

Transformation

Wellness, part 3: Tech for mental health

10 June 2026

Key takeaways

- Wellness tech like wearables, AI-driven applications and virtual platforms are expanding the mental health and wellbeing toolkit by embedding support into everyday life.
- Wearables collect physiological data and other signals to detect stress and cognitive strain, while AI can analyze data to personalize health insights. In parallel, tele-mental health and digital therapeutics can help address structural gaps and unmet needs in mental healthcare.
- Building on our exploration of the wellness economy in Part 1 and the role of social connection in Part 2, this installment of our wellness series highlights how technology is emerging as the next layer in scaling mental health support.

Wellness isn't a new concept – it's a broad, multidimensional approach to improving health and quality of life from shared experiences and stress-reducing interactions with pets, to nutrition, physical activity and travel to reduce digital strain. But as technology and constant connectivity reshape how we live, they're also reshaping wellness. And while tech has driven major progress, it's also contributed to rising challenges like loneliness, anxiety and poor physical health – issues that now carry a meaningful global cost. As these risks grow, the need for wellness solutions is increasingly important. At the same time, technology is also part of the solution, with tools like wellness apps, virtual care and AI helping people better understand and manage their health.

Wellness tech for mental health and wellbeing

Wearables, AI-driven apps and virtual platforms expand the mental health and wellbeing toolkit by embedding support into everyday life: devices and apps that track sleep, heart rate and activity can translate physiological signals into personalized prompts on rest, exercise or stress management, while AI enables adaptive recommendations that evolve with user behavior. This matters as mental wellness exists on a spectrum and early intervention can reduce the risk or severity of clinical illness.¹

Digital mental health solutions – ranging from mindfulness and mood-tracking apps to virtual therapy and digital therapeutics – can support mental wellbeing and/or help manage existing mental health conditions alongside conventional treatment by lowering barriers to mental health access. Per Research and Markets, the mental health tech market was \$15.2 billion in 2024 and could reach \$31 billion by 2030, growing at a 12.6% compound annual growth rate (CAGR).

As these digital mental health solutions evolve, the line between wellness support and clinical treatment is blurring, per the American Psychological Association (APA). According to the US Food and Drug Administration (FDA), a mobile app becomes a regulated medical device when it is intended to diagnose, treat, cure, mitigate or prevent a disease or condition, whereas apps that promote general wellness (e.g. mindfulness or relaxation) are typically not regulated by the FDA as long as they make no specific claims about treating a diagnosable mental health condition.

In the US, nearly one in four adults have experienced a mental illness in the past year

Roughly 4% of the global population experiences an anxiety disorder, but only one in four of those affected receive treatment.² The World Health Organization (WHO) estimates that only 29% of people with psychosis (where an individual loses some contact with reality) receive mental health services. More broadly, per the 2025 State of Mental Health in America report, in 2024, 23.4% of US adults had experienced a mental illness in the past year – that's 60 million people.³

¹ Bridge Support. (n.d.). *Early Intervention in Mental Health*.

² NCD Alliance. (n.d.). *Mental Health*.

³ Mental Health America (MHA). (2025). *The State of Mental Health in America*.

In terms of care options, treatment for mental health includes psychological therapies and medication.⁴ Therapy for anxiety usually involves cognitive behavioral therapy (CBT), which builds coping skills by reshaping negative thought patterns.⁵ However, access remains a key barrier: according to the same report, 9.2% of people with a mental illness were uninsured, and 28.6% did not have a preventative health visit in the past year.⁶

Furthermore, workforce constraints further limit access. Globally, there are 13.5 mental health workers per 100,000 people.⁷ Compared with a global physician rate of 170 per 100,000 (1.7 per 1,000),⁸ that’s about 92% fewer mental health workers than physicians per 100,000 people. As a result, wait times can be significant: per an APA survey, among psychologists who keep waitlists, average waits were three months or longer.

