

Characteristics of US Mutual Fund Owners

A majority of US households rely on mutual funds to help them meet their financial goals. These mutual fund–owning households represent a broad range of the US population—coming from all age, income, and ethnic groups. Ownership of mutual funds has risen over the past two decades, particularly among moderate- or lower-income households. Generation Z and Millennial households are well on their way to widespread mutual fund ownership. Furthermore, the racial and ethnic diversity of newer fund investors has increased meaningfully. Mutual fund investors, who tend to primarily save for retirement, make informed purchasing decisions by researching their fund investment choices, often with the assistance of investment professionals.

In This Chapter

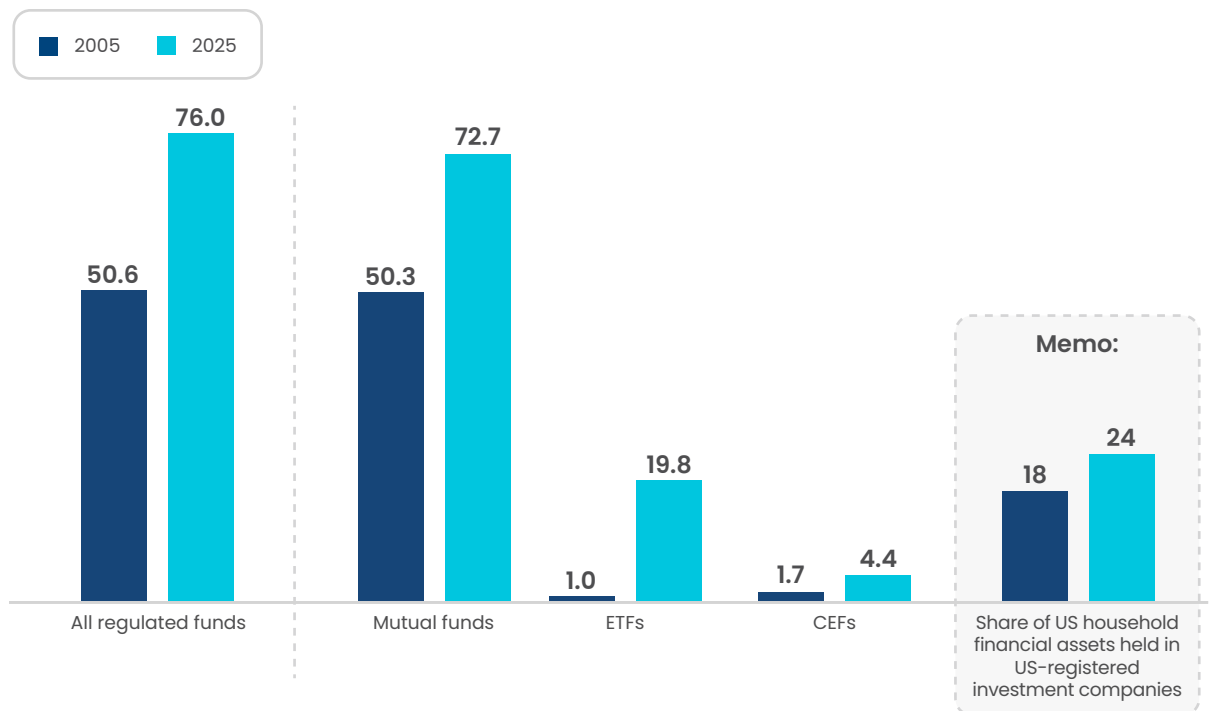
- 79 Household Ownership of Mutual Funds Is Widespread
 - 80 Mutual Funds Connect the American Middle Class to Investing
 - 81 Mutual Fund–Owning Households Reflect Everyday People
 - 83 Mutual Fund Ownership Tends To Rise Across the Generations
 - 84 Mutual Fund Ownership Patterns Vary by Generation
 - 85 Mutual Fund–Owning Households Primarily Save for Retirement
 - 86 Employer-Sponsored Retirement Plans and Investment Professionals Are the Main Channels of Fund Investments
 - 87 Mutual Fund–Owning Households Make Informed Purchasing Decisions
-

Household Ownership of Mutual Funds Is Widespread

Mutual funds are an important way US households build their financial wealth. Ownership in regulated funds has risen significantly over the past two decades. In 2025, ICI conducted its latest annual nationwide household survey, which found that about 56% of US households owned shares of mutual funds or other US-registered investment companies—including exchange-traded funds (ETFs), closed-end funds (CEFs), and unit investment trusts (UITs)—representing an estimated 76.0 million households (Figure 7.1). This represents an increase of more than 25 million households since 2005.

