

Devenir Research

2019 Midyear HSA Market Statistics & Trends
Executive Summary

report release date: 8.27.2019



Table of Contents

Key Findings	3
HSA Industry Level Account Data	4
Industry Contributions and Withdrawals	5
HSA Investments.....	7
HSA Marketplace Projections	8
About Devenir	9

Report Methodology

The majority of this report was derived from the 2019 Midyear Devenir HSA Market Survey. This survey was conducted to shed light on the rapidly growing and evolving health savings account market. The survey was carried out in July 2019, 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, 2019.

All estimates and projections reflect the current environment surrounding health savings accounts and do not contemplate any future 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 produce statistics which do not reconcile, both within this report and with previous reports.

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

Key Findings

HSA assets surpass \$60 billion. There are now over 26 million health savings accounts, holding \$61.7 billion in assets, a year-over-year increase of 12% for accounts and 20% for HSA assets for the period ended June 30th, 2019.

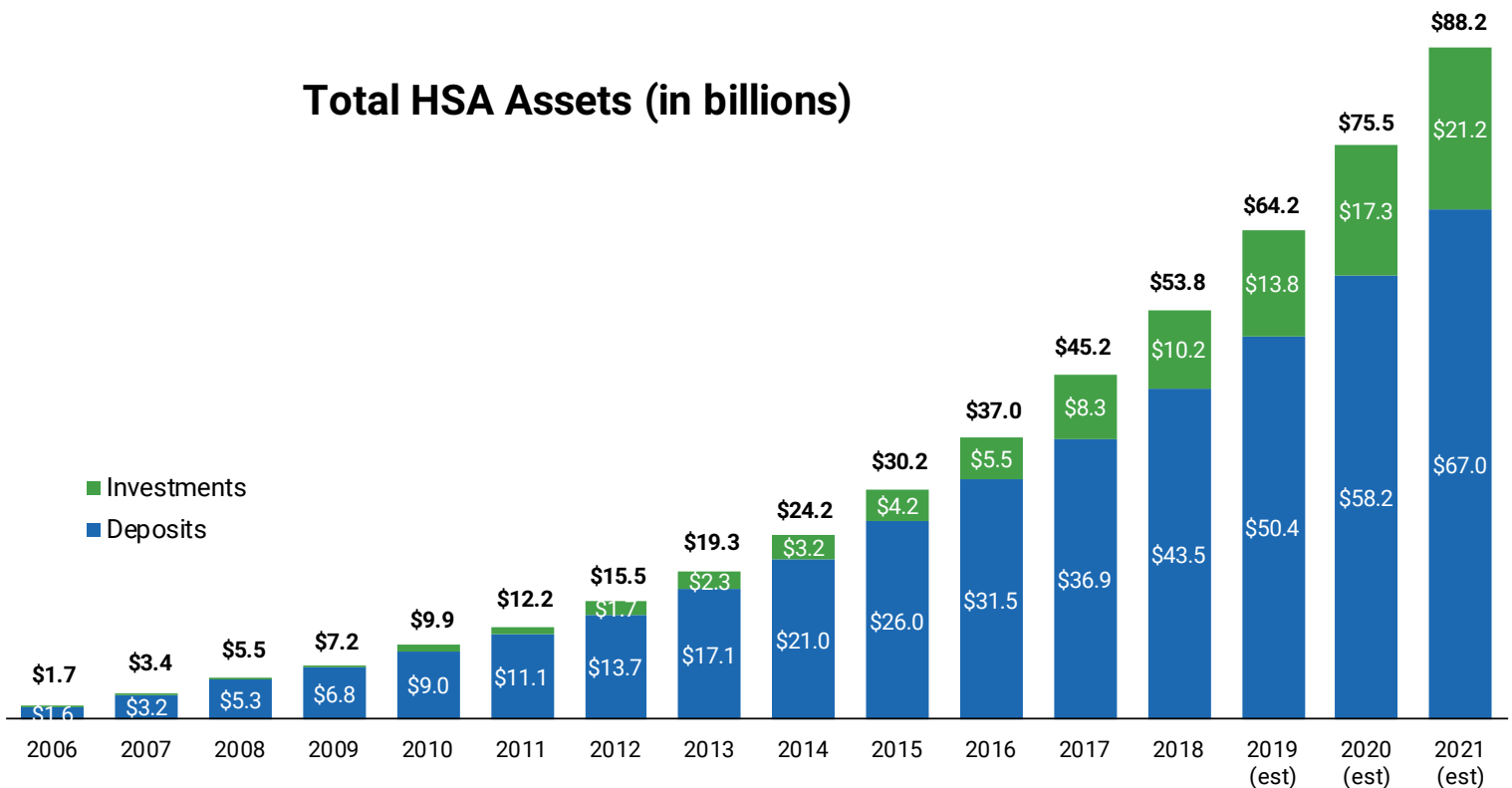
HSA investment asset growth rebounds. Strong market tailwinds propelled HSA investment assets to an estimated \$13.3 billion at the end of June, up 35% year-over-year. On average, investment account holders hold a \$15,982 total balance (deposit and investment account).

