



BANK OF AMERICA WORKPLACE BENEFITS™

The state of small businesses

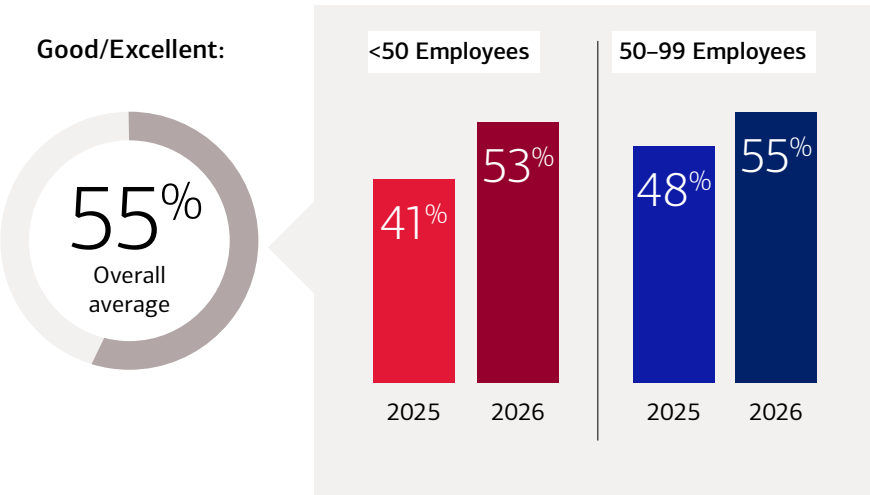
We conduct annual research across organizations of all sizes to understand valued and emerging workplace benefit trends. Insights from employers and employees captured in our [Workplace Benefits Report](#) can help inform more relevant programs that support your evolving benefit offering needs.

In this brief, we focus on supporting small businesses¹ — sharing perspectives on employee financial wellness today and the future goals and challenges for this unique workplace.

This research supports two types of small businesses: <50 Employees and 50–99 Employees.

Employee financial wellness today

More than half of employees at small businesses say their financial wellness is good or excellent, which has trended up since last year. While this is comparable to the average overall, it's lower than financial wellness levels at larger companies.



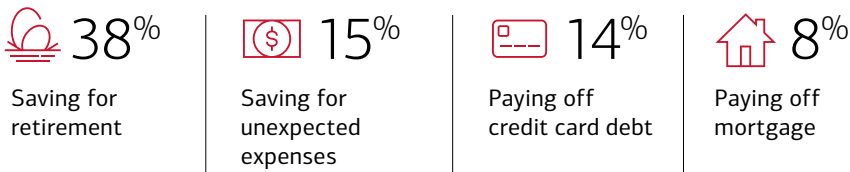
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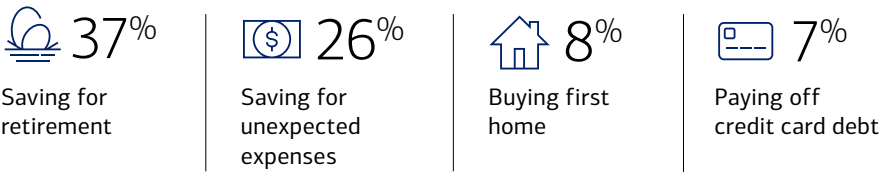
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Saving for retirement and growing emergency savings are top priorities for employees at small businesses and larger companies alike. After that, priorities differ — spanning goals from debt reduction to pursuit of homeownership.

<50 Employees



50–99 Employees

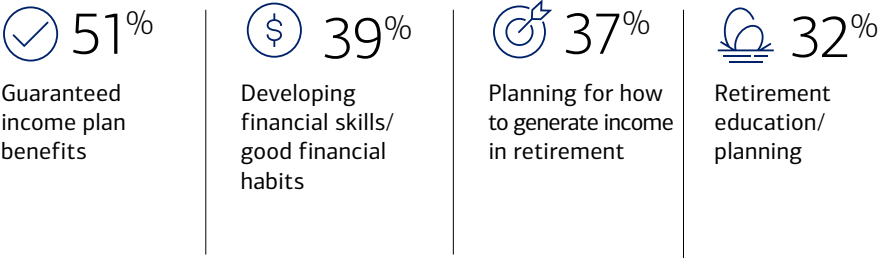


When asked which financial wellness and educational resources would help them better manage their finances, employees most value guaranteed income solutions — which has trended up since last year.