Mutual funds were the most common type of fund owned, with 72.7 million US households, or 54%, owning them in 2025 (Figure 7.1). All told, nearly 130 million individual investors owned regulated funds in 2025. In aggregate, US households’ investment in funds represents nearly one-quarter of their financial assets, a higher share than seen in other jurisdictions (see Figure 1.9).

FIGURE 7.1
US Households’ Fund Ownership Has Risen Over Time
Millions of US households that own regulated funds



Note: Regulated funds refers to US-registered investment companies and includes mutual funds, exchange-traded funds (ETFs), closed-end funds (CEFs), and unit investment trusts (UITs).

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey, US Census Bureau, and Federal Reserve Board

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Ownership of Mutual Funds and Shareholder Sentiment, 2025

www.ici.org/files/2025/per31-08.pdf

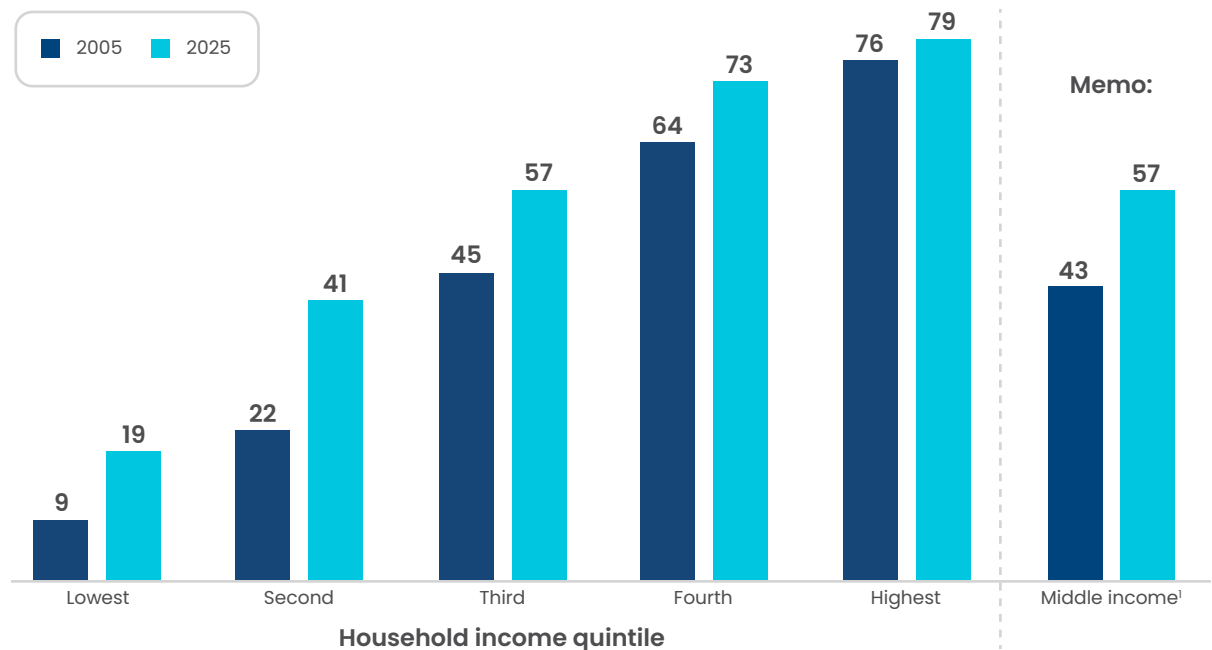
Mutual Funds Connect the American Middle Class to Investing

Mutual funds (and other regulated funds) have introduced millions of US households to investing and have become well established as a reliable investment vehicle for middle-class families. The share of middle-income households owning mutual funds rose from 43% in 2005 to 57% in 2025, and the largest percentage-point increase occurred in the second income quintile (Figure 7.2).

