

Stock Ownership and Stock Price Expectations

October 3, 2025

Ownership of stocks, including directly held assets and assets held indirectly in mutual funds and retirement accounts, rose over the last two years to an average of 74% of households thus far in 2025. This increase overcame the 2023 dip in stock market participation amid the failure of Silicon Valley Bank. The past two years, soaring asset values have influenced the attractiveness of investing in risky assets, with major stock market indices reaching one historic high after another. Increases in stock market participation over the past five years have been particularly large for lower-income consumers, and participation rates of younger and older consumers have now caught up with middle-aged consumers. These trends, seen in the left panel of the table, illustrate how the composition of retail investors has evolved.

Between the fourth quarters of 2019 and 2024, the conditional median value of equities held by stock market participants nearly doubled from about \$117,000 to \$228,000, then rose about another 15% by the third quarter of 2025 (see table, middle panel). These trends were similar in magnitude to growth in S&P 500 and NASDAQ indices over these time periods. Despite larger proportional gains in holdings accruing to younger and lower-income households, there remains a strong age and income gradient in portfolio sizes. For example, in 2025Q3, households with incomes in the top tercile reported holdings nearly 10 times the value of those with the lowest tercile of incomes.

After deteriorating in the first two quarters of 2025, consumer expectations for year-ahead stock market performance lifted

Figure 1: Stock Price Expectations

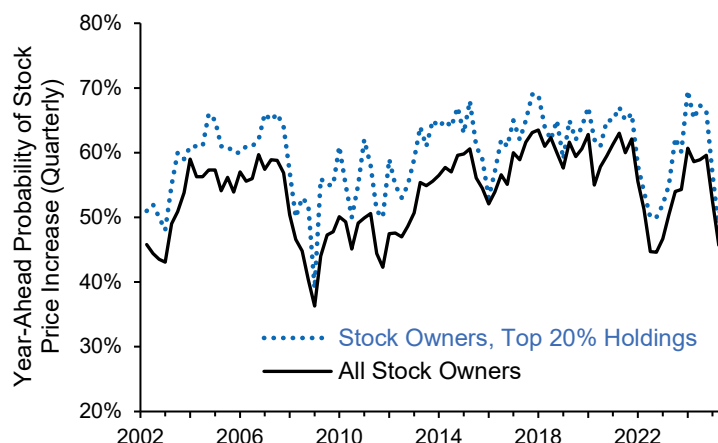


Table: Stock Ownership Rates, Value of Stock Holdings, and Probability of Gains in Stock Prices

Stock Ownership Rates								Median Holdings									Probability of Stock Price Gain in Year Ahead						
%								Current \$ in Thousands															
(All Households)								(Stock Owners)									(Stock Owners)						
	2019	2020	2021	2022	2023	2024	2025P	19:4	20:4	21:4	22:4	23:4	24:4	25:1	25:2	25:3	24:2	24:3	24:4	25:1	25:2	25:3	
All	67	70	70	70	69	73	74	117	120	148	121	149	228	204	242	262	59	59	60	53	46	57	
Age of Householder																							
18 - 44	65	68	69	68	67	70	74	40	42	49	48	50	90	83	88	118	64	64	63	57	50	61	
45 - 64	72	73	73	74	71	76	73	202	207	251	199	251	359	276	299	336	56	57	61	52	44	57	
65 or older	65	67	66	68	68	72	73	291	350	306	305	299	496	396	520	480	56	57	55	49	43	54	
Household Income																							
Bottom Third	35	39	41	43	40	46	48	21	26	21	20	38	44	47	59	71	49	54	50	44	41	51	
Middle Third	75	78	77	75	76	81	81	80	77	90	98	92	163	118	184	182	59	58	57	53	46	57	
Top Third	92	92	93	93	90	93	94	297	298	362	276	311	516	553	503	681	64	63	67	57	48	61	
Top 10%	94	94	96	95	95	97	98	780	529	888	624	983	988	976	980	1,131	61	65	71	56	47	63	
Stock Holdings																							
Bottom 20%	100	100	100	100	100	100	100	5	7	6	5	6	13	10	11	12	48	51	52	45	41	50	
Second 20%	100	100	100	100	100	100	100	40	44	50	41	40	98	74	98	99	57	57	60	49	45	56	
Middle 20%	100	100	100	100	100	100	100	110	123	148	111	110	272	249	293	300	62	61	61	53	46	57	
Fourth 20%	100	100	100	100	100	100	100	304	346	396	304	304	627	751	709	797	64	64	65	57	50	62	
Top 20%	100	100	100	100	100	100	100	1,033	1,039	1,177	999	1,033	1,971	2,001	1,986	1,942	65	67	66	57	48	63	
Top 10%	100	100	100	100	100	100	100	1,952	2,000	2,028	1,928	1,952	2,974	2,716	2,993	3,074	68	66	67	55	46	61	

Stock ownership was defined to include any directly held stock, stock in mutual funds, or any stock held in retirement related accounts. Missing responses omitted from all estimates.

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in the third quarter of this year (Figure 1 and right panel of the table). The third-quarter reading is about 57%, up from 46% in the second quarter but below 2024 readings. Younger stock market participants have more favorable expectations than older participants, and likewise for higher-income participants relative to lower-income participants. Larger stock holdings are associated with more optimistic expectations about future stock price gains. Still, on average, consumers across groups all agreed in the third quarter that stocks are more likely than not to appreciate in the next year.

As seen in Figure 2, stock market participants, particularly those with larger holdings, typically have more favorable levels of sentiment than non-participants, with sentiment gaps by wealth widening substantially between 2023 and 2024. However, amid heightened awareness and concern over trade policy developments this year, sentiment fell for all these groups and converged in April and May 2025. Since May 2025, sentiment has lifted up for stock market participants, with a particularly

strong rise for participants with the top 20% of holdings. In contrast, sentiment for non-stockholders continued to decline; their sentiment is no better than readings at the height of post-pandemic inflation in mid-2022. These patterns are consistent with the fact that strong asset values support consumer sentiment only for those who own those assets. Meanwhile, given that wealthier, higher-income consumers generate a disproportionate share of aggregate spending, the recent uptick in sentiment among these households may help buoy consumption spending even amid views of the economy that are relatively subdued from a historical perspective.

Figure 2: Since May 2025, Sentiment Rose for Stockholders but Fell for Non-Stockholders

