BANK OF AMERICA

BANK OF AMERICA WORKPLACE BENEFITS™

The state of small businesses

Every year we conduct research across companies of all sizes so we can learn about valued and trending workplace benefits. The responses from these employers and employees, compiled in our annual Workplace Benefits Report, provide us with insights into more relevant, meaningful, and inclusive programs and resources to help you evolve your benefits offerings.

Our goal is to provide you with timely research and thoughtful perspectives so you can help your employees thrive.

Here we highlight small businesses[1] and hear from employers and employees on topics ranging from financial wellness and priorities to retirement to today's workplace.

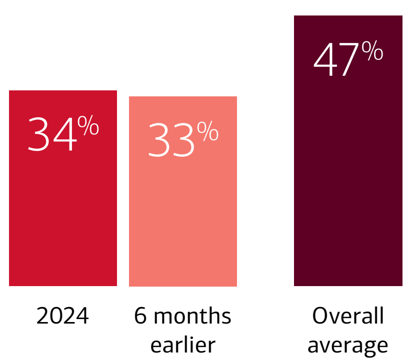
Financial wellness

Employees

Although significantly up from six months earlier, fewer employees at small companies say their financial wellness is good or excellent compared to larger companies and lower than the overall average.

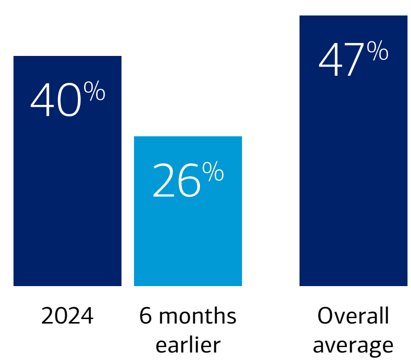
Companies with 1 to 49 employees

A third of employees rate their financial wellness as good or excellent compared to nearly half of employees overall.



Companies with 50 to 99 employees

40% rate their financial wellness as good or excellent, up from six months earlier but still trailing the overall average.



Employees at the smallest companies were the only segment that didn't place saving for retirement as the **top financial priority**. Paying off credit card debt was more important.

1 to 49 employees

28% Paying off credit card debt	20% Saving for retirement	12% Paying off mortgage	10% Saving for unexpected expenses

50 to 99 employees

30% Saving for retirement	24% Paying off credit card debt	10% Saving for unexpected expenses	8% Paying off mortgage

When asked which **financial wellness and educational resources** would help them better manage their finances, employees rated retirement education/ planning and developing financial skills/good financial habits the highest.

1 to 49 employees

32% Retirement education/ planning	26% Online financial tools, calculators, scores to measure wellness and identify steps to improve	22% Developing financial skills/ good financial habits	22% All info in one place/helpful steps to reach goals

50 to 99 employees

33% Developing financial skills/ good financial habits	30% Retirement education/ planning	30% Online financial tools, calculators, scores to measure wellness and identify steps to improve	26% All info in one place/helpful steps to reach goals

Stress

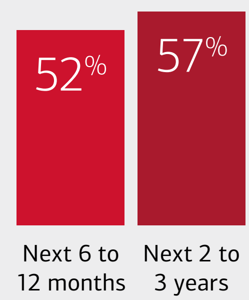
68%

of employees at small companies are stressed or very stressed about their financial situation.

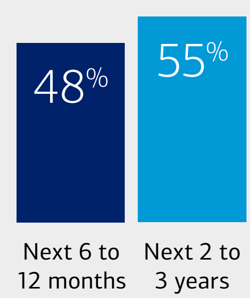
Optimism

Employees at small companies feel more optimistic about their financial well-being as time goes on.

1 to 49 employees



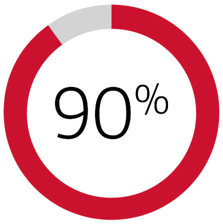
50 to 99 employees



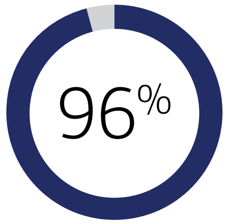
Employers/Plan sponsors

Most small companies **feel extremely or somewhat responsible** for their employees' financial wellness.