FIGURE 7.2

Middle-Income Households' Ownership of Mutual Funds Increased Over the Past Two Decades

Percentage of US households within each income quintile owning mutual funds



¹ Middle income households includes the second, third, and fourth income quintiles.

Note: Household income in 2005 is total household income before taxes in 2004. Household income in 2025 is total household income before taxes in 2024.

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and US Census Bureau

Mutual Fund–Owning Households Reflect Everyday People

Households that own mutual funds come from all demographic groups and typically are working and saving for retirement (Figure 7.3). In 2025, the median mutual fund–owning household:

- » was middle-aged, employed, and educated;
- » owned mutual funds inside an employer-sponsored retirement plan;
- » purchased their first mutual fund through an employer-sponsored retirement plan;
- » owned mutual funds outside employer-sponsored retirement plans, primarily purchased through investment professionals (registered investment advisers, full-service brokers, independent financial planners, bank or savings institution representatives, insurance agents, or accountants);
- » had more than half of the household’s financial assets (excluding the primary residence) invested in mutual funds;
- » owned an IRA;
- » was using mutual funds to save for retirement; and
- » was confident that mutual funds could help them reach their financial goals.

Many US mutual fund–owning households had moderate household incomes and often were in their peak earning and saving years. More than 60% of US households owning mutual funds in 2025 had annual incomes less than \$150,000, and 52% were headed by individuals between the ages of 35 and 64 (Figure 7.3). The median mutual fund–owning household had \$125,000 in household income, \$370,400 in household financial assets, and \$125,000 invested in three mutual funds, including at least one equity mutual fund.

Baby Boom Generation households were the largest share (34%) of mutual fund–owning households in 2025, reflecting both their generation’s size and their high rates of mutual fund ownership (Figure 7.3). The next largest mutual fund–owning generations were Generation X households (28%) and Millennial households (26%).

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Funds Democratize Investing in the United States

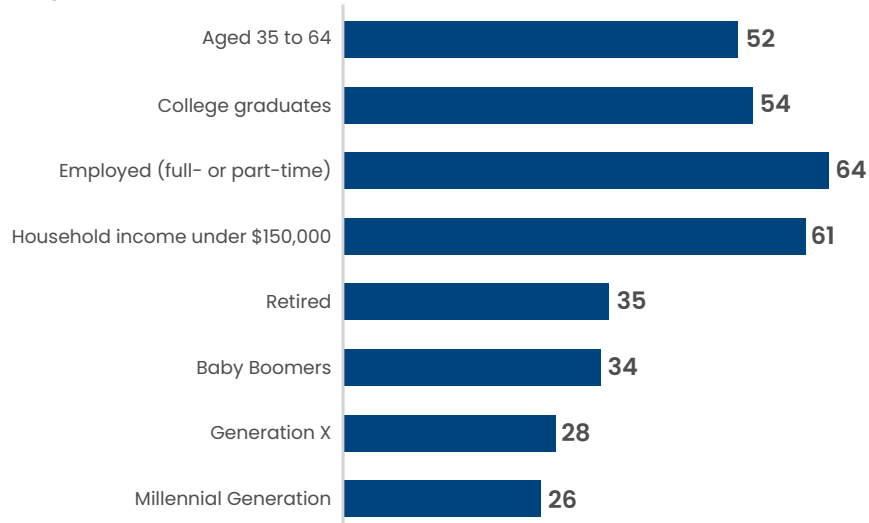
www.ici.org/ici-viewpoints/funds-democratize-investing-in-the-united-states

FIGURE 7.3

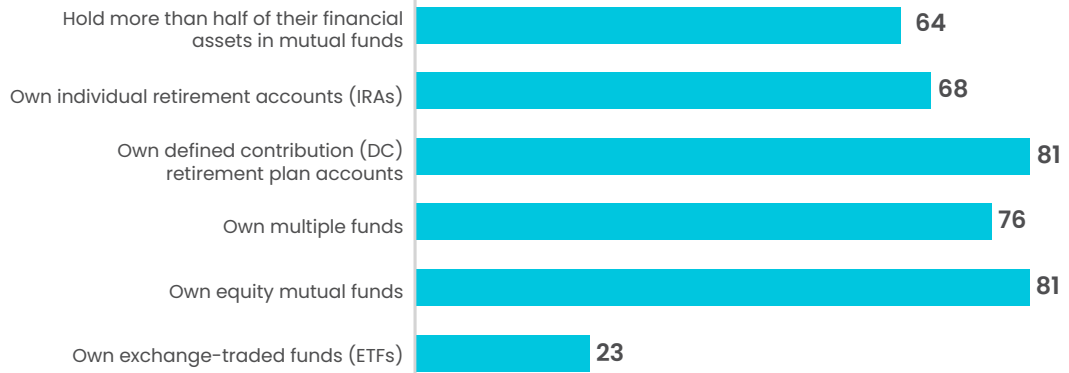
Mutual Fund–Owning Households Are From All Demographic Groups

