FINANCIAL LIFE BENEFITS®

Navigating a new era of financial wellness

2022 Workplace Benefits Report

All stats from 2022 Workplace Benefits Report survey unless otherwise noted.

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Investment products:

- Are Not FDIC Insured
- Are Not Bank Guaranteed
- May Lose Value
Employers remain critical to helping employees achieve overall wellness

At Bank of America, we are focused on helping millions of individuals achieve financial control, plan for retirement and live their best financial lives. Our Financial Life Benefits® program empowers employers to help employees do just that with a full suite of financial benefit programs. To help us meet the needs of employees, we conduct regular research, the Workplace Benefits Report, that informs our offering. We are excited to share our findings on the following pages from our initial survey conducted in February 2022 and a follow-up pulse survey from July 2022, which focused on the impact of inflation and market uncertainty on employee feelings of financial wellness.

We share these to help employers make informed decisions about the workplace benefits they offer and deliver the support employees need and want.

Highlights of key findings:

- Employers play an important role when it comes to financial wellness
- Employers are seeing challenges in recruiting and retaining talent
- Employees are stressed by current economic conditions
- Expanded benefits support is best when complemented with additional education
- Comprehensive retirement preparedness is more important than ever
- Digital tools continue to drive employee engagement

97% of employers say that they are in some way responsible for their employee’s financial wellness

46% of employers noticed an increase in resignations over the past year

62% of employees are stressed about their financial situation*

Only 17% of employees without a Health Savings Account (HSA) are saving for future healthcare expenses*

38% of employees are not confident they will reach their retirement goals*

52% of employees prefer to use a digital app to manage their finances

Employers play an important role when it comes to financial wellness

Employers feel very responsible for employee financial wellness

Employers say that they are in some way responsible for their employee’s financial wellness

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>97%</td>
</tr>
<tr>
<td>2013</td>
<td>41%</td>
</tr>
</tbody>
</table>

Employers feel extreme responsibility for employee financial wellness

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>62%</td>
</tr>
<tr>
<td>2013</td>
<td>13%</td>
</tr>
</tbody>
</table>

More than 8 in 10 employers agree that offering financial wellness support can result in:

1. More satisfied employees
2. More loyal employees
3. More engaged employees
4. Greater employee productivity
5. Stronger employee performance


80% of employees agree saying they think employers should play a role in supporting their financial wellness.
Employers are embracing wellness topics beyond finances and employees are seeing the benefits

Employers offering mental and physical wellness resources are seeing noticeable improvements in:

<table>
<thead>
<tr>
<th>Wellness Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity</td>
<td>50%</td>
</tr>
<tr>
<td>Employee stress</td>
<td>43%</td>
</tr>
<tr>
<td>Employee morale</td>
<td>41%</td>
</tr>
<tr>
<td>Employee creativity/innovation</td>
<td>36%</td>
</tr>
</tbody>
</table>

Employees agree, saying they are optimistic about their well-being over the next two to three years:

<table>
<thead>
<tr>
<th>Well-being Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>56%</td>
</tr>
<tr>
<td>Social</td>
<td>60%</td>
</tr>
<tr>
<td>Mental</td>
<td>62%</td>
</tr>
</tbody>
</table>

Health factors that employees say significantly impact their overall well-being:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental</td>
<td>52%</td>
</tr>
<tr>
<td>Physical</td>
<td>55%</td>
</tr>
<tr>
<td>Financial</td>
<td>48%</td>
</tr>
</tbody>
</table>

Employers are seeing challenges in recruiting and retaining talent

The great resignation is real and impacting employers across the country

The top reasons for resignations are:

1. Compensation
2. Burnout
3. Work-life balance

46% of employers noticed an increase in resignations over the past year
21% of employees thought about switching jobs
9% of employees switched jobs in the past year
Holistic wellness support benefits employees and employers

84% of employers also cite that offering financial wellness tools can help with employee retention

81% help attract higher quality employees

91% of employers see higher employee satisfaction when they offer resources to manage overall well-being

Equity grants are powerful incentives to attract and retain talent

31% of employers can’t acquire or retain top talent without offering equity compensation

80% of employers use rewards as a one-time incentive

44% of employees who participate in equity compensation plans say it was an important reason for accepting a job.
Promoting an inclusive work environment can aid in recruitment and talent management

- **74%** of employers believe that diversity and inclusion programs are important for retaining talent.
- **50%** of employers currently offer some form of diversity & inclusion programs.
- **60%** of employers say they have taken steps to promote an intergenerational workforce.
- **73%** of employers say that they see higher productivity when teams are more generationally diverse.

