

# ICI RESEARCH PERSPECTIVE

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## Ownership of Mutual Funds and Shareholder Sentiment, 2022

### KEY FINDINGS

- » **Fund ownership is widespread, as more than half of US households own funds.** In 2022, 54.7 percent of US households owned shares of mutual funds or other US-registered investment companies—including exchange-traded funds, closed-end funds, and unit investment trusts—representing an estimated 71.7 million households and 120.5 million investors. Mutual funds were the most common type of investment company owned, with 68.6 million US households, or 52.3 percent, owning mutual funds in 2022. The survey also found that 115.3 million individual investors owned mutual funds in 2022. These numbers show an increase compared with prior years, reflecting a change in survey methodology.
- » **Many US mutual fund shareholders had moderate household incomes and were in their peak earning and saving years.** More than two-thirds of US households owning mutual funds had incomes less than \$150,000, and 54 percent were headed by individuals between the ages of 35 and 64 in 2022.
- » **US Households owning mutual funds are more willing to take investment risk than other households.** Thirty-four percent of mutual fund-owning households were willing to take substantial or above-average risk for financial gain in 2022, compared with 14 percent for households not owning mutual funds, and 24 percent for all US households.
- » **Most shareholders view the mutual fund industry favorably.** Seventy-six percent of mutual fund-owning households familiar with mutual fund companies had a favorable impression of mutual fund companies.
- » **Mutual fund owners reported that investment performance was the most influential of the many factors that shaped their opinions of the fund industry.** In 2022, 71 percent of mutual fund-owning households indicated that fund performance was a “very” important factor influencing their views of the industry, and 55 percent cited fund performance as the most important factor.

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For a set of supplemental tables in Microsoft Excel format, see [www.ici.org/files/2022/per28-09\\_data.xls](http://www.ici.org/files/2022/per28-09_data.xls).

### US Household Ownership of Mutual Funds

#### In 2022, 68.6 Million US Households Owned Mutual Funds

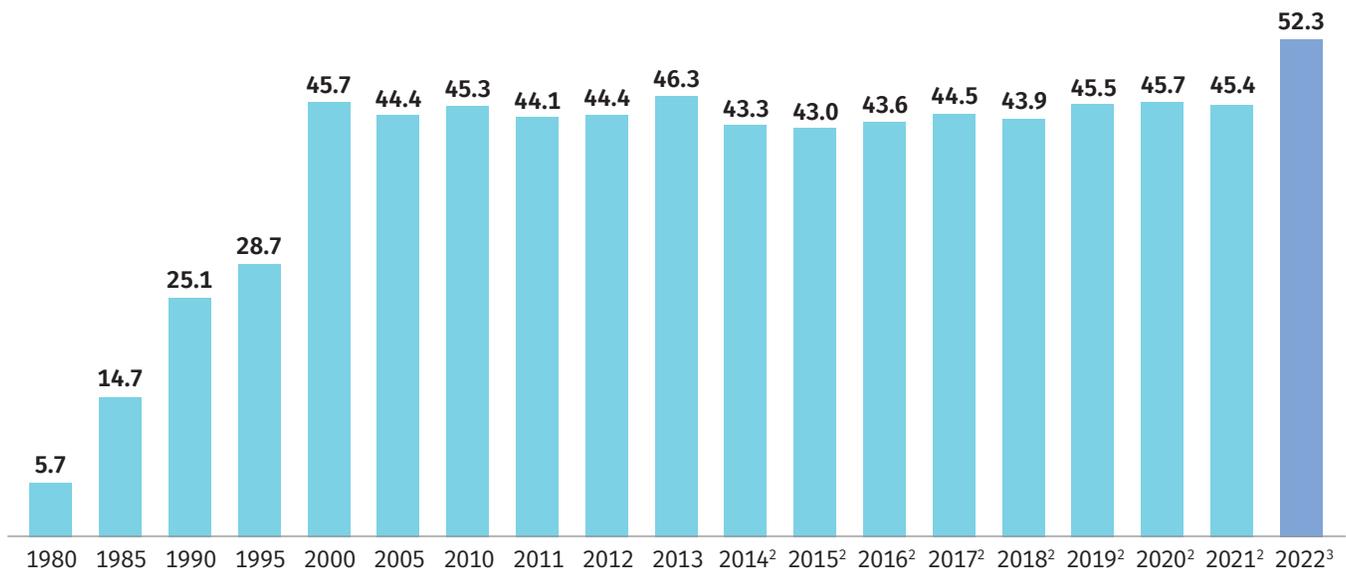
Because of the significant ownership of fund assets by US households, ICI conducts an annual nationwide survey to determine the number of households owning funds and to gain insight into fund-owning households' characteristics. Assets in US-registered investment companies—mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs)—totaled \$28.7 trillion as of mid-2022. Households held about 79 percent, or \$22.7 trillion, of all these fund assets; registered fund assets represented about one-fifth of households' financial assets.<sup>1</sup> Results from the annual survey in 2022, find that 54.7 percent of

US households owned some type of registered fund, representing an estimated 71.7 million households and 120.5 million investors. Though 16.1 million households owned ETFs and 3.8 million households owned closed-end funds in 2022, mutual funds were the most common type of fund owned by households. An estimated 68.6 million US households, or 52.3 percent, owned mutual funds in 2022 (Figure 1),<sup>2</sup> and more than 80 percent of households that owned ETFs or closed-end funds also owned mutual funds. The estimated number of individual investors owning mutual funds was 115.3 million in 2022 (Figure 2).<sup>3</sup> These numbers show an increase compared with prior years, reflecting a change in survey methodology (see full explanation in callout box on pages 4–5).

FIGURE 1

**More Than Half of US Households Owned Mutual Funds in 2022**

Number and percentage of US households owning mutual funds<sup>1</sup>



**Millions of US households owning mutual funds**

**4.6 12.8 23.4 28.4 48.6 50.3 53.2 52.9 53.8 56.7 53.2 53.6 54.9 56.2 56.0 58.5 58.7 59.0 68.6**

<sup>1</sup> Households owning mutual funds in 1980 through 1986 were estimated by dividing the total number of household accounts by the number of accounts per household. Beginning in 1987, the incidence of mutual fund ownership is estimated through household surveys. Incidence estimates for 1987 through 1993 exclude households owning mutual funds only through employer-sponsored retirement plans; estimates for 1994 through 2022 include households owning mutual funds only through employer-sponsored retirement plans. Incidence estimates for 1998 through 2022 include fund ownership through variable annuities. Incidence estimates for 2000 through 2022 include fund ownership through Roth IRAs, Coverdell education savings accounts, SAR-SEPs, SEP-IRAs, and SIMPLE IRAs.

