

# Devenir Research

2018 Midyear HSA Market Statistics & Trends  
Executive Summary

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## Report Methodology

The majority of this report was derived from the 2018 Midyear 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 July, 2018 and primarily consisted of top 100 HSA providers in the health savings account market. All data was requested for the period ending on June 30th, 2018.

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 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

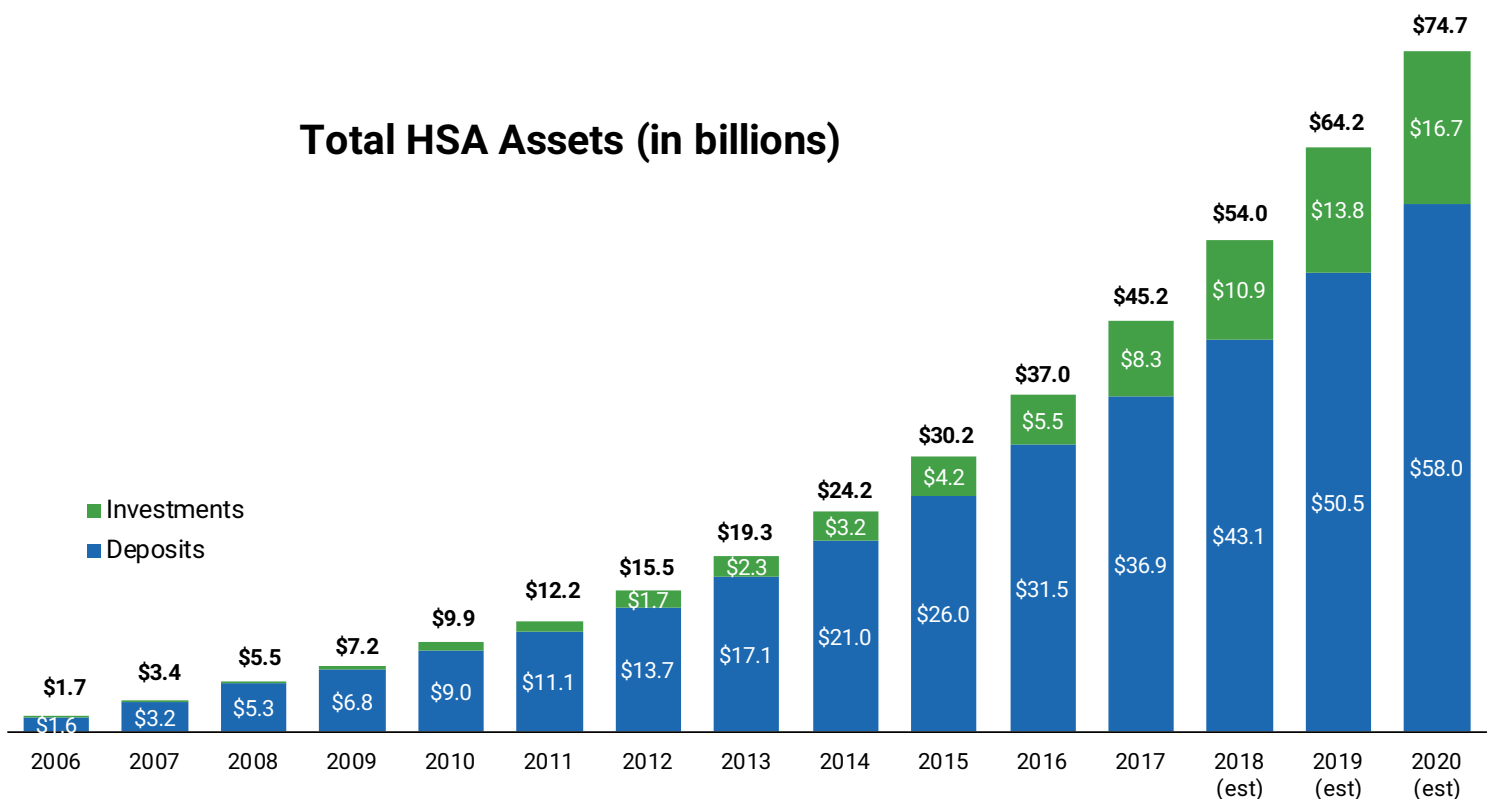
**Healthy HSA asset growth.** The number of HSA accounts reached 23.4 million, holding \$51.4 billion in assets, a year-over-year increase of 20% for HSA assets and 11%\* for accounts for the period ended June 30th, 2018.

