

## WHAT'S INSIDE

- 2 U.S. Household Ownership of Mutual Funds in 2015
- 2 Most Mutual Fund Owners Are Educated and in Their Prime Earning Years
- 5 Most Mutual Fund Owners Are Employed and Middle-Income
- 6 Mutual Fund Owners Hold a Range of Other Investments
- 6 Mutual Funds Are Important Components in Investor Portfolios
- 8 Retirement Saving Is Often the Goal of Mutual Fund Investors
- 10 Employer-Sponsored Retirement Plans and Investment Professionals Are the Main Channels of Fund Investments
- 12 First Mutual Fund Purchases Increasingly Are Made Through Employer-Sponsored Retirement Plans
- 13 Most Mutual Fund-Owning Households Bought Their First Fund Before 2000
- 14 Mutual Funds and Household Generations
- 19 Appendix
- 22 Notes
- 23 References

*Kimberly Burham, Economist; Michael Bogdan, Associate Economist; and Daniel Schrass, Associate Economist; prepared this report.*

Suggested citation: Burham, Kimberly, Michael Bogdan, and Daniel Schrass. 2015. "Characteristics of Mutual Fund Investors, 2015." *ICI Research Perspective* 21, no. 6 (November). Available at [www.ici.org/pdf/per21-06.pdf](http://www.ici.org/pdf/per21-06.pdf).

## Characteristics of Mutual Fund Investors, 2015

### KEY FINDINGS

- » **In mid-2015, most households that owned mutual funds were headed by individuals in their peak earning and saving years.** Sixty-four percent of mutual fund-owning households were headed by individuals between the ages of 35 and 64.
- » **The majority of mutual fund owners were employed and had moderate household incomes.** Seventy-one percent of individuals heading households owning mutual funds were employed either full- or part-time. Half of U.S. households owning mutual funds had incomes between \$25,000 and \$99,999.
- » **Mutual fund-owning households often held several funds, and equity funds were the most commonly owned type of mutual fund.** Among households owning mutual funds in mid-2015, 81 percent held more than one fund and 88 percent owned equity funds.
- » **Almost all mutual fund investors were focused on retirement saving.** Saving for retirement was one of the financial goals for 91 percent of mutual fund-owning households, and 72 percent indicated that retirement saving was the household's primary financial goal.
- » **Employer-sponsored retirement plans increasingly are the gateway to mutual fund ownership.** Sixty-seven percent of mutual fund-owning households that purchased their first fund in 2010 or later purchased that fund through an employer-sponsored retirement plan, compared with 57 percent of those that made their first purchase before 1990. In mid-2015, 40 percent of mutual fund-owning households owned funds both inside and outside employer-sponsored retirement plans. An additional 40 percent owned mutual funds only inside employer-sponsored retirement plans.
- » **Incidence of mutual fund ownership was the highest among the Baby Boom Generation and Generation X.** In mid-2015, nearly half of the 43.2 million households headed by a Baby Boomer owned mutual funds, and Baby Boom households were 40 percent of households owning mutual funds. Half of 34.8 million households headed by a member of Generation X owned mutual funds in mid-2015, and Generation X households were 32 percent of households owning mutual funds. Nearly a third of the 26.4 million households headed by a Millennial owned mutual funds

## Key findings continued

in mid-2015 and Millennial households were 16 percent of households owning mutual funds. Silent and GI Generations headed the remaining 12 percent of mutual fund-owning households.

- » **More than half of mutual fund assets held by households are held by Baby Boomers.** In mid-2015, 53 percent of households' mutual fund assets were held by Baby Boom households, 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 households held 27 percent of household mutual fund assets in mid-2015, and Silent and GI Generation households held 15 percent. Being younger and having had less time to accumulate savings, Millennial households held 5 percent of all household mutual fund assets.
- » **Younger generations tend to start investing in mutual funds earlier than older generations.** When they were in similar age ranges, the median age of first mutual fund purchase was 23 for households in the Millennial Generation and 25 for Generation X households. When Generation X households and late Baby Boomers were in similar age ranges, the median age of first mutual fund purchase was 26 for Generation X and 31 for those born in the late Baby Boom Generation. Likewise, when they were in similar age ranges, the median age of first mutual fund purchase was 32 for late Baby Boomers and 37 for those born in the early Baby Boom Generation. This pattern reflects the expansion of mutual fund investing, especially as it occurs in employer-sponsored retirement plans.

---

## U.S. Household Ownership of Mutual Funds in 2015

In mid-2015, the annual ICI survey of mutual fund ownership found that 53.6 million, or 43.0 percent of, households in the United States owned mutual funds.<sup>1</sup> This report highlights the characteristics of those households.

## Most Mutual Fund Owners Are Educated and in Their Prime Earning Years

Mutual fund shareholders vary in their age and educational attainment. In mid-2015, the median age of individuals heading mutual fund-owning households was 51 (Figure 1). Most mutual fund-owning households (64 percent) were headed by individuals between the ages of 35 and 64, the age range in which saving and investing traditionally is the greatest.<sup>2</sup> Nevertheless, 16 percent of mutual fund-owning households were younger than 35. The remaining 20 percent of mutual fund-owning households were headed by individuals aged 65 or older.

### ***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 2015 and was based on a dual frame sample of 6,000 U.S. households. Of these, 3,000 households were from a landline random digit dial (RDD) frame and 3,000 households were from a cell phone RDD frame. Of the households contacted, 2,581 (43.0 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 2015 sample of households owning mutual funds is  $\pm 1.9$  percentage points at the 95 percent confidence level.

### ***Revisions to ICI's Annual Mutual Fund Shareholder Tracking Survey***

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 2015 survey reflect the revised sampling and weighting methodology adopted in 2014. In order to achieve a representative sample of U.S. households, the 2014 and 2015 Annual Mutual Fund Shareholder Tracking Surveys are based on a dual frame sample of landline and cell phone numbers. 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 Survey was based on a sample of landline phone numbers. The change to a combined sample of cell and landline phone numbers improves the representativeness of the sample. For a detailed description of the survey methodology, see "Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2015," *ICI Research Perspective* 21, no. 5 (November), available at [www.ici.org/pdf/per21-05.pdf](http://www.ici.org/pdf/per21-05.pdf).

### ***Additional Reading***

For more detailed information about mutual fund owners, see "Profile of Mutual Fund Shareholders, 2015," ICI's full report of the findings of the 2015 Annual Mutual Fund Shareholder Tracking Survey. This report presents a comprehensive overview of mutual fund owners, including their demographic characteristics, the ways in which they purchase fund shares, and the ways in which U.S. households use funds to meet their current and long-term financial needs. "Profile of Mutual Fund Shareholders, 2015" will be published in early 2016. See also "Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2015," *ICI Research Perspective* 21, no. 5 (November), available at [www.ici.org/pdf/per21-05.pdf](http://www.ici.org/pdf/per21-05.pdf).

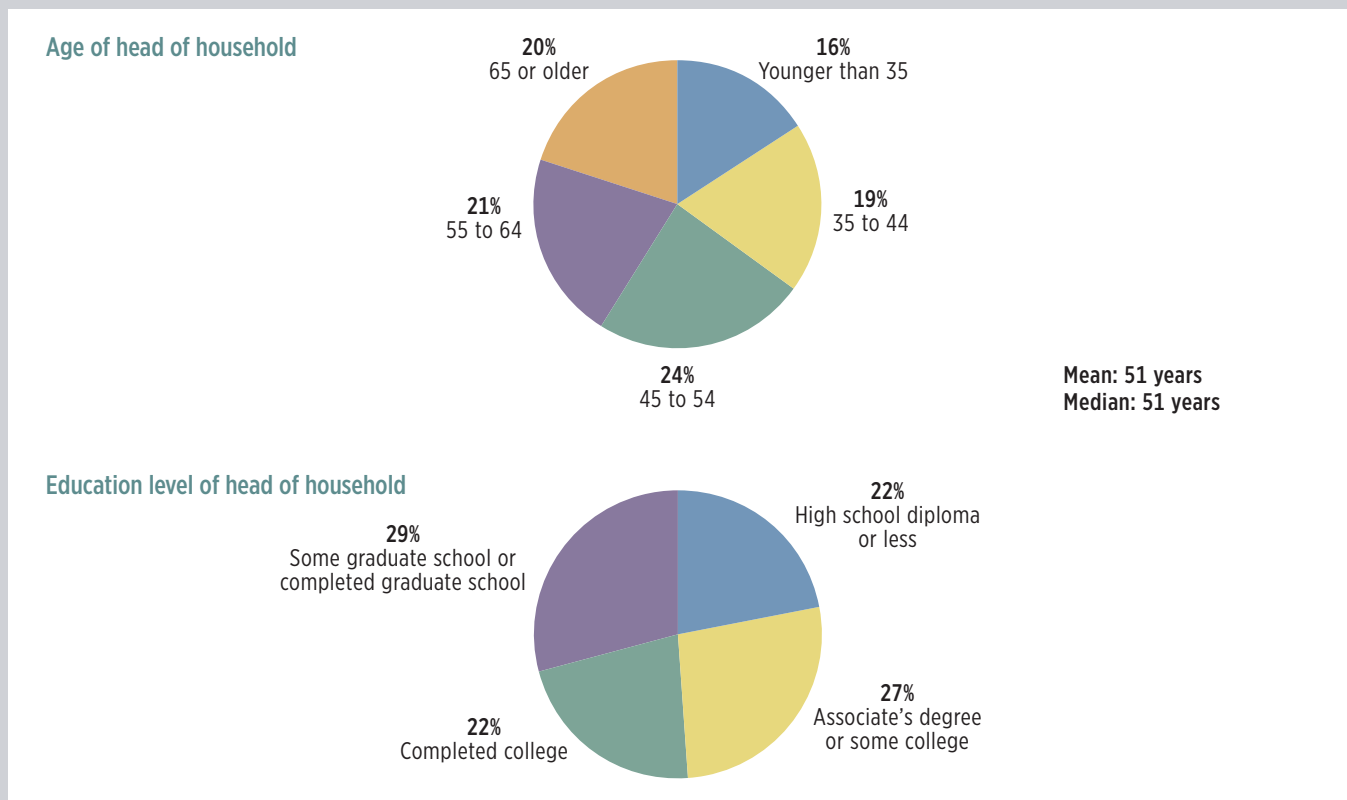
Mutual fund-owning households represent a range of education levels. In mid-2015, among heads of mutual fund-owning households, 51 percent had college degrees or postgraduate education, and another 27 percent had

