

# Financial wellness through a diversity and inclusion lens

Retirement & Personal Wealth Solutions (RPWS)—Thought Leadership brief

We are delighted to share our research on financial wellness through the lens of diversity and inclusion. With a growing sense of responsibility for their employees' financial well-being, employers play an important role in addressing gender and racial disparities as well as building financial wellness programs that keep generational differences and preferences in mind.

## Definition of financial wellness according to the Consumer Financial Protection Bureau

	Present	Future
<b>Security</b>	Control over your day-to-day, month-to-month finances	Capacity to absorb financial shock
<b>Freedom of choice</b>	Financial freedom to make choices to enjoy life	On track to meet your financial goals

Source: Consumer Financial Protection Bureau (CFPB) *Financial well-being in America, September 2017.*

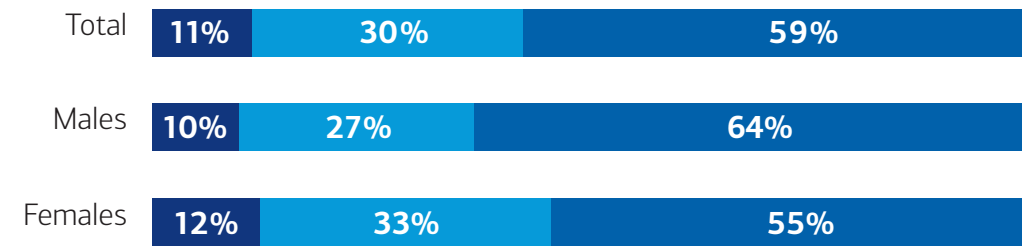
Overall, customers tend to view their financial wellness in a positive light. This is particularly true among older generations and those with higher household incomes.

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Investment products:

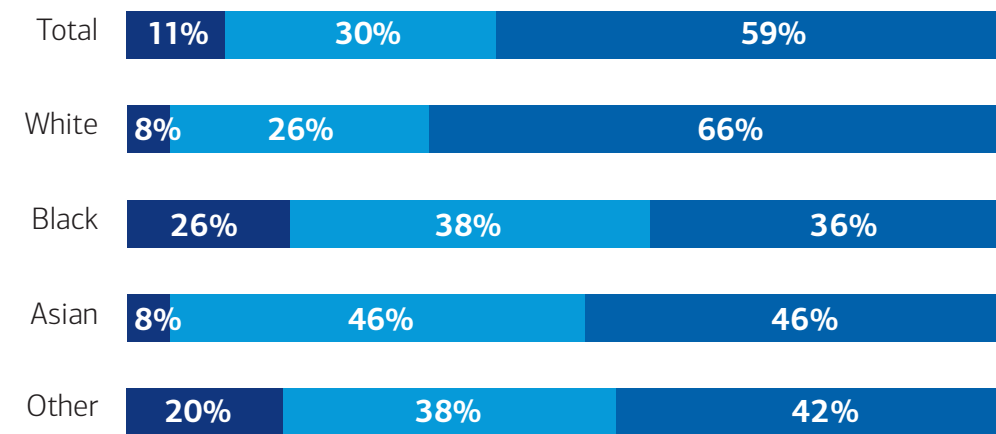
<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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## Financial wellness by gender



• Men are more likely than women to rate their financial wellness as excellent, while 6% more women rate theirs as neutral.