**HSA investment assets approach \$10 billion.** Backed by a strong market, HSA investment assets reached an estimated \$9.8 billion at the end of June, up 45% year-over-year. The average investment account holder has a \$16,007 average total balance (deposit and investment account).

**Fewer unfunded accounts.** Less HSAs (15%) were unfunded at the midway point of 2018 compared to 20% at the same time in 2017.

**Employer relationships are the largest driver of account growth.** Direct employer relationships are the leading driver of new account growth, accounting for 42% of new accounts opened in the first half of 2018.

### Total HSA Assets (in billions)

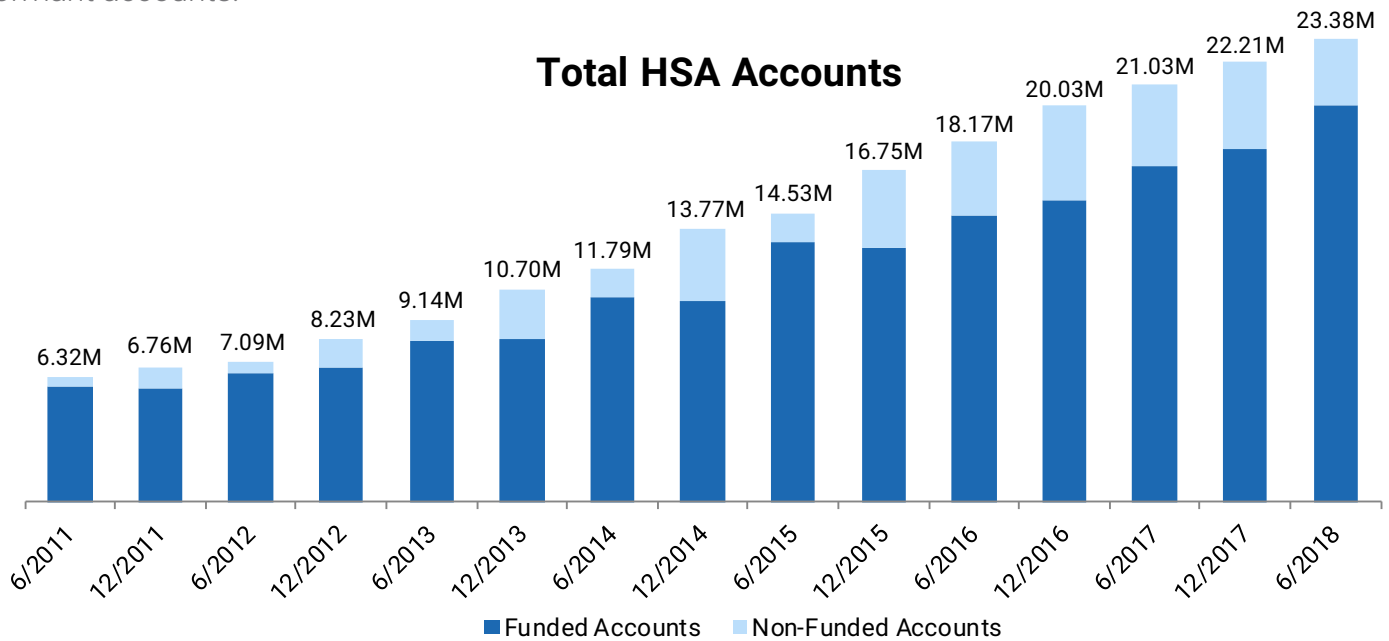


Source: Estimates derived from 2018 Midyear Devenir HSA Market Survey, press releases, previous market research and market growth rates.