<sup>2</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>3</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

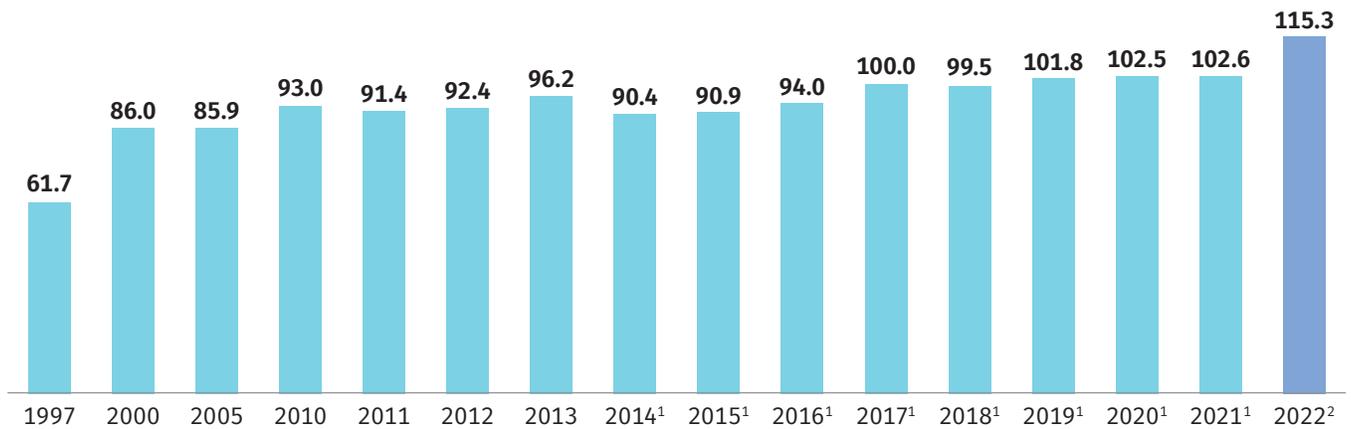
Note: For the complete time series of data from 1980 through 2022, see Table 1 in the supplemental tables.

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

FIGURE 2

**More Than 115 Million Individual US Investors Owned Mutual Funds in 2022**

Millions of individual US investors owning mutual funds



<sup>1</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>2</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: For the complete time series of data from 1997 through 2022, see Table 2 in the supplemental tables.

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

**About the Annual Mutual Fund Shareholder Tracking Survey**

ICI conducts the Annual Mutual Fund Shareholder Tracking 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 2022 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 sample for 2022 included 6,080 US households drawn from the KnowledgePanel®. Of the households contacted, 3,178 households, or 52.3 percent, owned mutual funds. The overall margin of sampling error for the 2022 sample of US households is ± 1.3 percentage points at the 95 percent confidence level.

**Revisions to ICI’s Annual Mutual Fund Shareholder Tracking Survey**

The Annual Mutual Fund Shareholder Tracking Survey interviews a random sample of US households to determine their ownership of a variety of financial assets and accounts, including mutual funds, individual stocks, individual bonds, defined contribution (DC) plan accounts, individual retirement accounts (IRAs), and education savings accounts. 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 millions of households in the United States.<sup>4,5</sup> ICI reexamined its Annual Mutual Fund Shareholder Tracking Survey in 2022, and the figures presented in this paper

for the 2022 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 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.

### Survey Sample

Prior to 2022, the Annual Mutual Fund Shareholder Tracking Survey was conducted using random digit dial (RDD) telephone surveys. Before 2014, the surveys were based on samples of landline phone numbers.<sup>6</sup> Between 2014 and 2018, the surveys were based on dual-frame samples of landline (about half) and cell phone numbers (about half). The combined samples for 2019, 2020, and 2021 included about 45 percent of households reached on a landline and about 55 percent of households reached on a cell phone. In 2022, ICI transitioned the Annual Mutual Fund Shareholder Tracking Survey to the KnowledgePanel®, a probability based online panel designed to be representative of the US population.

### 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.<sup>7</sup> 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 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).<sup>8</sup> The weighting adjusts for differences among the households sampled in the ICI survey and the population of US households.<sup>9</sup>

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

## Most Mutual Fund Shareholders Are in Their Peak Earning and Saving Years

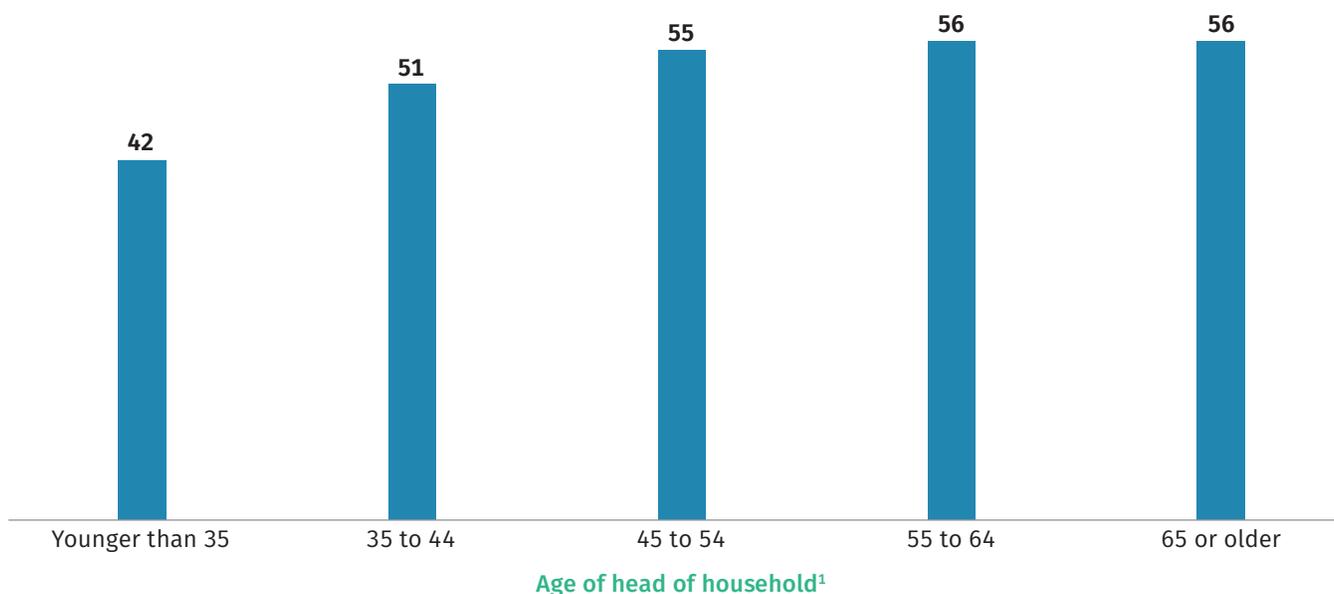
People of all ages own mutual funds, but ownership is concentrated among individuals in their prime earning and saving years. For most of the past decade, the incidence of mutual fund ownership has been greatest among households headed by individuals between the ages of 35 and 64.<sup>10</sup> In the most recent survey, a majority of households aged 35 to 64 owned mutual

funds (Figure 3). In addition, 42 percent of households younger than 35 and 56 percent of households aged 65 or older owned mutual funds.<sup>11</sup> As a result, the majority (54 percent) of households owning mutual funds were headed by individuals between the ages of 35 and 64 in 2022 (Figure 4), the age range in which saving and investing traditionally is greatest.<sup>12, 13</sup> By comparison, among all US households, 52 percent were headed by individuals in this age group.

FIGURE 3

### Incidence of Mutual Fund Ownership by Age

Percentage of US households within each age group,<sup>1</sup> 2022<sup>2</sup>



<sup>1</sup> Age is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> For the complete time series of data from 1994 through 2022, see Table 3 in the supplemental tables.

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

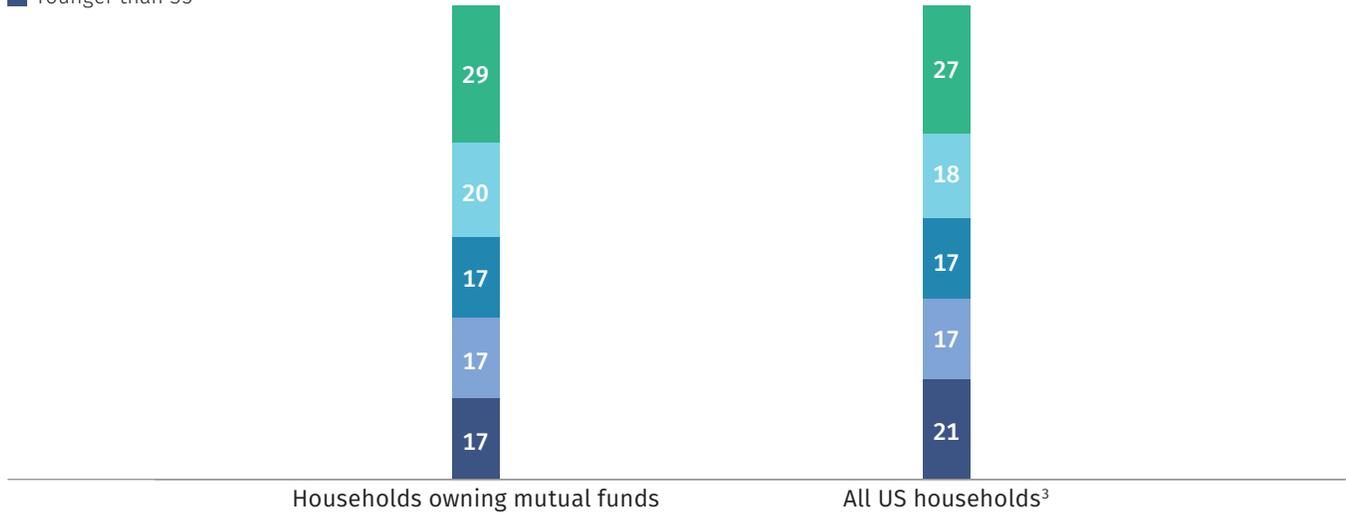
FIGURE 4

### Most Mutual Fund Shareholders Are Between Ages 35 and 64

Percent distribution of households owning mutual funds and all US households by age,<sup>1</sup> 2022<sup>2</sup>

#### Age of head of household<sup>1</sup>

- 65 or older
- 55 to 64
- 45 to 54
- 35 to 44
- Younger than 35



<sup>1</sup> Age is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> For the complete time series of data from 1994 through 2022, see Table 4 in the supplemental tables.

<sup>3</sup> The percentage of all households in each age group is based on ICI survey data and is weighted to match the US Census Bureau's Current Population Survey.

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

## Mutual Fund Shareholders Represent a Full Range of Household Incomes

Sixty-nine percent of US households owning mutual funds in 2022 had moderate or lower incomes—that is, incomes less than \$150,000 (Figure 5).<sup>14</sup> Incomes among mutual fund-owning households tended to be somewhat higher than that of the typical US household,

reflecting their tendency to be more highly educated.<sup>15</sup> Ten percent of US households owning mutual funds had incomes of less than \$35,000, while 25 percent of all US households earned less than \$35,000. Thirty-one percent of households owning mutual funds reported incomes of \$150,000 or more, compared with 20 percent of US households overall.

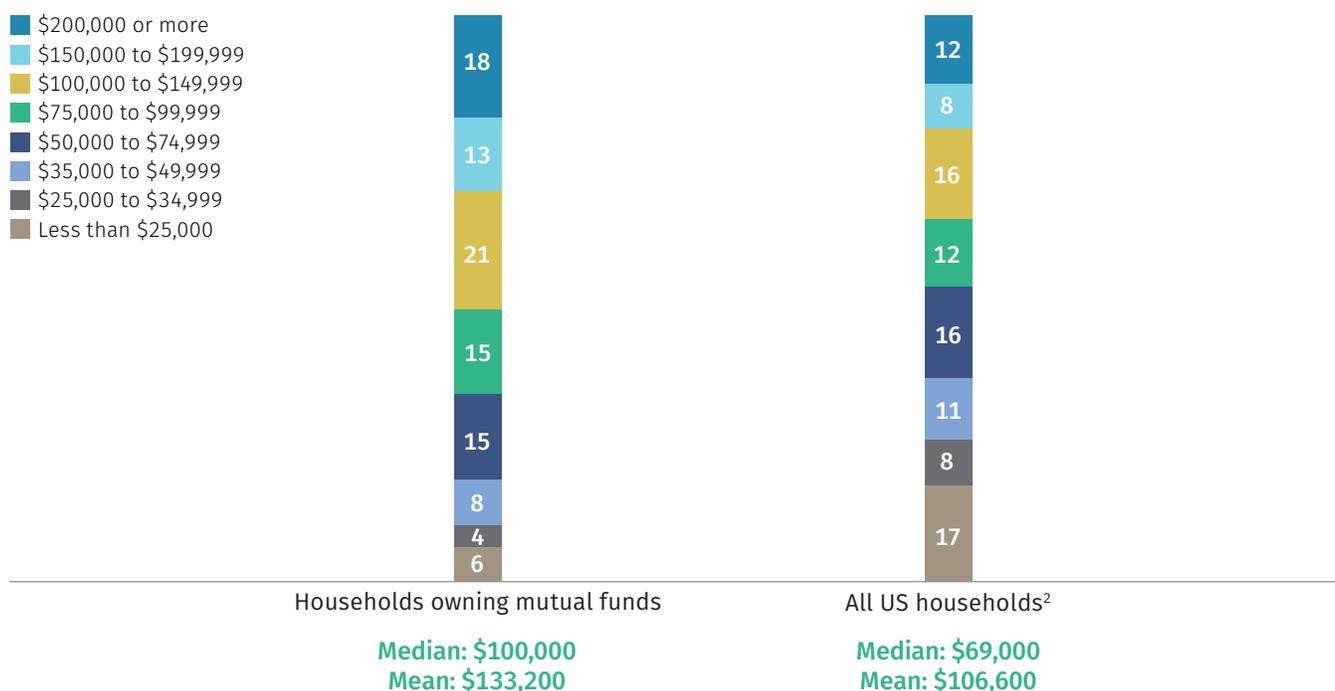
FIGURE 5

### Mutual Fund Shareholders Have a Range of Incomes

Percent distribution of households owning mutual funds and all US households by household income,<sup>1</sup> 2022<sup>2</sup>

#### Household income<sup>1</sup>

- \$200,000 or more
- \$150,000 to \$199,999
- \$100,000 to \$149,999
- \$75,000 to \$99,999
- \$50,000 to \$74,999
- \$35,000 to \$49,999
- \$25,000 to \$34,999
- Less than \$25,000



### Mutual Fund Shareholders Have a Range of Education Levels

Percent distribution of households owning mutual funds and all US households by education level of the head of household,<sup>3</sup> 2022

Education level of head of household <sup>3</sup>	Households owning mutual funds	All US households
High school diploma or less	20	34
Associate's degree or some college	26	27
Completed college	33	24
Completed graduate school	21	15

<sup>1</sup> Total reported is household income before taxes in 2021.

<sup>2</sup> The percentage of all households in each income group is based on ICI survey data and is weighted to match the US Census Bureau's Current Population Survey (CPS). For 2021, the estimated median and mean income for all US households from the CPS is \$70,784 and \$102,316, respectively.

<sup>3</sup> Head of household refers to the sole or co-decisionmaker for household saving and investing.

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

The range of incomes among mutual fund–owning households reflects the fact that individuals across all income groups own mutual funds, but it also shows that households with higher incomes are more likely to own mutual funds than lower-income households. In 2022, 67 percent of all US households with incomes of \$50,000 or more owned mutual funds, compared with

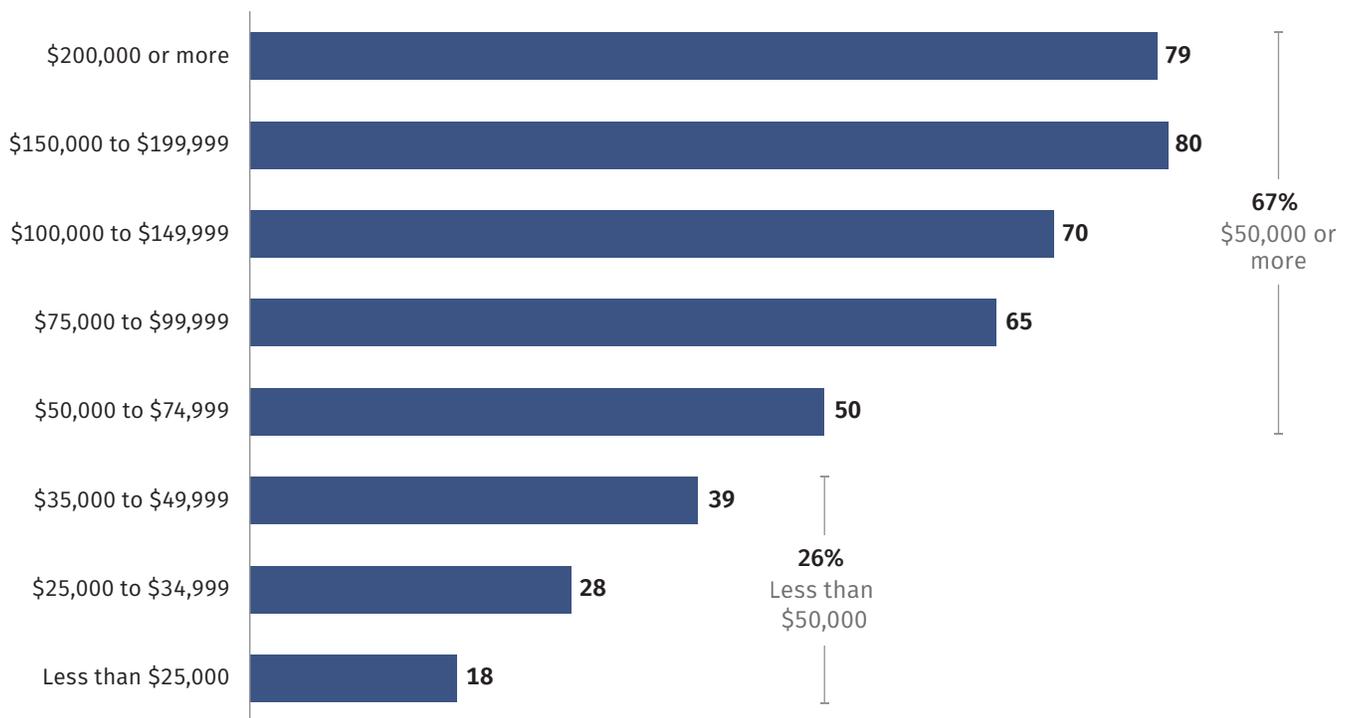
26 percent of households with incomes of less than \$50,000 (Figure 6).<sup>16</sup> In fact, lower-income households are less likely to have any type of savings. The typical household with income less than \$50,000 had \$7,500 in savings and investments, while the typical household with income of \$50,000 or more had \$200,000 in savings and investments.<sup>17</sup>

FIGURE 6

**Ownership of Mutual Funds Increases with Household Income**

Percentage of US households within each income group,<sup>1</sup> 2022<sup>2</sup>

**Household income<sup>1</sup>**



<sup>1</sup> Total reported is household income before taxes in 2021.

<sup>2</sup> For the complete time series of data from 1994 to 2022, see Table 6 in the supplemental tables.

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

## Fund Ownership Inside Tax-Deferred Accounts Is Significant

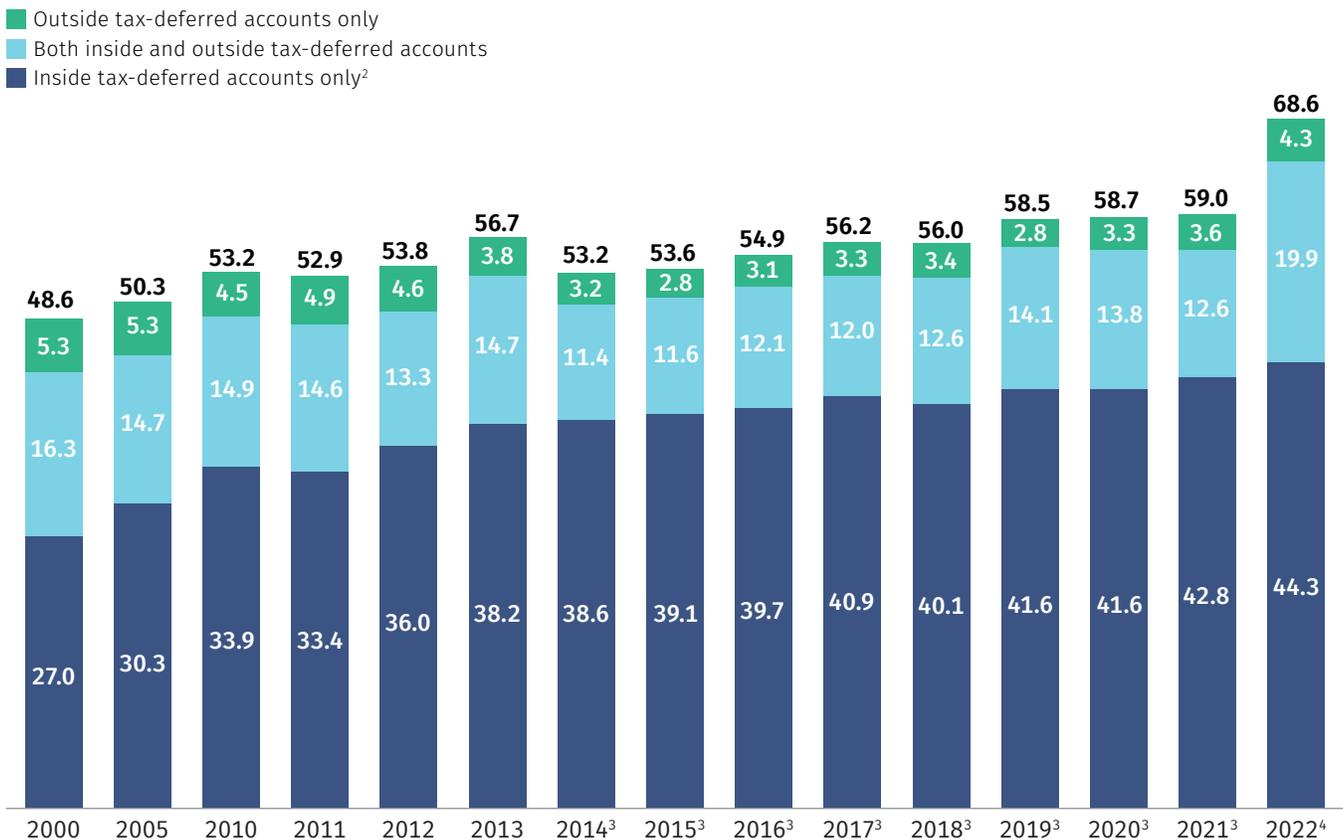
In 2022, an estimated 64.2 million households owned mutual funds inside tax-deferred accounts—defined as 401(k) and other defined contribution (DC) plans, IRAs, and variable annuities—compared with 24.2 million households owning funds outside tax-deferred accounts (Figure 7).<sup>18</sup> Additionally, more than 80 percent

of households that owned funds outside tax-deferred accounts also held funds in tax-deferred accounts. Households owning mutual funds only through tax-deferred accounts constitute much of the growth in household mutual fund ownership, having grown from 27 million in 2000 to 44.3 million in 2022.<sup>19</sup> The number of households holding mutual funds only in taxable accounts has declined in that time.

FIGURE 7

### Tax-Deferred Accounts Are a Popular Way to Hold Mutual Funds

Millions of US households owning mutual funds by account type indicated<sup>1</sup>



<sup>1</sup> For the incidence (percentage of US households) of mutual fund ownership by account type, see Tables 7 and 8 in the supplemental tables.

<sup>2</sup> Mutual funds held in employer-sponsored retirement plans, IRAs, and variable annuities are included.

<sup>3</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>4</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: Components may not add to the total because of rounding.

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

## Shareholder Sentiment About the Mutual Fund Industry

### Most Shareholders View the Mutual Fund Industry Favorably in 2022

The percentage of fund shareholders with positive opinions about the mutual fund industry was high in 2022, with 76 percent of mutual fund-owning

households familiar with mutual fund companies having a “very” or “somewhat” favorable impressions of fund companies (Figure 8). Narrowing the analysis to mutual fund-owning households familiar with mutual fund companies and with an opinion about fund companies, 86 percent had “very” or “somewhat” favorable impressions of fund companies (Figure 9).

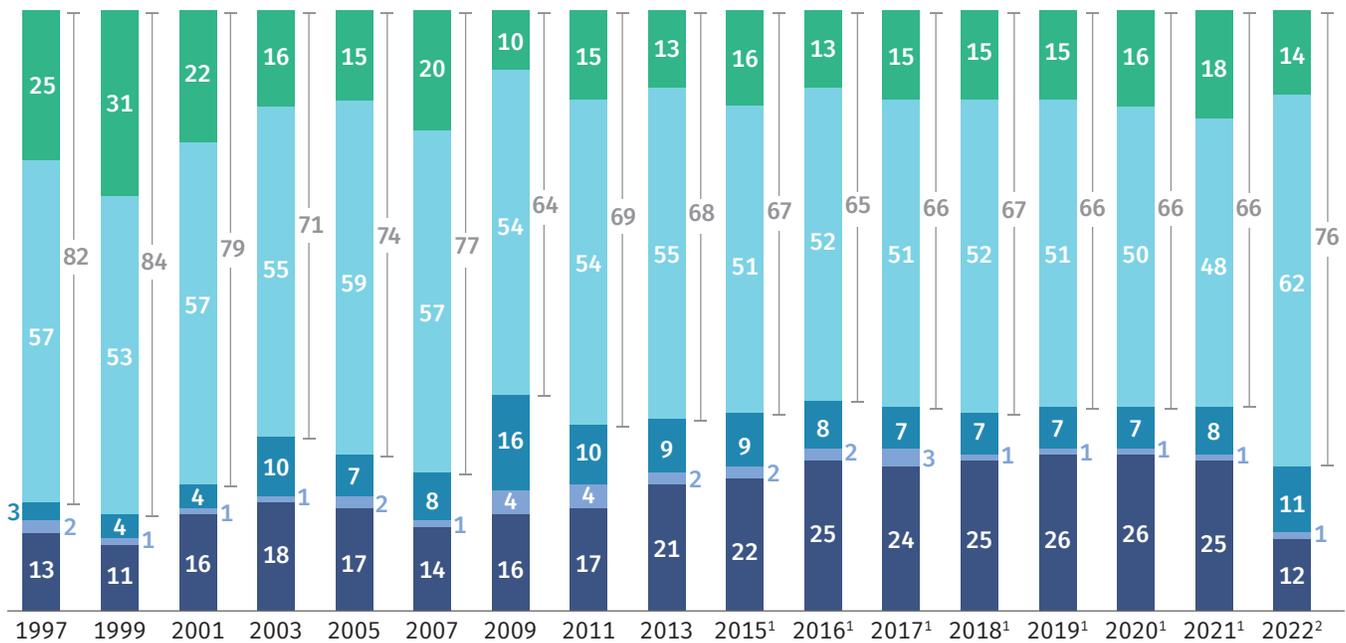
FIGURE 8

### Most Shareholders View Mutual Fund Industry Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies

#### Impression of mutual fund industry

- Very favorable
- Somewhat favorable
- Somewhat unfavorable
- Very unfavorable
- No opinion



<sup>1</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>2</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: For the complete time series of data from 1997 through 2022, see Table 9 in the supplemental tables.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

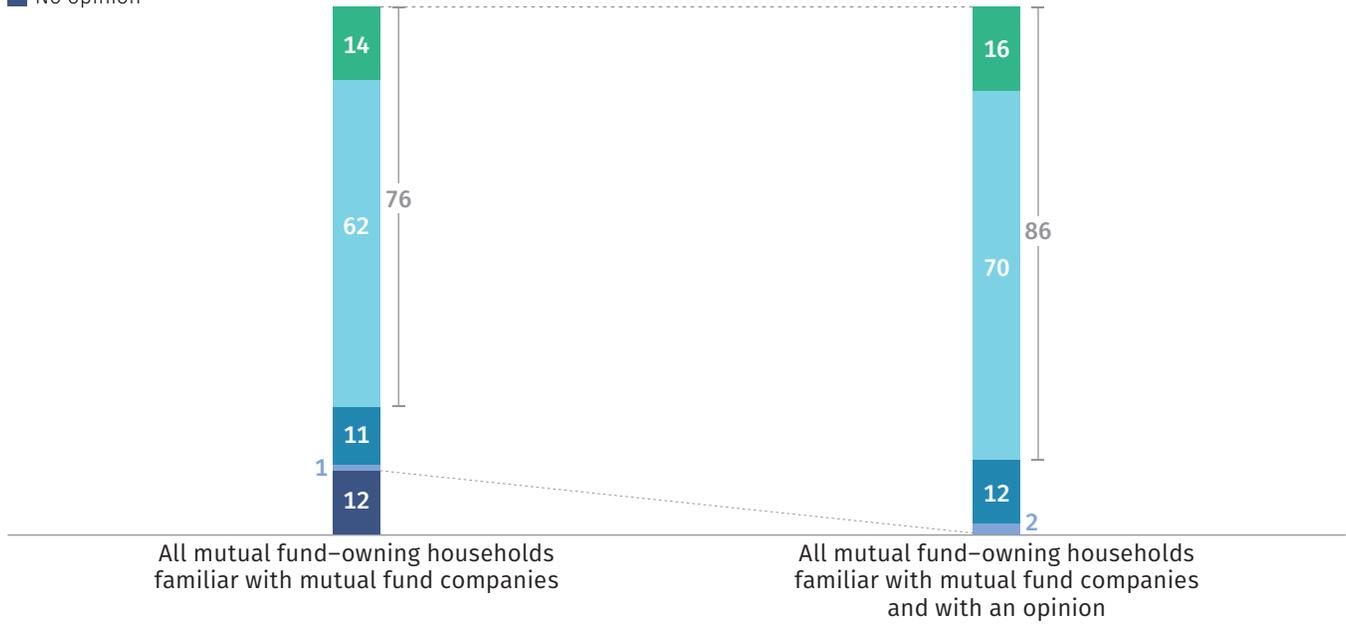
FIGURE 9

### Most Shareholders with an Opinion View Mutual Fund Industry Favorably

Percentage of mutual fund shareholders familiar with mutual fund companies, 2022

#### Impression of mutual fund industry

- Very favorable
- Somewhat favorable
- Somewhat unfavorable
- Very unfavorable
- No opinion



Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Fund Performance Influences Investor Opinion of the Fund Industry

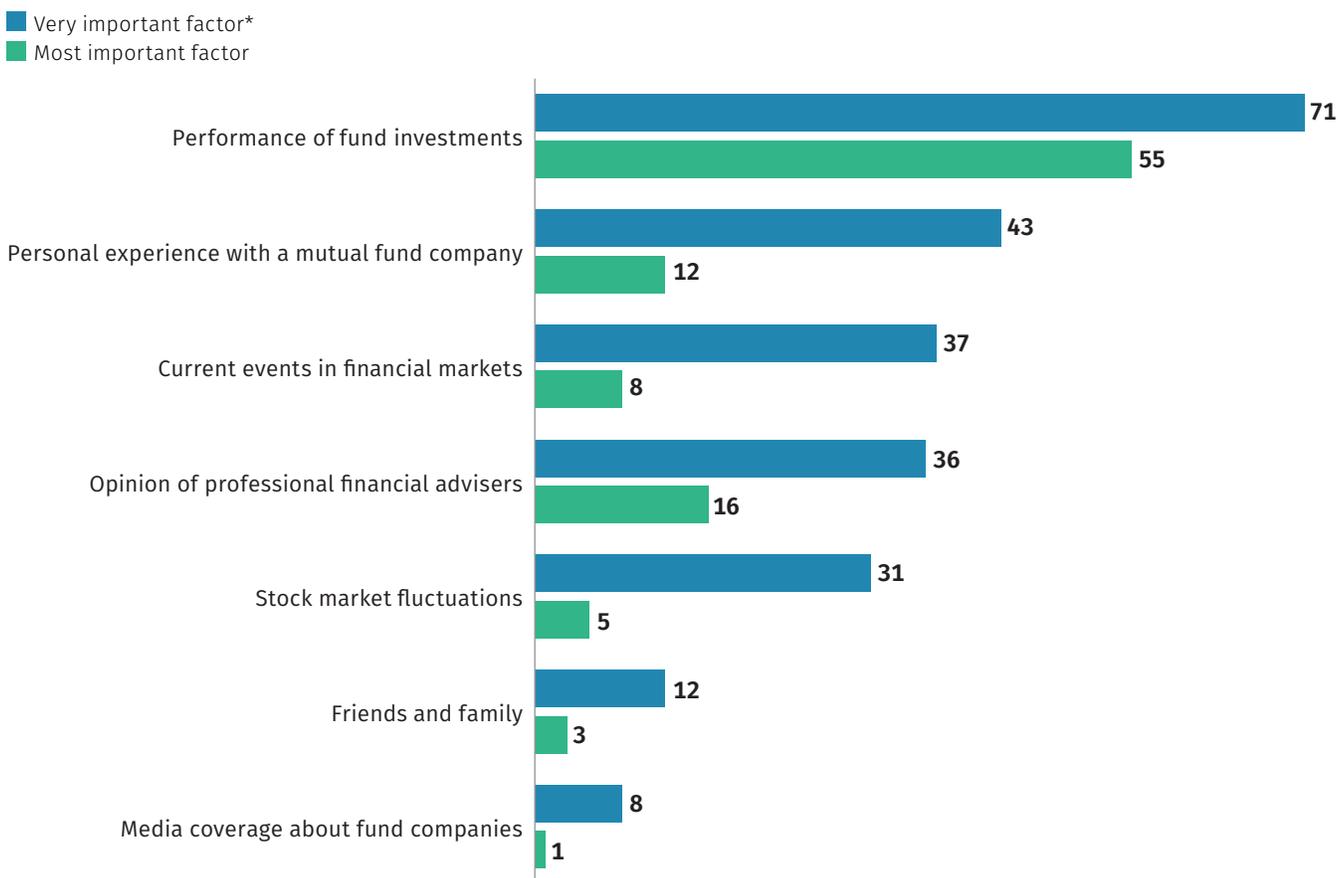
Although many factors influence shareholders' overall opinion of the mutual fund industry, investors said fund performance was the primary factor that shaped their overall opinion of the mutual fund industry. In 2022, 71 percent of all mutual fund-owning households familiar with mutual fund companies cited fund

performance as a "very" important factor in forming their opinions of the industry, and 55 percent said it was the most important factor (Figure 10). Other important factors that influence shareholder views of mutual fund companies include personal experience with a mutual fund company, current events in financial markets, the opinion of professional financial advisers, stock market fluctuations, and friends and family.

FIGURE 10

### Fund Performance Is the Most Important Factor Shaping Opinions of the Fund Industry

Percentage of shareholders familiar with mutual fund companies, 2022



\* Multiple responses are included.

Note: For the complete time series of data from 1998 through 2022, see Table 10 in the supplemental tables.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Risk Tolerance and Investing

Risk tolerance can be measured using survey data in various ways—ICI’s survey asks respondents to choose from a range that describes how much risk they are willing to take to get higher investment returns. Willingness to take financial risk varies by age but has also varied within age groups over time.

US households became less willing to take investment risk after the 2007–2009 financial crisis, reflecting the reduced risk tolerance of households owning mutual funds (Figure 11). In 2008, 36 percent of US households owning mutual funds were willing to take above-average or substantial risk with their investments; this number fell to about three in 10 mutual fund-owning households in the wake of the financial market crisis,

before rising to about four in 10 in 2020 and 2021. In 2022, 34 percent of US households owning mutual funds were willing to take above-average or substantial risk with their investments, perhaps reflecting the falling US stock market over the first part of 2022.<sup>20</sup> Risk tolerance varies with the age of the head of household, and younger households tend to be more willing to take investment risk than older households (Figure 12). In 2022, 42 percent of mutual fund-owning households younger than 35 were willing to take above-average or substantial financial risk, while only 23 percent aged 65 or older were willing to do so. Overall, mutual fund-owning households of all age groups are more willing to take investment risk than the same age groups among all US households.<sup>21</sup>

FIGURE 11

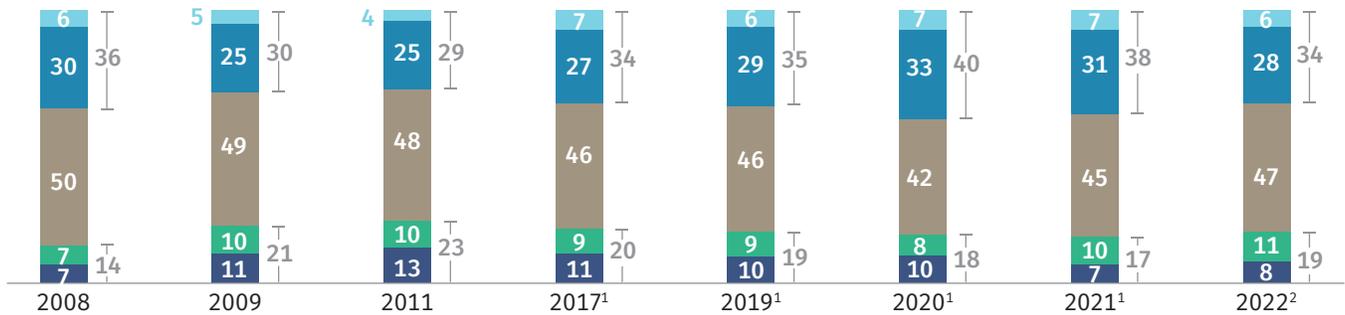
## Households' Willingness to Take Investment Risk

Percentage of US households by mutual fund ownership status

### Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

### Households owning mutual funds



### Households not owning mutual funds



### All US households



<sup>1</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>2</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: For the complete time series of data from 2008 through 2022, see Table 11 in the supplemental tables.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE 12

### Mutual Fund Shareholders' Willingness to Take Investment Risk Varies with Age

Percentage of mutual fund-owning households within each age group<sup>1</sup>

#### Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

#### Younger than 35



#### 35 to 49



#### 50 to 64



Continued on next page

FIGURE 12 CONTINUED

### Mutual Fund Shareholders' Willingness to Take Investment Risk Varies with Age

Percentage of mutual fund-owning households within each age group<sup>1</sup>

#### Level of risk willing to take with financial investments

- Substantial risk for substantial gain
- Above-average risk for above-average gain
- Average risk for average gain
- Below-average risk for below-average gain
- Unwilling to take any risk

#### 65 or older



#### All mutual fund-owning households



<sup>1</sup> Age is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>3</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: For the complete time series of data from 2008 through 2022, see Table 12 in the supplemental tables.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

Shareholders who indicated that they have a higher tolerance for financial risk when investing were more favorable toward the mutual fund industry than shareholders who indicated less tolerance for financial risk (Figure 13). For example, among mutual fund-owning households familiar with mutual funds who indicated that they take little (below-average) or

no investment risk when investing, 67 percent had favorable views of the mutual fund industry in 2022. This increased to 76 percent for those shareholders who were willing to take average investment risk and 78 percent for those were willing to take at least above-average investment risk.

