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U.S. Household Ownership of Mutual Funds in 1997

The number of U.S. households owning mutual funds increased an estimated 1.8 percent between mid-1996 and mid-1997 to stand at 37.42 million.¹ Household owners of mutual funds represented 37.4 percent of all U.S. households in 1997 (Figure 1), compared with 37.2 percent in 1996. An estimated 65.52 million individuals owned a mutual fund in 1997, up from 62.92 million the previous year.²

figure 1

U.S. Households that Own Mutual Funds, 1997¹

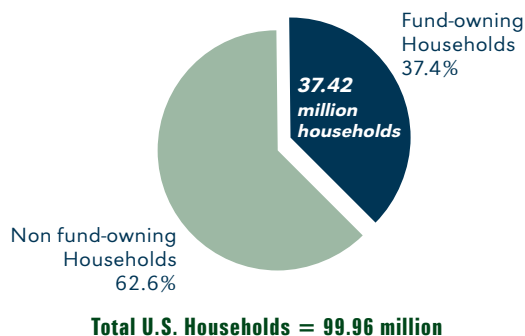


figure footnote

¹Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

figure 2

Income of U.S. Households that Own Mutual Funds, 1997¹

(percent)

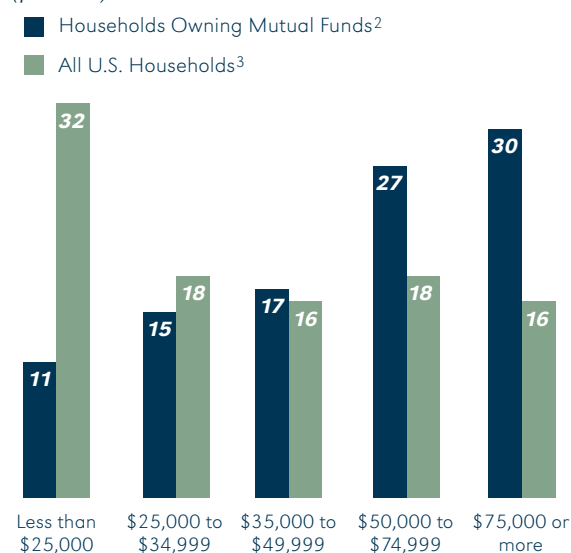


figure footnotes

¹Pre-tax household income for 1996.

²Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

³The percent of households in each income group is based on the Institute's survey data, and closely matches the U.S. Census' 1993 household income data (most recent data available). (See U.S. Census, Current Population Reports, Series P60-189, *Income, Poverty, and Valuation of Noncash Benefits: 1994*).

¹Based on an April 1997 ICI survey with a random sample of 3,000 U.S. households. The standard error is ± 1.8 percent at the 95 percent confidence level. The Institute weighted its sample to match the age distribution of the U.S. population. (See U.S. Census, Current Population Reports, Series P-25-1129, *Projections of the Number of Households and Families in the United States: 1995 to 2010*). Previous ICI surveys on the number of U.S. households owning mutual funds were not weighted to reflect census age distribution estimates. Ownership of mutual funds does not include that through variable annuities.

²The estimated number of individual owners per household was 1.75 in 1997 and 1.71 in 1996. The two estimates are not statistically different.

Household Income and Mutual Fund Ownership

The vast majority of mutual fund shareholders had moderate income. Nearly 60 percent had household income of \$25,000 to \$74,999 (Figure 2).³ Another 11 percent had household income under \$25,000. The incidence of fund ownership does, however, tend to increase with income. For example, 72 percent of all households with income of \$75,000 or more owned mutual funds, while only 12 percent of all households with income of less than \$25,000 owned mutual funds (Figure 3).

More members of each household income group owned equity mutual funds than bond and income funds or money market mutual funds (Figure 4). Ownership of each type of fund tends to increase with household income.

Household Age and Mutual Fund Ownership

More than 80 percent of U.S. mutual fund households were headed by individuals in their primary income-earning years from age 25 to 64, with the heaviest concentration in the 35-to-44 age bracket

figure 3

Mutual Fund Ownership Within Income Groups, 1997^{1,2}

(percent of U.S. households)

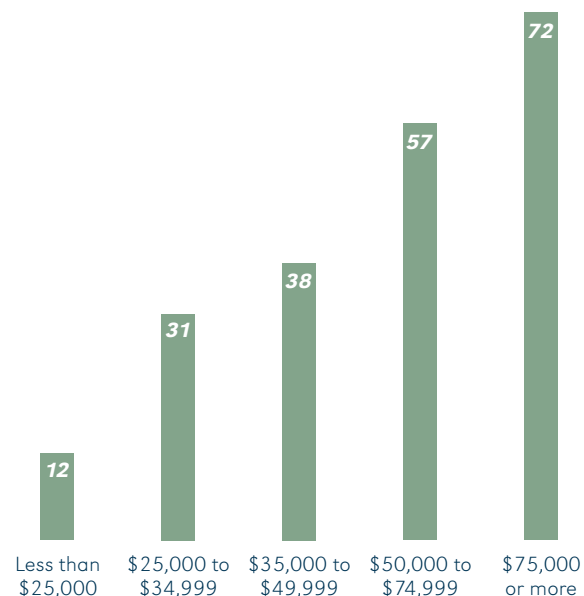


figure footnotes

¹Pre-tax household income for 1996.

²Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

figure 4

Ownership of Fund Types Within Income Groups, 1997^{1,2}

(percent of U.S. households)

	Equity Funds	Bond and Income Funds	Money Market Funds
All U.S. Households	26	15	16
Less than \$35,000	11	7	7
\$35,000 to \$49,999	24	14	16
\$50,000 to \$74,999	42	21	22
\$75,000 or more	57	34	36

figure footnotes

¹Pre-tax household income for 1996.

²Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

³The income distribution of the Institute's sample closely matches the U.S. Census' 1993 household income data (most recent data available). (See U.S. Census, Current Population Reports, Series P60-189, *Income, Poverty, and Valuation of Noncash Benefits: 1994*).

figure 5

Age of Mutual Fund Owners, 1997¹

(percent)

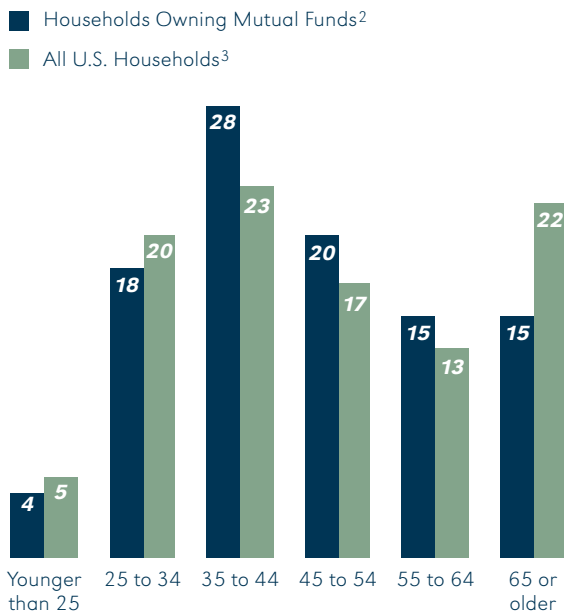


figure footnotes

¹Age of head of household.

²Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

³The percent of U.S. households in each age group is based on the Institute's survey data and is weighted to match that of the U.S. Census' 1997 estimate of the age distribution of heads of households. (See U.S. Census, Current Population Reports, Series P25-1129, *Projections of the Number of Households and Families in the United States: 1995 to 2010*).

(Figure 5). Four percent of mutual fund households were headed by individuals younger than age 25; fifteen percent were headed by individuals age 65 or older.

The incidence of fund ownership also tends to be higher among U.S. households headed by individuals in their primary income-earning years, especially the 35-to-64 age bracket (Figure 6). In contrast, the incidence of fund ownership is noticeably lower in each segment of households under age 25 or older than age 64.

Although U.S. households in all age groups were more likely to own equity funds than bond and income or money market funds, equity funds were more prevalent among those heads of households age 35 to 64 (Figure 7).

figure 6

Mutual Fund Ownership Within Each Age Group, 1997^{1,2}

(percent of U.S. households)

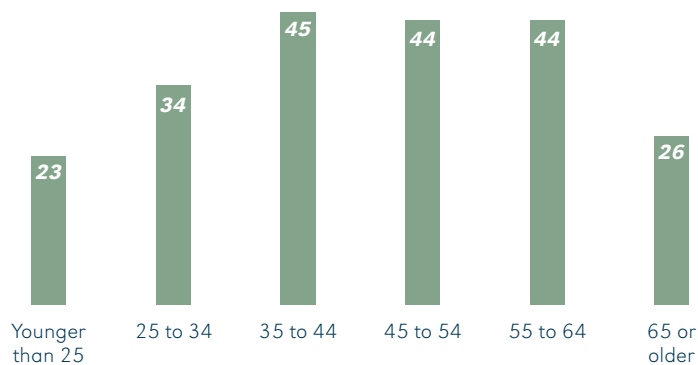


figure footnotes

¹Age of head of household.

²Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

figure 7

Ownership of Fund Types Within Age Groups, 1997^{1,2}

(percent of U.S. households)

	Equity Funds	Bond and Income Funds	Money Market Funds
All U.S. Households	26	15	16
Younger than 25	13	7	10
25 to 34	25	13	12
35 to 44	32	19	19
45 to 54	33	19	22
55 to 64	31	18	18
65 or older	15	11	12

figure footnotes

¹Age of head of household.

²Includes money market, equity, bond and income, IRA, Keogh and employer-sponsored retirement plan fund owners.

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