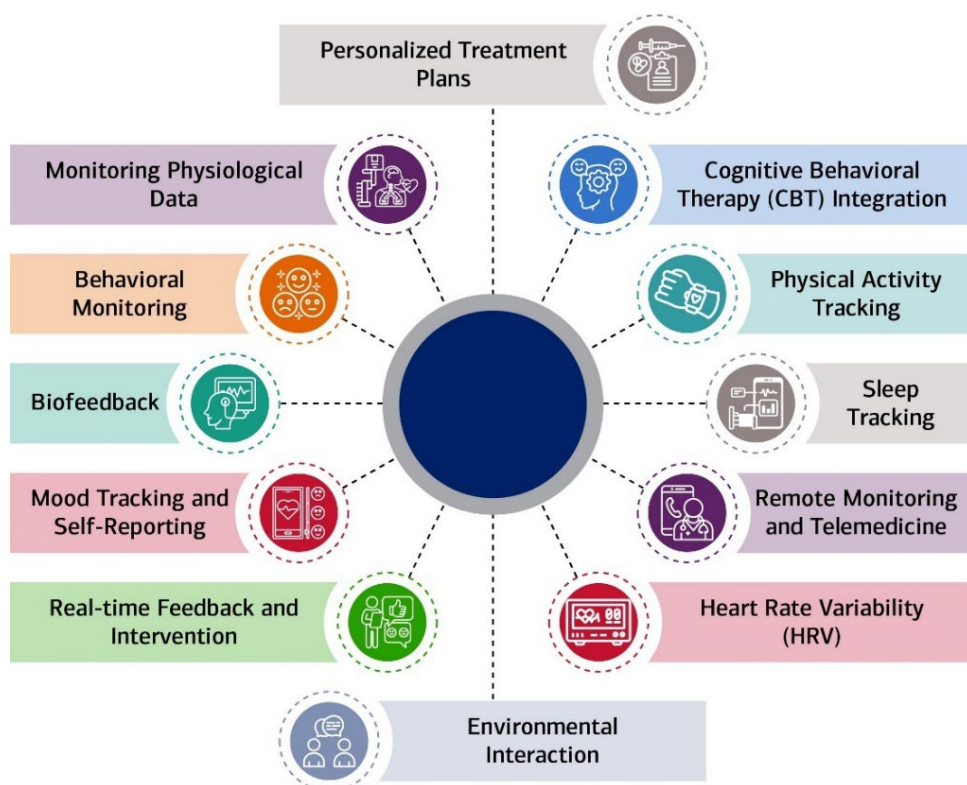
Wearables/Smart devices

Broader collection of health data

From a consumer angle, wearables and smart devices allow for a broader collection and analysis of health data, assisting with diagnosis, personalized treatments and behavior change interventions.⁹ Wearable technologies include smartwatches, biometric rings, fitness trackers and sensors that can monitor data like glucose, sleep quality and physical activity. In McKinsey’s Future of Wellness Survey 2024, roughly half of all consumers surveyed had purchased a fitness wearable at some point.

Exhibit 1: Wearable tech spans smart glasses, smart watches and sleep monitors

Wearable tech for remote monitoring and telemedicine



Source: Borghare et al; Dr Aniket G Pathade; CC BY 4.0; BofA Global Research

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But adoption is only part of the story – wearables also generate continuous, high-value physiological data (Exhibit 1). These devices provide passive data streams on electrodermal activity (variations in skin moisture linked to sweating); heart rate variability (variation in time between each heartbeat); actigraphy (non-invasive monitor of sleep-wake patterns); and sleep architecture (structure of sleeping patterns). These can reveal dysregulated autonomic nervous system (ANS) function, a hallmark of depression, while also providing proxies for cognitive load and mental fatigue.¹⁰

⁴ Mind

⁵ NHS. (n.d.). *Cognitive behavioural therapy (CBT)*.

⁶ Reinert, M., Nguyen, T & Fritze, D. (2025, October). *The State of Mental Health in America 2025*. Mental Health America.

⁷ World Health Organization. (2025). *World mental health today*.