<50 Employees



50–99 Employees



Stress:

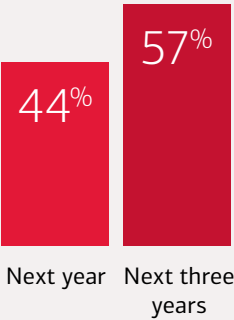
56%
of employees at small businesses feel stressed about their current financial situation.

Optimism:

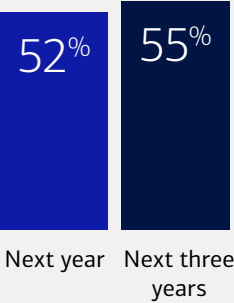
Yet they feel more optimistic about their financial well-being as time goes on.

Financial optimism:

<50 Employees



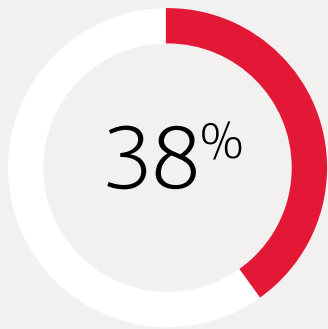
50–99 Employees



Financial wellness:

Most small businesses feel responsible for their employees' financial wellness—yet fewer than half offer financial wellness programs.

Offer financial wellness programs:



Small businesses that offer financial wellness programs, prioritize delivering employees information on financial topics separate from 401(k) education.

<50 Employees

 53%

Information on financial topics separate from 401(k) education

 49%

Online financial tools, calculators and/or report cards to measure financial wellness and identify steps to improve

 47%

Tools that allow employees to have all of their information in one place with steps laid out to help them identify and reach their goals

50–99 Employees

 68%

Information to help employees understand how to invest their savings

 66%

Financial products/services that can help with mortgages, student loan repayment or consolidation

 61%

Online financial tools, calculators and/or report cards to measure financial wellness and identify steps to improve

Small businesses that offer employees education and guidance do so on a variety of financial topics.

Financial resources offered:

	<50 Employees	50–99 Employees
Saving for retirement	82%	85%
Preparing for nearing retirement	68%	75%
Planning for healthcare costs	66%	79%
Saving for emergencies	62%	61%
Budgeting	61%	60%
Debt	48%	55%
Paying down student loans	44%	47%
Planning for caregiving expenses	42%	40%

Employers who offer tools to enhance employee financial wellness say this leads to better business outcomes.

<50 Employees

87% 

More satisfied and engaged employees

50–99 Employees

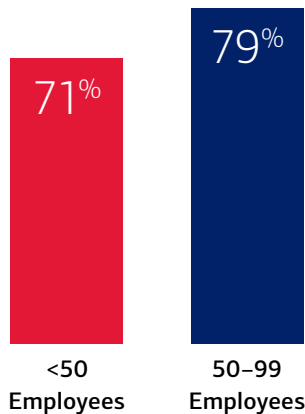
90% 

More recommendations as a great place to work

Planning for their future

At least 7 in 10 employers at small businesses feel responsible for ensuring that their workforce understands what their healthcare needs may be in retirement.

Feel responsible:



Yet many employees are not benefiting from education and resources that could help them better prepare for future healthcare costs.