Percentage of mutual fund–owning households, 2025

Who are they?



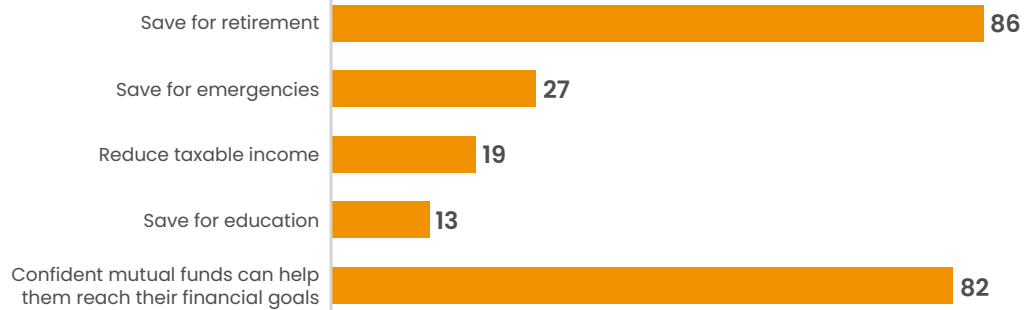
What do they own?



When and how did they make their first mutual fund purchase?



Why do they invest in mutual funds?



Sources: ICI Research Perspective, "Ownership of Mutual Funds and Shareholder Sentiment, 2025"; ICI Research Perspective, "Characteristics of Mutual Fund Investors, 2025"; and ICI Research Report, "Profile of Mutual Fund Shareholders, 2025"

Mutual Fund Ownership Tends To Rise Across the Generations

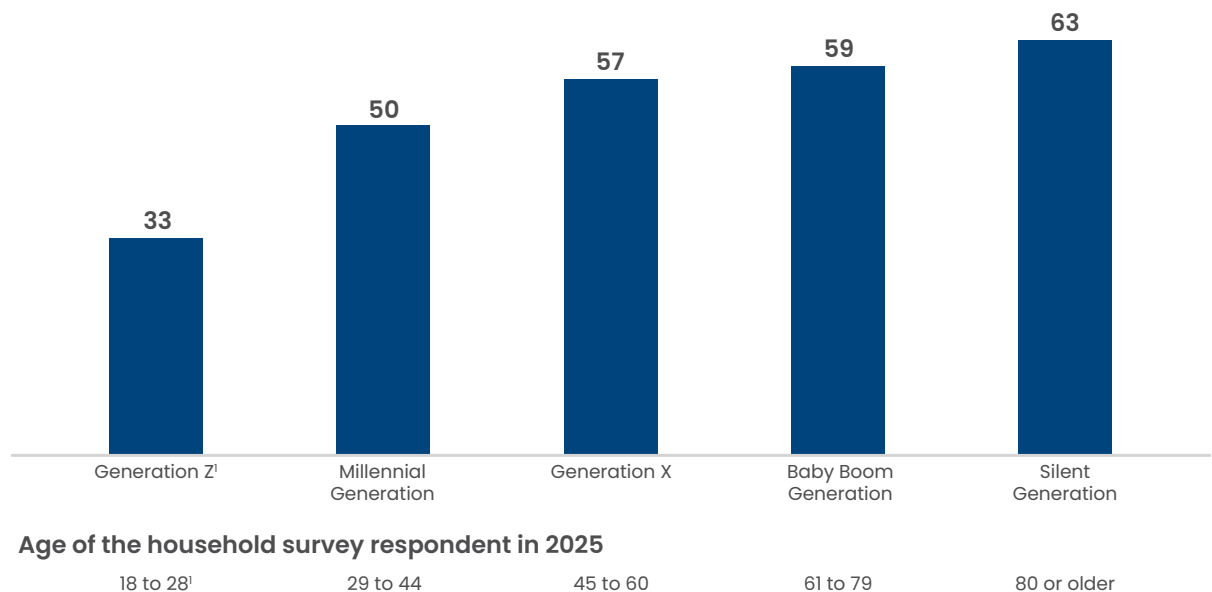
Mutual fund–owning households are headed by members of all generations, but members of the older generations, who have had more time to save, had the highest ownership rates in 2025. More than half of households headed by a member of Generation X, the Baby Boom Generation, or the Silent Generation owned mutual funds in 2025 (Figure 7.4). Younger households were well on their way to widespread mutual fund ownership: 50% of Millennial households and 33% of Generation Z households owned mutual funds in 2025.