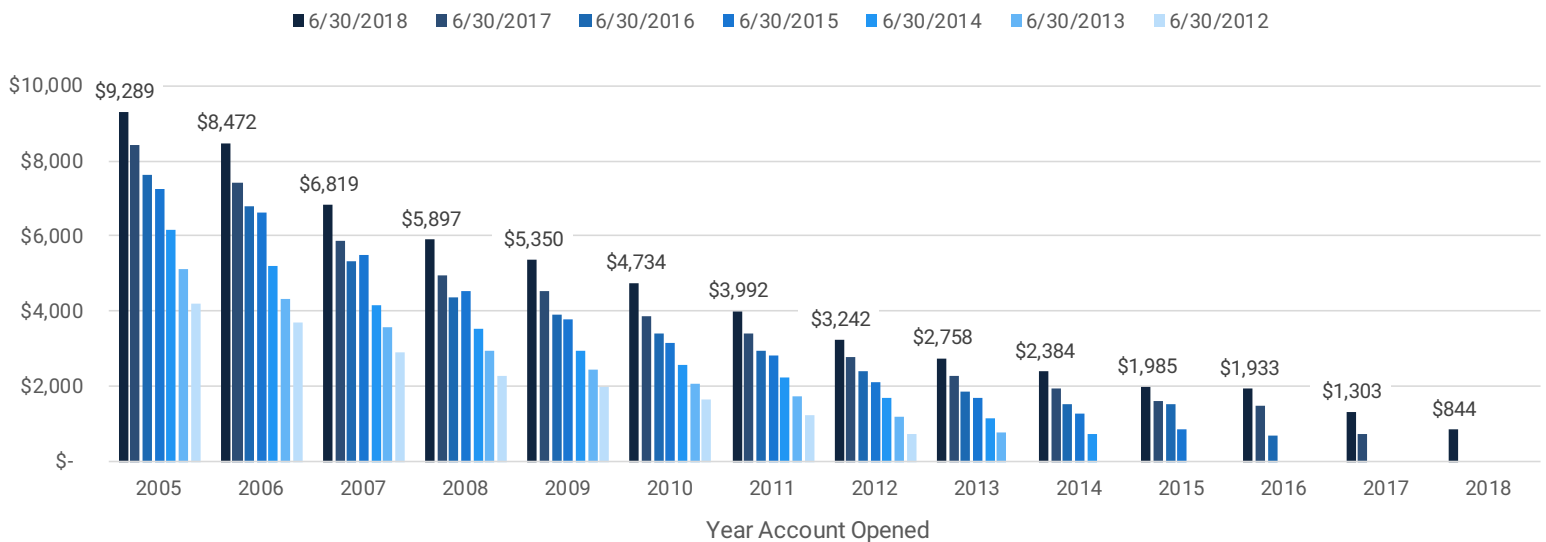
# HSA Industry Level Account Data

Account growth in the first half of 2018 was in-line with recent years. Overall, accounts grew by 5.2% in the first half of 2018, compared with 5.0% in 2017, 8.5% in 2016, and 5.5% in 2015.