⁸ Ritchie, H. (2024, December 19). *Rich countries have ten times as many doctors per person as poor ones*.

⁹ Andrews, S., Ellis, D.A., Joinson, A., & Piwek, L. (2016, February). *The Rise of Consumer Health Wearables: Promises and Barriers*.

¹⁰ *Frontiers in Psychology*

In the context of mental health treatment, wearables can enable continuous health data collection and real-time communication between patients and healthcare providers, offering feedback and reminders that can enhance adherence to therapy and medication regimens.¹¹ Per Walter Greenleaf, neuroscientist and medical virtual reality (VR) expert, examples of these technologies include:

- **Wearable sensors:** Powered by edge computing and large datasets, these devices enable real-time analysis of health data in the cloud. Advances in health tech allow for objective measurement of cognitive and emotional states – such as eye gaze and pupil dilation – shifting from subjective self-reporting (e.g., “How are you feeling?”) to quantifiable signals.
- **Medical extended reality (“total reality”):** Over the past decade, the digitization of health data – combined with AI and advanced analytics – has enabled immersive, on-demand environments for diagnosis and treatment. These experiences can be tailored to elicit emotional responses or test cognitive function, supporting more precise and interactive mental health interventions.

In mental healthcare, augmented reality (AR) / virtual reality (VR) can be used to create controlled environments where patients are guided through social situations or settings to improve social functioning and practice coping and management strategies.¹² Using AR/VR as a new therapy augmenting antipsychotic medication has shown to help improve symptoms medication cannot treat such as social withdrawal, functional deficits and attention/working memory deficits.¹³

Smart glasses in healthcare: From correction to continuous support

While devices like watches and rings have expanded passive health tracking, newer form factors are pushing toward more continuous, real-time interaction. Glasses, traditionally used for vision correction, are now being equipped with sensors and AI capabilities that add new layers of functionality and accessibility.

These devices can enhance sensory input – for example, improving hearing by filtering background noise or using embedded cameras and lip-reading technology to interpret speech. They can also support real-time translation, helping users navigate language barriers in everyday interactions.

Apart from improving eye health, smart glasses may also play a role in early health detection. Sensors directed at the eye and retina could help identify signals associated with conditions such as diabetes, high blood pressure and other disorders (e.g., multiple sclerosis can cause inflammation of the optic nerve).¹⁴ Because the eye can reflect broader physiological changes, this creates an opportunity for more continuous, non-invasive monitoring.

Adoption of smart glasses is still nascent but growing quickly as functionality expands. Survey data suggest that roughly 17% of US adults have used smart glasses, up sharply from just 4% a year earlier,¹⁵ pointing to increasing consumer familiarity with wearable, always-on interfaces. As capabilities evolve – particularly with AI integration – these devices could become a more common gateway for real-time health insights and interventions. For more on this topic, read [Eyes on the future: Smart glasses](#).

Artificial Intelligence (AI)

AI adoption is moving into the mainstream

Consumer adoption of AI is accelerating, with usage increasingly embedded into everyday life. Per our recent publication, [Not quite mainstream: A consumer AI profile](#), Bank of America payments data shows that the number of households paying for AI services is up 38% versus the 2024 average, as of February 2026, underscoring growing willingness to pay for tools that save time and reduce cognitive load (Exhibit 2).

Adoption is also skewed toward younger consumers: Gen Z and younger Millennials are the most likely to pay for AI services (Exhibit 3). This suggests these cohorts are more comfortable integrating AI into daily routines – whether for productivity, decision-making or aspects of personal wellbeing.

As consumers become more accustomed to delegating tasks to AI – from organizing information to supporting decision-making – these behaviors could extend into health. Over time, AI-enabled tools may play a greater role in areas such as symptom assessment, habit formation and ongoing mental health support, further embedding wellness into everyday digital interactions.

¹¹ Borghare, P.T., Methwani, D.A., Pathade, A.G. (2024, August). *A Comprehensive Review on Harnessing Wearable Technology for Enhanced Depression Treatment*. PubMed Central.

