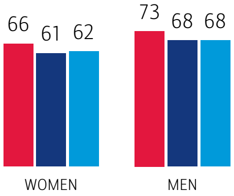
BANK OF AMERICA

Employee Financial Wellness in 2024

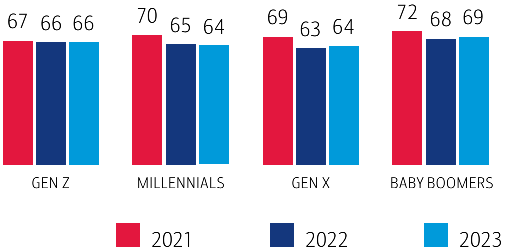
This year's study focuses on understanding — through a gender, generation and income[1] lens — the financial wellness of 329,036 401(k) participants on Bank of America's record-keeping system. With a median financial wellness score of 65 (out of 100), employees are struggling to manage short-term expenses as well as meet long-term financial goals. Women, lower-income employees, millennials and Generation X were affected the most in recent years. These insights help employers gain a greater understanding of employees' behaviors and financial needs so they can better tailor workplace benefits programs that inspire employees to take action to improve their financial health.

Financial Wellness score

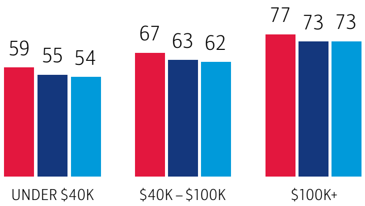
Financial Wellness score by gender



Financial Wellness score by generation



Financial Wellness score by income



Manage expenses

59% of employees live paycheck to paycheck[2]

Up from 52% in 2021

35% of women versus **46%** of men have money left over at the end of the month

Down from 42% (women) and **53%** (men) in 2021

54% of employees track how money is spent

Gen Z (46%) and **women (35%)** are less likely to track spending than peers

More lower-income employees (72%) than higher-income employees (45%) live paycheck to paycheck as do millennials (61%), compared with other generations

Manage credit card debt

41% of employees don't pay off their credit cards monthly

Up from 39% in 2021

47% of men and **59%** of women don't pay off their credit cards in full every month

18% of Gen Z and **32%** of lower-income employees have no credit cards[3]

Of those lower-income employees who do have credit cards, **75%** don't pay off their credit cards monthly

Plan for the unexpected

34% of employees have less than one month of savings

Up from 26% in 2021

41% of women versus **29%** of men have less than one month of savings

Millennials (39%), Gen X (34%) and **baby boomers (22%)** have increased since 2021, while Gen Z has remained flat

33% of lower-income employees have no emergency savings

67% of lower-income employees have less than one month of savings compared with **17%** of higher-income employees

Calculations by Bank of America Chief Investment Office, Portfolio Analytics Group.

Plan for retirement and other goals

19% of employees are on track for retirement[4]

Down from 22% in 2021 but **up from 17%** in 2022

30% of women versus **23%** of men have less than $5,000 saved for retirement[5]

Up from 21% (women) and **16% (men)** in 2021

38% of Gen Z and **34%** of millennials are contributing 5% or less of pretax household income

Gen Z (9%) and **millennials (15%)** are behind **Gen X (22%)** and **baby boomers (32%)** with being on track for retirement

25% of lower-income employees have no retirement savings

89% of lower-income employees are not on track for retirement, compared with **72%** of higher-income employees

Manage long-term debt

20% of women versus **15%** of men have student loans[6]

Women are also more likely to have **personal loans (15%)** and **payday loans (2%)** than men

45% of lower-income earners and **24%** of higher-income earners don't have any loans

Significantly fewer **lower-income employees (10%)** than **higher-income employees (56%)** have mortgages

13% of employees have personal loans

Up from 11% in 2021

Since 2021, **payday loans** have doubled from 1% to 2%

Most mortgage debt: Gen X (47%)
Most auto loan debt: millennials (45%)
Student loans: Gen Z (25%) and millennials (25%)

Preserve assets

79% of employees have updated beneficiaries on accounts

Lower-income employees (59%) are less likely to update beneficiaries compared with **higher-income employees (89%)**

26% of men versus **21%** of women have a will

Men (14%) are also more likely to have a living will than **women (12%)**

The majority of baby boomers don't have measures to protect legacy wealth:

Health proxy/living will (30%)
Power of attorney (26%)
Will (45%)

Calculations by Bank of America Chief Investment Office, Portfolio Analytics Group.

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[1] Refers to household income.

[2] Financial Wellness Tracker, Bank of America Corporation, 2023.

[3] The lack of access to credit cards by lower-income groups is consistent with findings from the Federal Reserve Report *Economic Well-Being of U.S. Households in 2022*, May 2023.

[4] On track for retirement: Current retirement savings as a percent of target retirement savings is greater than 50%. Target retirement savings is how much employees should have saved to be on track for retirement, given their current age and income. As employees age, the target retirement savings increases.

[5] Bank of America 2023: *Gender Lens in Defined Contribution (DC) Plans* study of 3.1 million 401(k) plan participants shows that the median 401(k) balances for women are approximately 72% that of men.

[6] "Deeper in Debt: Women and Student Loans," American Association of University Women, May 2021. Sixty-eight percent of students borrow money to pay for their undergraduate education. Among those who take out loans, women — who borrow an average of $31,276 — take on more debt than men, who borrow an average of $29,270.

Source: Bank of America Financial Wellness Tracker for the period January 2021 to December 2023. Based on the responses of 329,036 401(k) participants. Calculations by CIO Portfolio Analytics.

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The Financial Wellness Tracker calculates scores based on responses to questions, as well as some underlying calculations, and criteria are evaluated against the attributes of a financially well individual. The score takes into account: 1) personal information such as age, dependents and household income; 2) key financial information, including savings and expenses; and 3) the financial behaviors exhibited. Each question and answer is worth a certain number of points. Point values vary, and one aggregate score is calculated to provide individuals with their score.