The Baby Boom Generation held almost half (49%) of US households’ mutual fund assets, reflecting: (1) the generation’s immense size, (2) their high rate of mutual fund ownership, and (3) the decades they have had to save and invest. Generation X households held 26% of households’ mutual fund assets, and Silent Generation households held another 10%. Generation Z and Millennial households—who are younger and have not had as much time to save as Baby Boom households—held the remaining 15% of households’ mutual fund assets.

FIGURE 7.4

Mutual Fund Ownership Is Higher Among Older Generations

Percentage of US households within each generation group, 2025



¹ Generation Z (born 1997 to 2012) are aged 13 to 28 in 2025; however, survey respondents must be 18 or older.

Note: Generation is based on the age of the household survey respondent.

Source: ICI Research Perspective, “Characteristics of Mutual Fund Investors, 2025”

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Characteristics of Mutual Fund Investors, 2025

www.ici.org/files/2025/per31-09.pdf

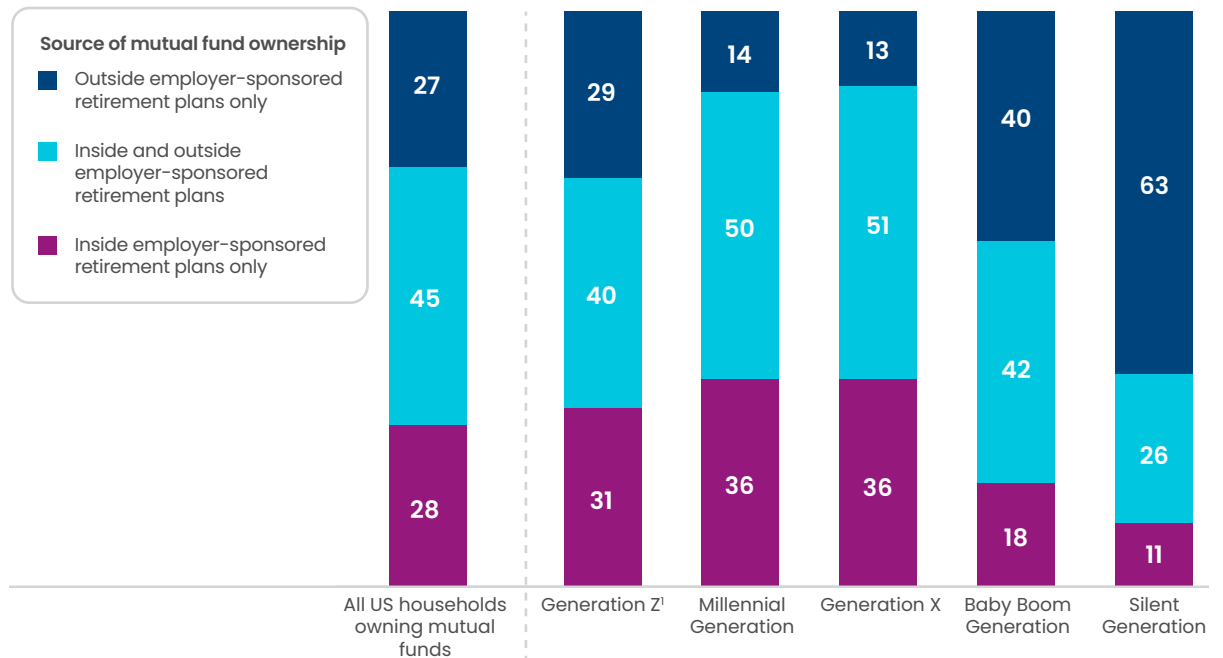
Mutual Fund Ownership Patterns Vary by Generation

