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The Conference Board of Canada

Investment Funds in Canada

Key Findings and Insights

Key findings

- More than half of Canadians with savings hold mutual funds; 25 per cent invest in exchange-traded funds (ETFs). In 2023, Canadians had $1.94 trillion invested in mutual funds, while ETFs reached $382 billion.
- The investment funds industry manages one-third of Canada's privately held financial wealth—on par with Canadian trusteed pension funds.
- Since 2012, the sector's GDP contribution has grown 82 per cent, far outpacing Canada's overall 23 per cent economic growth.
- In 2023, the industry added $48.1 billion to GDP—2.1 per cent of the total—with a multiplier of 1.13, placing it among Canada's top-performing sectors.
- The investment funds industry supported 415,320 jobs in 2023, including 121,259 direct roles, with average annual income (including benefits) at $96,000.
- Government revenues generated by the industry reached $21.7 billion, split across federal ($10.2 billion), provincial ($8.7 billion), and municipal ($2.8 billion) levels.
- ETF uptake continues to rise: the number of funds has more than tripled since 2014, while net assets have quadrupled.
- Do-it-yourself (DIY) investing is growing. The share of investors using financial advisors fell from 69 per cent in 2020 to 61 per cent in 2024. Today, 45 per cent of all investors have a DIY investment account.
- Responsible investing is accelerating: net assets in responsible mutual funds and ETFs rose from under $7 billion in 2014 to more than $56 billion in 2023.

Why investment funds matter

Investment funds are critical to Canadians' long-term financial security—especially in retirement. In 2022, private retirement income made up 33 per cent of the total income for Canadians over 65 years of age, up from 18 per cent in 1990. Public pension reliance declined from 46 to 33 per cent during that time. With fewer Canadians covered by registered pension plans, personal savings play an increasingly important role.

Between 2014 and 2023, mutual fund assets rose 60 per cent; ETF assets quadrupled. Together, they represent one-third of Canadians' financial wealth.

Structure and investor trends

Mutual funds and ETFs are distributed through advised or DIY channels. In 2023, 62 per cent of mutual fund investors and 33 per cent of ETF investors used financial advisors. Younger investors are driving the shift to self-directed investing—57 per cent of those aged 18–24 have a DIY account.

Assets are nearly evenly split between taxable (51 per cent) and tax-sheltered (49 per cent) accounts. Within the latter, 27 per cent are in RRSPs, 10 per cent in TFSAs, 9 per cent in RRIFs, and smaller shares in RESPs and RDSPs.

Summary for executives | May 13, 2025

Economic impact and employment

The industry has outpaced Canada's economy in both growth and wages. From 2012 to 2023:

- industry GDP grew 82 per cent, compared with 23 per cent for the overall economy;
- employment rose 12 per cent, and average wages increased by 46 per cent, versus 35 per cent across all industries.

The sector's total multiplier (1.13) signals strong spillover effects across financial services, professional services, and retail. In 2023, the sector directly supported over 121,000 jobs and generated $11.6 billion in labour income.

Revenue and costs

Revenue comes mainly from management expense ratios (MERs) and trading fees. In 2023:

- mutual fund MERs and dealer fees totalled $38.6 billion. ETF MERs generated $2.8 billion;
- average mutual fund MERs declined from 2.06 per cent in 2014 to 1.47 per cent in 2023. ETF MERs averaged 0.32 per cent.

The rise of responsible investing

Environmental, social, and governance (ESG) considerations are shaping investor behaviour. Net assets in responsible investments in mutual funds and ETFs in Canada have grown from less than $7 billion in 2014 to over $56 billion in 2023. Top ESG concerns include greenhouse gas emissions, board diversity and inclusion, and climate change mitigation.

For the full research, see our impact paper *Funding the Future: The Economic Impact of Canada's Investment Funds Industry*.

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