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Profile of Mutual Fund Shareholders, 2023

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A complete set of data tables from the ICI Annual Mutual Fund Shareholder Tracking Survey is located in a Microsoft Excel file located at www.ici.org/files/23-rpt-profiles-data.xlsx.

The Investment Company Institute (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in Europe, Asia, and other jurisdictions. ICI has offices in Washington, DC, Brussels, and London and carries out its international work through ICI Global.

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Profile of Mutual Fund Shareholders, 2023

Daniel Schrass, economist, and Michael Bogdan, associate economist, prepared this report.

Introduction

Ownership of mutual funds by US households grew significantly in the 1980s and 1990s and has remained steady over the past two decades, averaging about 46 percent since 2000. Between mid-2000 and mid-2023, assets held in mutual funds increased from \$7.1 trillion to \$24.3 trillion.¹ In 2023, 52.3 percent of US households owned mutual funds, representing 116.0 million individual mutual fund shareholders.² These numbers show an increase compared with prior years, reflecting a change in survey methodology. Mutual fund holdings represent a significant component of the savings and investments of many US households, with mutual fund assets now accounting for about one-fifth of households' financial assets in 2023.³

Annual Survey

The Investment Company Institute (ICI) conducts an annual survey to track US households' ownership of mutual funds and to gather information on their demographic and financial characteristics. The most recent survey was conducted from May to June 2023 and was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® is designed and administered by Ipsos. Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing over 18,000 people. The Annual Mutual Fund Shareholder Tracking Survey for 2023 included 6,073 randomly selected US households drawn from the KnowledgePanel®. Of the households contacted, 3,176 (52.3 percent) owned mutual funds. Mutual fund-owning households include those owning mutual funds inside or outside employer-sponsored retirement plans, including funds purchased through

investment professionals or directly from mutual fund companies or discount brokers. The overall margin of sampling error for the 2023 sample of US households owning mutual funds is ± 1.7 percentage points at the 95 percent confidence level.⁴

The “Typical” Mutual Fund–Owning Household

This report summarizes the findings of the 2023 survey.⁵ In 2023, the “typical” mutual fund-owning head of household:

- » was middle-aged, employed, educated, and either married or living with a partner;
- » had \$100,000 in household income and \$225,000 in household financial assets;
- » had \$125,000 invested in three mutual funds, including at least one equity fund;
- » owned mutual funds inside an employer-sponsored retirement plan, such as a 401(k) plan, 403(b) plan, 457 plan, SEP IRA, SAR-SEP IRA, or SIMPLE IRA;
- » owned mutual funds outside employer-sponsored retirement plans, primarily purchased through investment professionals (e.g., registered investment advisers, full-service brokers, independent financial planners, bank or savings institution representatives, insurance agents, or accountants);
- » owned investments other than mutual funds, including individual stocks, and had more than half of the household's financial assets (excluding the primary residence) invested in mutual funds;
- » owned a traditional or Roth IRA; and
- » was confident that mutual funds could help him or her reach financial goals.

Characteristics of US Households Owning Mutual Funds

Figures 1.1 to 1.9 in the data tables highlight the demographic and financial characteristics of mutual fund–owning households, the variety of mutual funds they own, and the different ways they purchase mutual funds, as well as their financial assets, financial goals, and willingness to take investment risk. The figures for the remaining sections present similar information for subgroups of mutual fund–owning households. Figures for all the sections are available in a set of data tables in a Microsoft Excel file located at www.ici.org/files/2023/23rpt-profiles-data.xls.

Variations in Characteristics of US Households That Own Mutual Funds

Principal channels used by mutual fund–owning households. The figures for Sections 2, 3, and 4 focus on the principal channels used by mutual fund–owning households to purchase fund shares. With the growth of 401(k) plans since 1990, employer-sponsored retirement plans have become a common channel through which households own mutual funds. In 2023, 73 percent of mutual fund–owning households held funds through these plans. Seventy percent of mutual fund–owning households held mutual funds purchased outside employer-sponsored retirement plans. Almost half of mutual fund–owning households held mutual funds purchased from the sales force channel, that is, through investment professionals, which include registered investment advisers, full-service brokers, independent financial planners, bank or savings institution representatives, insurance agents, and accountants. Twenty-eight percent owned fund shares purchased from the direct market channel, which consists of purchases made directly from fund companies and through discount brokers.

Forty-eight percent of mutual fund–owning households held mutual funds through multiple sources.⁶ In identifying their primary source for purchasing funds, 56 percent of mutual fund–owning households pointed to employer-sponsored retirement plans, 31 percent reported the sales force channel, and 13 percent cited the direct market channel.

Mutual fund–owning households by generation.