**79%** of companies offer or are planning to offer a recruitment/retention strategy on neurodiversity in the next 3+ years. Neurodiversity refers to variations in the human brain and cognition, for instance in sociability, learning, attention, mood and other mental functions.


**Only 17%** of the Baby Boomer workforce is diverse, **Yet 35%** of the Gen Z and Millennial workforce is diverse.

Employees are significantly stressed by current economic conditions

Feelings of financial wellness have fluctuated over the last few years*

Overall percentage of employees who feel financially well

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>55%</td>
</tr>
<tr>
<td>2020</td>
<td>49%</td>
</tr>
<tr>
<td>2021</td>
<td>52%</td>
</tr>
<tr>
<td>Feb 2022</td>
<td>57%</td>
</tr>
<tr>
<td>Jul 2022</td>
<td>44%</td>
</tr>
</tbody>
</table>


80% of employees are concerned about inflation across all demographics — age, gender, race, income*

Employees indicated that the cost of living is outpacing growth in salary/wages*

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 2022</td>
<td>58%</td>
</tr>
<tr>
<td>Jul 2022</td>
<td>71%</td>
</tr>
</tbody>
</table>

Changing priorities have impacted short- and long-term goals for employees*

1. Saving for retirement
2. Paying off credit card debt
3. Saving for the unexpected
4. Paying off a mortgage
5. Buying a home

Most recently, significant changes across all groups in feelings of financial wellness

<table>
<thead>
<tr>
<th>Group</th>
<th>Jul 2022*</th>
<th>Feb 2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>White / Caucasian</td>
<td>49%</td>
<td>56%</td>
<td>52%</td>
</tr>
<tr>
<td>Black / African-American</td>
<td>32%</td>
<td>50%</td>
<td>51%</td>
</tr>
<tr>
<td>Asian</td>
<td>37%</td>
<td>67%</td>
<td>56%</td>
</tr>
<tr>
<td>Hispanic / Latino</td>
<td>33%</td>
<td>47%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Most recently, significant changes across all groups in feelings of financial wellness

![Chart showing improvements in financial wellness across generations](chart.png)


Improvements in financial wellness across the generations

<table>
<thead>
<tr>
<th>Group</th>
<th>Since Feb 2022*</th>
<th>Since 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z/Millennials (Ages 18–44)</td>
<td>-15%</td>
<td>+3%</td>
</tr>
<tr>
<td>Gen Xers (Ages 45–54)</td>
<td>-14%</td>
<td>+10%</td>
</tr>
<tr>
<td>Baby Boomers/Silent Generation (Ages 55+)</td>
<td>-10%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

Gender gap is closing

<table>
<thead>
<tr>
<th>Group</th>
<th>Jul 2022*</th>
<th>Feb 2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>42%</td>
<td>47%</td>
<td>57%</td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td>47%</td>
<td>59%</td>
</tr>
</tbody>
</table>


Women have been making strides to improve their financial wellness and are taking proactive steps to do more

Percentage of employees who say they feel financially well

<table>
<thead>
<tr>
<th></th>
<th>Jul 2022*</th>
<th>Feb 2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>42%</td>
<td>55%</td>
<td>47%</td>
<td>58%</td>
</tr>
<tr>
<td>Men</td>
<td>47%</td>
<td>59%</td>
<td>57%</td>
<td>41%</td>
</tr>
</tbody>
</table>


Women especially lag men when it comes to planning for longer-term goals

Women's top financial goals are affected by economic conditions*

1. Saving for retirement
2. Saving for the unexpected
3. Paying off credit card debt
4. Buying a first home

Supporting my family financially

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>38%</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

Choosing investments

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>35%</td>
<td></td>
</tr>
</tbody>
</table>

Building wealth

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>


Expanded benefits support is best when complemented with additional education

Health Savings has become almost as important as retirement to workplace benefits programs

Employers feel very responsible for their employees’ understanding of retirement healthcare needs and costs.