1 to 49 employees

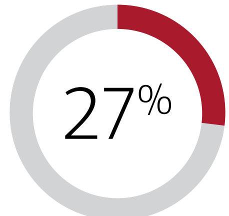


50 to 99 employees

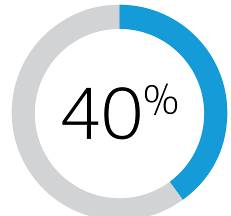


But less than half of small companies **offer financial wellness programs**.

1 to 49 employees



50 to 99 employees



Most frequent resources of those small companies that do offer financial wellness programs:

1 to 49 employees

- 63% Information on 401(k) retirement plans
- 59% Evaluation/advice from a professional (only 33% of companies with 50 to 99 employees offer this)
- 54% Online financial tools, calculators, scores to measure wellness and identify steps to improve

50 to 99 employees

- 74% Information on 401(k) retirement plans
- 59% Developing financial skills/good financial habits
- 56% Online financial tools, calculators, scores to measure wellness and identify steps to improve

Providing tools to enhance employee financial wellness often leads to **benefits for employers**. Cited most often by employers:

1 to 49 employees

92% More satisfied and engaged employees

50 to 99 employees

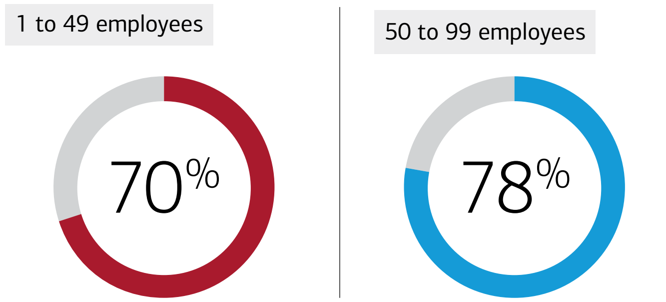
91% Greater employee retention

Small companies that offer their employees **education and guidance** offer it related to managing these topics:

	1 to 49 employees	50 to 99 employees
Saving for retirement	77%	79%
Preparing for nearing retirement	63%	68%
Planning for health care costs	60%	67%
Saving for emergencies	47%	60%
Budgeting	44%	57%
Debt	41%	47%
Planning for caregiving expenses	33%	48%
Paying down student loans	26%	41%

Employers/Plan sponsors

Nearly 3 in 4 employers feel responsible for ensuring that their employees understand **health care needs in retirement**, yet fewer educate or offer guidance, and only about half offer a way to save for future health care costs.