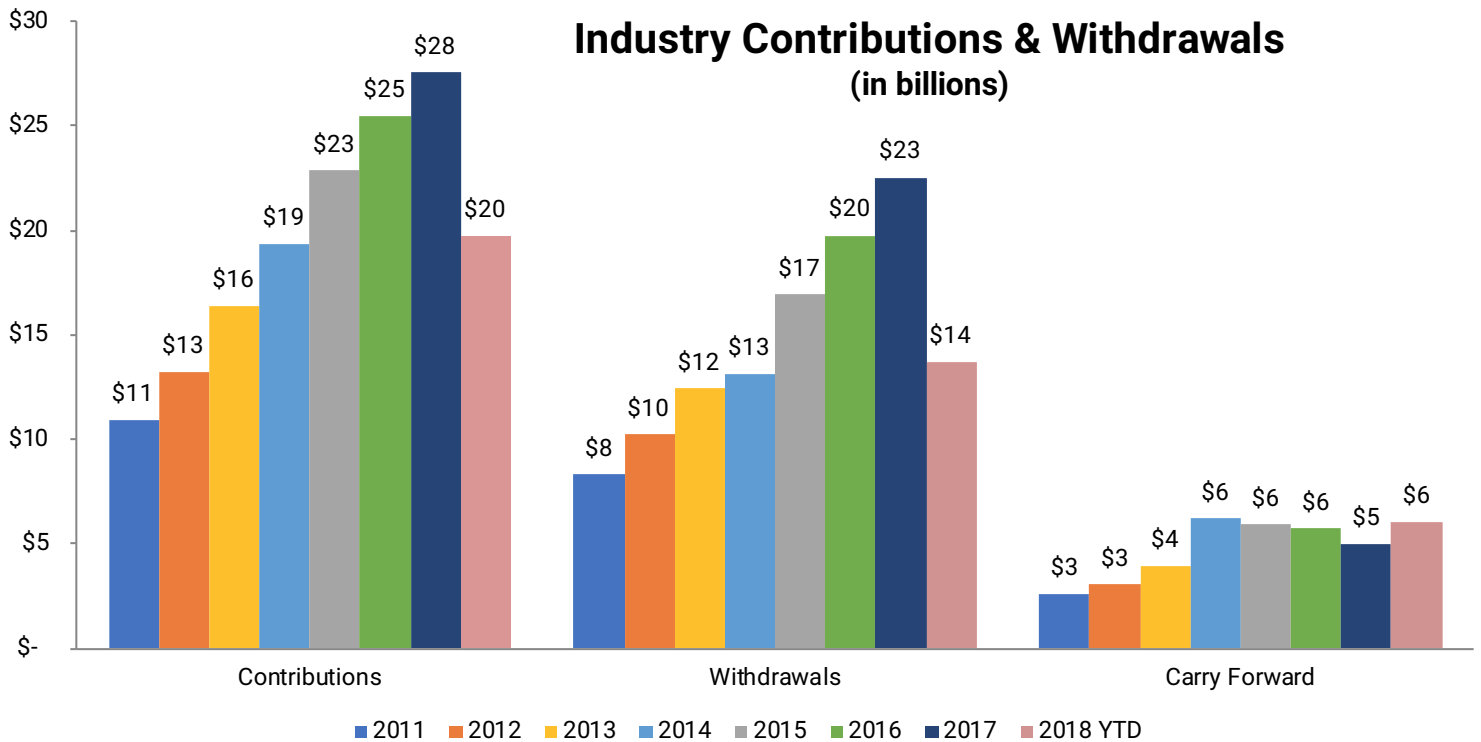
We continue to see seasonality in the percentage of accounts that are unfunded as accounts are opened during the fall open enrollment season, but often not funded by employers until the beginning of the following year. Halfway through 2018, about 15% of all accounts were unfunded, down from 20% a year ago. This drop off in the percentage of unfunded accounts can largely be attributed to a continued uptick in the closure of accounts, with many HSA providers noting that they were cleaning up dormant 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 1/1/18 - 6/30/18.

2018 YTD Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$19,753,000,000	\$13,695,000,000	\$6,058,000,000	31%

**2018 YTD Employer Contributions**  
**32%** of all HSA dollars contributed to an account came from an employer.  
 The average employer contribution was **\$658** (for those making contributions).

**2018 YTD Employee Contributions**  
**52%** of all HSA dollars contributed to an account came from an employee.  
 The average employee contribution was **\$1,086** (for those making contributions).