Over one million HSAs investing. There are now over one million accounts that are investing a portion of their HSA dollars, representing a little over 4% of all accounts.

HSA contributions continue to rise. Account holders contributed over \$22 billion to their accounts in the first six months of 2019, up 12% from the year prior.

Health plan partnerships are the largest driver of new accounts. Health plans were the leading driver of new account growth in the first half of 2019, accounting for 42% of new accounts opened.

Total HSA Assets (in billions)

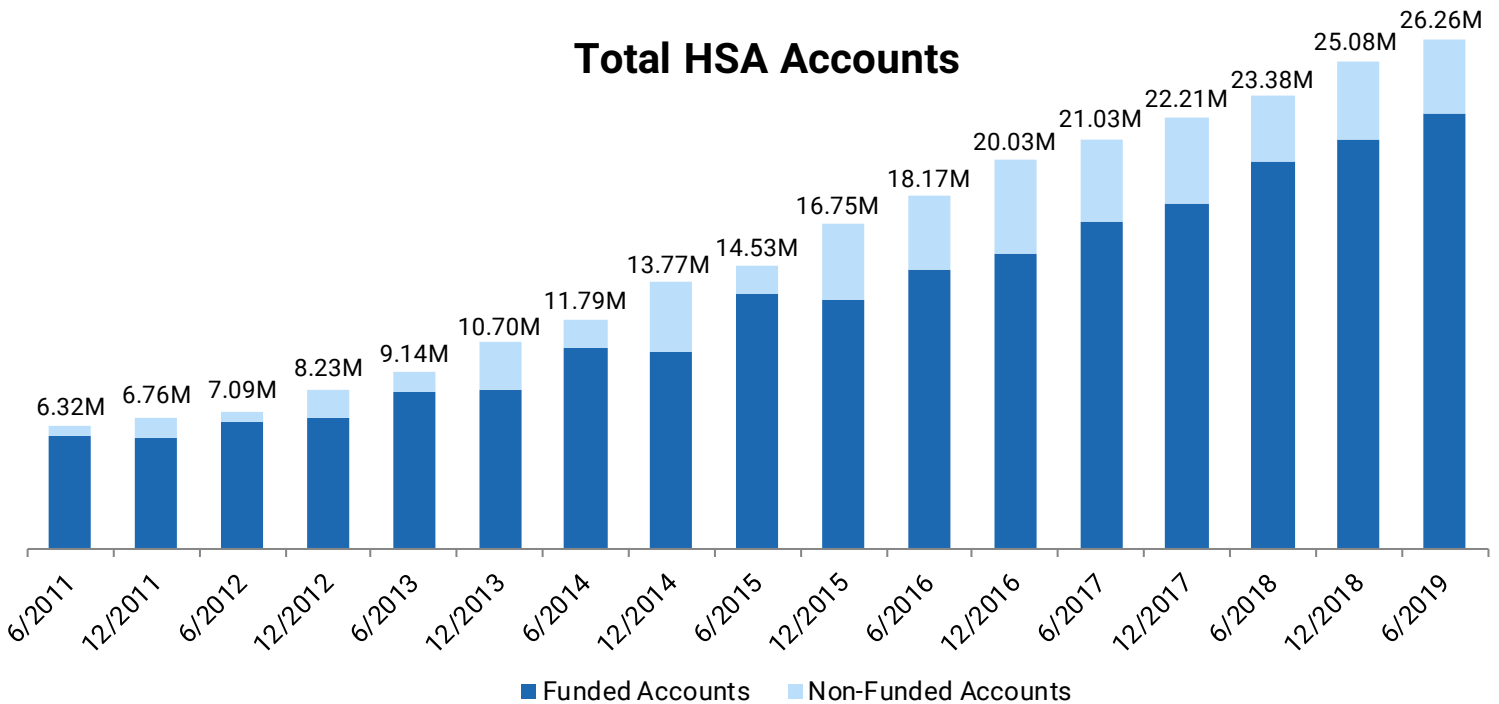


Source: Estimates derived from 2019 Midyear Devenir HSA Market Survey, press releases, previous market research and market growth rates.

