

Devenir Research

2016 Year-End HSA Market Statistics & Trends
Executive Summary

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Report Methodology

The majority of this report was derived from the 2016 Year-End Devenir HSA Market Survey. This survey was conducted in order to continue to help shed light on the rapidly growing and evolving health savings account market. The survey was carried out in January, 2017 and primarily consisted of top 100 HSA providers in the health savings account market. All data was requested for the period ending on December 31st, 2016.

All estimates and projections reflect the current environment surrounding health savings accounts and are barring any regulatory changes to the market. Certain data points from the survey were omitted from this report due to inconclusive data or an incomplete sample set. All statistics are produced using the best available data set, which may at times leave certain statistics not reconciling with others both within this report and with previous reports.

Survey responses were self-reported by each HSA provider. Devenir attempts to verify responses when possible through a variety of channels including but not limited to press releases, annual reports, prior research, and FDIC filings.

Key Findings

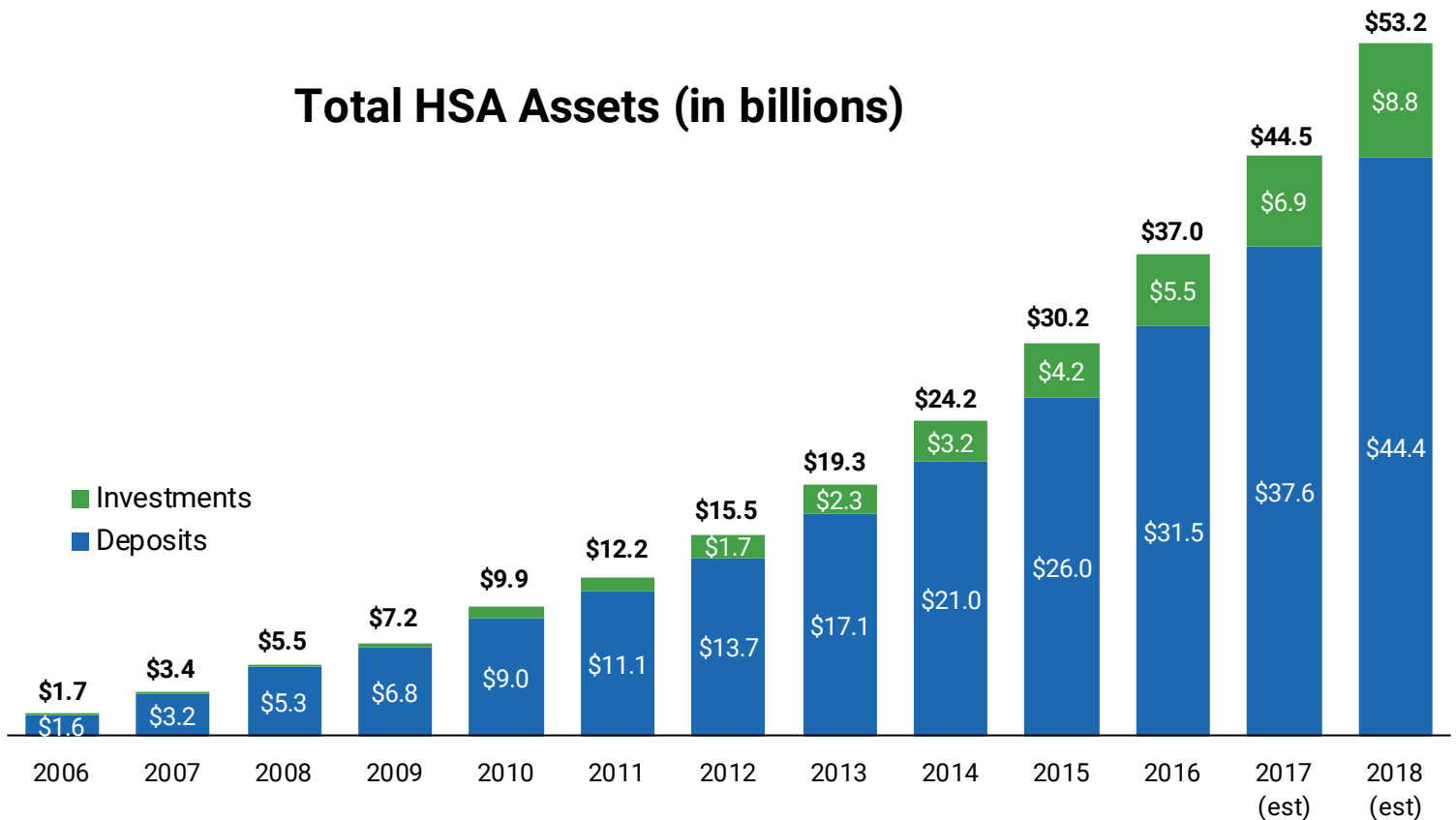
HSA accounts now exceed 20 million. The number of HSA accounts rose to 20 million, holding almost \$37 billion in assets, a year over year increase of 22% for HSA assets and 20% for accounts for the period of December 31st, 2015 to December 31st, 2016.

