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Daily Insights

Gen Z monthly savings fall short of their spending

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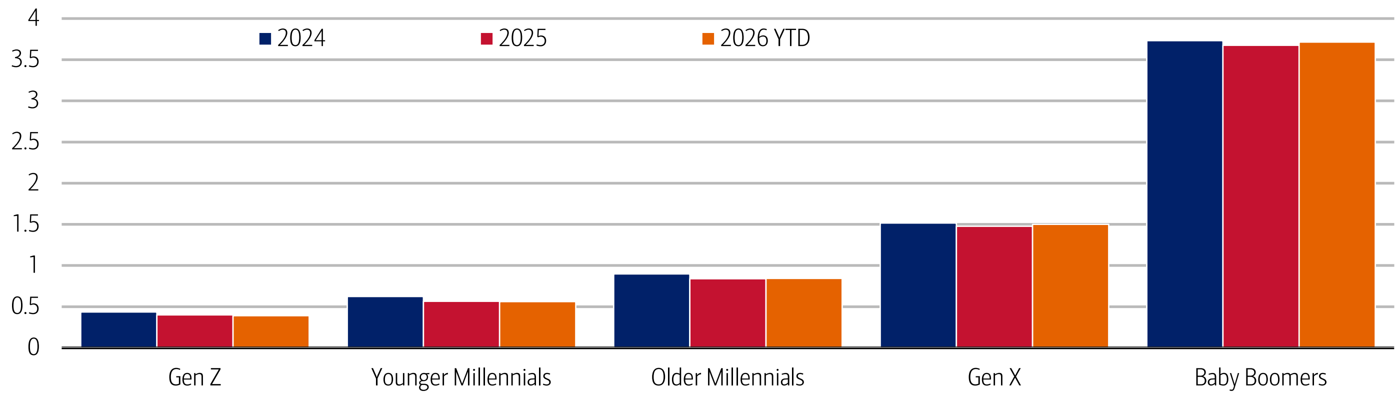
Gen Z have the lowest median savings-to-spending ratio
Median savings-to-spending ratio by generation (annual average year-to-date (YTD))



Source: Bank of America internal data
Note: A ratio greater than one indicates median cumulative savings balances are greater than monthly median spending. Median spending reflects credit card, debit card, and business/peer-to-peer payments and may not represent all account outflows.

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Gen Z have the lowest median savings-to-spending ratio of any generation. In other words, the typical Gen Z consumer spends more in a month than they hold in savings. Yet their spending has remained resilient.

In fact, Gen Z have bucked the broader "K-shaped" trend, with spending growth staying strong across income groups over the past six months. Discretionary spending has also picked up across beauty, jewelry, coffee and travel, suggesting younger consumers continue to prioritize experiences and small indulgences – hallmarks of the "little treat economy."

Read more on this generation's spending behaviors in The Gen Z reality check.

Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash, and checks.

Any **Small Business** payments data represents aggregate spend from Small Business clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Small Business client data represents activity spending from active Small Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and generally defined as under $5mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

The differences between the total and per household card spending growth rate (if discussed) can be explained by the following reasons:

1. Overall total card spending growth is partially boosted by the growth in the number of active cardholders in our sample. This could be due to an increasing customer base or inactive customers using their cards more frequently.

2. Per household card spending growth only looks at households that complete at least five transactions with Bank of America cards in the month. Per household spending growth isolates impacts from a changing sample size, which could be unrelated to underlying economic momentum, and potential spending volatility from less active users.

3. Overall total card spending includes small business card spending while per household card spending does not.

4. Differences due to using processing dates (total card spending) versus transaction date (per household card spending).

5. Other differences including household formations due to young adults moving in and out of their parent's houses during COVID.

Any household consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level. Whenever median household savings and checking balances are quoted, the data is based on a fixed cohort of households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through the most current month of data shown.