Figures 5.1 to 5.9 in the data tables highlight how demographic characteristics, mutual fund ownership, financial assets, and savings goals vary among mutual fund–owning households by generation. In 2023, 4 percent of mutual fund–owning households were members of Generation Z (born between 1997 and 2012), 26 percent were members of the Millennial Generation (born between 1981 and 1996), and 27 percent were members of Generation X (born between 1965 and 1980).⁷ The Baby Boom Generation (those born between 1946 and 1964) represented a 35 percent share of mutual fund–owning households. Eight percent were members of the Silent Generation (born between 1928 and 1945).

Mutual fund–owning households by age. Figures 6.1 to 6.9 in the data tables reveal how demographic characteristics, mutual fund ownership, financial assets, and savings goals vary among mutual fund–owning households by age group. In 2023, 16 percent of individuals heading mutual fund–owning households were younger than 35. The largest age group consisted of individuals between the ages of 35 and 54, who made up 34 percent of mutual fund–owning household heads. Household heads aged 55 to 64 accounted for 19 percent of mutual fund–owning households. The remaining 31 percent of individuals heading mutual fund–owning households were 65 or older.

Mutual fund–owning households by their level of household income. Figures 7.1 to 7.9 in the data tables focus on how demographic characteristics, mutual fund ownership, financial assets, and savings goals vary among mutual fund–owning households by household income. In 2023, 16 percent of mutual fund–owning households had incomes below \$50,000, 31 percent had incomes between \$50,000 and \$99,999, 21 percent had incomes between \$100,000 and \$149,999, and 32 percent had incomes of \$150,000 or more.

Mutual fund—owning households by household financial assets. Figures 8.1 to 8.9 in the data tables show how demographic characteristics, mutual fund ownership, financial assets, and savings goals vary among mutual fund—owning households by household financial assets. In 2023, 19 percent of mutual fund—owning households had financial assets of less than \$50,000, 11 percent had assets between \$50,000 and \$99,999, 21 percent had assets between \$100,000 and \$249,999, and 49 percent had assets of \$250,000 or more.

Mutual fund—owning households by the level of investment risk respondents are willing to take. Figures 9.1 to 9.9 in the data tables illustrate how demographic characteristics, mutual fund ownership, financial assets, and savings goals vary among mutual fund—owning households by level of investment risk. In 2023, 30 percent of mutual fund—owning households were willing to take above-average or substantial investment risk for similar levels of financial gain, 50 percent were willing to take average investment risk for average

financial gain, and 20 percent were willing to take below-average investment risk for below-average financial gain or were unwilling to take investment risk.

Mutual fund—owning households by the year of their initial mutual fund purchase. Figures 10.1 to 10.9 in the data tables highlight how demographic characteristics, mutual fund ownership, financial assets, and savings goals vary among mutual fund—owning households by year of initial mutual fund purchase. In 2023, 19 percent of mutual fund—owning households purchased their first mutual fund before 1990, and 23 percent purchased their first mutual fund between 1990 and 1999. Twenty-four percent purchased their first mutual fund between 2000 and 2009, 26 percent between 2010 and 2019, and 8 percent between 2020 and 2023.

Taken together, the figures in data tables present an overview of the millions of US households that invest in mutual funds, the ways in which they purchase fund shares, and the ways in which they use funds to meet their long-term financial needs.

APPENDIX: Research Methodology of the Annual Mutual Fund Shareholder Tracking Survey

Research Design

Ipsos, one of the largest market research and polling companies globally, conducted the Annual Mutual Fund Shareholder Tracking Survey of mutual fund—owning households under the direction of the Investment Company Institute’s Research Department. The survey gathered demographic, financial, and fund ownership characteristics of mutual fund—owning households nationwide. The survey collected information on fund ownership inside and outside employer-sponsored retirement plans, including the number and types of funds owned and total mutual fund assets. The survey also gathered data about aspects of fund investing, including financial goals and willingness to take investment risk. Finally, the survey collected information on household income and demographic data such as the age, education, and marital status of the head of household.

Interviewing

ICI conducts the survey each year to gather information on the demographic and financial characteristics of mutual fund—owning households in the United States. The most recent survey was conducted from May to June 2023 and was based on a sample of 6,073 households. Of the households contacted, 3,176 (52.3 percent) owned mutual funds.

Revisions to ICI’s Annual Mutual Fund Shareholder Tracking Survey

In the usual course of household survey work, researchers periodically reexamine sampling and weighting methods to ensure that the results published are representative of the underlying population of interest. ICI reexamined its Annual Mutual Fund Shareholder Tracking Survey in 2022, and the figures presented in this report for the 2023 survey reflect a

revised sampling and weighting methodology and an increased sample size. Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was changed from a dual frame random digit dial (RDD) telephone survey to a self-administered online survey on the KnowledgePanel®, a probability based online panel administered by Ipsos. The KnowledgePanel® includes about 60,000 individuals from randomly sampled households. Initially, participants are chosen scientifically by a random selection of residential addresses. Persons in selected households are then invited by telephone or by mail to participate in the web-enabled KnowledgePanel®. For those who agree to participate but do not already have internet access, Ipsos provides a laptop and internet service provider (ISP) connection at no cost. People who already have computers and internet service are permitted to participate using their own equipment. Panelists then receive unique log-in information for accessing surveys online and are sent emails throughout each month inviting them to participate in research. For a detailed description of the survey methodology, see “Ownership of Mutual Funds and Shareholder Sentiment, 2023,” *ICI Research Perspective* 29, no. 10 (October), available at www.ici.org/system/files/2023-10/per29-10.pdf.