HSA Industry Level Account Data

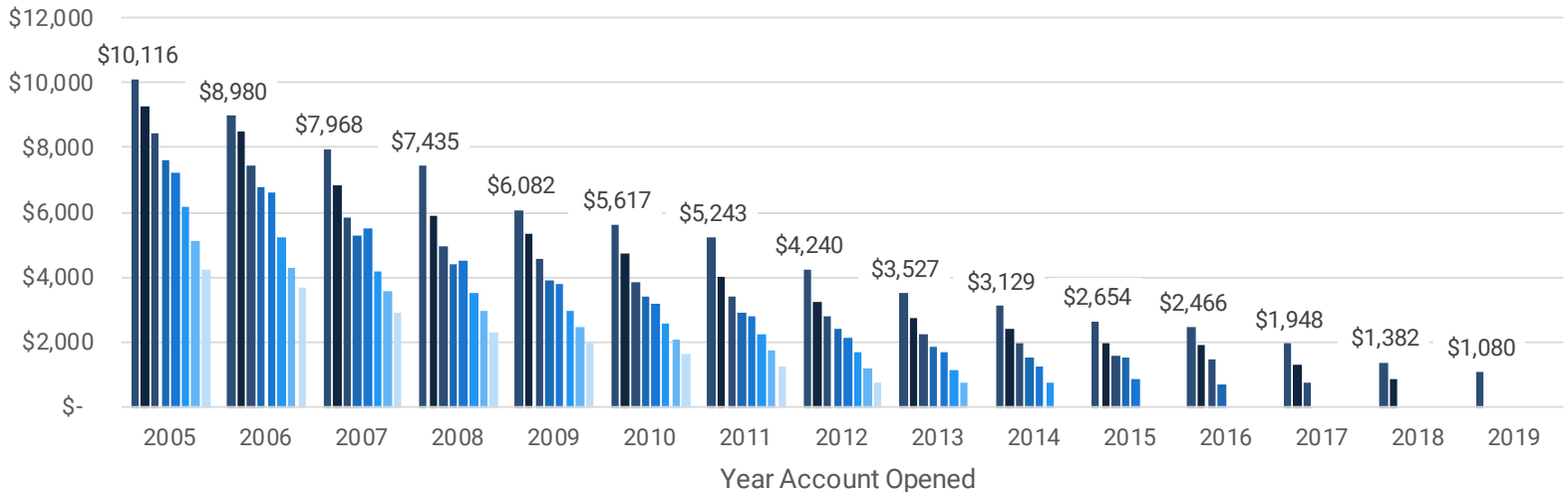
We continue to see seasonality in the percentage of accounts that are unfunded. Accounts are often opened during the fall open enrollment season, but remain unfunded until early the following year. Halfway through 2019, about 15% of all accounts were unfunded, similar to a year ago.