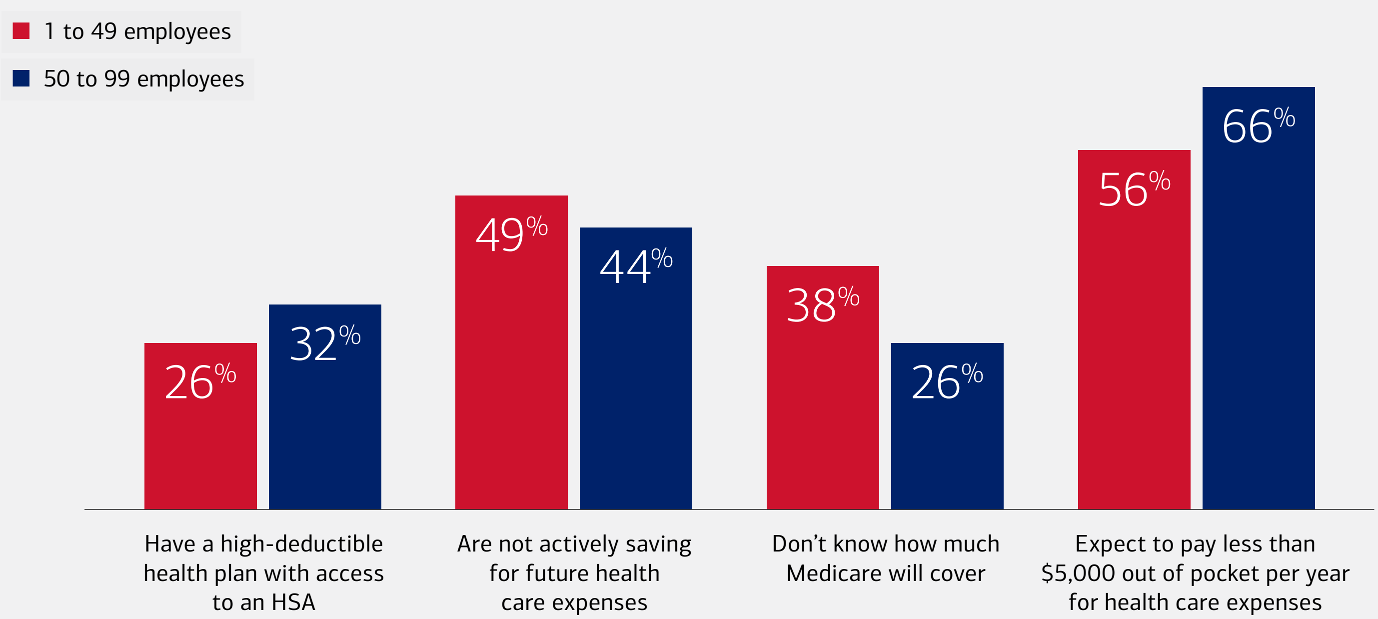


Employers feel responsible for employees understanding health care needs/costs

	1 to 49 employees	50 to 99 employees
Offer a high-deductible health plan with an HSA	45%	53%
Offer education/guidance on planning for health care costs	60%	67%

Employees

When it comes to **health care needs in retirement**, less than 1 in 3 employees have access to an HSA, and nearly half are not actively saving for future health care expenses. While many are unsure of how much Medicare will cover, more than half of employees expect to pay less than $5,000 out of pocket each year in retirement.



Additional workplace benefits

Employees

Employees would like their employers to provide additional benefits. The top five benefits they'd like in the next three to five years:

	1 to 49 employees	50 to 99 employees
Four-day work week	60%	53%
Guaranteed income plan benefits	29%	41%
Wellness reimbursement	29%	39%
Flexible return-to-office options	21%	21%
Sabbaticals	19%	
Technology reimbursement		19%

Employers/Plan sponsors

Employers would like to offer their employees additional benefits. The top five benefits they'd like to offer in the next three to five years:

	1 to 49 employees	50 to 99 employees
Four-day work week	47%	43%
Wellness reimbursement	29%	35%
Mentoring	28%	29%
Family care assistance	26%	39%
Guaranteed income plan benefits	22%	
Personal coaching/upskilling		28%

CAREGIVING

There's an opportunity to improve employee productivity in the workplace by fostering a culture of support for caregivers.

	1 to 49 employees	50 to 99 employees
Employers say their employees are comfortable identifying as caregivers	72%	79%
Employees identify as caregivers	47%	54%
Employees aren't comfortable because they believe others at work will think they're not committed to their job	53%	43%

Employers/Plan sponsors

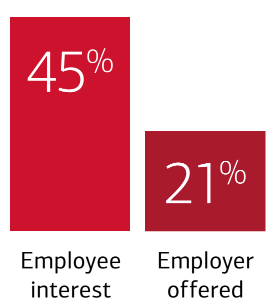
Most often-cited resources small companies provide to accommodate employees' caregiving needs:

- Flexible scheduling
- Leave of absence
- Sick days

A **lifestyle spending account (LSA)** helps support employees' everyday needs that may not otherwise be covered by traditional benefits.

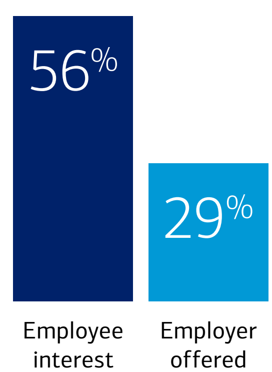
1 to 49 employees

Employees are very interested in an LSA, but few employers currently offer it.



50 to 99 employees

Employees are very interested in an LSA, but less than 1/3 of employers currently offer it.



Trends to watch

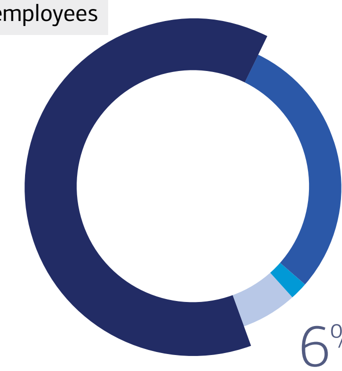
WORKPLACE MODEL

Employers/Plan sponsors

What is your primary workplace model?