¹² Brown, H., Bullock, K., Ji, C., Lan, L., Lejeune, J., Sikov, J., & Spencer, A.E. (2023, June). *A Systematic Review of using Virtual and Augmented Reality for the Diagnosis and Treatment of Psychotic Disorders*. PubMed Central.

¹³ Ambrose, A. (2025, June 2). *AR/VR's Potential in Healthcare*. Information Technology & Innovation Foundation.

¹⁴ Baptist Health

¹⁵ Proulx, M. (2025, September 17). *Meta Connect 2025: AI Glasses Make a Mark*. Forrester.

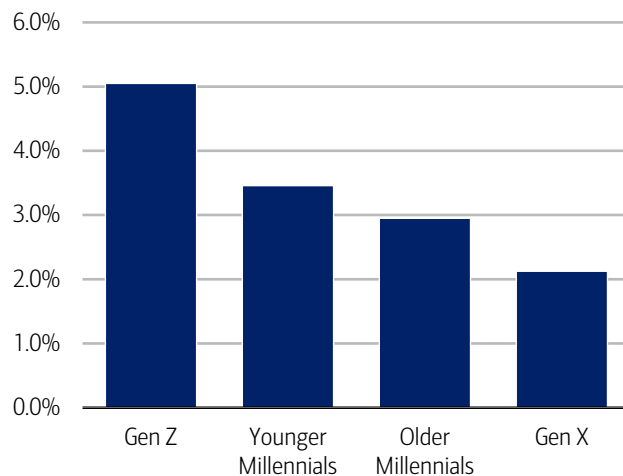
Exhibit 2: The number of households making AI payments was up 38% from the 2024 average in February 2026
 Number of households with AI payments (indexed, 2024 average = 100)



Source: Bank of America internal data

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Exhibit 3: More Gen Z and younger Millennial households pay for AI services compared to older Millennials and Gen X
 Share of households with AI spending by generation (%)



Source: Bank of America internal data

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Virtual health assistants and chatbots

The APA distinguishes between three broad categories of digital tools used in mental health and wellness: general-purpose generative AI chatbots, wellness apps that incorporate generative AI, and traditional (non-AI) wellness apps.

General-purpose generative AI chatbots are not specifically designed to address mental health needs but are nonetheless being used by individuals for companionship, entertainment or informal support. However, per the APA, these tools typically lack a strong evidence base, as well as clinical input or post-market monitoring, raising questions about their reliability in a health context.

In contrast, wellness apps that use generative AI are more directly aimed at supporting mental health or emotional well-being, such as helping users manage stress. While they do not generally make formal medical claims – and therefore are not regulated as medical devices – some are grounded in established, evidence-based frameworks developed by experts. That said, the level of transparency and rigor can vary across offerings.

Finally, non-AI wellness apps are not intended to treat mental health conditions but instead focus on promoting general well-being and healthy habits, such as through mindfulness exercises or activity tracking. These apps are typically self-directed and publicly available, but they are not regulated for safety or efficacy and are not subject to health care privacy standards.

Tapping into a universe of health data

In mental healthcare, AI could enhance diagnostics and treatment planning by analyzing data on things like eye gaze, pupil dilation and body language, and create a tailored model for the patient to adjust their emotional response to a stimulus.¹⁶ Voice analysis can detect alterations in speech patterns (pitch/tone/rhythm) while facial expression and body language analysis can provide insight into an individual’s emotional state.

Additionally, AI can analyze electronic health records (EHRs) – including medical histories, diagnostic tests and clinical notes – to aid in the early detection of mental health disorders. AI algorithms can analyze an individual’s unique characteristics and needs (e.g., past treatment responses, behavioral patterns and real-time physiological data).¹⁷

Virtual therapy

Recent federal data suggest that nearly one in four US adults – about 61 million people – experience a mental illness each year, underscoring the broad reach of these conditions.¹⁸ Within this, major depression alone affects more than 20 million adults annually, highlighting the significant and growing need for accessible mental health support and treatment options.¹⁹ This rising demand is also evident in online behavior, with searches for nearby mental health services increasing (Exhibit 4).