Employee contributions to HSAs have declined*

- 2022: 84%
- 2013: 45%

Only communicate about these topics once a year or less

- 54%

When a Health Savings Account (HSA) is offered

- 89%

of employers make some contribution to employee HSAs

Only 17% of the employees who don’t have a Health Savings Account are saving for healthcare expenses*

- Feb 2022: 80%
- Jul 2022: 62%

Equity programs offer employees a way to participate in their company’s success — but education is needed

- 77% of employers at publicly traded companies offer some kind of equity compensation to their employees
- 64% of employers offer these plans to all employees

Types of equity compensation plans offered by employers

- 49% Employee stock purchase plans
- 38% Stock options
- 34% Restricted stock units

Yet only 33% of employees say they know enough to make informed decisions about equity awards

Employees are hungry for a wide range of financial wellness support, depending on their age and financial situation

62% of employers offer employees access to investment advice services, up from 55% in 2021.

4 in 10 employees want access to advice from an investment professional.

If offered by their employer, employees say they would be interested in:

1. Reward points
2. No-fee banking services
3. Mortgage discounts
4. Understanding how to keep the value of their account(s) from shrinking due to inflation
5. Understanding the benefits of different bank account types (e.g., checking, savings, money market, etc.)
6. Building a life plan
7. Understanding and reviewing credit scores*

And employees are interested in help across a wide range of banking and investing topics:

Comprehensive retirement preparedness is more important than ever

**Impact of current economic conditions on financial wellness**

- **71%** are concerned the cost of living is outpacing their growth in salary*
- **48%** worry that with the current rate of inflation, they won’t be able to make ends meet*

Employees want more help when it comes to managing retirement savings, including:

- Clear explanation of plan options
- One-on-one consultations*
- Personalized advice and regular updates on plan changes*

Fewer than one in three employees say they are confident they will be able to:

- Have the flexibility to manage unexpected expenses
- Have the right plan to meet spending needs in retirement
- Move from saving money for retirement to using money in retirement

- **74%** of employees say investing in their 401(k) and other accounts will help them build a retirement nest egg*
- **61%** of employees are contributing enough to maximize their employer match*

- **56%** are confident they will reach their retirement goals, down from 69% in Feb 2022*

Employees don’t fully understand Social Security & Medicare — and they need help

Only

38%

of employees say they understand their projected Social Security benefits

Women

31%

This challenge is more pronounced among women

Men

46%

Percentage of employees who say they are not getting enough education about...

Social Security benefits

48%

Medicare benefits

44%

Fewer than

4 in 10 employers say they offer Social Security related support, such as:

- Tools and calculators to help determine when to begin collecting Social Security benefits
- Access to professionals who can answer specific questions around Social Security
- Educational materials
- Updates on Social Security availability and changes
- Company meetings focused on Social Security benefits

33%

of medical costs in retirement are not covered by Medicare.

Source: Medpac, July 2021 Data Book: Health Care Spending and the Medicare Program.
Note: Data based on total spending on health care services for noninstitutionalized fee-for-service Medicare beneficiaries.
Digital tools help to drive employee engagement

Employees want the kind of personalized support that only a digital financial wellness program can offer

Employees say the following services would be most useful for them

- Progress reports and a way to track my finances, including my debts
- Tools that allow me to think about my financial goals as a part of my overall life
- A step-by-step roadmap for accomplishing my goals
- Streamlined information, where I can see all my info in one place

3 in 10 want access to financial advice through a digital portal
While

More than

1/2

of employees say they want information about workplace benefits to be sent to their work email

Of employers still do not use digital channels to communicate with employees about benefits despite employees wanting virtual sessions

52%
of employees prefer to use a digital app to manage their finances, including banking and investing.
Action steps for employers

1. Consider expanding workplace engagement strategies to help recruit, attract and retain talent

2. Personalize financial wellness programs to meet the needs of employees as they navigate their financial life journey

3. Consider expanding programs beyond financial wellness topics to help support enhanced overall wellness

4. Provide latest tools & educational support including: financial literacy, coaching and mentoring that can help your diverse workforce

5. Connect with employees in meaningful and relevant ways through digital engagement

We can help you improve the financial lives of all your employees

Financial Life Benefits® is an innovative solution paired with individualized guidance that goes beyond traditional benefits to provide more of what employees need to manage their day-to-day finances and prepare for the future — whether it’s creating a budget, saving for healthcare or planning for a steady stream of income in retirement.