obtained associate's degrees or some college education (Figure 1). Twenty-two percent had a high school diploma or less.

FIGURE 1

### Mutual Fund Owners Represent a Variety of Demographic Groups

Percentage of U.S. households owning mutual funds, 2015



Note: Head of household refers to the sole or co-decisionmaker for household saving and investing.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Most Mutual Fund Owners Are Employed and Middle-Income

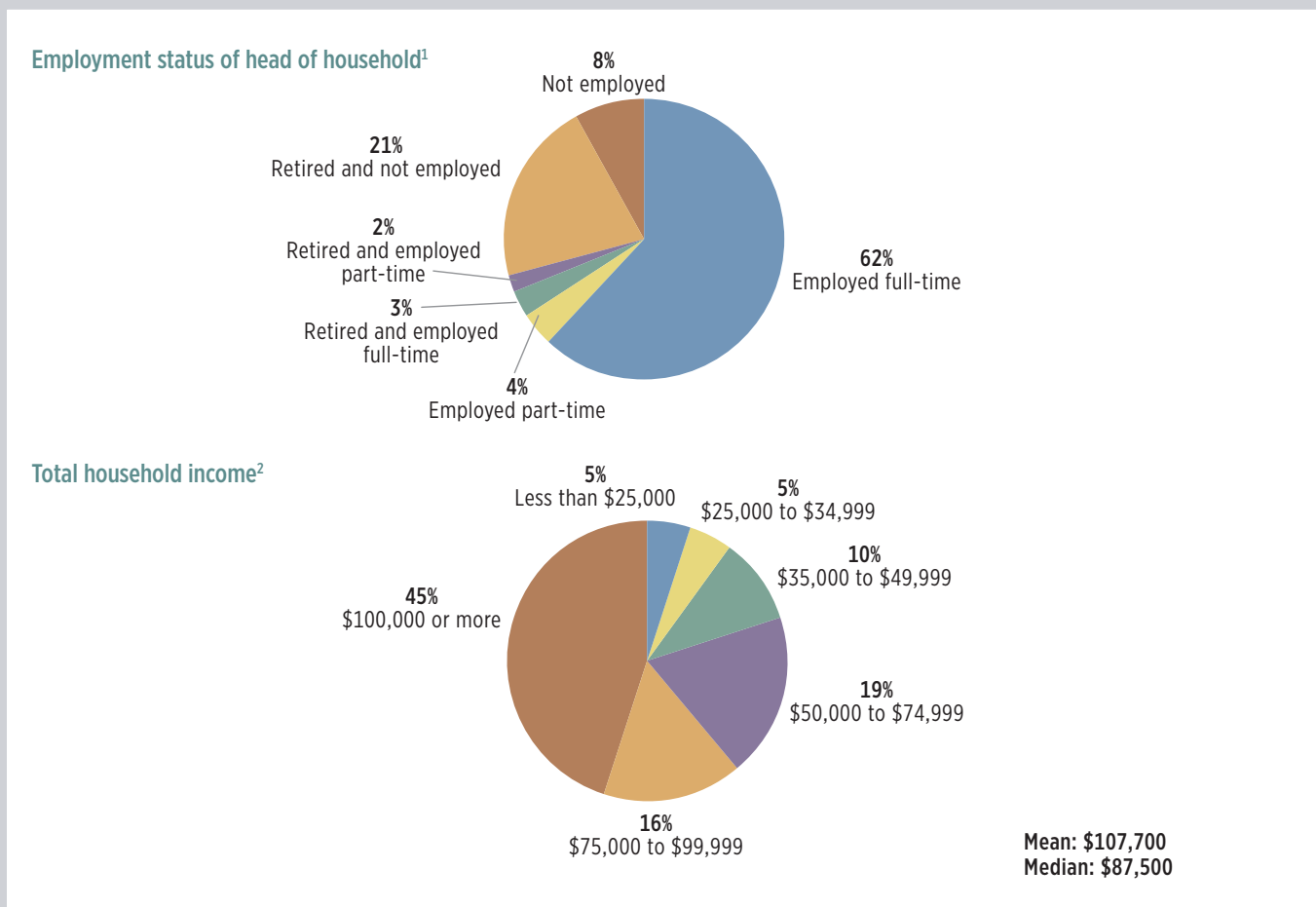
Individuals across all employment and income groups own mutual funds. Among households that owned mutual funds in mid-2015, 71 percent were headed by individuals who were employed full- or part-time (Figure 2). Among the 29 percent who were not employed, 72 percent were retired—that is, they responded affirmatively to the question: “Are you retired from your lifetime occupation?”

Overall, 26 percent of individuals heading households that owned mutual funds said that they were retired.<sup>3</sup> The median household income of mutual fund-owning households was \$87,500;<sup>4</sup> 20 percent had household incomes of less than \$50,000; 19 percent had household incomes between \$50,000 and \$74,999; and 16 percent had incomes between \$75,000 and \$99,999. The remaining 45 percent had household incomes of \$100,000 or more.

FIGURE 2

### Mutual Fund Owners Represent Many Different Employment and Income Groups

Percentage of U.S. households owning mutual funds, 2015



<sup>1</sup> Head of household refers to the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> Total reported is household income before taxes in 2014.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Mutual Fund Owners Hold a Range of Other Investments

Mutual fund-owning households typically have other types of savings and investments: 37 percent owned individual stocks, 29 percent owned fixed or variable annuities, 26 percent owned U.S. savings bonds, and 24 percent owned investment real estate in mid-2015 (Figure 3). In addition, 23 percent owned certificates of deposit, 12 percent owned individual bonds (excluding U.S. savings bonds), 10 percent owned exchange-traded funds (ETFs), and 5 percent owned closed-end funds.

