







BANK OF AMERICA WORKPLACE BENEFITS™

Participant Pulse

Tracking the financial wellness of plan participants

3Q 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. This quarter, nearly 9 in 10 participants kept their retirement contribution rate consistent, with more of the younger generations increasing their contribution rates, and overall balances increased. Compared to last quarter, fewer participants borrowed from their retirement assets, and loan amounts were smaller; hardship distributions were fairly comparable. On a positive trending note, we continue to see a steady decline in participants with a loan in default. While about 4 in 10 participants contributed more than they withdrew from their health savings account, Gen X-ers contributed the most, and millennials saved the most; but, still, few participants are taking advantage of the investment feature to grow health care savings. While overall financial wellness scores are holding steady, nearly 6 in 10 participants say they are living paycheck to paycheck, and more men than women say they have money left over at the end of the month.

401(k) PLANS^{1, 2}

 Contribution rate	 Loans	 Hardship distributions
Average contribution rate as of 3Q 6.6% Up from 6.5% at mid-year	Participants borrowing from their workplace plan in 3Q 2.5% Down from 2.7% in 2Q	Participants taking a hardship distribution in 3Q 0.72% Compared to 0.67% in 2Q
Average contribution in 3Q \$1,440 Down slightly from 2Q (\$1,565) but comparable to 3Q23 (\$1,430)	Average loan per participant in 3Q \$9,100 Comparable to 2Q (\$9,300)	Average participant hardship amount in 3Q \$5,650 Up from 2Q (\$5,070)
Average account balance September 2024 \$102,660 Up significantly from \$93,054 in June	Of participants with a loan, those with a loan in default as of 3Q 11.4% Down from 11.9% in 2Q, continuing the steady drop from 13% in 3Q23	<div style="border: 1px solid #ccc; padding: 10px;">  SPOTLIGHT^{1, 4} Of the more than 400K participants who completed a financial wellness assessment, 59% said they live paycheck to paycheck </div>
In 3Q, 88% participants kept their contribution rate consistent. More Gen Z (19.7%) and millennial (10.6%) participants increased their contribution rate compared to other generations.	Generation X continues to be the generation with the most participants with loans outstanding (22.7% — down from 24% last quarter)	

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

Average account balance:

\$5,130

Up from \$4,930 in 2Q

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

37%

Consistent with year-end 2023

How contributions were used:

75% Spent on health care expenses

25% Saved

Account holders are spending slightly more of their contributions on current health care expenses compared to 2Q (73%)

In 3Q, on average, **Gen X employees contributed the most** (\$1,570) while **millennials saved the most** (34%)

Account holders investing for future growth:

14%

Consistent with 2Q

More men (19%) than women (13%, up slightly from 12% last quarter) invest for the future, as do baby boomers (17%) compared to other generations



FINANCIAL WELLNESS^{1,4}

Average overall financial wellness score:

50 (out of a possible 100 points)

Consistent with 2Q but down from 55 in 3Q23.

Highest score achieved was in the area of managing long-term debt. More millennial employees (61%) say they live paycheck to paycheck, compared to other generations.

Women continue to trail men in their financial wellness score:

53 Men 46 Women

Consistent with last quarter, the gender gap remains, with men feeling more financially well than women. About 1/3 of women (35%) say they have money left over at the end of the month, compared to almost half (46%) of men.

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¹ Comparisons to reference data derived from Bank of America Workplace Benefits 401(k) data platform as of 09/30/23, 12/31/23, 03/31/24, 06/30/24, 9/30/24.

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

³ Reference data derived from Bank of America Workplace Benefits HSA data platform as of 09/30/24.

⁴ 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.

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