Total HSA Accounts



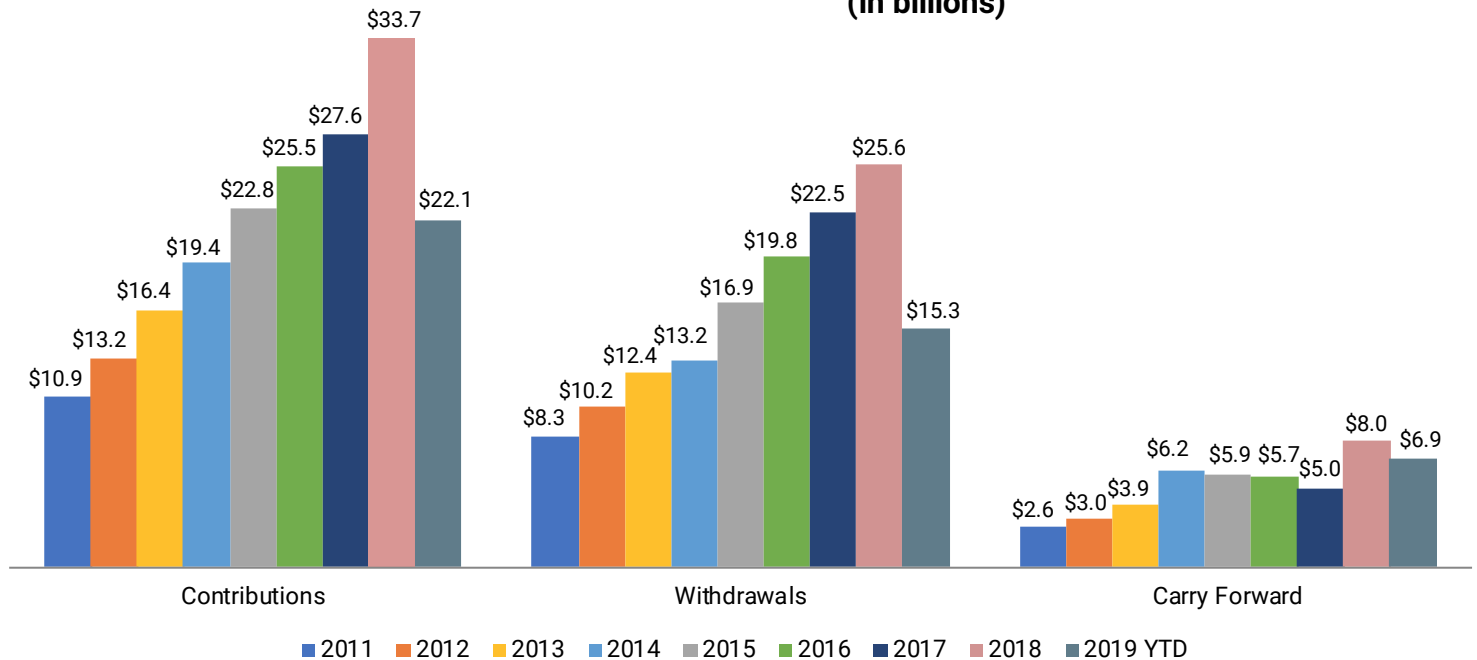
Average Balance By Year The Account Opened

Legend: 6/30/2019 (darkest blue), 6/30/2018 (dark blue), 6/30/2017 (medium-dark blue), 6/30/2016 (medium blue), 6/30/2015 (medium-light blue), 6/30/2014 (light blue), 6/30/2013 (very light blue), 6/30/2012 (lightest blue)



Industry Contributions and Withdrawals

Industry Contributions & Withdrawals (in billions)



Below is an industry estimate of total contributions and withdrawals for the period 1/1/19 - 6/30/19.

2019 YTD Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$22,147,000,000	\$15,259,000,000	\$6,889,000,000	31%

2019 YTD Employer Contributions
31% of all HSA dollars contributed to an account came from an employer.
 The average employer contribution was **\$648** (for those making contributions).

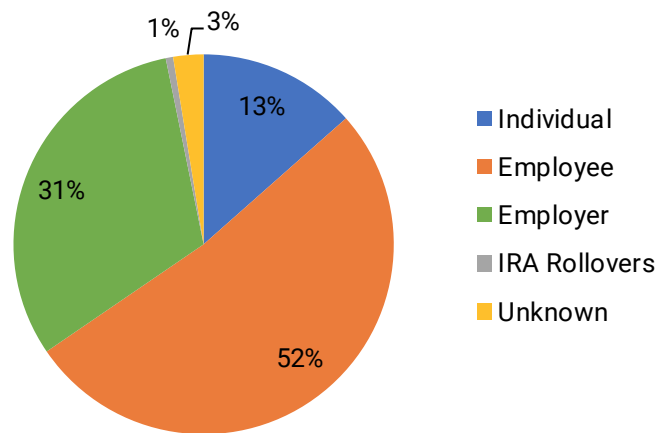
2019 YTD Employee Contributions
52% of all HSA dollars contributed to an account came from an employee.
 The average employee contribution was **\$1,121** (for those making contributions).

2019 YTD Individual Contributions
13% of all HSA dollars contributed to an account came from an individual account not associated with an employer.
 The average individual contribution was **\$1,546** (for those making contributions).