## Mutual Funds Are Important Components in Investor Portfolios

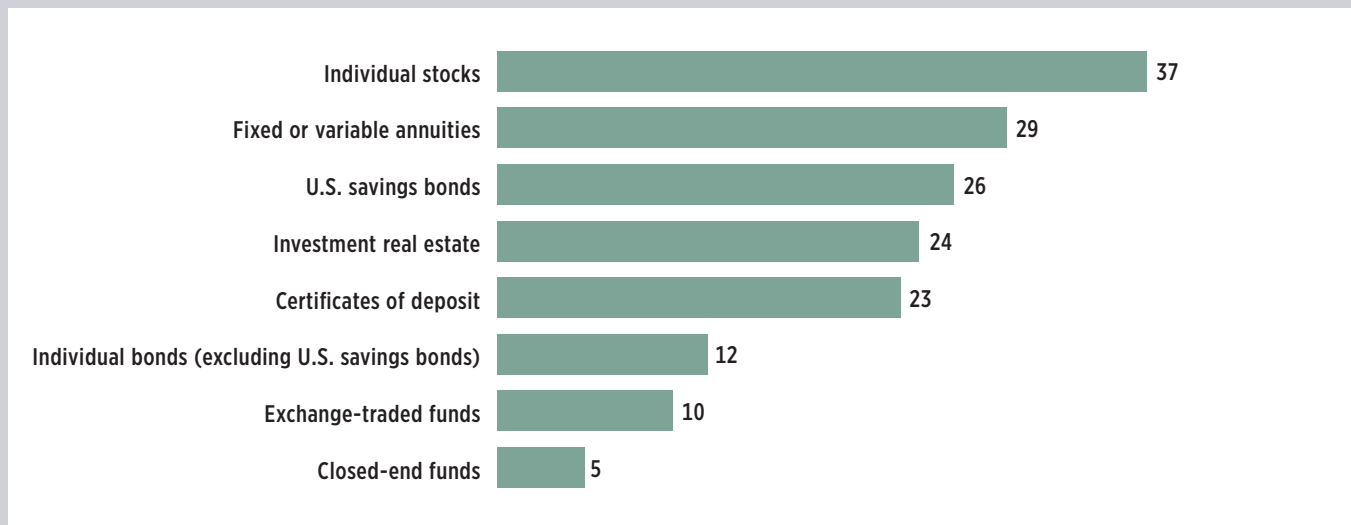
Mutual fund-owning households often hold more than one mutual fund. In mid-2015, the median number of mutual funds owned by shareholder households was three (Figure 4). Among these households, 51 percent owned three or fewer funds, and 49 percent owned four or more, with 13 percent reporting they held 11 or more funds.

Equity funds were the most commonly owned type of mutual fund, held by 88 percent of mutual fund-owning households (Figure 5). In addition, 35 percent owned balanced funds, 42 percent owned bond funds, and 54 percent owned money market funds. Mutual fund holdings represented a significant portion of these households' financial assets: 67 percent had more than half of their household financial assets invested in mutual funds (Figure 6).

FIGURE 3

### Mutual Fund-Owning Households Own a Mix of Financial Assets

Percentage of U.S. households owning mutual funds, 2015



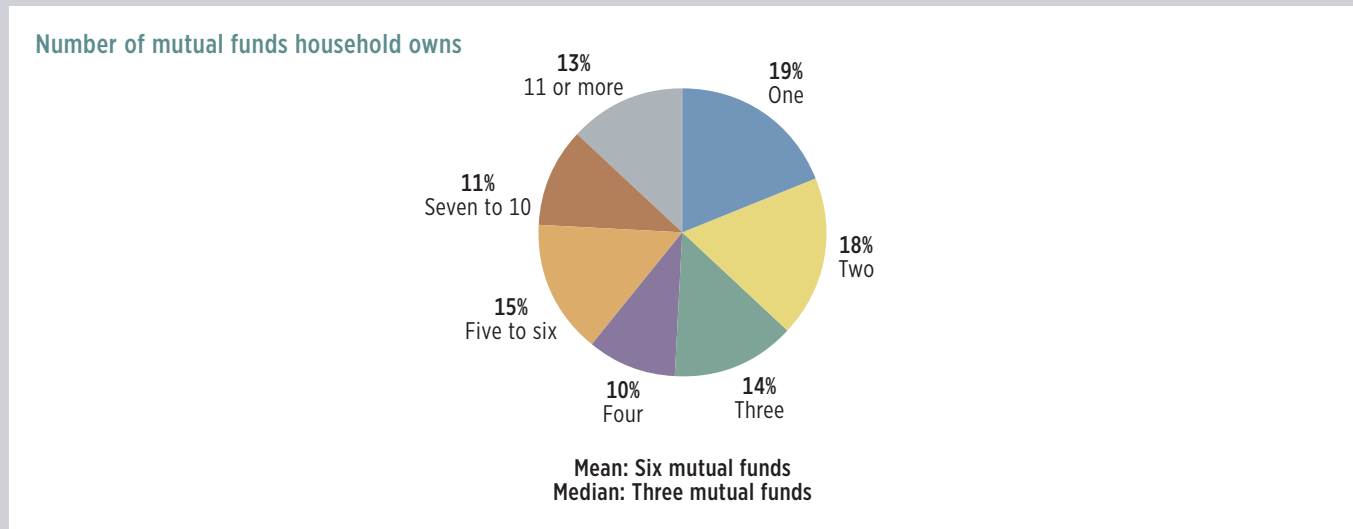
Note: Multiple responses are included.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 4

### Most Mutual Fund–Owning Households Own Multiple Funds

Percentage of U.S. households owning mutual funds, 2015

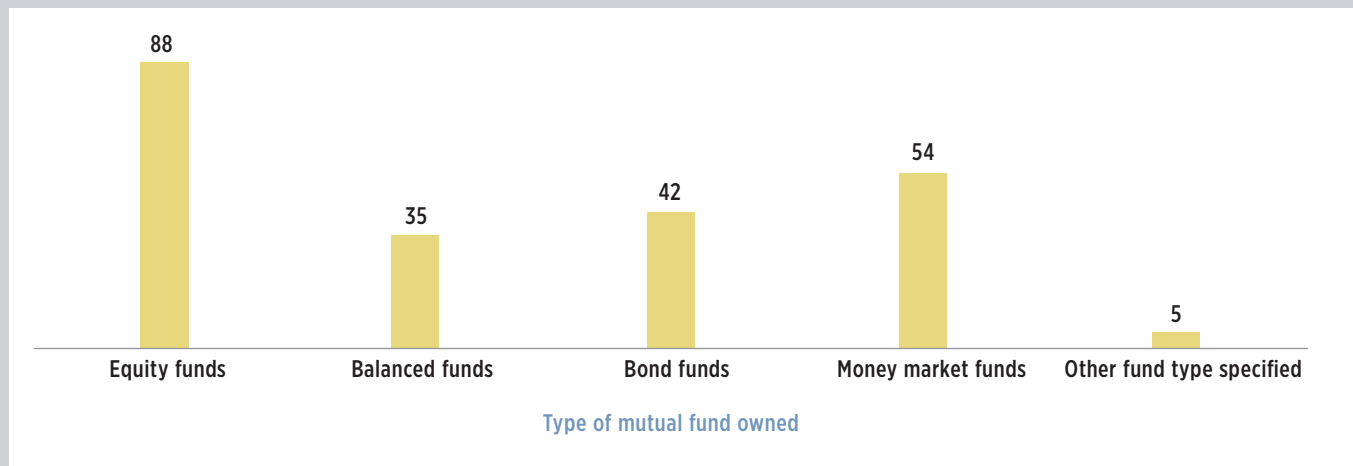


Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 5

### Equity Funds Are the Most Commonly Owned Type of Mutual Fund

Percentage of U.S. households owning mutual funds, 2015



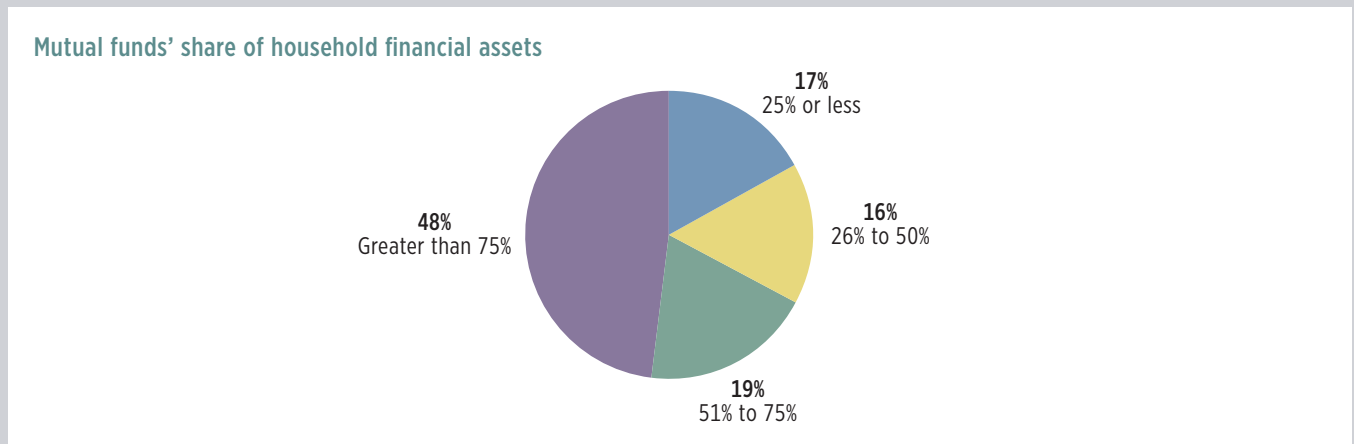
Note: Multiple responses are included.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 6

## Mutual Funds Are an Important Component of Investor Portfolios

Percentage of U.S. households owning mutual funds, 2015



Note: Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Retirement Saving Is Often the Goal of Mutual Fund Investors

Mutual fund-owning households have a variety of financial goals for their mutual fund investments. The vast majority, 91 percent, indicated that they were using mutual funds to save for retirement (Figure 7), and 72 percent indicated that saving for retirement was their household's primary financial goal.

