

# Devenir Research

2017 Year-End HSA Market Statistics & Trends  
Executive Summary

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## Report Methodology

The majority of this report was derived from the 2017 Year-End Devenir HSA Market Survey. This survey was conducted in order to continue to shed light on the rapidly growing and evolving health savings account market. The survey was carried out in January, 2018 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, 2017.

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 unreconciled 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

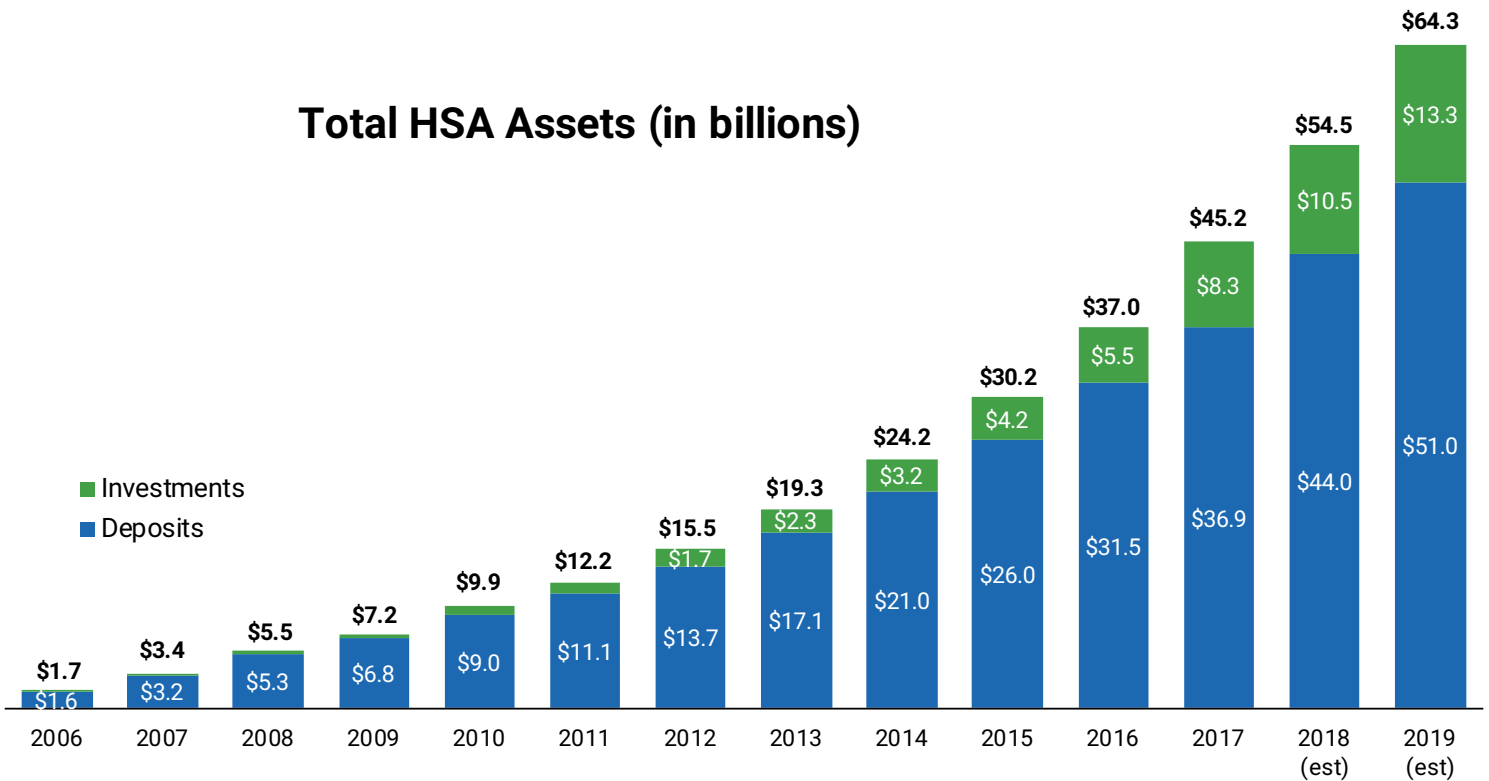
**Strong HSA asset growth.** The number of HSA accounts surpassed 22 million, holding about \$45.2 billion in assets, a year-over-year increase of 22% for HSA assets and 11% for accounts for the year ended December 31st, 2017.