¹⁶ Walter Greenleaf, neuroscientist and medical VR expert

¹⁷ Asaolu, F., Eberhardt, J., David-Olawade, A.C., Odetayo, A., Olawade, D.B., & Wada, O.Z. (2024, August). *Enhancing mental health with Artificial Intelligence: Current trends and future prospects*. ScienceDirect.

¹⁸ Bryant, B., Freel, N., & Steckler, E. (2025, August 13). *SAMHSA releases new 2024 data on rates of mental illness and substance use disorder in the US*. National Association of Counties.

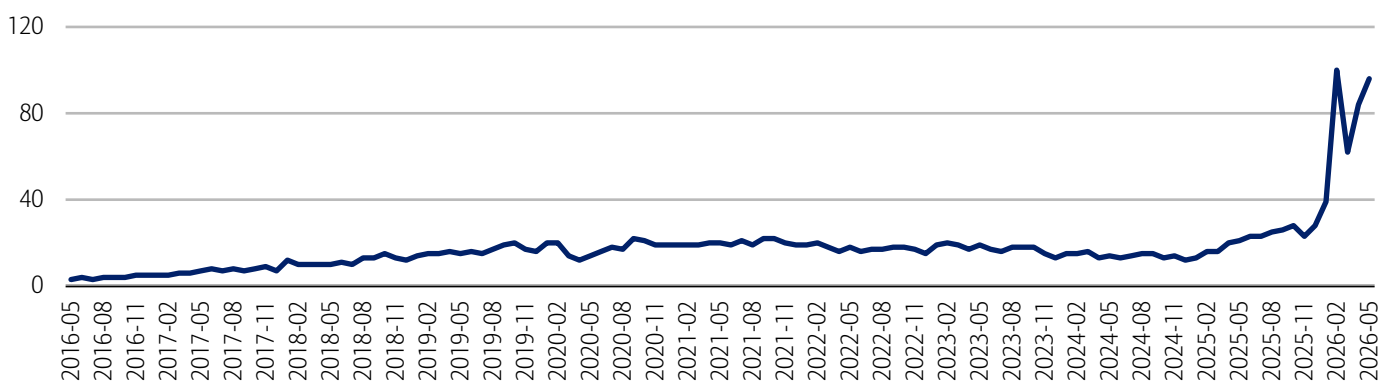
¹⁹ National Institute of Mental Health. (n.d.). *Major Depression*.

Against this backdrop, telehealth companies leverage data capabilities to inform interventions and provide care in areas, such as chronic care management, mental health and primary care. Tele-mental health puts service users and mental health professionals in touch remotely. Sessions held through videoconferencing, online messaging or by telephone enable the professional to make evaluations, provide therapy (individual, group or family), prescribe medication, educate on mental health and support self-management. People might prefer tele-mental health for stigma reasons²⁰ or the reduced time and cost of travel to the appointment²¹ – four in 10 feel stigma around speaking out about mental health in schools and workplaces.²² Patients can receive mental health services from the comfort of their homes, which is beneficial to those in remote areas or with mobility issues.

This shift in access has also reshaped how care is delivered and paid for. The rapid growth of direct-to-consumer (D2C) virtual therapy during COVID has proven more durable than many expected, with patients typically paying \$60-\$80 per weekly session, often supplemented by ongoing text-based support. At the same time, business-to-business (B2B) offerings are gaining traction as employers and insurers expand access to subsidized care through platforms and apps. These solutions – often available at little to no cost or for modest co-pays – provide a more affordable alternative to D2C services and traditional in-person care, which can range from \$150 to \$200 per visit and are often not covered by insurance.²³

Exhibit 4: There is a sharp uptick in people searching for mental health services near them

Worldwide Google searches for "mental health services near me." 100=peak popularity, 0=not enough data



Source: Google Trends
Note: Data as of May 28, 2026.