However, retirement is not the only financial goal for households' mutual fund investments. Half listed saving for an emergency as a goal, and 24 percent reported saving for education among their goals (Figure 7). Nearly half of mutual fund-owning households reported that reducing their taxable income was one of their goals. Though many mutual fund-owning households (50.7 million) held funds in tax-deferred savings accounts,<sup>5</sup> 9.8 million U.S. households held long-term mutual funds (stock, bond, and balanced funds) in taxable accounts in mid-2015.

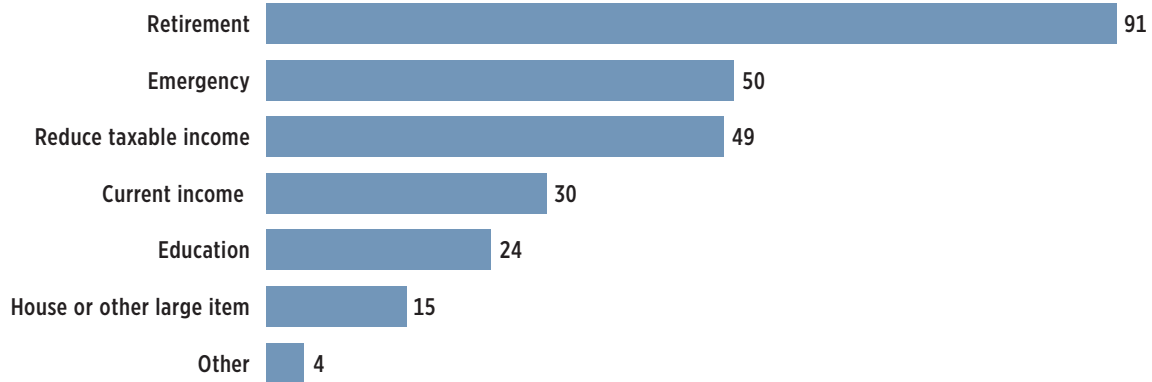


FIGURE 7

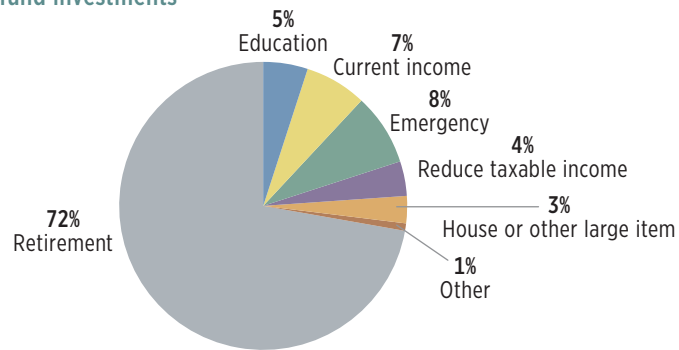
### Majority of Mutual Fund Investors Focus on Retirement

Percentage of U.S. households owning mutual funds, 2015

#### Financial goals for mutual fund investments\*



#### Primary financial goal for mutual fund investments



\*Multiple responses are included.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Employer-Sponsored Retirement Plans and Investment Professionals Are the Main Channels of Fund Investments

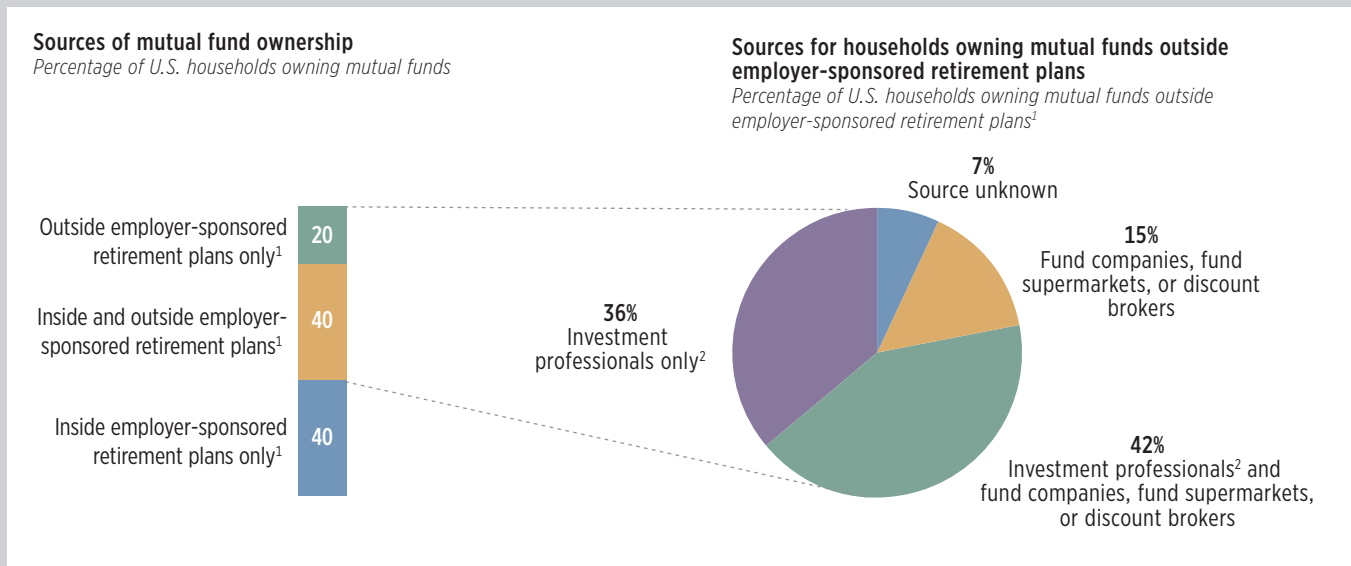
Among mutual fund-owning households, 40 percent invested in mutual funds solely inside employer-sponsored retirement plans, which include defined contribution (DC) plans and employer-sponsored individual retirement accounts (IRAs);<sup>6</sup> 20 percent owned funds solely outside

these plans; and 40 percent had funds both inside and outside employer-sponsored retirement plans (Figure 8). Altogether, 80 percent of mutual fund-owning households owned funds through employer-sponsored retirement plans, and 60 percent owned funds outside of these plans.<sup>7</sup> Among households owning mutual funds outside of employer-sponsored retirement plans, 78 percent owned funds purchased from an investment professional.<sup>8</sup>

FIGURE 8

### Mutual Fund Investments Outside Retirement Plans Are Often Guided by Investment Professionals

2015



<sup>1</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

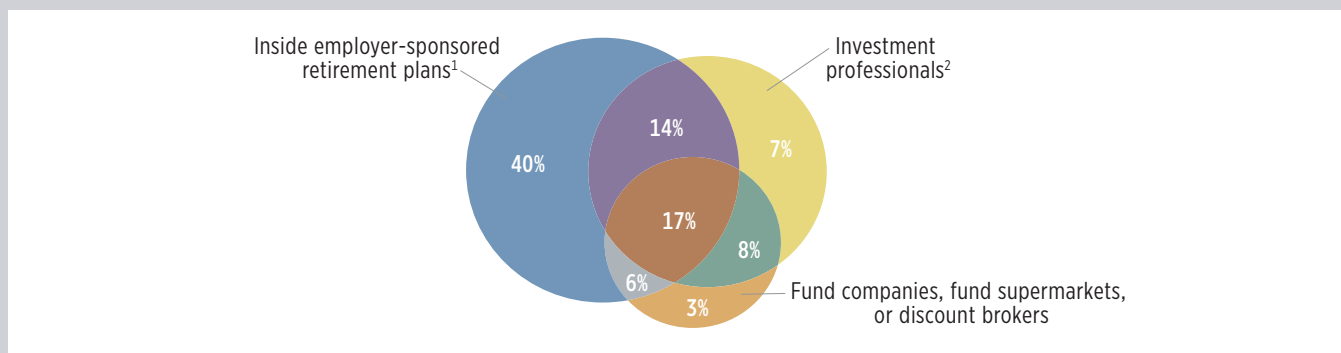
Forty-eight percent of mutual fund–owning households held mutual funds through multiple sources (Figure 9). In mid-2015, 14 percent of mutual fund–owning households held mutual funds both inside employer-sponsored retirement plans and through investment professionals; 6 percent owned mutual funds both inside employer-sponsored retirement plans and directly through fund companies, fund supermarkets, or discount brokers; and 8 percent

held mutual funds through investment professionals and fund companies, fund supermarkets, or discount brokers.<sup>9</sup> Another 17 percent owned mutual funds through all three source categories. When owning funds only through one source category, the most common route to fund ownership was employer-sponsored retirement plans: 40 percent of mutual fund–owning households owned funds only through their employer-sponsored retirement plans.