**HSA investments accelerate asset growth.** A strong market helped propel HSA investment assets to an estimated \$8.3 billion at the end of December, up 53% year-over-year. The average investment account holder has a \$16,457 average total balance (deposit and investment account).

**Seasonally low unfunded accounts.** Less HSAs (20 percent) were unfunded at the end of 2017 compared to 24 percent at the end of 2016.

**Employer relationships become the largest driver of account growth.** Direct employer relationships became the leading driver of new account growth, accounting for 41% of new accounts opened in 2017.

**Total HSA Assets (in billions)**

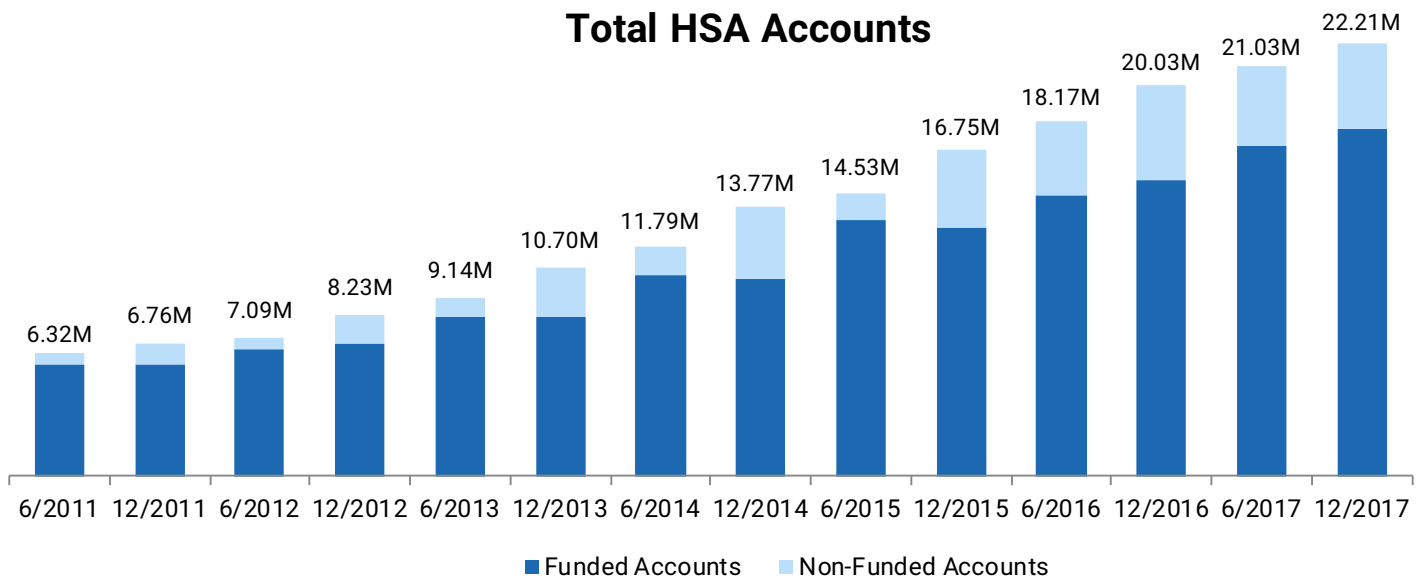


Source: Estimates derived from 2017 Year-End Devenir HSA Market Survey, press releases, previous market research and market growth rates.

