May to June 2022, drawing a sample of 6,080 US households from the KnowledgePanel®, administered by Ipsos. For additional information about the survey, refer to the [report here](#).