- Retirement plans
- Equity compensation plans
- Health and benefit accounts
- Employee banking and investing

To learn more, visit go.bofa.com/financiallifebenefits

1 Note: Internet Explorer not supported. Supported browsers are Google Chrome, Microsoft Edge, Safari or Mozilla Firefox.
About the February 2022 Study

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 bring solutions that fit our clients’ needs.

February 2022 Survey Details

**Employer details**
The sample population represented:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small companies</td>
<td>431</td>
</tr>
<tr>
<td>Mid-sized companies</td>
<td>217</td>
</tr>
<tr>
<td>Large companies</td>
<td>198</td>
</tr>
</tbody>
</table>

**Employee details**
The sample population represented:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>47%</td>
</tr>
<tr>
<td>Women</td>
<td>53%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Various employee life stages were represented:</th>
</tr>
</thead>
<tbody>
<tr>
<td>283 Gen Z &amp; Millennials (18–44 years)</td>
</tr>
<tr>
<td>247 Gen Xers (45–54 years)</td>
</tr>
<tr>
<td>304 Baby Boomers &amp; Silent Generation (55+ years)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Various racial and ethnic backgrounds were represented:</th>
</tr>
</thead>
<tbody>
<tr>
<td>53% White/Caucasian</td>
</tr>
<tr>
<td>16% Black/African American</td>
</tr>
<tr>
<td>26% Asian</td>
</tr>
<tr>
<td>0% Native Hawaiian or Pacific Islander</td>
</tr>
<tr>
<td>0% LGBTQ, GSM, DSG</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Various sexual and gender identities were represented:</th>
</tr>
</thead>
<tbody>
<tr>
<td>92% Heterosexual</td>
</tr>
<tr>
<td>1% Lesbian</td>
</tr>
<tr>
<td>1% Homosexual</td>
</tr>
<tr>
<td>2% Gay</td>
</tr>
<tr>
<td>2% Bisexual</td>
</tr>
<tr>
<td>0% Pansexual</td>
</tr>
<tr>
<td>0% LGBTQ, GSM, DSG</td>
</tr>
</tbody>
</table>

**Methodology**
Escalent surveyed a national sample of 834 employees who are working full-time and participate in 401(k) plans, and 846 employers who offer both a 401(k) plan and have sole or shared responsibility for decisions made in the plan. The survey was conducted between February 3, 2022 and February 28, 2022. To qualify for the survey, employees had to be current participants of 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. Bank of America Retirement and Personal Wealth Solutions help employers and employees to take action and work toward their financial goals today and into retirement.
About the July 2022 Pulse Study

Given the threat of persistent inflation and market uncertainty, we complemented our annual study with a short employee-focused supplemental survey, in July 2022. This mid-year touchpoint allowed us to better measure the direct impact of current market conditions on employee opinions and feelings of financial wellness.

2022 July Pulse Survey Details — Surveyed Employees Only

**Employee details**
The sample population represented:

- 42% Men
- 58% Women

Various employee life stages were represented:

- 169 Gen Z & Millennials (18–44 years)
- 152 Gen Xers (45–54 years)
- 157 Baby Boomers & Silent Generation (55+ years)

Various racial and ethnic backgrounds were represented:

- 76% White/Caucasian
- 9% Black/African American
- 10% Asian
- 0% Native Hawaiian or Pacific Islander
- 2% Multi-racial
- 10% Hispanic/Latino
- 1% American Indian or Alaska Native
- 0% Other

Various sexual and gender identities were represented:

- 93% Heterosexual
- 4% Bisexual
- 0% LGBTQ, GSM, DSG
- 1% Homosexual
- 1% Gay
- 1% Lesbian
- 0% Pansexual
- 0% Transgender

**Methodology**
Escalent surveyed a national sample of 478 employees who are working full-time and participate in 401(k) plans. The survey was conducted between July 5, 2022 and July 19, 2022. To qualify for the survey, employees had to be current participants of a 401(k) plan. They weren’t required to work with Bank of America. Bank of America was not identified as the sponsor of the study. Bank of America Retirement and Personal Wealth Solutions help employers and employees to take action and work toward their financial goals today and into retirement.
To learn more about Bank of America’s employee benefits plans, visit go.bofa.com/workplacebenefits

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