More unfunded accounts. More HSAs (24 percent) were unfunded at the end of 2016, compared to 20 percent at the midyear point of 2016.

HSA investments see continued growth. HSA investment assets reached an estimated \$5.5 billion in December, up 29% year over year. The average investment account holder has a \$14,971 average total balance (deposit and investment account).

Health plans remain the largest driver of account growth. Health plan partnerships continued as the leading driver of new account growth, accounting for 37% of new accounts opened in 2016.

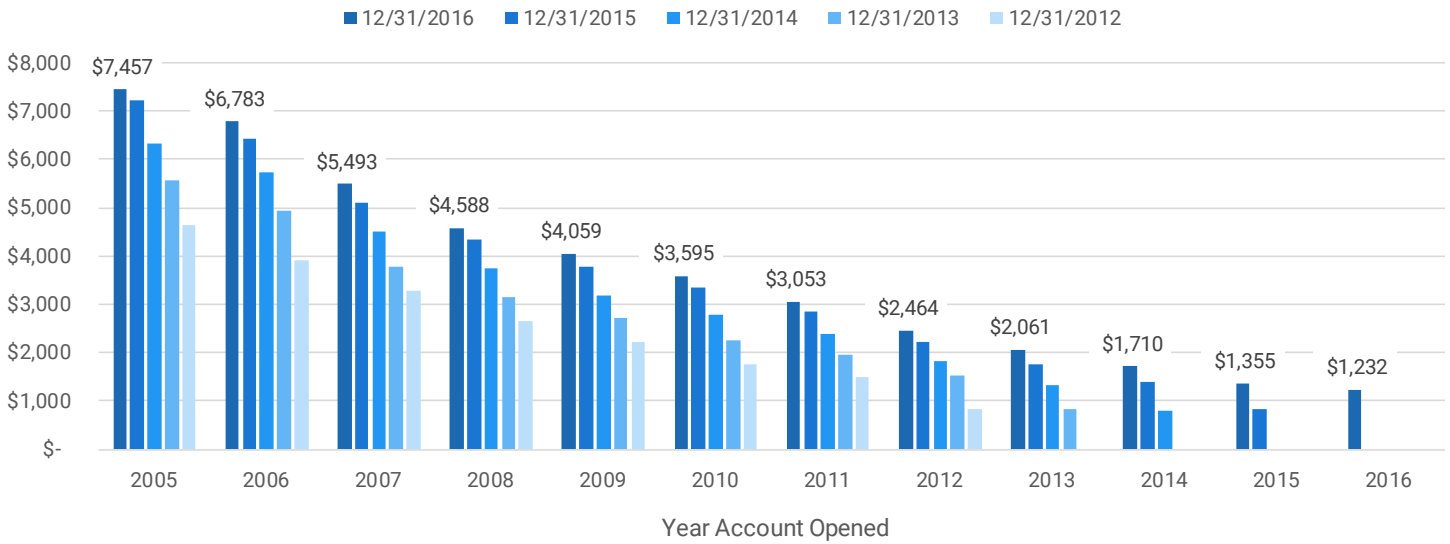
Total HSA Assets (in billions)