Employer	<50 Employees	50-99 Employees
Offers a high-deductible health plan with an HSA	51%	58%
Offers education/guidance on planning for healthcare costs	66%	79%

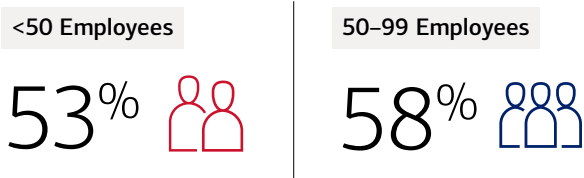
Employee	<50 Employees	50-99 Employees
Not actively saving for future healthcare expenses	47%	26%
Expects to pay less than \$5,000 out of pocket per year for healthcare expenses	39%	56%



Retirement confidence:

More than 6 in 10 employees at small businesses feel confident that their retirement savings are on track for the retirement age and lifestyle they want to achieve.

When asked what employees would have done differently to feel better prepared for retirement, their greatest regret is not starting to save at a younger age.



There are specific tools and resources employees want their employer to deliver to help them navigate retirement decisions.

Employee	<50 Employees	50-99 Employees
Recommend ways to create guaranteed income stream	37%	43%
Estimate/plan for general expenses in retirement	31%	30%
Give personalized advice and recommendations on timing for retirement	27%	23%
Help understanding potential sources of income	26%	31%

Continuing to engage top talent

More than half of small businesses say they've experienced an improvement in their ability to attract top talent over the past year. And those who have noticed improvement cite the prominent factors involved.

<50 Employees

Yes	No
59%	41%

50–99 Employees

Yes	No
65%	35%

Prominent factors:

Flexible work schedules	43%
More manageable workloads	39%
Better workplace benefits	37%

Prominent factors:

Flexible work schedules	51%
Better workplace benefits	45%
More manageable workloads	44%

Top additional benefits employees would like their employer to offer:

	<50 Employees	50–99 Employees
Technology reimbursement	58%	44%
Wellness reimbursement	54%	40%
Employee stock awards	53%	50%
Personalized coaching and upskilling	49%	52%
Guaranteed income plan benefits	46%	48%
Employee stock purchase program	38%	62%

More than 6 in 10 small businesses currently offer stock award programs, and the number of employees who receive such awards has increased over the past three years.

Stock award trends:

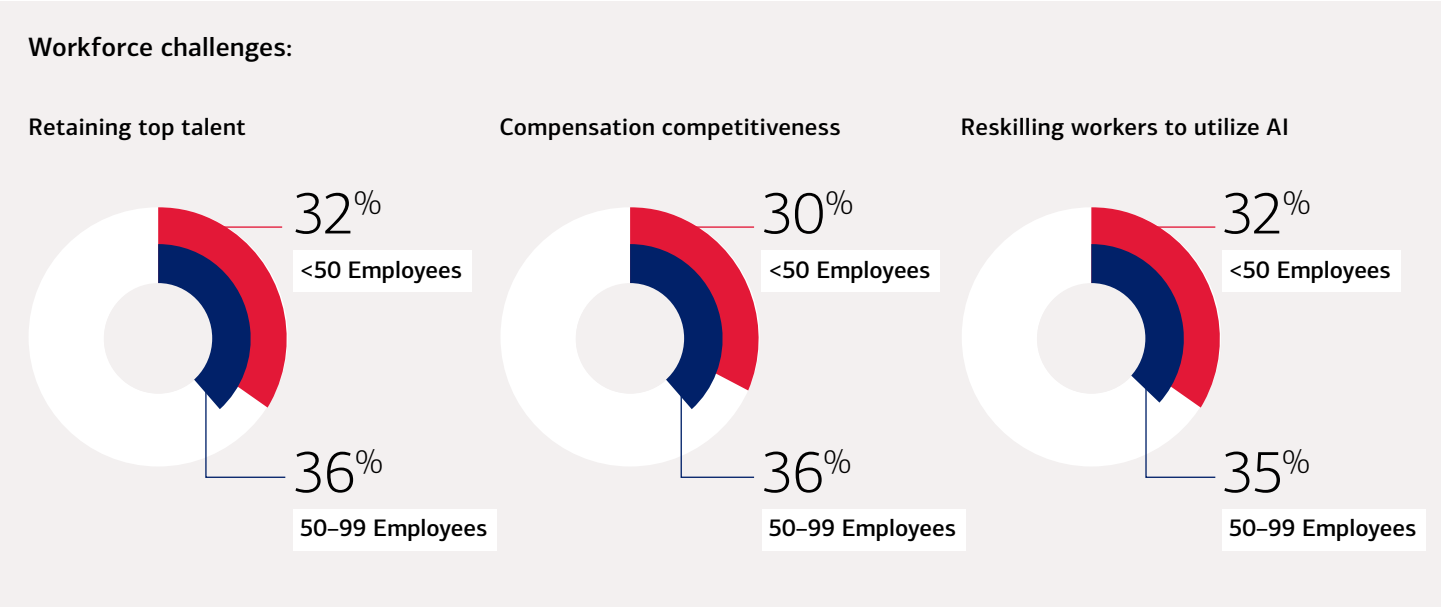
	<50 Employees	50–99 Employees
Offer stock awards	67%	64%
Increased number of recipients	49%	55%

