

Nearly 170 Million Americans With REITs

Nareit estimates that nearly 170 million Americans live in the 50% of all households that own REITs.

Highlights

- 168 million Americans live in households that own REIT stocks.
- 50% of households own REITs.

This research note estimates the number of American households and Americans who own REIT stocks directly or indirectly through mutual funds, ETFs, or target date funds. We estimate that approximately 168 million Americans, or roughly 50% of American households, are invested in REIT stocks.

The key sources of data for this analysis are the 2022 Federal Reserve Board Survey of Consumer Finances (SCF), the 2023 Employment Benefit Research Institute (EBRI) data on 401(k) equity allocations, census population and household counts, census household income statistics, and Morningstar Direct data on asset weighted REIT exposures by investment product type.

Defining the Share of Households with Equity Ownership

The SCF¹ reports household equity exposure in one or more of these non-mutually exclusive channels: tax deferred retirement accounts (54.3% of households), direct stock (21.0%), direct holdings of pooled investment funds (11.5%), and other managed assets (6.2%). Taken together, the SCF reports that, nationwide, 58.0% of households have equity exposure through at least one of these channels. The predominant channel for equity exposure is tax deferred retirement accounts, a key assumption used below.

Table 1 shows the number of households and associated number of people per household as derived from SCF and census data.

Estimating REIT Ownership Among Equity Owners

As noted above, the dominant form of stock ownership is through a tax deferred retirement account, most typically through an employer sponsored 401(k) plan. EBRI estimates the average asset allocation in 401(k) accounts. EBRI divides equity ownership vehicles into four categories, which are treated as mutually exclusive by EBRI and for this analysis. The four categories are equity funds, target date funds, balanced funds, and company stock. The shares are shown in row (1) of Table 2.

Table 1

Households with Equities and Defined Benefit Plans

Concept	Value
Number of Households	131,300,000
Share of Households with Equities	57.99%
Number of Households with Equities	76,138,638
People per Household	2.54

Source: Nareit analysis of Federal Reserve, Survey of Consumer Finances, Federal Reserve Bulletin, October 2023 and associated data; 2023 census population data via FRED.

¹ Federal Reserve, Survey of Consumer Finances, Federal Reserve Bulletin, October 2023.

For each of these four fund types we can estimate the share of assets that have REIT exposure using Morningstar Direct data. This analysis is done on an asset-weighted basis and is shown in row (2) of Table 2.

- Generalist equity funds: 85% have some REIT exposure. For these purposes this is likely a conservative estimate because broad-based passive funds are more likely to have REIT exposure and are popular in 401(k) plans.
- Target date funds: Nearly 100% of target date funds have REIT exposure.
- Balanced funds: Assumed to be the same as generalist equity funds.
- Company stock: Assumed to be 3%. This approximates REITs' share of equity market capitalization in the S&P 1500.

Multiplying the share of fund ownership by the share of funds with REITs by the number of households with equities and summing across fund types yields the total number of households with REITs. As shown in row (4) of Table 2, 66.1 million households (approximately 50% of households) have REITs. Finally, multiplying the number of households by the average number of people per household from Census data (2.54), yields approximately 168 million Americans in-households with REIT ownership.

Ownership by State

These estimates are decomposed to the state level using the relationship between equity ownership and state household income distributions. Table 3 provides the estimates.

State ownership is estimated by deriving the share of households with stock ownership in five household income categories (<\$25,000, \$25 to \$50,000, \$50 to \$75,000, \$75 to \$100,000, and more than \$100,000) using Fed SCF data.

These ownership shares are then applied at the state level using census counts of households by income bracket. This yields an estimate of the number of households with equity ownership by state. The number of households with REIT ownership is derived by applying the same methodology used in Table 2.

Table 2
REIT Ownership

Row	Estimate	Equity Funds	TDF	Balanced Funds	Company Stock	Total
(1)	Share of Equity Holdings	52%	39%	5%	5%	100%
(2)	Share with REITs	85%	100%	85%	3%	
(3)	Households with Equities	76,138,638	76,138,638	76,138,638	76,138,638	
(4)	Households with REITs	33,619,371	29,400,717	2,975,877	112,293	66,108,258
(5)	Americans with REITs	85,326,458	74,619,452	7,552,820	285,001	167,783,731

Source: Employment Benefit Research Institute, Issue Brief No. 582, What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Plan Account Balances, 2016–2020, Figure A4; Nareit analysis of Morningstar Direct mutual fund and ETF asset allocations as of June 30, 2022; Federal Reserve, Survey of Consumer Finances, Federal Reserve Bulletin, October 2023; 2023 census population data via FRED.

Table 3
REIT Ownership by State (000)

State	Households		Americans
	Count (000)	Percent of Total	Count (000)
Alabama	901	46%	2,287
Alaska	148	54%	375
Arizona	1,454	52%	3,691
Arkansas	535	45%	1,357
California	7,473	56%	18,966
Colorado	1,287	56%	3,266
Connecticut	789	55%	2,002
Delaware	208	52%	527
District of Columbia	179	56%	453
Florida	4,239	49%	10,759
Georgia	2,025	51%	5,139
Hawaii	274	56%	695
Idaho	354	51%	898
Illinois	2,607	52%	6,616
Indiana	1,327	49%	3,367
Iowa	656	50%	1,664
Kansas	579	50%	1,471
Kentucky	825	46%	2,095
Louisiana	804	45%	2,039
Maine	297	50%	753
Maryland	1,344	57%	3,412
Massachusetts	1,550	56%	3,934
Michigan	2,008	50%	5,096
Minnesota	1,246	55%	3,161
Mississippi	491	43%	1,245
Missouri	1,208	49%	3,065
Montana	222	49%	564
Nebraska	400	51%	1,015
Nevada	601	50%	1,526
New Hampshire	313	57%	795
New Jersey	1,980	57%	5,026
New Mexico	384	46%	975
New York	4,015	52%	10,191
North Carolina	2,047	49%	5,195
North Dakota	163	50%	413
Ohio	2,369	49%	6,012
Oklahoma	722	47%	1,833
Oregon	890	52%	2,258
Pennsylvania	2,677	51%	6,794
Rhode Island	232	53%	588
South Carolina	980	48%	2,488
South Dakota	179	50%	455
Tennessee	1,333	48%	3,382
Texas	5,497	51%	13,951
Utah	611	56%	1,552
Vermont	141	52%	359
Virginia	1,829	55%	4,643
Washington	1,697	56%	4,306
West Virginia	321	44%	815
Wisconsin	1,252	51%	3,178
Wyoming	122	50%	309
Puerto Rico	326	28%	828
Totals	66,108	50%	167,784

Source: Employment Benefit Research Institute, Issue Brief No. 582, What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Plan Account Balances, 2016–2020, Figure A4; Morningstar Direct mutual fund and ETF asset allocations as of June 30, 2022; Federal Reserve, Survey of Consumer Finances, Federal Reserve Bulletin, October 2023; 2023 census population data.