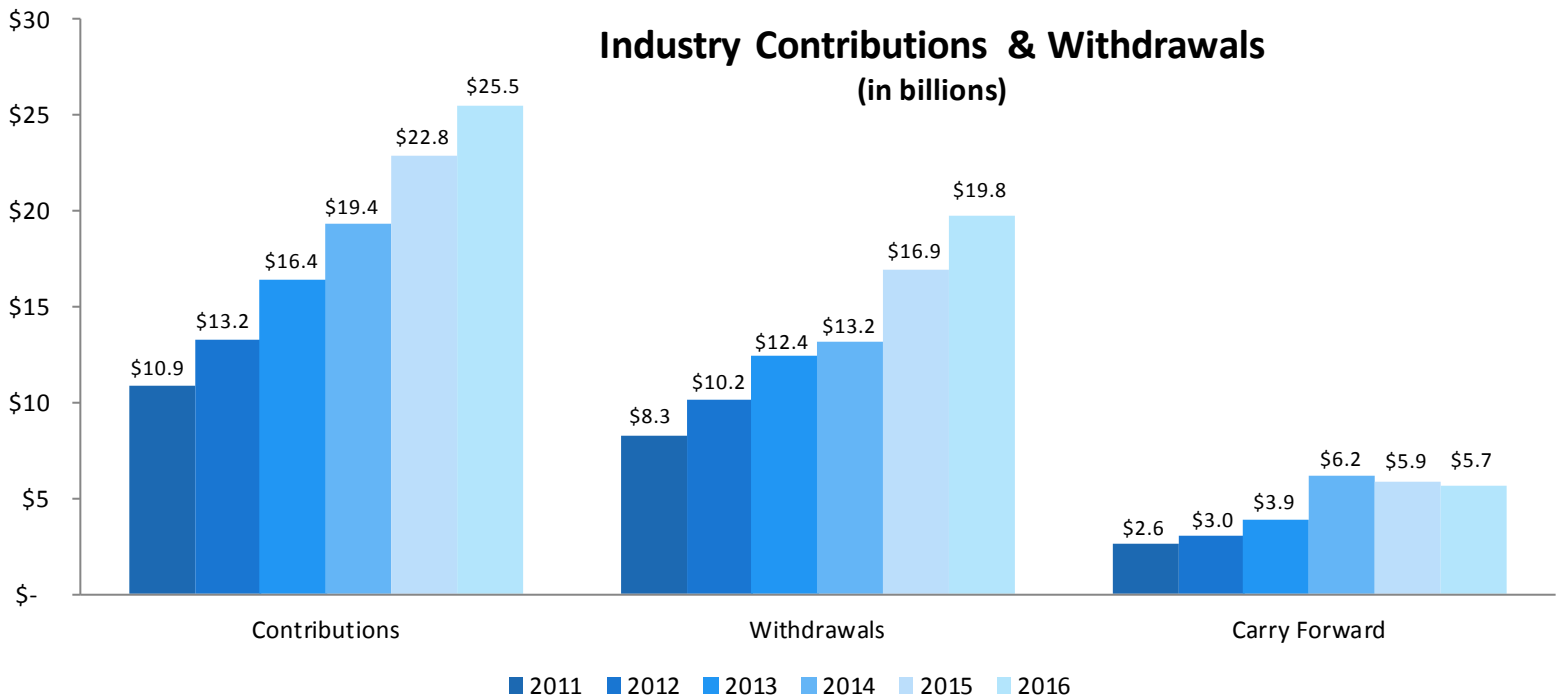
Source: Estimates derived from 2016 Year-End Devenir HSA Market Survey, press releases, previous market research and market growth rates.

HSA Industry Level Account Data

Average Balance By Year The Account Opened



Industry Contributions and Withdrawals



Below is an industry estimate of total contributions and withdrawals for the period 1/1/16 - 12/31/16.

2016 Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$25,500,000,000	\$19,772,000,000	\$5,728,000,000	22%

Industry Contributions and Withdrawals - Details



2016 Employer Contributions

26% of all HSA dollars contributed to an account came from an employer.

The average employer contribution was **\$868** (for those making contributions).



2016 Employee Contributions

46% of all HSA dollars contributed to an account came from an employee.

The average employee contribution was **\$1,786** (for those making contributions).



2016 Individual Contributions

19% of all HSA dollars contributed to an account came from an individual account not associated with an employer.