How households own mutual funds often depends on where they are in the lifecycle of investing. Because younger generations are more likely to be early in their careers, they are more likely to own mutual funds only inside employer-sponsored retirement plans. As Americans change jobs over their careers, they may roll over retirement savings to IRAs, and older generations are more likely to own funds outside employer-sponsored retirement plans. In 2025, 36% of mutual fund-owning Millennial households held funds only inside employer-sponsored retirement plans, compared with 18% of mutual fund-owning Baby Boom households (Figure 7.5). Among mutual fund-owning Millennial households, 64% owned funds outside of employer-sponsored retirement plans, compared with 82% of mutual fund-owning Baby Boom households. Millennial and Generation X households are more likely than other generations to own funds both inside and outside employer-sponsored retirement plans. At 63%, mutual fund-owning Silent Generation households are the most likely to hold them only outside employer-sponsored retirement plans, perhaps reflecting limited access to defined contribution (DC) plans early in their careers or consolidation of retirement savings into IRAs when they retired.

FIGURE 7.5

Mutual Fund Ownership Often Occurs Through Employer-Sponsored Retirement Plans

Percentage of mutual fund-owning households by generation, 2025



¹ Generation Z (born 1997 to 2012) are aged 13 to 28 in 2025; however, survey respondents must be 18 or older.

Note: Generation is based on the age of the household survey respondent. 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: ICI Research Perspective, "Characteristics of Mutual Fund Investors, 2025"

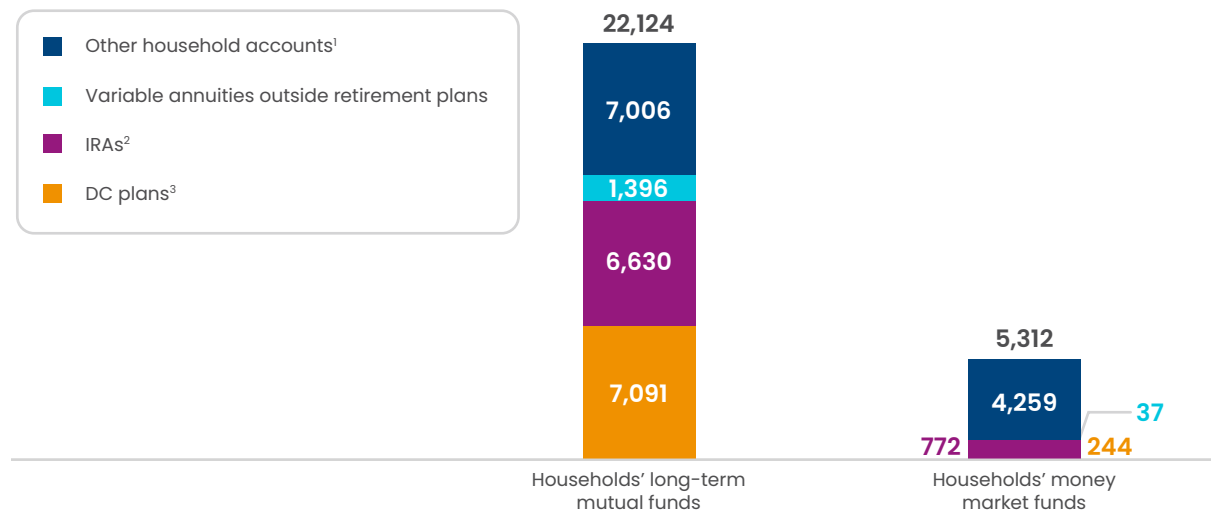
Mutual Fund–Owning Households Primarily Save for Retirement

Mutual fund–owning households overwhelmingly report that saving for retirement is one of their financial goals (86%, with 78% indicating it is the household’s primary goal) and 82% report that they are confident mutual funds can help them reach their financial goals (Figure 7.3). The importance that mutual fund–owning households place on retirement saving is reflected in where they own their funds—in 2025, 94% held mutual fund shares inside employer-sponsored retirement plans, IRAs, or variable annuities.