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Neurotechnology

Tech interacting with the nervous system, mitigating anxiety/depression

Neurotechnology refers to technologies designed to interact directly with the nervous system, either invasively or non-invasively. Neurotech includes measuring the nervous system, understanding it or gently modulating it, capable of targeting depressive and anxiety disorders, pain states and hearing loss.²⁴ For non-medical purposes, neurotechnology can help with cognitive functions like attention, memory, learning and problem-solving skills.²⁵

However, risks remain. Invasive approaches carry potential complications such as infection or nerve damage, while non-invasive methods may cause milder side effects like headaches or skin irritation. As the field evolves, further research is needed to better understand long-term impacts.²⁶

Neurofeedback: Collecting and measuring brain signals

Current forms of technology in the wellness landscape span different form factors including rings, watches, wristbands and chest straps to monitor biometric data. But physiological wearables have limitations related to proxies – i.e., they rely on indirect

²⁰ Al-Mahrouqi, T., Al-Sharbaty, Z.M., Al-Alawi, K., Al Harthi, A., Al Siyabi, A., Al-Alawi, M., Al Humimia, S., Al Salmi, M., Al Salmi, M., Al-Hashemi, T., Al Nuumani, R., Al Balushi, F., Al Sinawi, H. (2025, October 3). *Psychologists' experiences with telepsychology: qualitative analysis employing GDEISST framework*. PubMed Central.

²¹ Busch, A.B., Huskamp, H.A., Mehrotra, A., Rabinowitz, M., Raja, P., Richard, J., Smith, A., Sousa, J.L. Uscher-Pines, L. (2023, September). *Choosing or Losing in Behavioral Health: A Study of Patient Experiences Selecting Telehealth Versus In-Person Care*. PubMed Central.

²² UNICEF. (n.d.). *Mental health study shows Gen Z overwhelmed but undeterred by unrelenting global crises*.

²³ BofA Global Research report 'Healthcare Technology & Distribution – Technology is revolutionizing healthcare: Digital Health Primer', published on 13 July 2023

²⁴ Buyx, A., Gempt, J., Gjorgieva, J., Jacob, S.N., Muller, R., Ploner, M., Priller, J., Ruckert, D., & Wolfrum, B. (2023, January). *Reengineering neurotechnology: placing patients first*. Nature Mental Health.

²⁵ BioSpace. (2025, July 7). *Neurotechnology Market Size to Surpass USD 52.86 Billion by 2034 Driven by Breakthroughs in Brain-Machine Interfaces*.

²⁶ Haston et al

proxies of brain activity (e.g., heart rate or sleep patterns). These signals can indicate outcomes, like fatigue or stress, but do not explain the underlying neural drivers.²⁷

Neurotechnology, by contrast, enables more direct measurement of brain activity. Advances in brain-computer interfaces (BCIs) are making it increasingly possible to collect and analyze neural signals via tools such as electroencephalograms (EEGs) to better understand cognitive and emotional states, per Walter Greenleaf.

Emerging technologies are expanding these capabilities. For example, Greenleaf noted fNIRS (functional near infrared spectroscopy) as an example of emerging BCI technology where light is shone through the human skull, measuring the haemodynamics of the brain function, i.e., how much oxygen is used at different parts of the brain, for diagnostic purposes or general feedback to the user about their emotional state. As he noted, this technology is not new, but previously it had been very expensive and uncomfortable to wear the headband that collects the data.

Neuroscience research also continues to map how mental health conditions manifest in the brain. For example, people living with depression may show decreased brain activity in some parts of the brain.²⁸ Depression has been associated with reduced activity in regions such as the hippocampus, thalamus and prefrontal cortex — areas linked to memory, cognition and emotional regulation.²⁹

Applications in wellness and mental health

Neurofeedback and related technologies have growing applications in wellness and mental health, including anxiety relief, depression management, mood stabilization and sleep optimization. By providing more direct insight into brain activity, these tools have the potential to move beyond observation toward more targeted, responsive interventions.