FIGURE 9

**Nearly Half of Mutual Fund–Owning Households Held Shares Through Multiple Sources**

*Percentage of U.S. households owning mutual funds, 2015*



<sup>1</sup> Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants.

Note: Figure does not add to 100 percent because 5 percent of households owning mutual funds outside of employer-sponsored retirement plans did not indicate which source was used to purchase funds. Of this 5 percent, 3 percent owned funds both inside and outside employer-sponsored retirement plans and 2 percent owned funds only outside of employer-sponsored retirement plans.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## First Mutual Fund Purchases Increasingly Are Made Through Employer-Sponsored Retirement Plans

Mutual fund-owning households often purchase their first mutual fund through employer-sponsored retirement plans. In mid-2015, across all mutual fund-owning households, 63 percent had purchased their first fund through that

channel (Figure 10). Households that made their first mutual fund purchase more recently were more likely to have done so through employer-sponsored retirement plans. Among households that bought their first mutual fund in 2010 or later, 67 percent bought that first fund through such a plan, compared with 57 percent of households that first purchased mutual funds before 1990.

FIGURE 10

### Employer-Sponsored Retirement Plans Are Increasingly the Source of First Fund Purchase

Percentage of U.S. households owning mutual funds, 2015

	Year of household's first mutual fund purchase					Memo: all mutual fund-owning households	
	Before 1990	Between 1990 and 1994	Between 1995 and 1999	Between 2000 and 2004	Between 2005 and 2009		2010 or later
<b>Source of first mutual fund purchase</b>							
Inside employer-sponsored retirement plans	57	64	66	65	64	67	63
Outside employer-sponsored retirement plans	43	36	34	35	36	33	37

Note: Employer-sponsored retirement plans include DC plans (such as 401(k), 403(b), or 457 plans) and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Most Mutual Fund–Owning Households Bought Their First Fund Before 2000

Most mutual fund–owning households have invested in mutual funds for many years: 29 percent bought their first mutual fund before 1990; 14 percent purchased

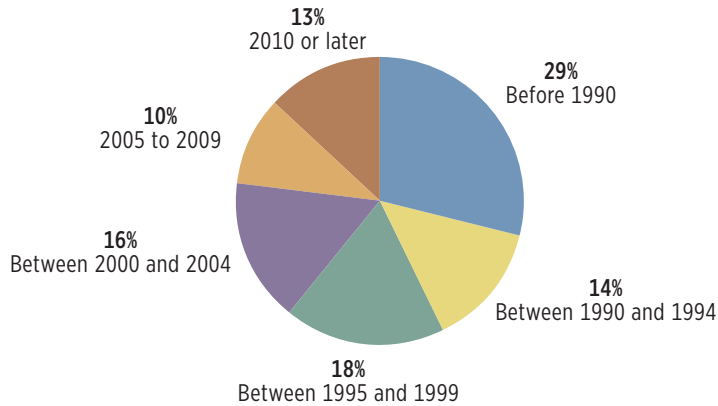
their first fund between 1990 and 1994; and 18 percent bought their first fund between 1995 and 1999 (Figure 11). Sixteen percent purchased their first fund between 2000 and 2004. Twenty-three percent of mutual fund–owning households purchased their first fund in 2005 or later.

FIGURE 11

### Most Mutual Fund–Owning Households Purchased Their First Fund More Than a Decade Ago

Percentage of U.S. households owning mutual funds, 2015

Year of household's first mutual fund purchase



Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Mutual Funds and Household Generations

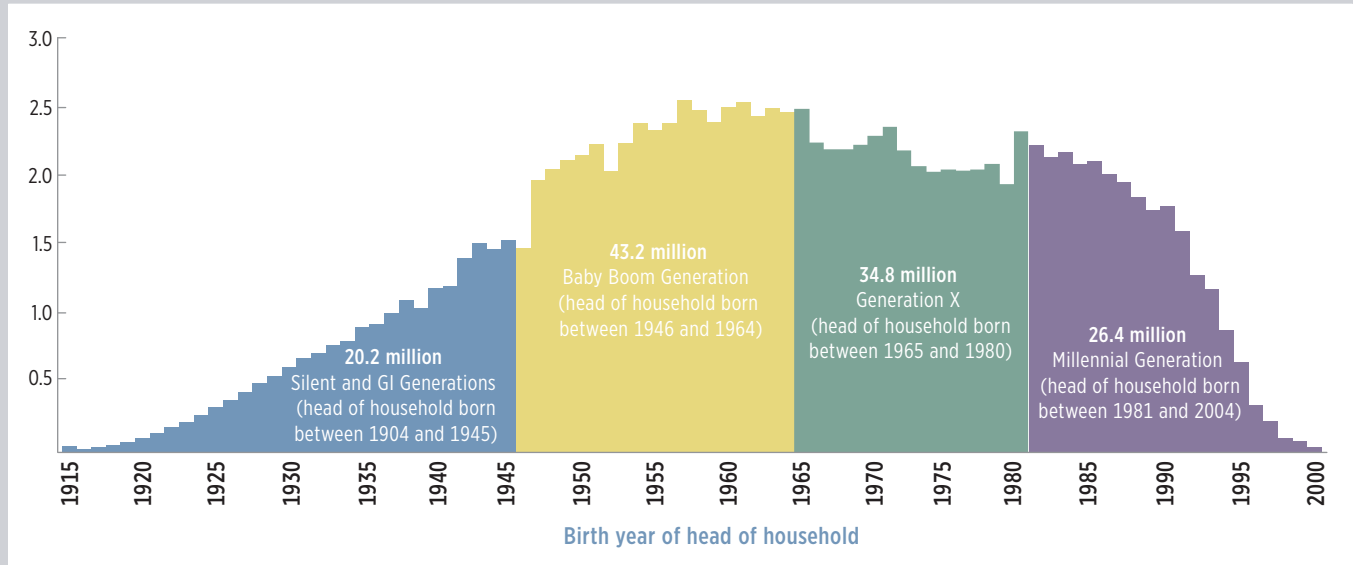
Households can be grouped by generation based on the birth year of the head of household. In mid-2015, there were 124.6 million U.S. households (Figure 12).<sup>10</sup> Baby Boom households (head of household born between 1946 and 1964) are the largest generation, with 43.2 million, or

35 percent of, U.S. households. Generation X households follow not too far behind with 34.8 million households, and Millennials head 26.4 million households. Finally, there were 20.2 million U.S. households headed by individuals aged 70 or older from the Silent and GI Generations.

FIGURE 12

### Number of U.S. Households by Birth Year of Head of Household

Millions of households, 2015



Note: In 2015, there were 124.6 million U.S. households.

Source: ICI tabulations of the U.S. Census Bureau's Current Population Survey

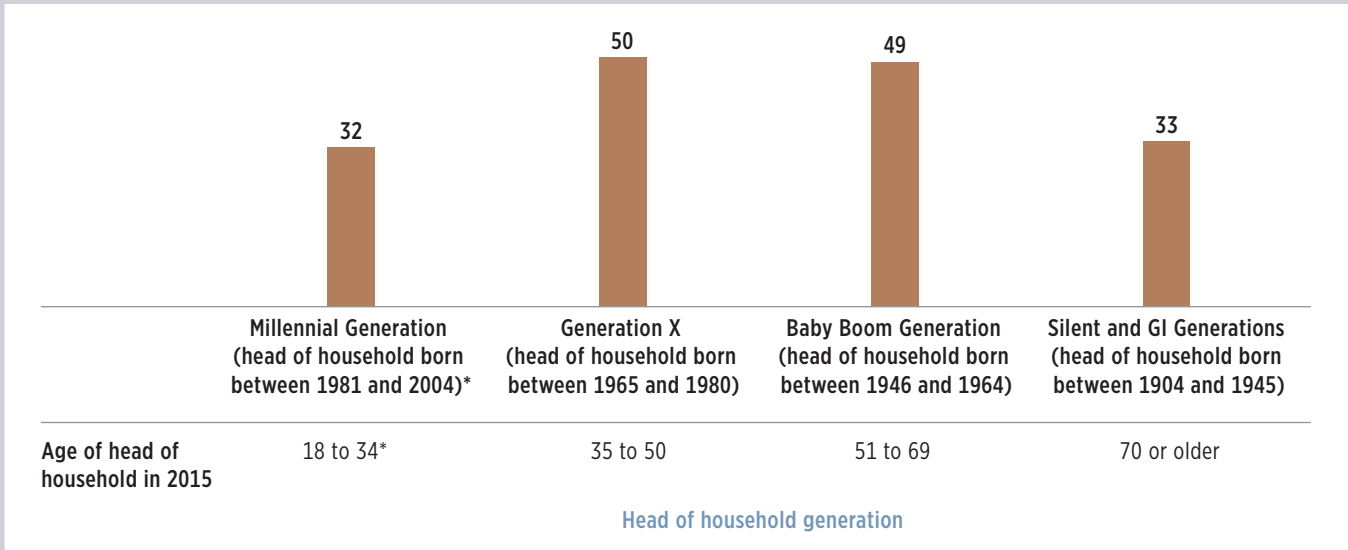
Mutual fund-owning households are headed by members of all generations, but members of the Baby Boom Generation (head of household born between 1946 and 1964) and Generation X (head of household born between 1965 and 1980) had the highest ownership rates in mid-2015. Forty-nine percent of households headed by a Baby Boomer and

half of households headed by a member of Generation X owned mutual funds in mid-2015 (Figure 13). Thirty-two percent of Millennial households (head of household born between 1981 and 2004)<sup>11</sup> and 33 percent of Silent and GI Generation households (head of household born between 1904 and 1945) owned mutual funds in mid-2015.