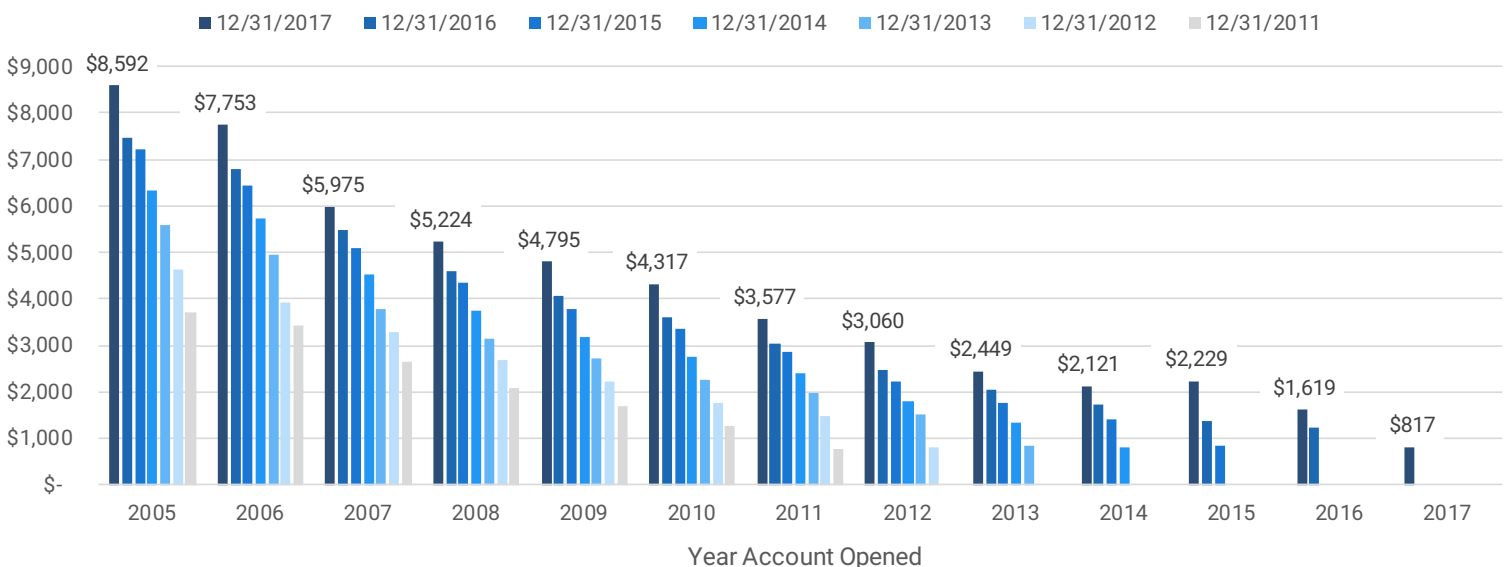
# HSA Industry Level Account Data

We continue to see some seasonality in the percentage of accounts that are unfunded as accounts are opened during the fall open enrollment season but often not funded by employers until the beginning of the following year. At the end of 2017, about 20% of all accounts were unfunded, down from 24% a year ago. This drop off in the percentage of unfunded accounts can largely be attributed to an uptick in the closure of accounts throughout the year, with many HSA providers noting that they were proactively cleaning up their accounts.