**2018 YTD 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 **\$1,436** (for those making contributions).

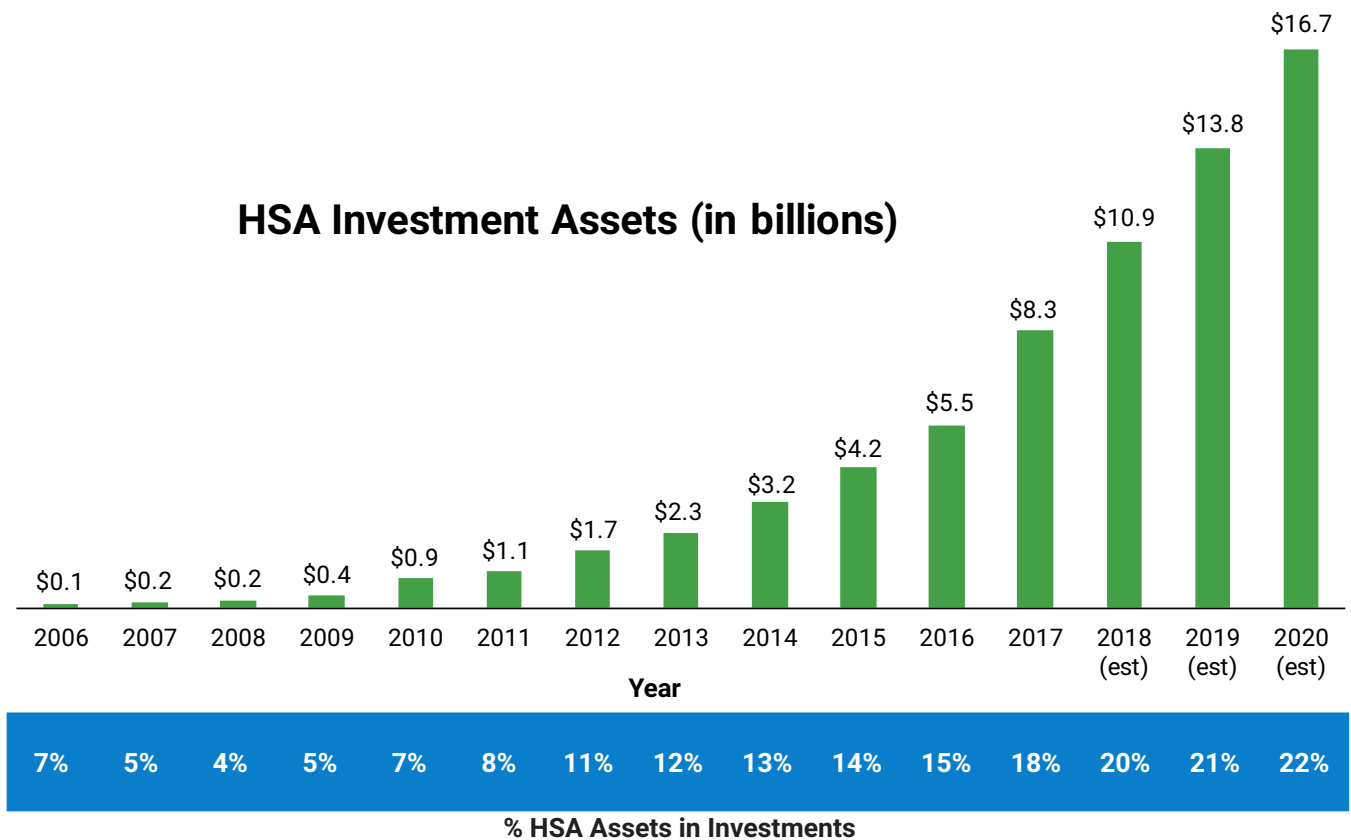
The remaining contributions in the first half of 2018 came from IRA Rollovers & other sources.

## Industry Contributions and Withdrawals - Details

<b>2018 YTD</b>	Average Number of Withdrawals Per Account	% Of Total Withdrawals (#)	Average Transaction Size
Debit Card	5.2	87%	\$106.55
Check	0.1	2%	\$327.36
Online Bill Pay	0.2	3%	\$273.10
ATM	0.5	4%	\$74.76
Unknown	0.4	4%	\$186.82

## HSA Investments

- **\$9.8 billion** estimated in HSA investment assets as of June 30th, 2018, an estimated 45% year-over-year increase.
- **\$16,007** 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.
- **19%** of all HSA assets are in investments as of June 30th, 2018.



## HSA Marketplace Projections

HSA providers continue to project HSA industry asset growth of 19% in 2018, while anticipating their own businesses will grow by 24% 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 approach \$75 billion in HSA assets by the end of 2020, held among over 29 million accounts.

## 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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### Devenir Research Team

Jon Robb — Senior Vice President, Research & Technology

Eric Remjeske — President

Thank you for your participation!

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For further information, please contact Devenir Research at 952-446-7400 or [research@devenir.com](mailto:research@devenir.com)