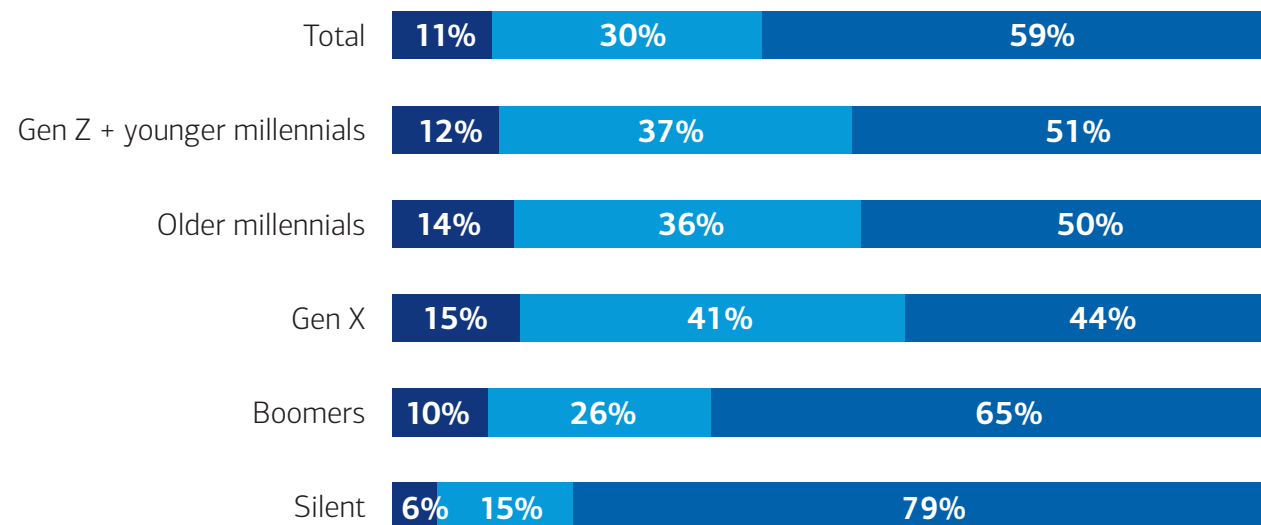
## Financial wellness by ethnicity



• White survey respondents, at 66%, are the only cohort with a rate of excellent financial wellness that exceeds the overall level of excellent for the total population.

• Black and other, including Hispanic/Latino, survey respondents rate their financial wellness as poor at around twice the rate (or more) of the total population and at about three times the rate of White and Asian respondents.

## Financial wellness by age\*

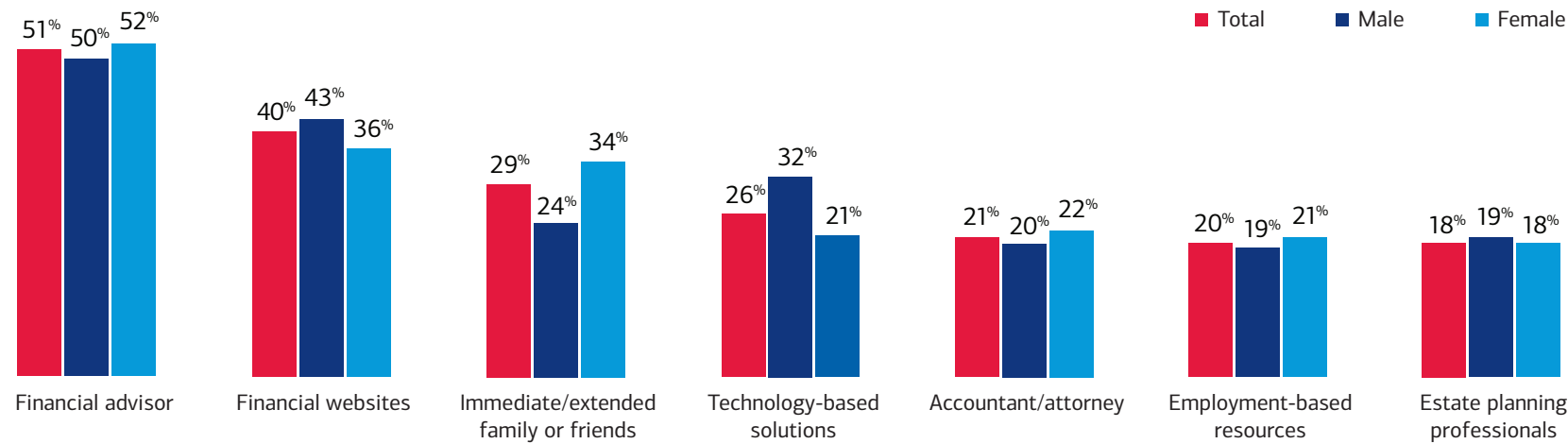


• Generation X markedly lags others in its ratings. We could hypothesize that this is due to Gen X's being the "sandwich generation," with members more likely to be pressed between caring for their children (often well into adulthood) and their aging parents.

Financial wellness ratings:

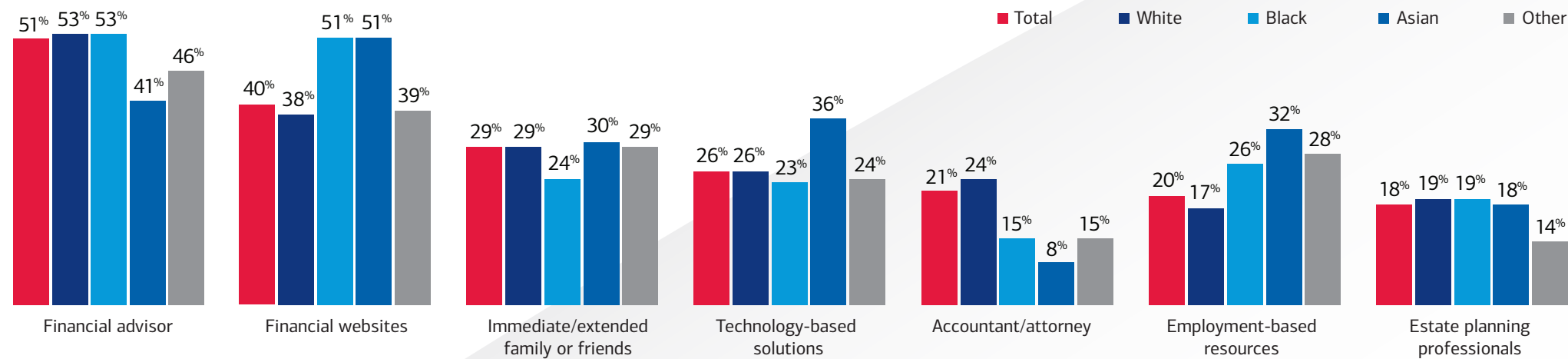
■ Poor: Rating of 1 – 2   ■ Neutral: Rating of 3   ■ Excellent: Rating of 4 – 5