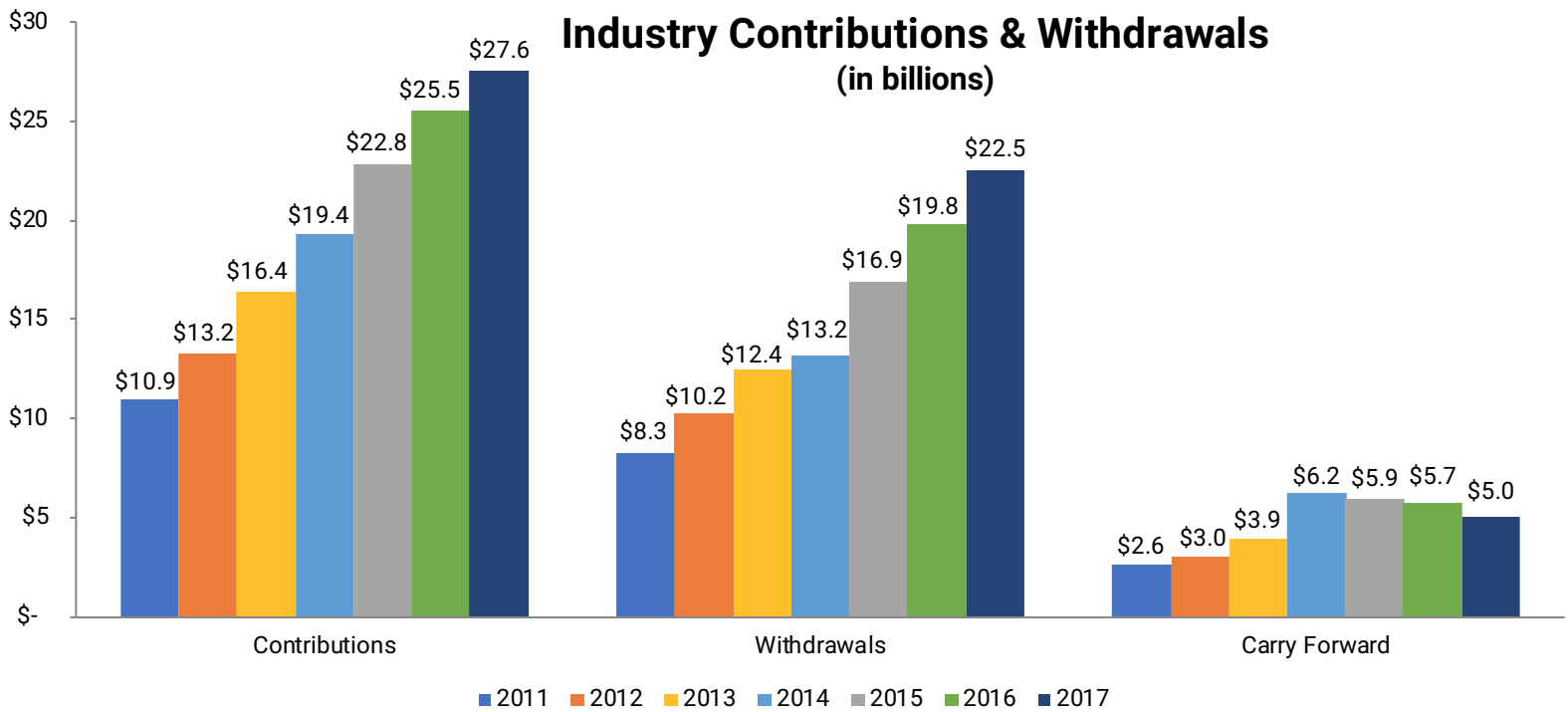
## Total HSA Accounts



## Average Balance By Year The Account Opened



# Industry Contributions and Withdrawals



Below is an industry estimate of total contributions and withdrawals for the period 1/1/17 - 12/31/17.

2017 Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$27,551,000,000	\$22,545,000,000	\$5,006,000,000	18%

**2017 Employer Contributions**  
**21%** of all HSA dollars contributed to an account came from an employer.  
 The average employer contribution was **\$604** (for those making contributions).

**2017 Employee Contributions**  
**63%** of all HSA dollars contributed to an account came from an employee.  
 The average employee contribution was **\$1,921** (for those making contributions).