FIGURE 13

**Incidence of Mutual Fund Ownership Is Greatest Among the Baby Boom Generation and Generation X**

*Percentage of U.S. households within each generation group, 2015*



\*The Millennial Generation is aged 11 to 34 in 2015; however, survey respondents must be 18 or older.

Note: Generation is based on the age of the household sole or co-decisionmaker for saving and investing.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

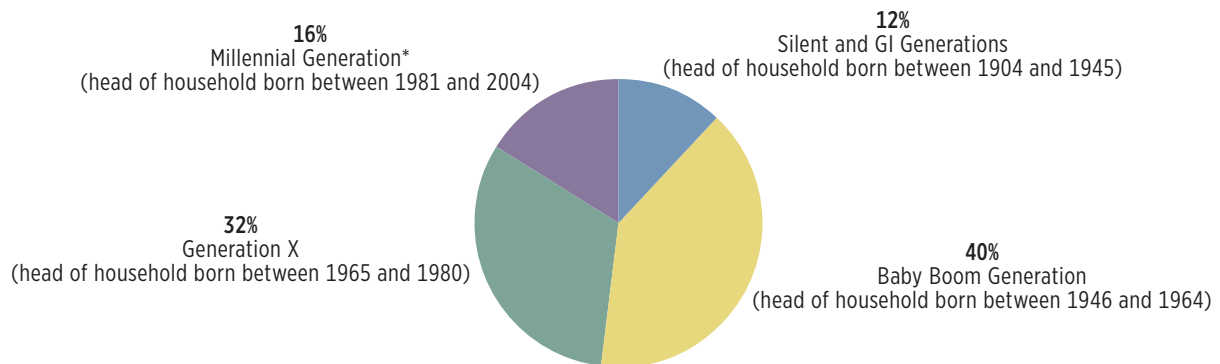
Members of the Baby Boom Generation were the largest share of mutual fund-owning households in mid-2015, reflecting both the size of the Baby Boom Generation and their high incidence of mutual fund ownership. Forty percent of households owning mutual funds were headed by

members of the Baby Boom Generation (Figure 14). In addition, 32 percent of households owning mutual funds were headed by members of Generation X and 16 percent were headed by Millennials. Twelve percent of households owning mutual funds were headed by members of the

FIGURE 14

### Baby Boomers Are the Largest Mutual Fund-Owning Generation

Percentage of U.S. households owning mutual funds, 2015



\*The Millennial Generation is aged 11 to 34 in 2015; however, survey respondents must be 18 or older.

Note: Generation is based on the age of the household sole or co-decisionmaker for saving and investing.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey



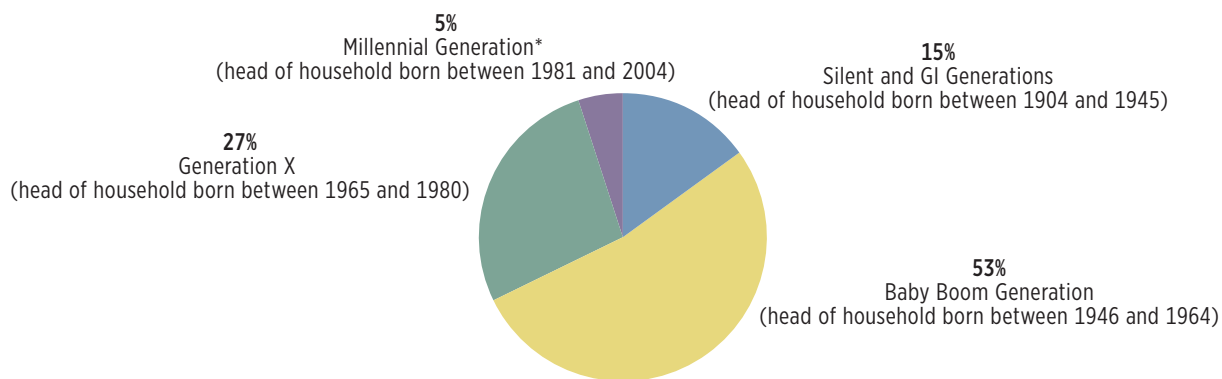
Silent and GI Generations.<sup>12</sup> Baby Boomers were not only the largest shareholder group; they also held the largest percentage of household mutual fund assets in mid-2015. Fifty-three percent of households' total mutual fund assets were owned by households headed by Baby Boomers (Figure 15). Households headed by members of the Silent and GI Generations held another 15 percent of households'

total mutual fund assets, and Generation X held 27 percent. Although Millennial households were 16 percent of mutual fund-owning households in mid-2015, they held only 5 percent of households' mutual fund assets. This pattern of ownership reflects on the fact that Millennials are younger and have not had as much time to save as Baby Boomer households that are in their peak earning and saving years.<sup>13</sup>

FIGURE 15

**The Majority of Mutual Fund Assets Are Held by Baby Boomers**

*Percentage of total mutual fund assets held by generation, 2015*



\*The Millennial Generation is aged 11 to 34 in 2015; however, survey respondents must be 18 or older.

Note: Generation is based on the age of the household sole or co-decisionmaker for saving and investing.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

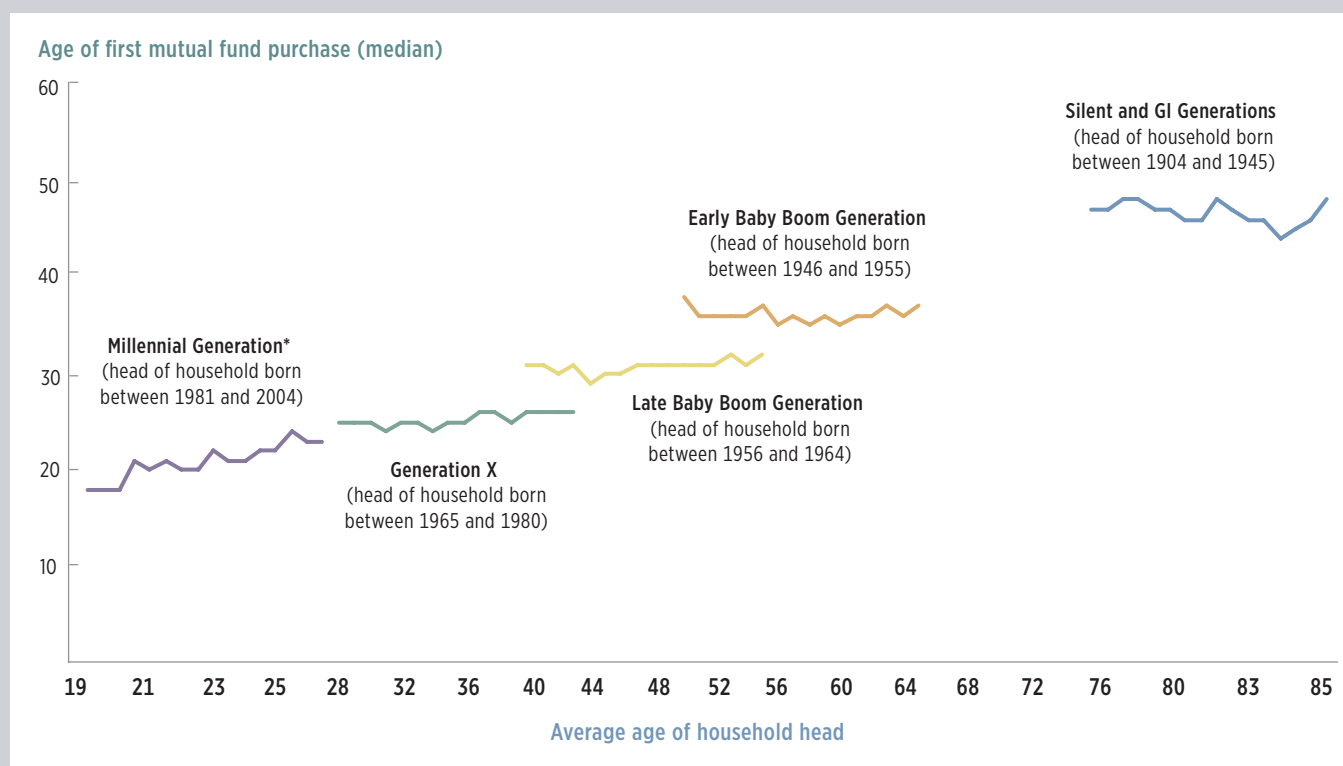
Younger generations tend to start investing in mutual funds earlier than older generations. For example, in 2015, when they were aged 18 to 34, the median age of first mutual fund purchase was 23 for households in the Millennial Generation (Figure 16).<sup>14</sup> By comparison, Generation X households made their first mutual fund purchase at age 25 when they were aged 20 to 35 in 2000. Similarly, in 2015, when Generation X households were aged 35 to 50, their median age of first mutual fund purchase was 26, while in 2003, when late Baby Boomers were aged 39 to 47, their median age of first