Given this long-term focus and the importance of retirement saving, most of households’ mutual funds were invested in long-term mutual funds (equity, hybrid, and bond funds). Additionally, more than half of these long-term mutual fund assets were held in DC plans and IRAs (Figure 7.6). At year-end 2025, long-term mutual fund assets held in DC plans and IRAs accounted for \$13.7 trillion, or 62% of households’ long-term mutual fund assets. Households had another \$1.4 trillion in long-term variable annuity mutual fund assets outside retirement plans, which have similar tax advantages and restrictions as retirement plans and are counted as part of Americans’ nest egg for retirement (see Figures 8.5 and 8.15). In addition, households held a relatively small amount of money market fund assets in DC plans, IRAs, and variable annuities outside retirement plans.

FIGURE 7.6
Households’ Mutual Fund Assets Reflect a Long-Term Investment Focus

Billions of dollars, year-end 2025



¹ Mutual funds held as investments in 529 plans and Coverdell ESAs are counted in this category.

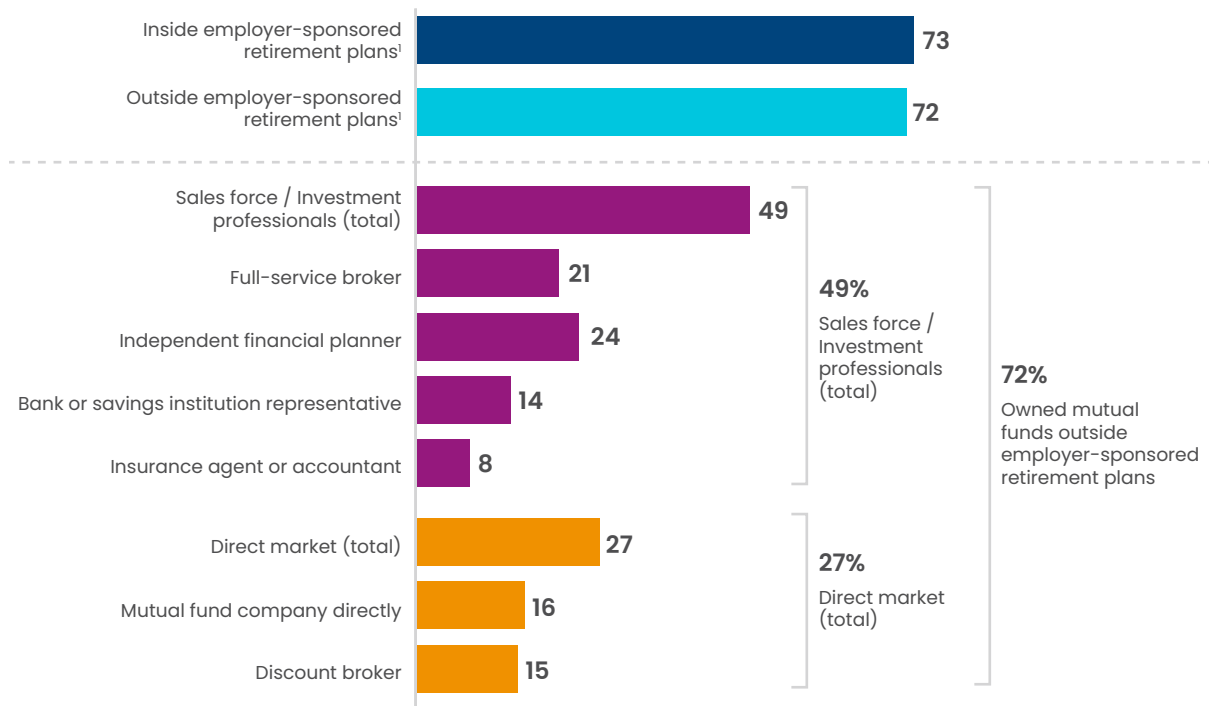
² IRAs include traditional IRAs, Roth IRAs, and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

³ DC plans include 401(k) plans, 403(b) plans, 457 plans, and other DC plans without 401(k) features.

