

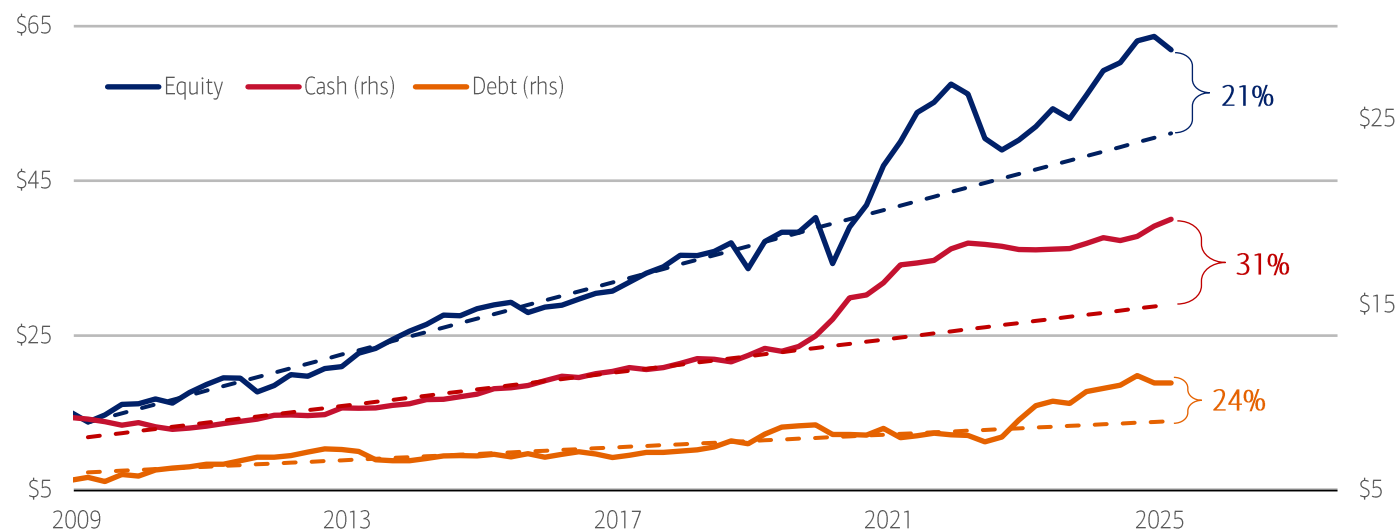
Institute Daily Insights

Cash levels today are higher than expected

13 August 2025

Cash holdings have risen the most when compared to pre-pandemic trends

US household financial assets in \$tn, linear trend 2009 through 2019



Source: Federal Reserve Flow of Funds

BANK OF AMERICA INSTITUTE

Since the Federal Reserve began raising interest rates in 2022, investors have been parking more capital in cash and cash equivalents, attracted by some of the highest yields on short-term securities since the end of the dot-com era in 2001. As of Q1, households held nearly \$20 trillion in cash-like assets – more than 30% higher than historical trends would suggest. That's a bigger jump than the change in holdings of stocks (+21%) or debt securities (+24%).

Contributors

Liz Everett Krisberg

Head of Bank of America Institute

David Michael Tinsley

Senior Economist, Bank of America Institute

Sources

Jared Woodard

Investment & ETF Strategist, BofA Global Research

Disclosures

These materials have been prepared by Bank of America Institute and are provided to you for general information purposes only. To the extent these materials reference Bank of America data, such materials are not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial conditions or performance of Bank of America. Bank of America Institute is a think tank dedicated to uncovering powerful insights that move business and society forward. Drawing on data and resources from across the bank and the world, the Institute delivers important, original perspectives on the economy, sustainability and global transformation. Unless otherwise specifically stated, any views or opinions expressed herein are solely those of Bank of America Institute and any individual authors listed, and are not the product of the BofA Global Research department or any other department of Bank of America Corporation or its affiliates and/or subsidiaries (collectively Bank of America). The views in these materials may differ from the views and opinions expressed by the BofA Global Research department or other departments or divisions of Bank of America. Information has been obtained from sources believed to be reliable, but Bank of America does not warrant its completeness or accuracy. These materials do not make any claim regarding the sustainability of any product or service. Any discussion of sustainability is limited as set out herein. Views and estimates constitute our judgment as of the date of these materials and are subject to change without notice. The views expressed herein should not be construed as individual investment advice for any particular person and are not intended as recommendations of particular securities, financial instruments, strategies or banking services for a particular person. This material does not constitute an offer or an invitation by or on behalf of Bank of America to any person to buy or sell any security or financial instrument or engage in any banking service. Nothing in these materials constitutes investment, legal, accounting or tax advice. Copyright 2025 Bank of America Corporation. All rights reserved.