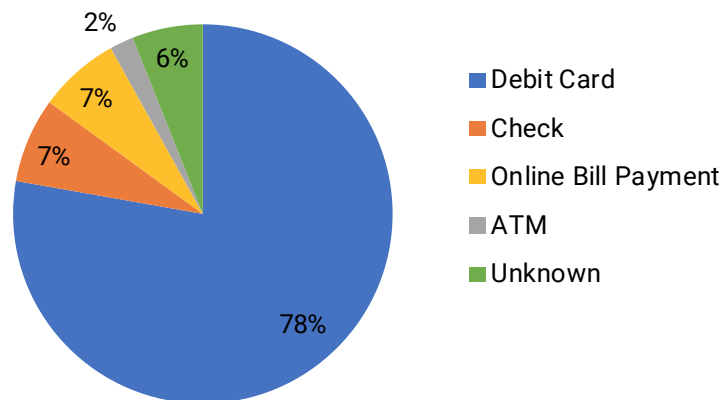
The remaining contributions in 2018 came from IRA Rollovers & other sources.

Industry Contributions and Withdrawals - Details

Contributions 2019 YTD (\$)



Withdrawals 2019 YTD (\$)



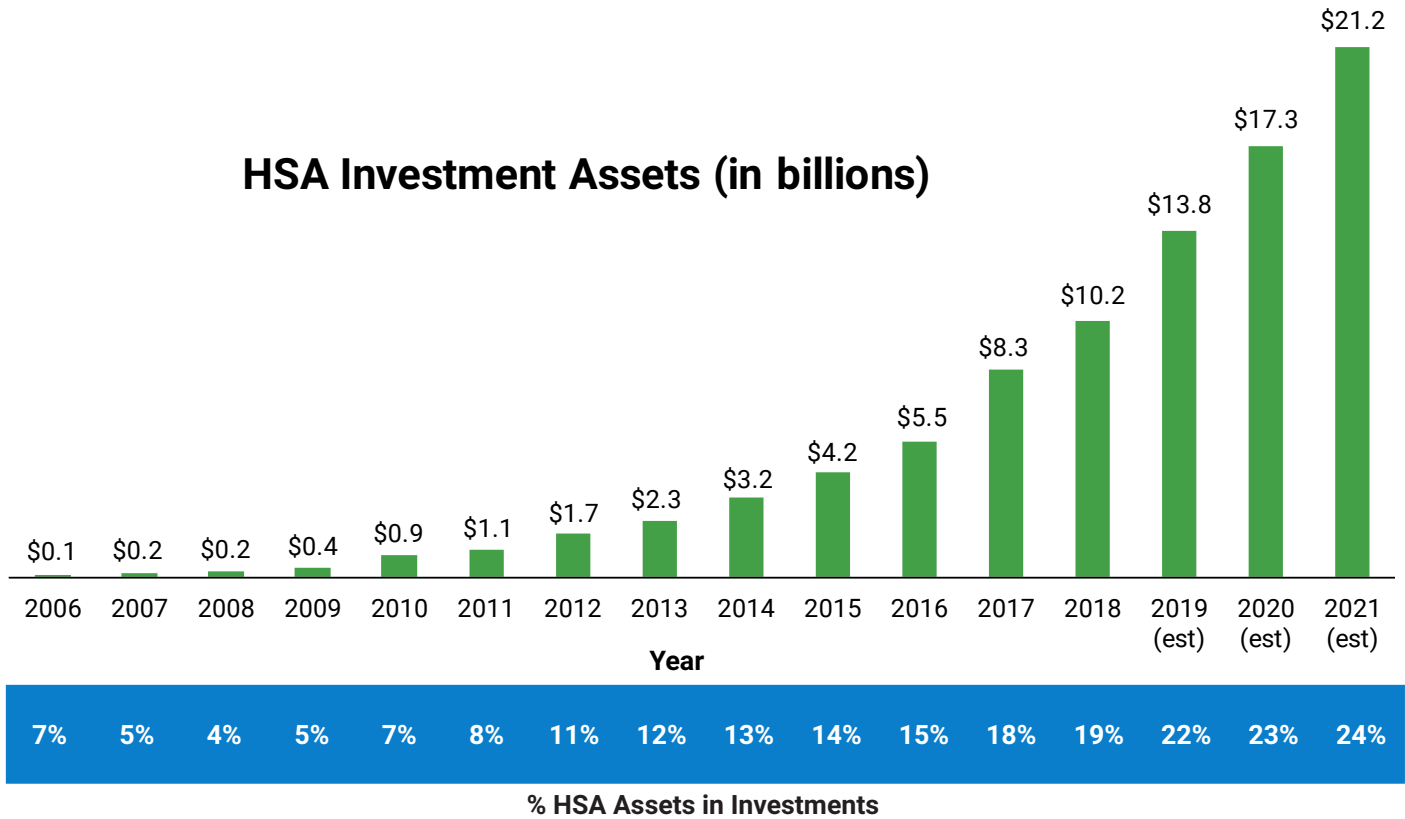
2019 YTD

	Average Number of Withdrawals Per Account	% Of Total Withdrawals (#)	Average Transaction Size
Debit Card	5.3	87%	\$100
Check	0.1	2%	\$389
Online Bill Pay	0.2	4%	\$207
ATM	0.5	3%	\$67
Unknown	0.3	3%	\$207

