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BANK OF AMERICA WORKPLACE BENEFITS™

Participant Pulse

Tracking the financial wellness of plan participants

2Q 2024 | Plan participants may access or make changes to their workplace benefit accounts in response to many factors, and certain metrics, in part, can signal participant sentiment of financial confidence and economic outlook. This quarter, more participants, nearly 9 in 10, kept their savings rate consistent. More participants took a loan and slightly more took a hardship distribution, but average amounts withdrawn were consistent with last quarter. On a positive trending note, we continue to see a steady decline in participants with a loan in default. While nearly 4 in 10 participants contributed more than they withdrew from their health savings account, more participants could benefit by taking advantage of the investment feature to grow long-term health care savings. Interestingly, a look at what participants are doing with their equity shares shows of those shares sold in prior years, the majority were held for less than one year. Overall financial wellness scores are holding steady, but a gender gap remains.

401(k) PLANS[1,2]

Contribution rate

Average contribution rate as of 2Q

6.5%

Consistent with year-end 2023

Average contribution in 2Q

$1,565

Up from 4Q23 ($1,312) but comparable to a year earlier ($1,460 in 2Q23)

Average account balance June 2024

$93,054

Up nearly 8% compared to year-end 2023 ($86,283)

In 2Q, more participants (86.7%) kept their contribution rate consistent, compared to 1Q (81.2%)

Loans

Participants borrowing from their workplace plan in 2Q

2.7%

Up from 2.3% in 4Q23

Average loan per participant in 2Q

$9,311

Comparable to 1Q ($9,140)

Of participants with a loan, those with at least one loan in default as of 2Q

11.9%

Down from 12.3% in 1Q and continued steady drop QoQ from 14.3% in 1Q23

Generation X continues to be the generation with the most participants with loans outstanding (24%)

Hardship distributions

Participants taking a hardship distribution in 2Q

0.67%

Up slightly from 0.61% in 1Q; and up from 0.57% in 4Q23

Average participant hardship amount in 2Q

$5,067

Comparable to 1Q ($5,030)

EQUITY SPOTLIGHT[3]

Of equity award shares sold

84%

were held for less than 1 year before sale

HEALTH SAVINGS ACCOUNT (HSA)[2,4]

Average account balance:

$4,930

Up from $4,380 year-end 2023

Account holders who contributed more than they withdrew year to date:

37%

Consistent with year-end 2023

How contributions were used:

73% Spent on health care expenses

27% Saved

Account holders are spending more of their contributions on current health care expenses compared to 1Q (61%)

In 2Q, on average, **Gen X employees contributed the most** ($1,117) while **Millennials saved the most** (36%)

Account holders investing for future growth:

14%

Up from 12% in 4Q

More men (19%) than women (12%) invest for the future, as do **Baby Boomers (16%)** compared to other generations

FINANCIAL WELLNESS[1,5]

Average financial wellness score:

50 (out of a possible 100 points)

Consistent with 1Q but down from 2Q23. Highest score achieved in area of managing long-term debt; lowest in preserving assets. Average financial wellness score 42 for lower-income participants (household income less than $40K) and 60 for higher-income participants (household income more than $100K)

Women continue to trail men in their feeling of financial wellness:

53 Men 46 Women

Down slightly from last quarter; gender gap remains with men feeling more financially well than women. Consistent with year-end, highest portion of men scored in the 71–80 range, while the highest portion of women scored in the 51–60 range

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[1] Comparisons to reference data derived from Bank of America Workplace Benefits 401(k) data platform as of 06/30/23, 12/31/23, 03/31/24, 06/30/24.

[2] Generation defined by the following birth years: Baby Boomers 1946–1964; Gen X 1965–1980; Millennials 1981–2000, Gen Z after 2000.

[3] Acquisition date 01/01/17–06/30/24.

[4] Reference data derived from Bank of America Workplace Benefits HSA data platform as of 06/30/24.

[5] The Financial Wellness Tracker is a proprietary assessment that calculates a financial wellness score based on an employee's answers to the assessment, and is a snapshot of the employee's current financial situation as it relates to six key behaviors: (1) management of expenses; (2) management of credit card debt; (3) plans for the unexpected; (4) preparedness for retirement and other identified goals; (5) management of long-term debt; and (6) preparedness for preservation of assets.

Methodology: This report monitors plan participants' behavior in Bank of America clients' employee benefits programs, which comprise more than 4 million total participants with positive account balances as of June 30, 2024.

Investing involves risk, including the possible loss of the principal value invested.

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