Survey Weights

When a survey sample is drawn from a population, the proportions of segments within the sample (by age, income, or other key variables) may not match the distribution of those segments within the population. The sample’s distribution may be different due to sampling techniques, varying degrees of nonresponse from segments of the population, or a survey design that was not able to cover the entire population. It is possible to improve the relation between the sample and the population from which it was drawn by applying weights to the sample that match the proportions present in the population. This process

is known as sample-balancing or raking.⁸ Because the sample methodology for the 2022 Annual Mutual Fund Shareholder Tracking Survey was changed to the KnowledgePanel®, it was necessary to adjust the weighting methodology for the survey. For the 2022 and 2023 data, an initial design weight was created for each respondent that reflected their probability of selection from the panel. A second stage of weighting included the standard raking to control totals based on census region, householder age, household income, educational attainment of the head of household, gender of the head of household, and the race/ethnicity of the head of household from the most recent version of the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS).⁹ The weighting adjusts for differences among the households sampled in the ICI survey and the population of US households.

Due to the changes in the survey sampling and weighting methodology in 2022, the 2022 and 2023 data are not directly comparable to earlier data. Caution should be exercised when comparing data from the 2023 survey to results prior to 2022.

Methods and Assumptions

The use of sample surveys is standard practice for constructing estimates about a total population. Estimates derived through survey sampling are subject to sampling error. As sample size increases, the level of potential sampling error generally becomes smaller. The overall margin of sampling error for the 2023 sample of households owning mutual funds is ± 1.7 percentage points at the 95 percent confidence level.

Components may not add to 100 percent because of rounding; where respondents were allowed to provide multiple responses, percentages may add to more than 100 percent.

Notes

- ¹ Tabulations of Investment Company Institute data indicate that total net assets in mutual funds for June 2000 were \$7,113 billion. More specifically, in June 2000, equity mutual funds held \$4,292 billion; hybrid mutual funds held \$362 billion; bond mutual funds held \$801 billion; and money market mutual funds held \$1,658 billion. Total net assets in mutual funds for June 2023 were \$24,303 billion—equity mutual funds held \$12,686 billion; hybrid mutual funds held \$1,531 billion; bond mutual funds held \$4,636 billion; and money market funds held \$5,450 billion. See Investment Company Institute 2023.
- ² For the full series of mutual fund incidence, see Holden, Schrass, and Bogdan 2023a.
- ³ See Holden, Schrass, and Bogdan 2023a.
- ⁴ See appendix on page 3 for details on the survey's design, interviewing procedures, revisions to survey sampling, and weighting.
- ⁵ For prior years' reports, visit "Investor Research: Mutual Fund Ownership" at www.ici.org/research/investors/ownership.
- ⁶ See Figure 6 in Holden, Schrass, and Bogdan 2023b.
- ⁷ Survey participants must be 18 or older; so, although people born between 1997 and 2012 are members of Generation Z, only those born between 1997 and 2005 are included in this survey.
- ⁸ See Izrael, Hoaglin, and Battaglia 2004.
- ⁹ See US Census Bureau 2023.

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Daniel Schrass

Daniel Schrass is an economist in the retirement and investor research division at ICI. He focuses on investor demographics and behavior, as well as trends in household retirement saving activity. His detailed research includes analysis of IRA-owning households and individual IRA investors in the IRA Investor Database™, which includes data on millions of IRA investors. He also conducts research with government surveys such as the Survey of Consumer Finances, the Current Population Survey, and the Survey of Household Economics and Decisionmaking. Before joining ICI in October 2007, he served as an economist at the US Bureau of Labor Statistics. He has an MA in applied economics from the Johns Hopkins University and a BS in economics from the Pennsylvania State University.



Michael Bogdan

Michael Bogdan is an associate economist in the retirement and investor research division at ICI. Bogdan conducts research concerning the Institute's household surveys. His areas of expertise include households' ownership of mutual funds and other investments, retirement plans, and individual retirement accounts. Bogdan also conducts research with government surveys such as the Survey of Consumer Finances and the Current Population Survey. Before joining ICI in 1997, Bogdan worked for the chemical engineering department at Michigan State University as a technology transfer specialist for the Composite Materials and Structures Center. He has an MA and a BS in economics from Miami University in Oxford, Ohio.