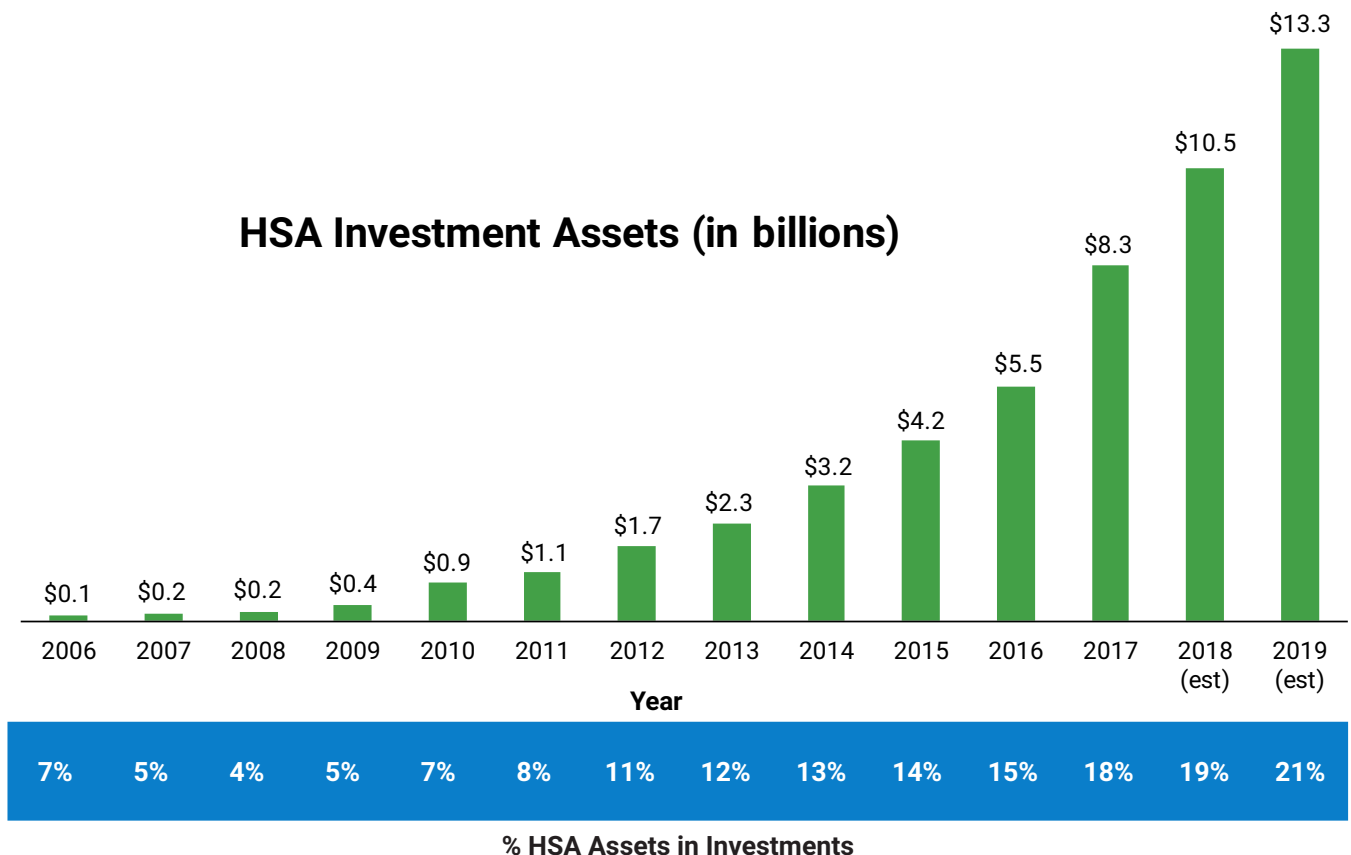
**2017 Individual Contributions**  
**14%** of all HSA dollars contributed to an account came from an individual account not associated with an employer.  
 The average individual contribution was **\$1,475** (for those making contributions).

## Industry Contributions and Withdrawals - Details

2017	Average Number of Withdrawals Per Account	% of Total Withdrawals (#)	Average Transaction Size
Debit Card	10.5	86%	\$86.89
Check	0.3	2%	\$233.55
Online Bill Pay	1.1	8%	\$117.28
ATM	0.6	2%	\$102.01
Unknown	0.4	2%	\$223.94

## HSA Investments

- **\$8.3 billion** estimated in HSA investment assets as of December 31st, 2017, an estimated 53% year-over-year increase.
- **\$16,457** average total balance (deposit and investment account) of an HSA investment account, over 8 times larger than a non-investment holder's average account balance.
- **18%** of all HSA assets are in investments as of December 31st, 2017.



## HSA Marketplace Projections

HSA providers project 19% HSA industry asset growth in 2018, while anticipating their own businesses will grow by 25% during the same period. In previous surveys, HSA providers have been fairly accurate with their growth forecasts, demonstrating an impressive understanding of the outlook for their book of business. Devenir currently projects that the HSA market will exceed \$64 billion in HSA assets by the end of 2019, held amongst roughly 27.5 million accounts.

