

Participant Pulse

Tracking the financial wellness of plan participants






BANK OF AMERICA WORKPLACE BENEFITS™

1Q 2026

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 wellness.

- Participant contributions increased slightly, with nearly half of Boomers contributing more than 7% to their 401(k).
- Retirement plan design can have an impact on account balance. Plans with auto-enroll and auto-increase features continue to show a significantly higher average account balance as compared to the overall average account balance.
- Continuing the trend, fewer participants borrowed from their retirement accounts this quarter, although average loan amounts increased.
- Hardship distributions, both participants taking and amount withdrawn, stayed comparable to last quarter, but fewer participants taking a distribution did so as a hardship.
- Health Savings Account (HSA) contributions were lower this quarter, but there was an increase in the portion of contributions saved for future use instead of used to pay for current expenses.
- Boomers, generally closer to retirement and likely to favor liquidity, sold a higher portion of equity awards compared to Gen X employees, who were more likely to retain shares.

401(K) PLANS^{1,2}

 Contribution rate	 Loans	 Hardship distributions
<p>7.3% Average contribution rate as of March</p> <p>More than other generations, nearly half (45%) of Boomers are contributing more than 7% of their pay to their 401(k).</p>	<p>1.9% Participants borrowing from their retirement plan in 1Q</p> <p>Down from 2.3% in 4Q</p>	<p>0.77% Participants taking a hardship distribution in 1Q</p> <p>Consistent with 4Q</p>
<p>\$2,150 Average contribution in 1Q</p> <p>Consistent with 1Q25 (\$2,080) and up compared to 4Q25 (\$1,470)</p>	<p>\$10,400 Average loan per participant in 1Q</p> <p>Up from 4Q (\$9,300)</p>	<p>\$5,270 Average participant hardship amount in 1Q</p> <p>Comparable to 4Q (\$5,440)</p>
<p>\$112,070 Average account balance as of March</p> <p>Comparable to year-end (\$113,590)</p> <p>Plans with auto-enroll and auto-increase had an average account balance of more than \$170,000 as of March.</p>	<p>10.5% of participants with a loan have a loan in default as of 1Q</p> <p>Up slightly from 10.4% in 4Q and reversing last year's downward trend.</p> <p>19% of participants currently have a loan outstanding, led by Gen X, of which more than 1 in 4 have a loan outstanding.</p>	<p>6.7% of all participants taking a distribution in 1Q did so as a hardship distribution, compared to 7.4% in 4Q.</p>

SPOTLIGHT¹

Of the equity awards delivered to employees during the first quarter of 2026, 25% were sold within one week of delivery. Compared with other generations, Gen X employees retained a larger portion of their shares, while Boomers sold a larger portion.

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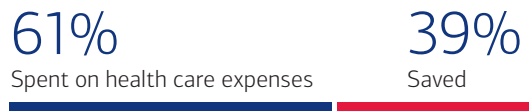
HEALTH SAVINGS ACCOUNTS (HSA)^{2,3}

\$5,400 Average account balance

Slightly down from \$5,600
as of year-end 2025

35% Account holders contributed more than they withdrew year-to-date

How contributions were used:



Less of account holder contributions this quarter (61%) than last quarter (72%) were spent (to cover health care expenses), therefore *saving* more for future expenses.

In 1Q, on average, **Gen X employees contributed the most (\$646)**, while **Millennials saved the largest portion (48%) of their contributions.**

15% Account holders investing for potential future growth

Consistent with 2025 investing behavior

Slightly up, **more men (20%) are investing their HSA contributions for future growth** versus last quarter (19%) and compared to women (13%).

More **Boomers (18%)** than other generations use the HSA investment feature.

In 2025, just 5% of participants **contributed the maximum amount allowed** to their retirement plan, (considering 402(g), Roth, and applicable catch-up contributions), led by participants age 50–59 and 64+.

Overall, 3.6% of participants contributed up to the maximum 402(g) limit in their 401(k) in 2025 (excluding Roth + catch-up).

Participants who contributed the maximum to their retirement plan in 2025

Participant age segment	% of participants maxing out
Age younger than 50*	4.7%
Age 50–59 & 64+†	5.8%
Age 60–63‡	4.2%
Total	5.0%

* Maxed out standard 402(g)+Roth:\$23,500

† Maxed out standard 402(g)+Roth:\$23,500 + \$7,500 catch-up = \$31,000

‡ Maxed out standard 402(g)+Roth:\$23,500 + \$11,250 super catch-up = \$34,750



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¹ Comparisons to reference data derived from Bank of America Workplace Benefits 401(k) data platform as of 3/31/25, 12/31/25, 3/31/26.

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

³ Reference data derived from Bank of America Workplace Benefits HSA data platform as of 3/31/2026.

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, 2026.

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

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