Small businesses see several advantages to offering this benefit.

Stock award advantages:

	<50 Employees	50–99 Employees
Engage with employees	49%	60%
Retain talent	37%	58%
Share profit/performance	38%	42%

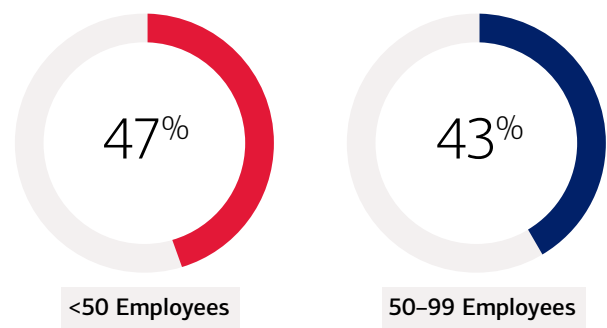
When envisioning the next five years, employers note three key workforce challenges that lie ahead.



Employees who use AI at work

More than half of small businesses encourage the use of AI for work-related tasks. The evolution of AI is creating task efficiencies for the workforce.

Employees using AI at work:



Employees leverage AI for:

	<50 Employees	50-99 Employees
Help with writing, research, analysis	72%	68%
Time savings on repetitive tasks	53%	44%

Let's continue the conversation

Connect with a team member today to learn how we can help you deliver benefits that support your business goals while meeting the evolving needs of your employees. Visit [Workplace Benefits for Business Owners and Entrepreneurs](#) to explore tailored solutions.

For additional insights into what today's employees want from their workplace benefits, download the [2026 Bank of America Workplace Benefits Report](#).

About the study

2026 Workplace Benefits Report

The 2026 *Workplace Benefits Report* has been prepared by Bank of America Workplace Benefits™, in partnership with Bank of America Institute. First launched in 2011, the annual Workplace Benefits Report plays a critical role in helping make financial lives better by generating real-world insights to help us create solutions that fit our clients’ needs.

Methodology

Escalent surveyed a national sample of 941 employees who are working full-time and participate in 401(k) plans, and 806 employers who offer both a 401(k) plan and have sole or shared responsibility for decisions made in the plan. The survey was conducted from December 4, 2025, through January 26, 2026. To qualify for the survey, employees had to be current participants in a 401(k) plan and employers had to offer a 401(k) plan option. Neither was required to work with Bank of America. Bank of America was not identified as the sponsor of the study.

Total plan sponsors	806	Total employees	941
Small business plan sponsors	250	Small business employees	160
<50 Employees	137	<50 Employees	94
50–99 Employees	113	50–99 Employees	66

¹ Small businesses are defined throughout as businesses with 1 to 99 employees.

All statistics are from the 2026 *Workplace Benefits Report* survey, January 2026, unless otherwise noted.

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This report is designed to provide general information for employers to assist with planning strategies for their retirement plan and is for discussion purposes only. Bank of America is prohibited by law from giving legal or tax advice, and recommends consulting with an independent actuary, attorney and/or tax advisor before making any changes.

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