# January 2018 HSA Supplement

This section draws data primarily from the January 2018 Supplemental Survey. All year-end survey participants were invited to participate in the January 2018 supplement, with participation varying from small community banks and credit unions to the largest HSA providers.

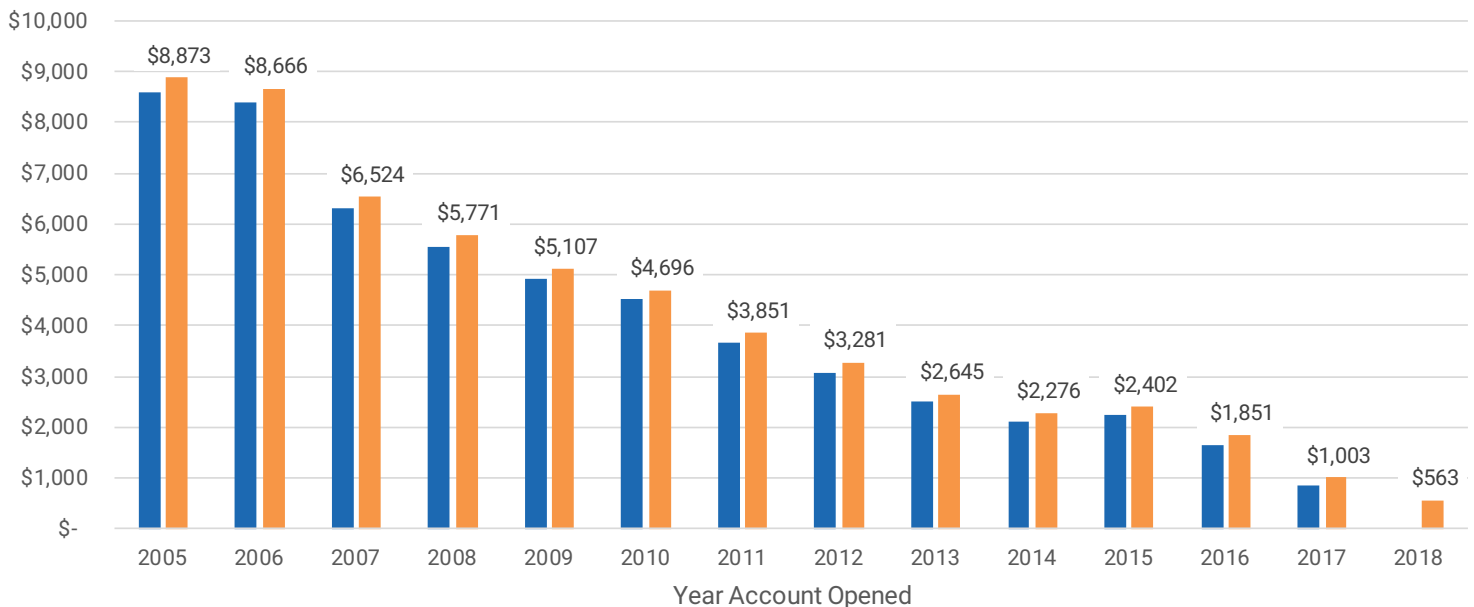
**HSA assets approach \$50 billion.** HSA assets grew by almost \$4.7 billion in January 2018 to reach \$49.8 billion, up 10% since the end of 2017. Accounts grew by 3%, with the total number of HSA accounts rising to an estimated 22.9 million.

**Employers drive January contributions.** 40% of HSA accounts saw an employer contribution in January. Employers contributed over 59% of all HSA dollars to HSA accounts during the month of January, with an average contribution of \$523.

**Far fewer non-funded accounts.** At the end of 2017, non-funded accounts represented about 20% of all accounts, but by the end of January 2018 that number was back down to about 11% 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

■ 12/31/2017 ■ 1/31/2018





## 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](http://devenir.com).

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