

## Millennials Are Investing at a Younger Age Compared with Earlier Generations

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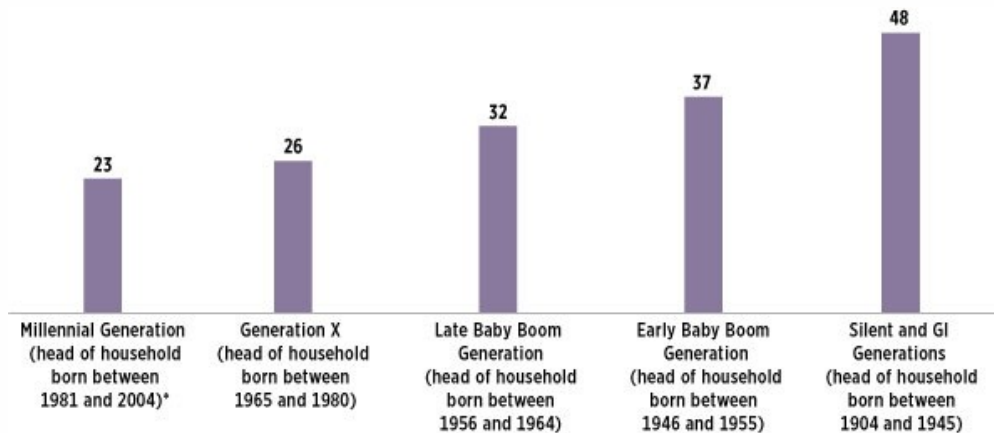
## ICI Study Finds Nearly One-Third of Millennial Households Own Mutual Funds

**Washington, DC, November 10, 2015**—Nearly one-third of Millennial households owned mutual funds in mid-2015 according to an annual survey of U.S. households by the Investment Company Institute (ICI) released today. About half of Baby Boom and Gen X households—being older and more likely in their peak earning and saving years—owned mutual funds in mid-2015. Though the share of Millennial households that own funds is smaller than that of older generations, these Millennials started investing at a younger age than previous generations.

ICI's annual survey, released in two studies, "Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2015" and "Characteristics of Mutual Fund Investors, 2015," shows that the median age at which adult Millennials—born between 1981 and 1997—first purchased mutual funds was 23. The median age for first mutual fund purchase for households headed by a member of Gen X—born between 1965 and 1980—was 26, while Baby Boomers—born between 1946 and 1964—were in their thirties when they made their first mutual fund purchase.

### 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, 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's sole or co-decisionmaker for saving and investing.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

### Baby Boom Generation Represented Largest Share of Mutual Fund–Owning Households

The ICI studies find that households headed by members of the Baby Boom Generation were the largest share—40 percent—of all mutual fund–owning households in mid-2015. The next-largest shareholder group is Gen X households, which represent 32 percent of mutual fund–owning households, followed by adult Millennial households, which make up 16 percent. Two older generations,

Silent and GI Generation households, constitute the remaining 12 percent. Baby Boom households also held the largest share of households' mutual fund assets at that time, with 53 percent of the total. Generation X households held 27 percent of household mutual fund assets, while the two generations preceding the Baby Boomers—the Silent and GI Generations—combined, held 15 percent. Millennials, because they are younger and have had less time to accumulate savings, held 5 percent of all household mutual fund assets.

“Though the Baby Boom Generation is frequently highlighted for its significant role in mutual fund investing, this study shows that Millennials are also focused on saving and investing,” said Sarah Holden, ICI senior director of retirement and investor research. “Our 2015 household survey finds not only that Millennials are buying mutual funds at a younger age than any other generation, but also that nearly one-third of the 26.4 million households headed by Millennials owned mutual funds—showing that this generation is investing for the future.”

Other key survey findings for 2015 include:

- Employer-sponsored retirement plans increasingly are the gateway to mutual fund ownership. Indeed, 67 percent of mutual fund-owning households that purchased their first mutual 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.
- Almost all mutual fund investors were focused on retirement saving. Ninety-one percent of mutual fund-owning households listed saving for retirement as a financial goal, with almost three-quarters indicating it was the household's primary financial goal.
- Most U.S. mutual fund shareholders had moderate household incomes and were in their peak earning and saving years. Half of U.S. households owning mutual funds had incomes between \$25,000 and \$99,999, and nearly two-thirds were headed by individuals between the ages of 35 and 64.
- 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.
- Of the many factors that shape shareholders' opinions of the fund industry, performance of fund investments continues to be the most influential. Fifty-nine percent of mutual fund shareholders indicated that fund performance was a “very” important factor influencing their views of the industry, and nearly four in 10 cited fund performance as the most important factor.
- Mutual fund-owning households used the Internet extensively. Ninety-one percent of households owning mutual funds had Internet access in mid-2015.

## About the survey:

ICI has conducted its Annual Mutual Fund Shareholder Tracking Survey to measure the incidence and characteristics of mutual fund ownership since 1987. The most recent survey was conducted from May to July 2015 and was based on a dual frame telephone sample of 6,000 U.S. households, with 50 percent of households reached on a landline and 50 percent of households reached on a cell phone. Of the surveyed households, 2,581 households, or 43.0 percent, owned mutual funds. In addition, the survey collected information on households' ownership of closed-end funds and ETFs. All interviews were conducted over the telephone with the member of the household aged 18 or older who was the sole or co-decisionmaker most knowledgeable about the household's savings and investments.