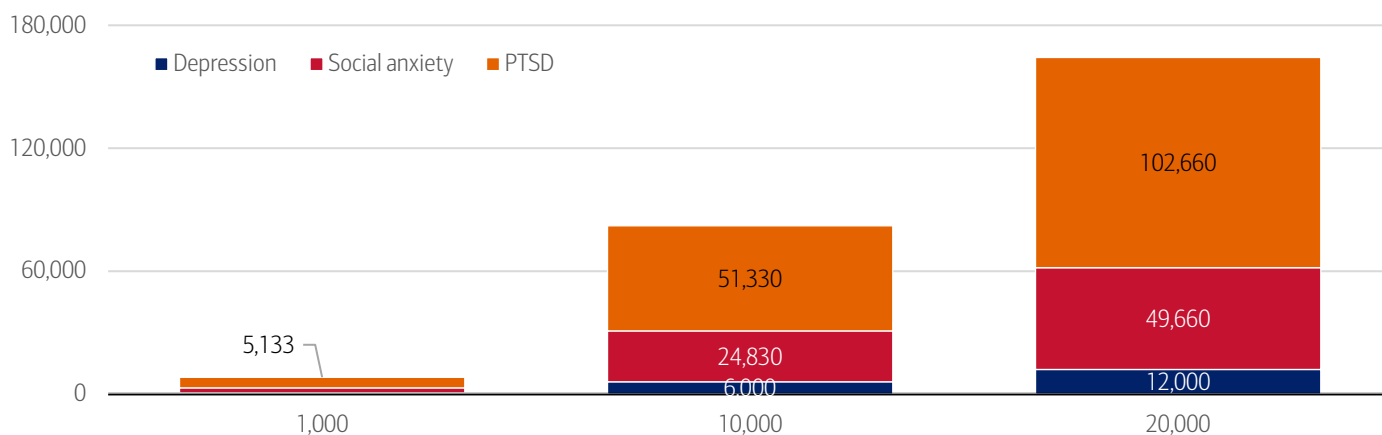
Digital therapeutics

Digital therapeutics (DTx) are evidence-based software interventions designed to prevent, manage or treat a medical condition or disease. Often used alongside medicines, medical devices or other therapies, they aim to support care delivery and improve outcomes and are categorized as software as a medical device. In contrast, wellness apps (e.g., fitness trackers or medication reminders) focus on supporting general well-being rather than treating specific conditions.

DTx applications span areas such as patient monitoring and self-management, digital behavioral interventions and AI-enabled tools, often integrated with sensors and wearables, gaming and virtual reality.³⁰ The potential impact is meaningful: NICE estimates digital therapies could save at least 164,000 therapist hours per 20,000 patients – or about eight hours of therapist time per patient – particularly across conditions like depression, social anxiety and PTSD (Exhibit 5).

Exhibit 5: Per the National Institute for Health and Care Excellence (NICE), digital therapies could save at least 164,000 therapist hours per 20,000 people

Estimated therapist time that could be saved by NICE-recommended digital therapies for social anxiety, post-traumatic stress disorder (PTSD) and depression by number of people completing treatment



Source: NICE analysis of National Health Services (NHS) Talking Therapies data, BofA Global Research

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²⁷ Sharma, T. (2026, January 13). *Wearable Neurotech is Changing Wellness*. Neurable.

²⁸ Plus by APN. (n.d.). *What Happens to the Brain During Depression?*

²⁹ Ibid.

³⁰ Australian Government, Department of Health, Disability, and Ageing. (2026, January 30). *Understanding digital therapeutics (DTx) and how we regulate them*.

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.

Bank of America 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 is 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.

If applicable, the 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.

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated AI spend include total credit card, debit card, ACH, or bill pay.

AI services transactions are conducted through card or ACH channels and identified using industry-researched merchant names.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1995
2. Younger Millennials: born between 1989-1995
3. Older Millennials: born between 1978-1988
4. Gen Xers: born between 1965-1977
5. Baby Boomer: 1946-1964
6. Traditionalists: pre-1946

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

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

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