







BANK OF AMERICA WORKPLACE BENEFITS™

Participant Pulse

Tracking the financial wellness of plan participants

4Q 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, significantly more participants increased their retirement contribution rate, led by younger generations. Although the quarter closed with an average lower retirement account balance, it was up more than 15% compared to a year earlier. Compared to last quarter, fewer participants borrowed from their retirement account, and loan amounts were smaller; hardship distributions were fairly comparable. On a positive trending note, for the eighth consecutive quarter, we see a decline in participants with a loan in default. About 4 in 10 participants contributed more than they withdrew from their health savings account, and while Gen X-ers contributed the most, Millennials saved the most; but, still, few participants are taking advantage of the investment feature to grow their health care savings. Overall financial wellness scores are holding steady, and we still see a gender gap.

 **401(k) PLANS^{1, 2}**

 Contribution rate	 Loans	 Hardship distributions
<p>Average contribution rate as of 4Q</p> <p>6.6%</p> <p>Up from 6.5% at mid-year</p> <hr/> <p>Average contribution in 4Q</p> <p>\$1,420</p> <p>Comparable to 3Q (\$1,440) but up 8% from 4Q23 (\$1,310)</p> <hr/> <p>Average account balance December 2024</p> <p>\$100,330</p> <p>Down from September (\$102,660) but up 16% compared to December 2023 (\$86,280)</p> <hr/> <p>In 4Q, 75% of participants kept their contribution rate consistent, while 21.4% (compared to 9.7% in 3Q) <i>increased</i> their rate, led by Millennials.</p>	<p>Participants borrowing from their workplace plan in 4Q</p> <p>2.2%</p> <p>Down from 2.5% in 3Q</p> <hr/> <p>Average loan per participant in 4Q</p> <p>\$8,950</p> <p>Down slightly from 3Q (\$9,100)</p> <hr/> <p>Of participants with a loan, those with a loan in default as of 4Q</p> <p>11.1%</p> <p>Down from 3Q (11.4%) and from last year (12.6% in 4Q23)</p> <hr/> <p>Generation X has the largest portion of participants (24.9%) with a loan, as well as participants (2.5%) with a loan in default.</p>	<p>Participants taking a hardship distribution in 4Q</p> <p>0.74%</p> <p>Comparable to 0.72% in 3Q</p> <hr/> <p>Average participant hardship amount in 4Q</p> <p>\$5,730</p> <p>Comparable to 3Q (\$5,650)</p> <hr/> <p>Of all participants taking a distribution in 4Q, 8% took a hardship distribution</p>
<p> SPOTLIGHT¹</p> <p>Most frequent reasons 401(k) participants called for assistance in 4Q</p> <ul style="list-style-type: none"> • Distribution inquires & transactions (32% of calls) • Loans & hardships (25% of calls) 		

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

Average account balance:

\$5,030

Up from \$4,380 in 4Q23

Account holders who contributed more than they withdrew in 2024:

37%

Consistent with 2023

How contributions were used:

75% Spent on health care expenses

25% Saved

Account holders are spending (vs saving) about the same amount of their contributions on current health care expenses as last quarter.

In 4Q, on average, **Gen X employees contributed the most** (\$1,975) while **Millennials saved the most** (35%)

Account holders investing for future growth:

14%

Consistent with 3Q

More men (19%) than women (12%) invest for the future, as do **Baby boomers (17%)** compared to other generations



FINANCIAL WELLNESS^{1,4}

Average overall financial wellness score:

49 (out of a possible 100 points)

Consistent with 3Q and down slightly from 51 at year-end 2023. Highest score achieved was in the area of managing long-term debt; lowest score in the area of preserving assets. Not surprisingly, participants reporting household income below \$40K show lower scores (average 42).

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.

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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, 12/31/24.

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 12/31/24.

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 December 31, 2024.

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