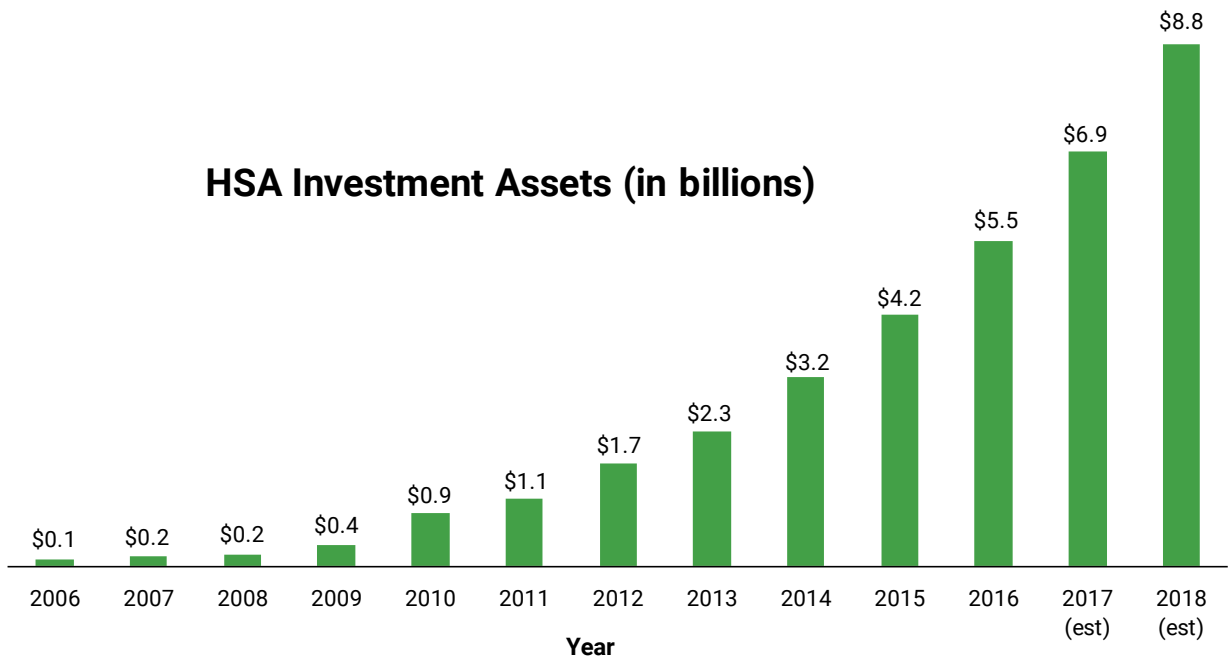
The average individual contribution was **\$1,713** (for those making contributions).

2016	Average Number of Withdrawals Per Account	% of Total Withdrawals (#)	Average Transaction Size
Via Debit Card	8.2	75%	\$98.30
Via Check	0.3	3%	\$296.46
Via Online Bill Pay	1.9	13%	\$116.34
ATM	0.3	1%	\$92.65
Unknown	1.9	7%	\$72.15

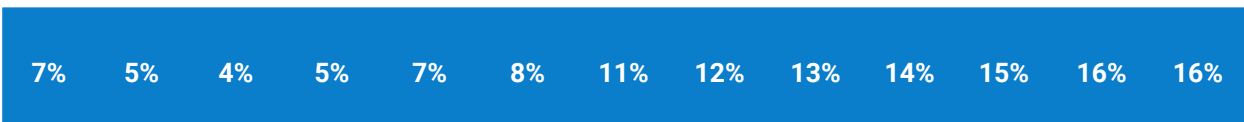
HSA Investments

- **\$5.5 billion** estimated in HSA investment assets as of December 31st, 2016, an estimated 29% year over year increase.
- **\$14,971** average total balance (deposit and investment account) of an HSA investment account, 7 times larger than a non-investment holder's average account balance.
- **15%** of all HSA assets are in investments as of December 31st, 2016.

HSA Investment Assets (in billions)



% HSA Assets in Investments



Source: Year-End figures based on Devenir Research and 2016 Year-End Devenir HSA Market Survey.

HSA Marketplace Projections

HSA providers are projecting HSA industry asset growth of 20% in 2017 while anticipating their own business will grow by 24% in 2017. In previous surveys, HSA providers have been reasonably accurate with their growth forecasts, demonstrating an impressive understanding of the outlook of their book of business. Devenir currently projects that the HSA market will exceed \$50 billion in HSA assets held amongst over 27 million accounts by the end of 2018.