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

In 2025, 73% of mutual fund-owning households held mutual funds through employer-sponsored retirement plans, and 72% owned mutual funds outside such plans (Figure 7.7). This latter group purchased funds through two sources: the sales force channel (investment professionals) and the direct market channel. In 2025, almost half (49%) of households owning mutual funds held funds purchased through an investment professional, and 27% owned funds purchased through the direct market channel.

FIGURE 7.7
Mutual Fund Investors Purchase Mutual Funds Through a Variety of Channels
 Percentage of mutual fund-owning households, 2025



¹ 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).
 Note: Multiple responses are included.
 Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

Households owning mutual funds outside employer-sponsored retirement plans often seek the assistance of investment professionals. In 2025, 48% of these households owned funds purchased solely with the help of investment professionals, and another 20% owned both funds purchased from investment professionals and directly from fund companies or discount brokers.

Retirement saving is also important for households holding mutual funds only outside employer-sponsored retirement plans, with 72% of those households holding funds in traditional or Roth IRAs. In many cases, these IRAs held assets rolled over from 401(k) plans or other employer-sponsored retirement plans (either defined benefit or DC plans).

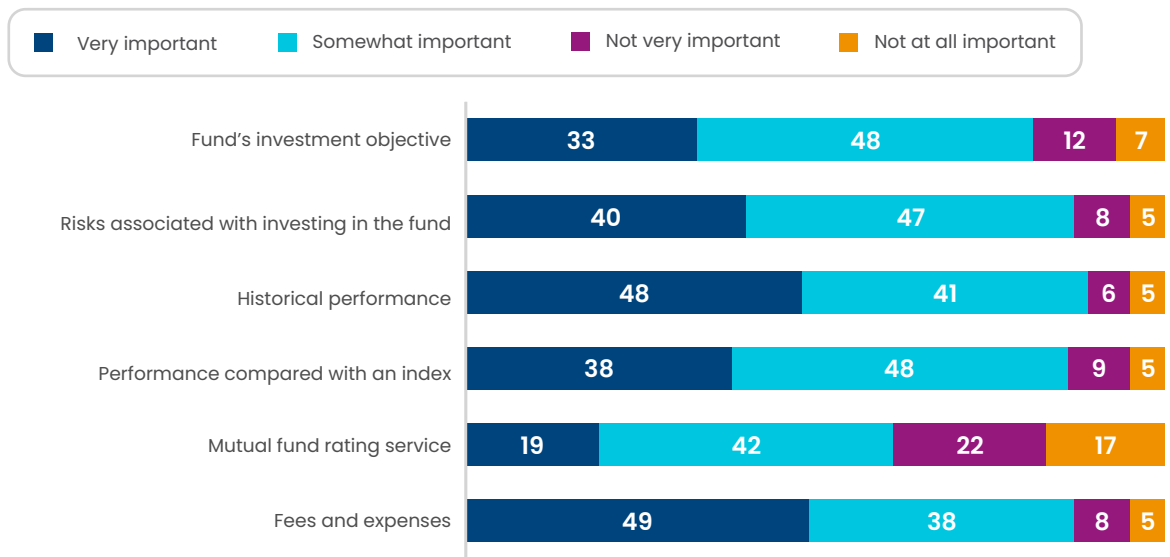
Mutual Fund–Owning Households Make Informed Purchasing Decisions

The survey also asked mutual fund–owning households about the importance of a variety of factors when making their mutual fund purchase decisions.

In 2025, 93% of mutual fund–owning households considered a fund’s investment objective when making their purchase decision (Figure 7.8). Similarly, 95% of mutual fund–owning households reviewed the risk level of a fund’s investments. The vast majority of mutual fund–owning households also reviewed the historical performance of a fund and considered a fund’s performance compared with an index.

Mutual fund–owning households also typically reviewed the fund’s fees and expenses when selecting their mutual funds. Indeed, mutual fund investors tend to concentrate their assets in lower-cost funds (see Chapter 6).

FIGURE 7.8
Most Mutual Fund–Owning Households Research Fund Investments
 Percentage of mutual fund–owning households, 2025



Source: ICI Research Perspective, “What US Households Consider When They Select Mutual Funds, 2025”

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Profile of Mutual Fund Shareholders, 2025
www.ici.org/files/2025/25-rpt-profiles.pdf