**Key resources on financial wellness journey – by gender**



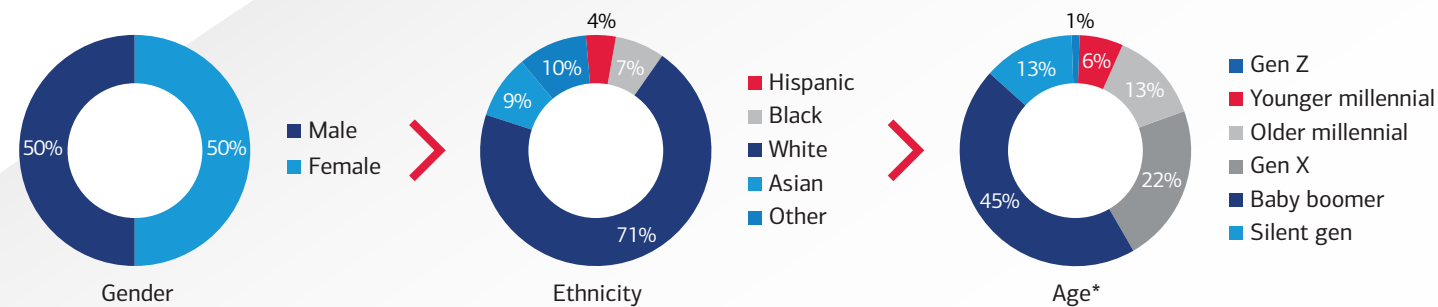
- Financial advisors and financial websites are viewed as the top sources of information.
- Women are more likely to rely on social contacts such as family and friends, while men are more likely to mention websites and tech-based solutions.

**Key resources on financial wellness journey – by ethnicity**



- Black and other, including Hispanic/Latino, survey respondents find financial advisors and websites to be the most important resources.
- Asian respondents prefer technology as a source of information more than their peers do.
- Employer-based resources are also a preferred source for respondents in the Black, Asian and other, including Hispanic/Latino, categories.

**Survey respondent profile (1,000 respondents)**



**Financial wellness journey by gender**

Sources: Consumer Banking Customers Online Panel; Analytics, Modeling & Insights – Office of CAO, 2021.  
 Base – All respondents (n=1,000); Male (n=500), Female (n=500).

SQ15. Which of the following do you consider to be key resources, partners or sources of information on your journey toward improving your financial wellness?

**Financial wellness journey by ethnicity**

Sources: Consumer Banking Customers Online Panel; Analytics, Modeling & Insights – Office of CAO, 2021.  
 Base – All respondents (n=1,000); White (n=712), Black (n=74), Asian (n=91), Other (n=100).

SQ15. Which of the following do you consider to be key resources, partners or sources of information on your journey toward improving your financial wellness?  
 White vs. Black vs. Asian vs. Other stat tested at 90% confidence level.

**Survey respondent profile (1,000 respondents)**

Sources: Consumer Banking Customers Online Panel; Analytics, Modeling & Insights – Office of CAO, 2021.  
 Base – All respondents (n=1,000); Male (n=500), Female (n=500).

SQ23. Now we would like you to think about your investments, including investment accounts, stocks, bonds, and retirement accounts, such as a 401(k) plan. These can, but do not necessarily, refer to investments that you or another person actively manage. Thinking about this definition, do you have any investments of this kind?

Base – “Yes” selected in SQ23 (n=794); Male (n=416), Female (n=378).

SQ24. Which of the following describes the value of your total investable assets?

\*Generation age ranges (as of deployment in March 2020):  
 Gen Z (age < 23), Younger millennial (age = 23-29), Older millennial (age = 30-37), Gen X (age = 38-53), Baby boomer (age = 54-72), Silent gen (age > 72).

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