

Participant Pulse

Tracking the financial wellness
of plan participants



BANK OF AMERICA WORKPLACE BENEFITS™

1Q 2025

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.

- This quarter, although participants contributed more, and fewer took money out of their account, we saw a decline in average retirement account balances.
- Although the quarter closed with an average lower retirement account balance compared to year-end, it was up 7% compared to a year earlier.
- Compared to last quarter, fewer participants borrowed from their retirement account, but loan amounts increased. Fewer participants took a hardship distribution.
- For the ninth consecutive quarter, we saw a decline in participants with a loan in default.
- More Health Savings Account (HSA) contributions were saved (vs. used for healthcare expenses) compared to last quarter, and more men than women are investing their HSAs for potential future growth.
- Few participants are taking advantage of the investment feature to potentially grow their Health Savings Accounts.
- Overall financial wellness scores are holding steady, and we still see a gender gap.

401(K) PLANS^{1, 2}

Contribution rate	Loans	Hardship distributions
<div>6.6% Average contribution rate as of 1Q</div> <div>Consistent with year-end 2024 and with 1Q24</div>	<div>2.0% Participants borrowing from their workplace plan in 1Q</div> <div>Down from 2.2% in 4Q</div>	<div>0.67% Participants taking a hardship distribution in 1Q</div> <div>Down from 0.74% in 4Q</div>
<div>\$2,080 Average contribution in 1Q</div> <div>Comparable to 1Q24 (\$1,900) but up from 4Q24 (\$1,420)</div>	<div>\$9,960 Average loan per participant in 1Q</div> <div>Up 11% from 4Q (\$8,950)</div>	<div>\$5,790 Average participant hardship amount in 1Q</div> <div>Comparable to 4Q (\$5,730)</div>
<div>\$98,770 Average account balance March 2025</div> <div>Down from December (\$100,330) but up 7% compared to March 2024 (\$92,140)</div>	<div>11% of participants with a loan have a loan in default as of 1Q</div> <div>Consistent with 4Q and down from 12.3% in 1Q24</div>	<div>6% of all participants taking a withdrawal in 1Q did so as a hardship distribution.</div>
<div>More than 8 in 10 participants kept their contribution rate consistent in 1Q, led by Boomers, while Millennials led the way for increasing their contribution rate.</div>	<div>18% of participants currently have a loan outstanding, led by Gen X, of which 24.9% have a loan outstanding.</div>	

SPOTLIGHT³

In a recent Bank of America Workplace Benefits™ survey, only slightly more than half of employees (57%) report taking all the vacation/personal time off available to them.

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HEALTH SAVINGS ACCOUNTS (HSA)^{2, 4}

\$5,195 Average account balance

Up from \$4,870 in 1Q24

37% Account holders contributed more than they withdrew in 1Q

Consistent with 2024

How contributions were used:

62%

Spent on health care expenses

38%

Saved

Account holders are saving more of their contributions (vs. spending on current health care expenses) compared to last quarter (38% vs. 25%).

In 1Q, on average, **Gen X employees contributed the most (\$686)** while **Millennials saved the most (47% of their contribution)**.

15% Account holders investing for potential future growth

Up slightly from 14% at year-end

More men (20%) than women (13%) use the investment feature of an HSA, as do **Boomers (17%)** compared to other generations.



FINANCIAL WELLNESS^{1, 5}

Average overall financial wellness score:

49 (out of a possible 100 points)

Consistent with 4Q and down slightly from 51 one year ago in 1Q24. Men continue to feel more financially well than women. And not unexpected, workers with household income of more than \$100K feel more financially secure (59).

Women continue to trail men in their financial wellness score:



52 Men



46 Women

Consistent with last quarter, **the gender gap remains, with men feeling more financially well than women.**



Get insights from Bank of America Workplace Benefits™ on supporting your employees' financial wellness: go.bofa.com/ourinsights

¹ Comparisons to reference data derived from Bank of America Workplace Benefits 401(k) data platform as of 03/31/24, 06/30/24, 9/30/24, 12/31/24, 3/31/25.

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

³ 2025 Bank of America Workplace Benefits Report data. Sponsored by Bank of America, between December 2, 2024 and January 13, 2025, Escalent surveyed a national sample of 962 employees who are working full time and participate in 401(k) plans, and 801 employers who offer both a 401(k) plan and have sole or shared responsibility for decisions made in the plan. 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.

⁴ Reference data derived from Bank of America Workplace Benefits HSA data platform as of 3/31/25.

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 March 31, 2025.

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

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