mutual fund purchase was 31. Finally, in 2015, when they were aged 51 to 59, the median age of first mutual fund purchase was 32 for households in the late Baby Boom Generation while in 2005, when households in the early Baby Boom Generation were aged 50 to 59, their median age of first mutual fund purchase was 37. This pattern reflects the expansion of mutual fund investing, especially as it occurs in employer-sponsored retirement plans, which an individual would find as they enter the workforce and change jobs over their careers.<sup>15</sup>

FIGURE 16

### Younger Generations Purchased First Mutual Fund Earlier Than Older Generations

Median age of household head when first mutual fund purchase was made by generation group, 2000–2015



\* The Millennial Generation was born between 1981 and 2004; however, only respondents aged 18 or older are included in the survey.

Note: Average age of household head is the average age of the generation group at the time of the survey. Generation is based on the age of the household sole or co-decisionmaker for saving and investing.

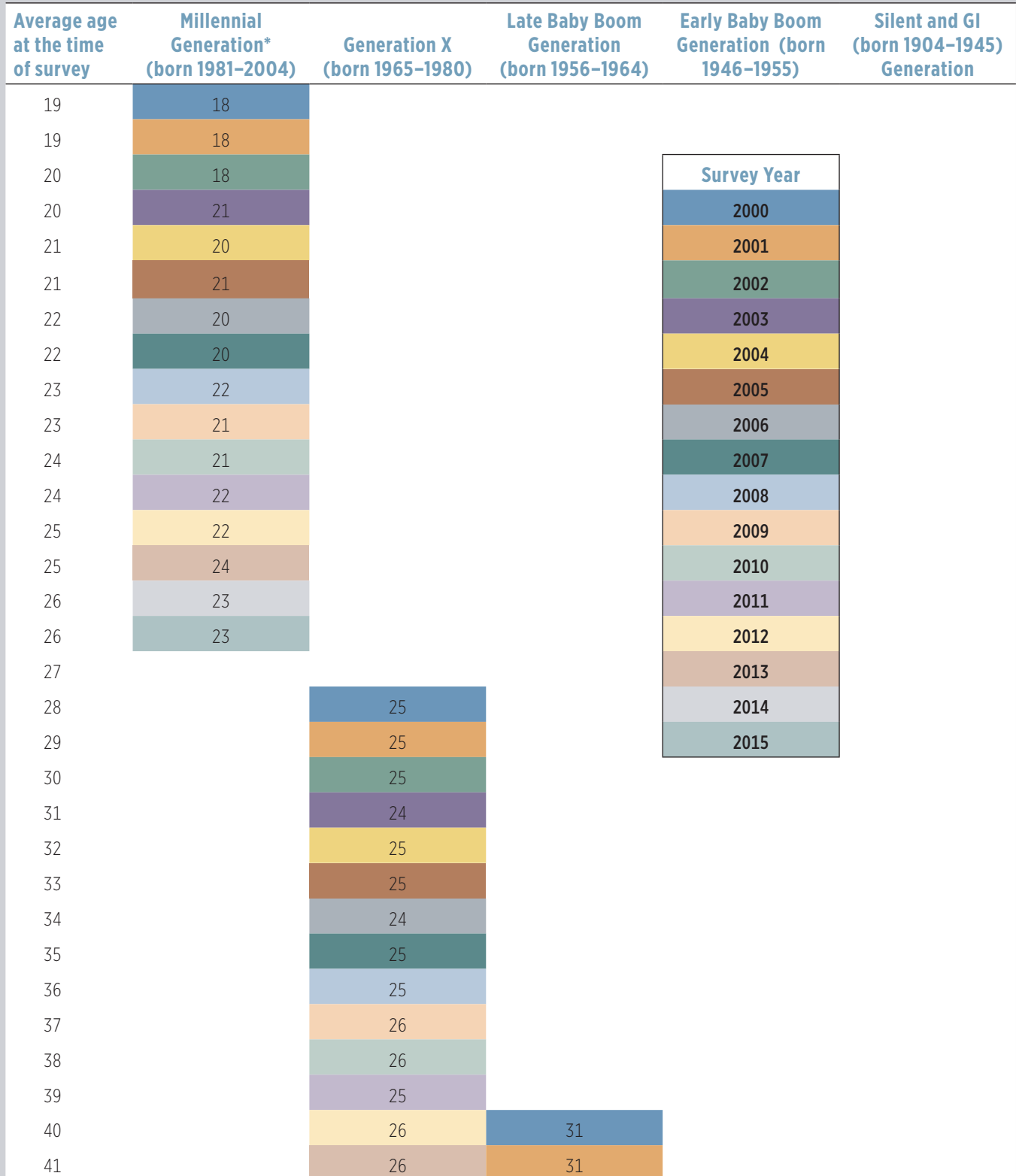
Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

# Appendix

FIGURE A1

## Age of First Mutual Fund Purchase by Generation

Median age of household head when first mutual fund purchase was made, by generation of the household head, 2000 to 2015



Continued on the next page

FIGURE A1 CONTINUED

### Age of First Mutual Fund Purchase by Generation

Median age of household head when first mutual fund purchase was made, by generation of the household head, 2000 to 2015

Average age at the time of survey	Millennial Generation* (born 1981–2004)	Generation X (born 1965–1980)	Late Baby Boom Generation (born 1956–1964)	Early Baby Boom Generation (born 1946–1955)	Silent and GI (born 1904–1945) Generation
42		26	30		
43		26	31		
44			29		
45			30		
46			30		
47			31		
48			31		
49			31		
50			31	38	
51			31	36	
52			31	36	
53			32	36	
54			31	36	
55			32	37	
56				35	
57				36	
58				35	
59				36	
60				35	
61				36	
62				36	
63				37	
64				36	
65				37	
66					
67					
68					
69					
70					
71					
72					
73					

Survey Year
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015

Continued on the next page

FIGURE A1 CONTINUED

### Age of First Mutual Fund Purchase by Generation

Median age of household head when first mutual fund purchase was made, by generation of the household head, 2000 to 2015

Average age at the time of survey	Millennial Generation* (born 1981–2004)	Generation X (born 1965–1980)	Late Baby Boom Generation (born 1956–1964)	Early Baby Boom Generation (born 1946–1955)	Silent and GI (born 1904–1945) Generation
74					
75					
76	2000				47
77	2001				47
78	2002				48
79	2003				48
80	2004				47
80	2005				47
81	2006				46
81	2007				46
82	2008				48
82	2009				47
83	2010				46
83	2011				46
84	2012				44
84	2013				45
85	2014				46
85	2015				48

\*The Millennial Generation was born between 1981 and 2004; however, only respondents 18 or older are included in the survey.