January 2017 HSA Supplement

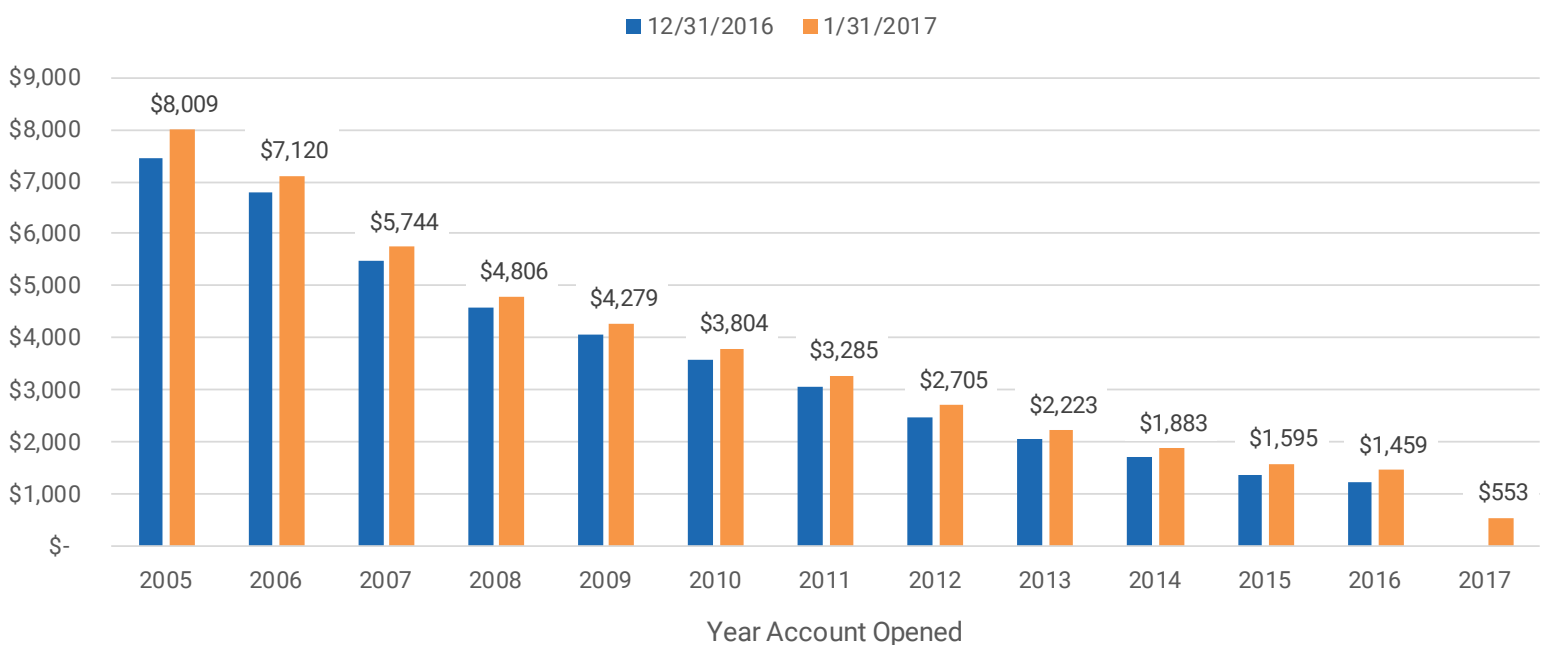
This section draws data primarily from the January 2017 Supplemental Survey. All year-end survey participants were invited to participate in the January 2017 supplement, with participation varying from small community banks to the largest HSA providers.

HSA assets exceed \$40 billion. HSA assets grew by an estimated \$4.3 billion in January 2017 to surpass \$41 billion, up 11.6% since the end of 2016. Accounts grew by 3.8%, with the total number of HSA accounts rising to an estimated 20.8 million.

Employers Drive January Contributions. Over 33% of HSA accounts saw an employer contribution in January. Employers contributed almost 62% of all HSA dollars contributed to HSA accounts during the month of January, with an average contribution of \$593.

Non-Funded Accounts Contract Greatly. At the end of 2016, non-funded accounts represented about 24% of all accounts, but by the end of January 2017 that number was back down to about 16% of all accounts. This data point continues to reaffirm our belief that the high percentage of non-funded accounts found during the year-end survey is largely due to accounts being opened during the fall enrollment season, but not being funded until the beginning of the following year.

Average Balance By Year The Account Opened



About Devenir

Devenir is a national leader in providing customized investment solutions for HSAs and the consumer directed health care market. When health savings accounts first emerged in 2004, Devenir built its expertise around delivering cutting-edge investment solutions. As the consumer driven health care industry grew, so did Devenir's reputation as a leading researcher and award-winning investment consultant. Today, Devenir continues to lead the way in the rapidly growing HSA market. A research driven perspective makes Devenir the go-to investment advisor, HSA investment platform and consultant to employers, banks, third party administrators, health plans and technology providers. Learn more at devenir.com.



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Solutions 2010, 2011, 2012
and 2014 Superstars List



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Devenir Research Team

Jon Robb — Senior Vice President, Research & Technology

Eric Remjeske — President

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For further information, please contact Devenir Research at 952-446-7400 or research@devenir.com