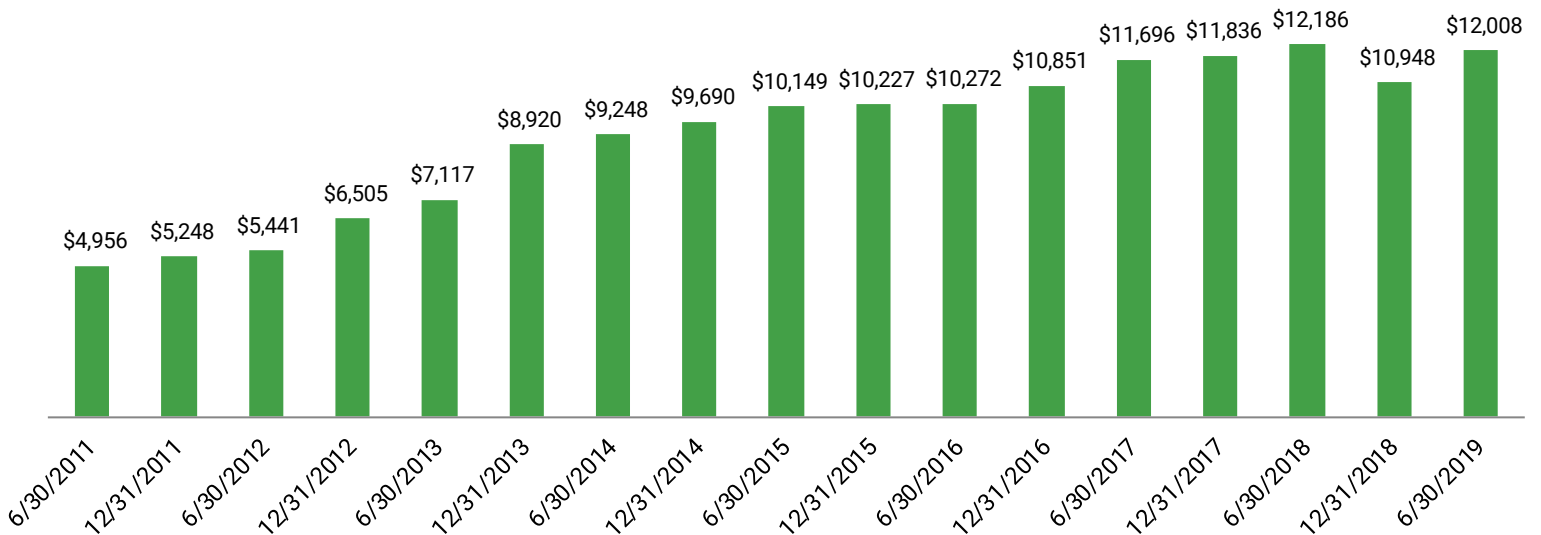
HSA Investments

- **\$13.3 billion** estimated in HSA investment assets as of June 30th, 2019, an estimated 35% year-over-year increase.
- **\$15,982** average total balance (deposit and investment account) for HSA investment accounts, over 6 times larger than a non-investment holder's average account balance.
- **22%** of all HSA assets are in investments as of June 30th, 2019.

HSA Investment Assets (in billions)



Average Investment Balance



Note: Average investment balance only, does not include an investor's deposit assets.

HSA Marketplace Projections

HSA providers project HSA industry asset growth of 16% in 2019, while anticipating their own businesses will grow by 24% during the same period (up from 23% at year-end 2018). 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 \$88 billion in HSA assets by the end of 2021, held by over 30 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.

Devenir Research as mentioned in:

The New York Times

PLANSPONSOR[®]



REUTERS

Forbes

The Washington Post

InvestmentNews

KHN
KAISER HEALTH NEWS

Money

Devenir Research Team

Jon Robb – Senior Vice President, Research & Technology

Eric Remjeske – President

Zach Haas – Investment Analyst

Thank you for your participation!

©2019 by Devenir Group, LLC

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