Note: Generation is based on the age of the household sole or co-decisionmaker for saving and investing. In the calculation of average age, the youngest that the Millennial Generation can be is 18 and the oldest that the Silent and GI Generations can be is age 100. Due to this, there are duplicate average age values for these generation groups across different survey years. In addition, there is a gap in the data between the average ages of 65 and 76 because the Silent and GI Generations include much older individuals than the early Baby Boom Generation group, making the average age for the Silent and GI Generation group much older.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Notes

- <sup>1</sup> The 2015 ICI Annual Mutual Fund Shareholder Tracking Survey included a randomly selected dual frame sample of 6,000 U.S. households, with 3,000 households from a landline random digit dial (RDD) frame and 3,000 households from a cell phone RDD frame. Of the households contacted, 2,581 households, or 43.0 percent, owned mutual funds. The standard error for the 2015 sample of households owning mutual funds is  $\pm 1.9$  percentage points at the 95 percent confidence level. Survey data have been weighted to match census region, age distribution, household income distribution, educational attainment, and telephone status of the U.S. population. For additional discussion of incidence of mutual fund ownership in the United States and for more information on the 2015 survey, see Burham, Bogdan, and Schrass 2015. For additional detail on the characteristics of U.S. households that own mutual funds, see Bogdan and Schrass 2016, forthcoming. U.S. Census Bureau 2015 reported that there were 124.6 million households in the United States in 2015.
- <sup>2</sup> 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, putting children through college, 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 and Bogdan 2014, as well as Sabelhaus, Bogdan, and Schrass 2008.
- <sup>3</sup> Among households whose heads reported they were retired, 81 percent were not employed, 8 percent were employed part-time, and 11 percent were employed full-time.
- <sup>4</sup> This is a bit higher than the median household income across all U.S. households (\$50,500 in 2014), reflecting, in part, mutual fund-owning household's higher likelihood to be headed by individuals who are working and between the ages of 35 and 64, the age range in which saving and investing traditionally is the greatest. See Burham, Bogdan, and Schrass 2015 for additional information.
- <sup>5</sup> Tax-deferred accounts include employer-sponsored retirement plans (including employer-sponsored IRAs), traditional IRAs, Roth IRAs, and variable annuities. See Burham, Bogdan, and Schrass 2015 for additional information.
- <sup>6</sup> DC plans include 401(k), 403(b), 457 plans, and other DC plans. Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs. For more information on employer-sponsored retirement plans, see Investment Company Institute 2015. For additional information on households that own IRAs, see Holden and Schrass 2015a and 2015b.
- <sup>7</sup> Mutual funds held in traditional IRAs or Roth IRAs were counted as funds owned outside employer-sponsored retirement plans. Forty percent of U.S. households that owned mutual funds held funds in traditional IRAs or Roth IRAs in 2015 (see Bogdan and Schrass 2016, forthcoming).
- <sup>8</sup> Investment professionals include registered investment advisers, full-service brokers, independent financial planners, bank and savings institution representatives, insurance agents, and accountants. For additional information on mutual fund owners' use of investment professionals, see Bogdan and Schrass 2016, forthcoming; Leonard-Chambers and Bogdan 2007; and Schrass 2013.
- <sup>9</sup> In addition, 3 percent of mutual fund-owning households owned mutual funds both inside and outside employer-sponsored retirement plans, but did not indicate specifically which outside source they used.
- <sup>10</sup> See U.S. Census Bureau 2015.
- <sup>11</sup> Survey participants must be 18 or older and be the most knowledgeable about the household's savings and investments; so although people born between 1981 and 2004 are members of the Millennial Generation, only those born between 1981 and 1997 are included in this survey.
- <sup>12</sup> Households headed by members of the Silent Generation (born between 1925 and 1945) were 12 percent of all mutual fund-owning households; the GI Generation (born between 1904 and 1924) represented less than 1 percent. For additional information on mutual fund-owning households by generation, see Bogdan and Schrass 2016, forthcoming.
- <sup>13</sup> Ownership of 401(k) assets and IRA assets has a similar pattern by age. See Holden et al. 2014; Holden and Bass 2015; and Holden and Schrass 2015c.
- <sup>14</sup> The underlying data for Figure 16 are reported in Figure A1. Figure 16 presents the median age of household head when the first mutual fund purchase was made for each generation group. The data for the year of first mutual fund purchase are available on these households every year from 2000 to 2015 from the Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey. For each survey year, the relevant statistics are plotted at the average of the age range for each generation group. For example, in 2015, Generation X ranged in age from 35 to 50, and the 2015 data point for this group is plotted above age 43. Presented in this way, patterns can be discerned both across households and over time.
- <sup>15</sup> See Sabelhaus, Bogdan, and Schrass 2008; Sabelhaus and Schrass 2009; and Burham, Bogdan, and Schrass 2015.

## References

- Bogdan, Michael, and Daniel Schrass. 2016, forthcoming. "Profile of Mutual Fund Shareholders, 2015." *ICI Research Report*.
- Brady, Peter, and Michael Bogdan. 2014. "Who Gets Retirement Plans and Why, 2013." *ICI Research Perspective* 20, no. 6 (October). Available at [www.ici.org/pdf/per20-06.pdf](http://www.ici.org/pdf/per20-06.pdf).
- Browning, Martin, and Thomas F. Crossley. 2001. "The Life-Cycle Model of Consumption and Saving." *Journal of Economic Perspectives* 15, no. 3: 3–22 (Summer).
- Burham, Kimberly, Michael Bogdan, and Daniel Schrass. 2015. "Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2015." *ICI Research Perspective* 21, no. 5 (November). Available at [www.ici.org/pdf/per21-05.pdf](http://www.ici.org/pdf/per21-05.pdf).
- Holden, Sarah, and Steven Bass. 2015. "The IRA Investor Profile: Traditional IRA Investors' Activity, 2007–2013." *ICI Research Report* (July). Available at [www.ici.org/pdf/rpt\\_15\\_ira\\_traditional.pdf](http://www.ici.org/pdf/rpt_15_ira_traditional.pdf).
- Holden, Sarah, and Daniel Schrass. 2015a. "The Role of IRAs in U.S. Households' Saving for Retirement, 2014." *ICI Research Perspective* 21, no. 1 (January). Available at [www.ici.org/pdf/per21-01.pdf](http://www.ici.org/pdf/per21-01.pdf).
- Holden, Sarah, and Daniel Schrass. 2015b. "Appendix: Additional Data on IRA Ownership in 2014." *ICI Research Perspective* 21, no. 1A (January). Available at [www.ici.org/pdf/per21-01a.pdf](http://www.ici.org/pdf/per21-01a.pdf).
- Holden, Sarah, and Daniel Schrass. 2015c. "The IRA Investor Profile: Roth IRA Investors' Activity, 2007–2013." *ICI Research Report* (July). Available at [www.ici.org/pdf/rpt\\_15\\_ira\\_roth\\_investors.pdf](http://www.ici.org/pdf/rpt_15_ira_roth_investors.pdf).
- Holden, Sarah, Jack VanDerhei, Luis Alonso, Steven Bass, and AnnMarie Pino. 2014. "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2013." *ICI Research Perspective* 20, no. 10, and *EBRI Issue Brief*, no. 408 (December). Available at [www.ici.org/pdf/per20-10.pdf](http://www.ici.org/pdf/per20-10.pdf).
- Investment Company Institute. 2015. "The U.S. Retirement Market, Second Quarter 2015" (September). Available at [www.ici.org/info/ret\\_15\\_q2\\_data.xls](http://www.ici.org/info/ret_15_q2_data.xls).
- Leonard-Chambers, Victoria, and Michael Bogdan. 2007. "Why Do Mutual Fund Investors Use Professional Financial Advisers?" *Investment Company Institute Fundamentals* 16, no. 1 (April). Available at [www.ici.org/pdf/fm-v16n1.pdf](http://www.ici.org/pdf/fm-v16n1.pdf).
- Sabelhaus, John, Michael Bogdan, and Daniel Schrass. 2008. *Equity and Bond Ownership in America, 2008*. Washington, DC: Investment Company Institute; New York: Securities Industry and Financial Markets Association (December). Available at [www.ici.org/pdf/rpt\\_08\\_equity\\_owners.pdf](http://www.ici.org/pdf/rpt_08_equity_owners.pdf).
- Sabelhaus, John, and Daniel Schrass. 2009. "The Evolving Role of IRAs in U.S. Retirement Planning." *Investment Company Institute Perspective* 15, no. 3 (November). Available at [www.ici.org/pdf/per15-03.pdf](http://www.ici.org/pdf/per15-03.pdf).
- Schrass, Daniel. 2013. "Ownership of Mutual Funds Through Investment Professionals, 2012." *ICI Research Perspective* 19, no. 2 (February). Available at [www.ici.org/pdf/per19-02.pdf](http://www.ici.org/pdf/per19-02.pdf).
- U.S. Census Bureau. 2015. "Income, Poverty, and Health Insurance Coverage in the United States: 2014." *Current Population Reports*, P60-252 (September). Washington, DC: U.S. Government Printing Office. Available at [www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf](http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf).



1401 H Street, NW  
Washington, DC 20005  
202-326-5800  
[www.ici.org](http://www.ici.org)

Copyright © 2015 by the Investment Company Institute. All rights reserved.

The Investment Company Institute (ICI) is the national association of U.S. investment companies. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers.