INVESTMENT COMPANY INSTITUTE

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ICI VIEWPOINTS

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Top 5 Takeaways from ICI’s 2023 Investment Company Fact Book

By ICI Strategic Communications

ICI is proud to unveil the 63rd edition of the *Investment Company Fact Book*. The annual publication features in-depth research, analysis, and data compiled by ICI’s research staff over the previous year. These outputs are key to ICI’s efforts to support the foundation of the asset management industry for the ultimate benefit of the long-term individual investor.

The *Fact Book* is a valued resource for industry professionals, policymakers, and reporters. Whether you’re searching for specific figures, explanations of broader trends, or regulatory and policy information, the *Fact Book* has you covered.

Here are five key takeaways from this year’s *Fact Book*:

Mutual fund ownership is widespread among all generations. In 2022, 115 million individual investors in the United States—across all generations—owned mutual funds. Members of the Baby Boom Generation and Generation X headed the largest shares of mutual fund–owning households in 2022, which reflects both their generation’s sizes and their high rates of mutual fund ownership.

Regulated funds remained an important source of capital for worldwide financial markets. With $60.1 trillion in total net assets, regulated funds held 26 percent of worldwide capital markets at year-end 2022. These funds continue to be an important conduit for allocating capital globally, helping finance businesses, governments, and households.

3 Average expense ratios continued to decline.

Average expense ratios continued to decline. Asset-weighted average expense ratios declined further in 2022, partly reflecting continued demand for lower-cost investment products, competition among the vast number of available funds, and economies of scale. Average expense ratios for equity and bond mutual funds have fallen sharply over time, allowing Americans to keep a greater portion of their investment gains.

4 Net share issuance of ETFs remained strong.

Net share issuance of ETFs remained strong. In 2022, investors put $609 billion of new money into ETFs despite a downturn in both stock and bond markets. In recent years, demand for ETFs has grown as institutional investors have found ETFs to be a convenient vehicle for participating in, or hedging against, broad movements in the stock market. Financial advisors investing more of their retail clients' assets in ETFs has also strengthened demand for these products.

5 Defined contribution plans and IRAs are vital to the US retirement market.

Defined contribution plans and IRAs are vital to the US retirement market. At year-end 2022, IRAs and defined contribution plans represented 62 percent of the total US retirement market, and mutual funds managed about half of those account-based retirement assets. Additionally, the US retirement system is helping recent retirees replace high percentages of their working-age income, according to a recent study by ICI economists.

Be sure to explore our *2023 Investment Company Fact Book* for many more facts and insights about regulated funds and the forces driving the industry and capital markets.

Staff members across ICI Strategic Communications contribute to various ICI publications, including ICI Viewpoints*.*