## ***Additional Reading***

- » **Investor Research on Mutual Fund Ownership**  
[www.ici.org/research/investors/ownership](http://www.ici.org/research/investors/ownership)
- » **Characteristics of Mutual Fund Investors, 2022**  
[www.ici.org/files/2021/per28-10.pdf](http://www.ici.org/files/2021/per28-10.pdf)
- » **Who Invests in Mutual Funds and Why?**  
[www.ici.org/video/19\\_explain\\_mutualfunds](http://www.ici.org/video/19_explain_mutualfunds)
- » **Jump In for Mutual Fun**  
[www.ici.org/video/21\\_explainer\\_mutualfun](http://www.ici.org/video/21_explainer_mutualfun)

FIGURE 13

### Favorability Rises with Shareholders' Risk Tolerance

Percentage of mutual fund shareholders familiar with mutual fund companies by willingness to take financial risk

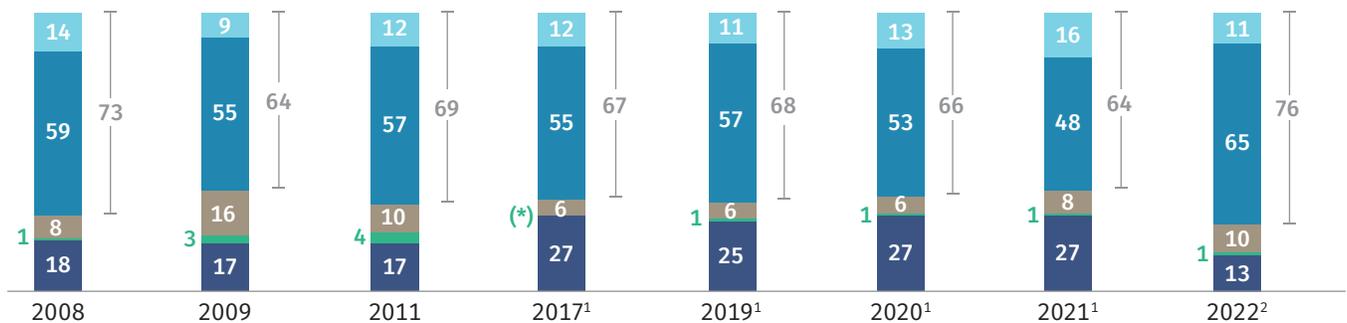
#### Impression of mutual fund industry

- Very favorable
- Somewhat favorable
- Somewhat unfavorable
- Very unfavorable
- No opinion

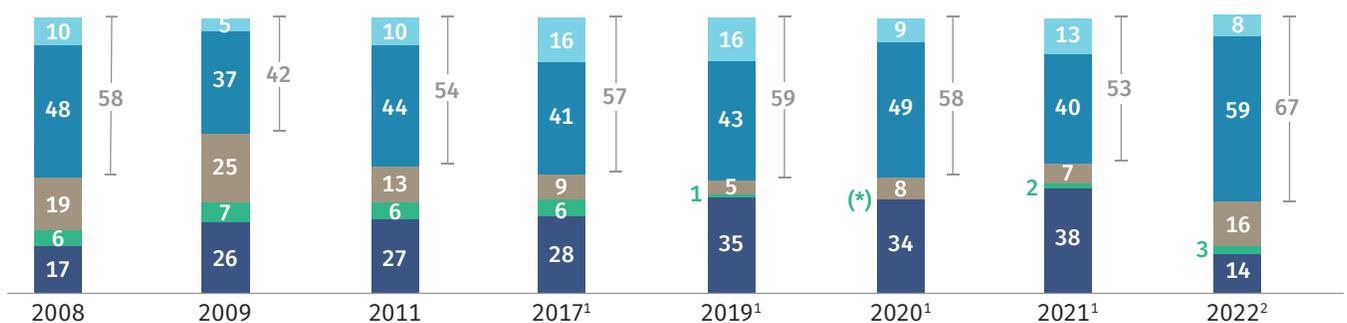
#### Above-average or substantial risk



#### Average risk



#### Below-average or no risk



<sup>1</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>2</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

(\*) = less than 0.5 percent

Note: For the complete time series of data from 2008 through 2022, see Table 13 in the supplemental tables.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Fund Owners Are Confident About Achieving Investment Goals

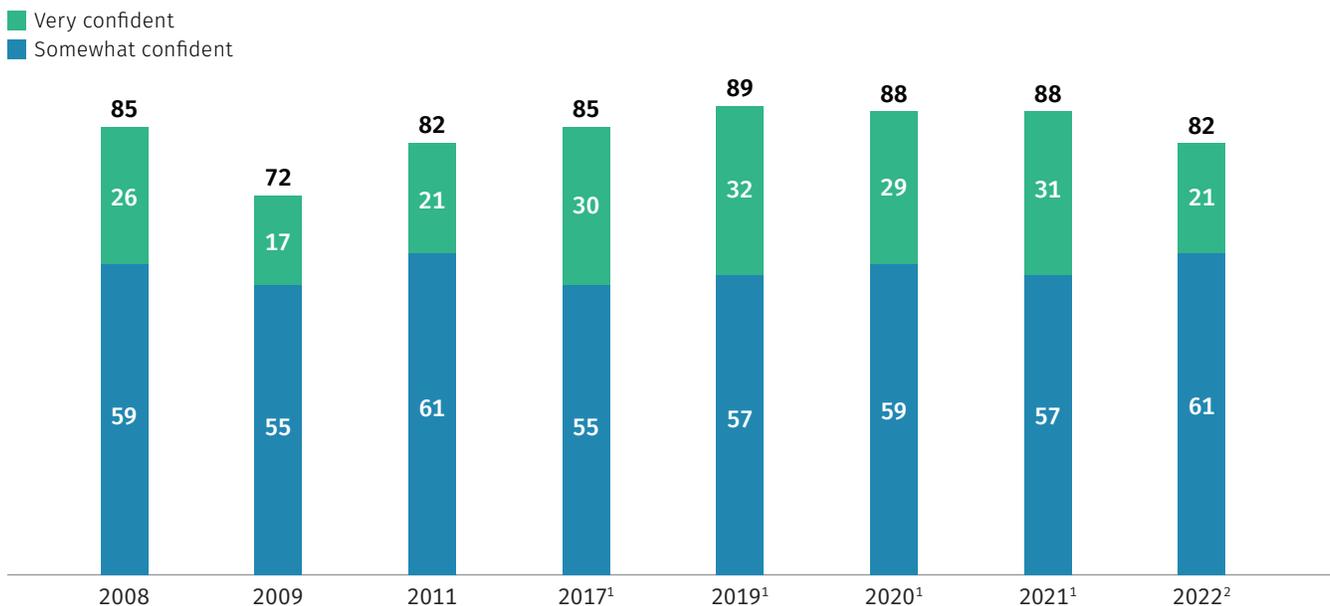
ICI’s Annual Mutual Fund Shareholder Tracking Survey finds that investors were confident that mutual funds could help them reach their financial goals. In 2022, 82 percent of all mutual fund-owning households

said they were confident in mutual funds’ ability to help them achieve their financial goals (Figure 14). Indeed, more than 20 percent of mutual fund-owning households were “very” confident that mutual funds could help them meet their financial goals.

FIGURE 14

### More Than Eight in 10 Mutual Fund-Owning Households Have Confidence in Mutual Funds

Percentage of all mutual fund shareholders by level of confidence that mutual funds can help them meet their investment goals



<sup>1</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual-frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>2</sup> Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by Ipsos, an online consumer research company. Please see pages 4–5 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Note: The question has four choices; the other two possible responses were “not very confident” and “not at all confident.”

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Notes

- <sup>1</sup> Households' total financial assets were \$108.7 trillion as of June 2022. See US Federal Reserve Board 2022.
- <sup>2</sup> Ownership includes mutual funds held in variable annuities. See Table 1 in the supplemental tables for the complete time series of mutual fund ownership. Starting in 2013, the survey questionnaire was refined in several ways. First, the order of the account type choices in the question regarding ownership of retirement and other savings accounts was changed in 2013. This change was made to avoid possible confusion between individual accounts in 401(k) and other employer-sponsored DC plan accounts versus IRAs. Starting in 2013, respondents were asked if they own a 401(k) and other employer-sponsored DC retirement plans; then respondents were asked if they own a traditional IRA or a Roth IRA; then if they own an employer-sponsored IRA; and, finally, if they own a 529 plan or Coverdell Education Savings Account (ESA). In prior years, respondents were first asked if they own a traditional IRA or Roth IRA; then if they own a Coverdell ESA; then if they own an employer-sponsored IRA; and, finally, if they own a 401(k) or other employer-sponsored plan account (529 plan ownership was a separate question). In previous years, respondents were asked separately if they have an employer-sponsored IRA and about the size of their employer. Starting in 2013, the questions were not asked separately. When asked what type of employer-sponsored IRA they own, respondents were told that a SIMPLE IRA is offered by businesses with fewer than 100 employees and has employer and employee contributions; a SAR-SEP includes only employee contributions; and a SEP IRA includes only employer contributions. Respondents who owned any type of account were asked about the mutual funds in that account. Starting in 2013, the list of possible mutual funds was refined to include more types of mutual funds and names most commonly used for different mutual fund types. This change was made to keep up to date with new types of investments and the names used for them. For example, "stock funds, such as equity income or growth funds" was not familiar to some respondents, but the phrases "large-, mid-, or small-cap stock funds" and "stock index funds including the S&P 500 index fund" triggered respondent recollection of their holdings of such funds. Respondents were also asked if they hold "money market funds that pay a money market rate of interest, are not federally insured, and may be taxable or tax-exempt," if they hold "international or global stock funds," if they hold "bond funds including corporate, municipal, or government bond funds," if they hold "balanced funds including hybrid, lifestyle, or asset allocation funds," or if they hold "target date funds." Starting in 2014, a category for "lifecycle funds" was added. Finally, respondents were asked if they hold "any other funds."
- <sup>3</sup> The survey data include the number of mutual fund owners per household, which is applied to the number of US households owning mutual funds. The average number of mutual fund owners per household is reported in Table 2 in the supplemental tables.
- <sup>4</sup> Many organizations have recently transitioned their surveys from telephone to self-administered web surveys. Some examples include the American National Election Studies (ANES), the California Health Interview Survey (CHIS), the National Household Education Survey (NHES), and the National Household Travel Survey (NHTS). See Olson et al. 2021.
- <sup>5</sup> The Federal Reserve Board Survey of Consumer Finances (SCF) researchers have revised survey weights at least twice. In 1997, they determined that weights created for the 1989, 1992, and 1995 surveys were inconsistent and in 1999 the SCF researchers revised their sample weighting procedures to include race/ethnicity, and home ownership. In addition, the US Census Bureau has revised the weights of the Current Population Survey in 1998, 2003, and 2012. See Kennickell and Woodburn 1999, Kennickell 1999, and US Census Bureau 2019.
- <sup>6</sup> See note 2 for additional detail on changes to the survey.
- <sup>7</sup> See Izrael, Hoaglin, and Battaglia 2004.
- <sup>8</sup> See US Census Bureau 2022.
- <sup>9</sup> For a description of the weighting methodology for data prior to 2022, see Holden, Schrass, and Bogdan 2021.
- <sup>10</sup> See Table 3 in the supplemental tables for the complete time series showing incidence of mutual fund ownership by age.

- <sup>11</sup> In the 2022 survey, the mutual fund ownership rate among households aged 65 or older was higher than in previous data. This result is most likely due to the change in the survey methodology for 2022. See pages 4–5 for a discussion of the revisions to the survey for 2022.
- <sup>12</sup> The life-cycle pattern of savings suggests that older individuals are able to save at higher rates because they no longer face the expenses of buying a home, putting children through college, and/or paying for their own education. An augmented version of the life-cycle theory predicts that the optimal savings pattern increases with age. For a summary discussion of life-cycle models, see Browning and Crossley 2001. In addition, see discussion in Brady and Bass 2021 and Brady and Bogdan 2014. See Table 4 in the supplemental tables for the complete time series showing the age composition of mutual fund-owning households. For additional information on the characteristics of mutual fund-owning households, see Holden, Schrass, and Bogdan 2022 and Schrass and Bogdan, forthcoming.
- <sup>13</sup> In 2022, households headed by individuals aged 65 or older held the largest amount of mutual fund assets, 43 percent. Twenty-seven percent of mutual fund assets were held by households aged 55 to 64. Fifteen percent of total household mutual fund assets were held by households aged 45 to 54 and 10 percent were held by households aged 35 to 44. The remaining 5 percent was held by households whose heads were younger than 35.
- <sup>14</sup> See Table 5 in the supplemental tables for the complete time series showing the income composition of mutual fund-owning households. For additional information on the characteristics of mutual fund-owning households, see Holden, Schrass, and Bogdan 2022 and Schrass and Bogdan, forthcoming.
- <sup>15</sup> Among mutual fund-owning households, 54 percent had college degrees or postgraduate education, compared with 39 percent of all US households.
- <sup>16</sup> See Table 6 in the supplemental tables for the complete time series showing incidence of mutual fund ownership by household income.
- <sup>17</sup> These results are from the 2022 ICI Annual Mutual Fund Shareholder Tracking Survey. The Federal Reserve Board’s Survey of Consumer Finances finds a similar pattern: In 2019, the typical household with income less than \$50,000 had \$2,600 in savings and investments, while the typical household with income of \$50,000 or more had \$92,000 in savings and investments.
- <sup>18</sup> Mutual fund ownership inside tax-deferred accounts includes ownership of funds held inside employer-sponsored retirement plans, any type of IRA, educational savings accounts, and mutual funds held in variable annuities. For additional information on mutual funds in DC plans and IRAs, see Investment Company Institute 2022.
- <sup>19</sup> See Table 7 in the supplemental tables.
- <sup>20</sup> Yahoo Finance reports that, on net, the S&P 500 total return index fell nearly 5 percent in the first quarter of 2022, and was down 20 percent by the end of the second quarter.
- <sup>21</sup> See Table 12 in the supplemental tables for the risk tolerance of all US households and households owning mutual funds from 2008 to 2022.

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