1 to 49 employees

50 to 99 employees



Over the past year, did your company improve its **ability to attract top talent**? If yes, what were the top five reasons?

1 to 49 employees

Yes	No
58%	42%

Flexible work schedules	48%
Better compensation than competitors	40%
Better workplace benefits	39%
More manageable workloads	36%
Ability to work remotely/from home	29%

50 to 99 employees

Yes	No
66%	34%

Better workplace benefits	42%
Flexible work schedules	37%
Better compensation than competitors	37%
Superior pay increases	31%
More manageable workloads	29%

More than

7 out of 10

employees are satisfied with their current company.

1 to 49 employees: 83%

50 to 99 employees: 74%

Employees

1 to 49 employees	50 to 99 employees
64%	58%

In the next year, employees **plan to stay** with their current employer.

This is due to:	1 to 49 employees	50 to 99 employees
Work/life balance	81%	76%
Compensation	55%	57%
Possibility of pay increase	33%	42%

1 to 49 employees	50 to 99 employees
18%	14%

In the next year, employees **plan to leave** their current employer.

This is due to:	1 to 49 employees	50 to 99 employees
Compensation	74%	62%
Career growth opportunities	48%	
Work/life balance	42%	
Size of pay increases		52%
Better opportunities/openings elsewhere		36%

Approximately **2 out of 3 employees** are somewhat or extremely confident that investing in a 401(k) plan and other retirement savings accounts will help build enough savings to fund the life they envision for their retirement years and reach their retirement savings goal.

Top five resources employees wish their employer provided to help **navigate their retirement decision**:

	1 to 49 employees	50 to 99 employees
Estimating/planning for general expenses	35%	43%
Estimating/planning for health care expenses	30%	32%
Recommending ways to create a guaranteed income stream	29%	37%
Providing guidance on when to start taking Social Security	22%	
Providing personalized advice on timing for retirement	21%	28%
Providing general education sessions		28%

We can help you improve the lives of all your employees

Bank of America Workplace Benefits™ provides timely insights on a range of topics to help employers keep their workplace culture relevant and competitive in the marketplace. Our goal is to help employers guide employees on their financial journey with pivotal data and research we gain from serving millions of individuals every day — creating experiences that truly speak to this modern and diverse workforce.

Visit our Workplace Benefits Report page to read more about the latest trends and insights. Connect with a Workplace Benefits team member today to learn more. Visit go.bofa.com/workplacebenefits.

About the study

2024 Workplace Benefits Report

The 2024 Workplace Benefits Report has been prepared by Bank of America Workplace Benefits™, in partnership with Bank of America Institute. First launched in 2011, the annual Workplace Benefits Report plays a critical role in helping make financial lives better by generating real-world insights to help us create solutions that fit our clients' needs.

Methodology

Escalent surveyed a national sample of 955 employees who are working full-time and participate in 401(k) plans, and 804 employers who offer both a 401(k) plan and have sole or shared responsibility for decisions made in the plan. The survey was conducted between November 22, 2023, and January 4, 2024. To qualify for the survey, employees had to be current participants in 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.

Plan sponsors	804
Assets in 401(k)	
Less than $20M	50%
$20M to less than $100M	25%
$100M or more	25%
Plan sponsor locations	
Rural	12%
Suburban	52%
Urban	36%

Small business plan sponsors	270
Small business employees	**198**
1 to 49 employees	55%
50 to 99 employees	45%

Employees	955
Gender	
Male	64%
Female	36%
Life stage	
Gen Z/Millennial (ages 18–44)	40%
Gen X (ages 45–54)	36%
Boomer/Silent and older (ages 55+)	24%
Racial/ethnicity	
White/Caucasian	66%
Hispanic or Latinx	14%
Black/African-American	10%
Asian	7%
Multi-racial	2%
American Indian or Alaska Native/Multi-racial	0%
Sexual and gender identity	
Heterosexual	91%
LGBTQ	9%
Refused	0%

[1] Small/smaller businesses and companies are defined throughout as businesses/companies with 1 to 99 employees.

All statistics are from *2024 Workplace Benefits Report* survey, January 2024, unless otherwise noted.