Bank of America aggregated credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards are excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Unless otherwise noted lower, middle and higher household income cuts in Bank of America credit and debit card spending per household, and consumer deposit account data are based on quantitative estimates of each households' income. These quantitative estimates are bucketed according to terciles, with a third of households placed in each tercile periodically. The lowest tercile represents 'lower income', the middle tercile represents 'middle income' and the highest tercile 'higher income'. The income thresholds between these terciles will move over time, reflecting any number of factors that impact income, including general wage inflation, changes in social security payments and individual households' income. The income and tercile in which a household is categorised are periodically re-assessed.

Generations, if discussed, are defined as follows: Gen Z, born after 1995; Younger Millennials: born between 1989-1995; Older Millennials: born between 1978-1988; Gen Xers: born between 1965-1977; Baby Boomer: 1946-1964; Traditionalists: pre-1946.

Any reference to card spending per household on gasoline includes all purchases at gasoline stations and might include purchases of non-gas items.

The median savings-to-spending ratio is calculated as the monthly cumulative median deposit balance over monthly median spending. Median spending reflects Bank of America credit and debit card as well as business/peer-to-peer payments and may not represent all account outflows.

Gig type of income referenced in this report is derived from aggregated inflows to consumer direct deposits or debit cards from gig platforms.

The Bank of America 2026 Summer Travel Outlook survey was conducted online between March 26 and April 3. The survey consisted of 2,004 respondents throughout the U.S. Respondents in the study were age 18+ and were representative of the composition of the U.S. Census for age, gender, household income and Census region. Lower, middle and higher household income cuts in the survey were based on quantitative estimates of annual household income before taxes. They are defined as follows: lower-income households: $0-$66,000; middle-income households: $66,001-$130,000; higher-income households: >$130,000.

The Better Money Habits survey was conducted online from February 10 – February 28, 2026, by Ipsos. This study is based on national samples of more than 2,000 respondents, including 1,146 general population adults (age 18 or older) and 1,133 general population Gen Z adults (age 18-29). The survey was conducted both in English and Spanish and utilized samples from both opt-in sources and the Ipsos KnowledgePanel®, the largest and most well-established online probability-based panel that is representative of the adult US population. The margin of sampling error for the general population sample is +/- 3.0 percentage points and for the general population Gen Z sample is +/- 3.0 percentage points at the 95 percent confidence level.

The survey data has been weighted to match national population benchmarks. The general population sample and general population Gen Z sample were weighted separately to match national population demographics of gender, age, race/ethnicity, education, region, metropolitan status, household income, language proficiency and Hispanic origin. Benchmarks for these variables were obtained from the Census Bureau's 2025 Current Population Survey (CPS), with the exception of benchmarks for language proficiency, which were obtained from the Census Bureau's 2024 American Community Survey (ACS).

Escalent is a research and data analytics firm that helps clients understand human and market behaviors and trends. Bank of America partnered with Escalent to survey a national sample of 941 employees who are working full time and participate in 401(k) plans, and 806 employers who offer both a 401(k) plan and have sole or shared responsibility for decisions made in the plan. The Workplace Benefits survey was conducted between December 4, 2025, and January 26, 2026.

To qualify, 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, which was not identified as the sponsor of the study.

Escalent's sample population spanned age, gender, household income and company size to help ensure that they're representative of the target audience. The data is weighted by those variables for greater accuracy and authenticity in the research results.

Sparks Research conducted the Homebuyer Insights Report national online survey on behalf of Bank of America from April 13 to May 10, 2026. A total of 2,000 surveys (1,000 homeowners / 1,000 renters) were completed with adults 18 years old or older who make or share in household financial decisions and who currently own a home/previously owned a home or plan to own a home in the future. The margin of error is +/- 2.2 percent at the 95 percent confidence level. Select questions allowed respondents to choose more than one answer, resulting in responses that may equate to more than 100 percent.

Additional information about the methodology used to aggregate the data is available upon request.

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Disclosures

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