

# Devenir Research

2019 Year-End HSA Market Statistics & Trends  
Executive Summary

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## Report Methodology

The majority of this report was derived from the 2019 Year-End 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 January 2020, and primarily consisted of top 100 providers in the health savings account market. All data was requested for the period ending on December 31st, 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 are 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 asset growth accelerates.** Health savings account growth accelerated in 2019, jumping to almost \$66 billion in assets held in over 28 million accounts, a year-over-year increase of 23% for assets and 13% for health savings accounts for the period ended December 31st, 2019.

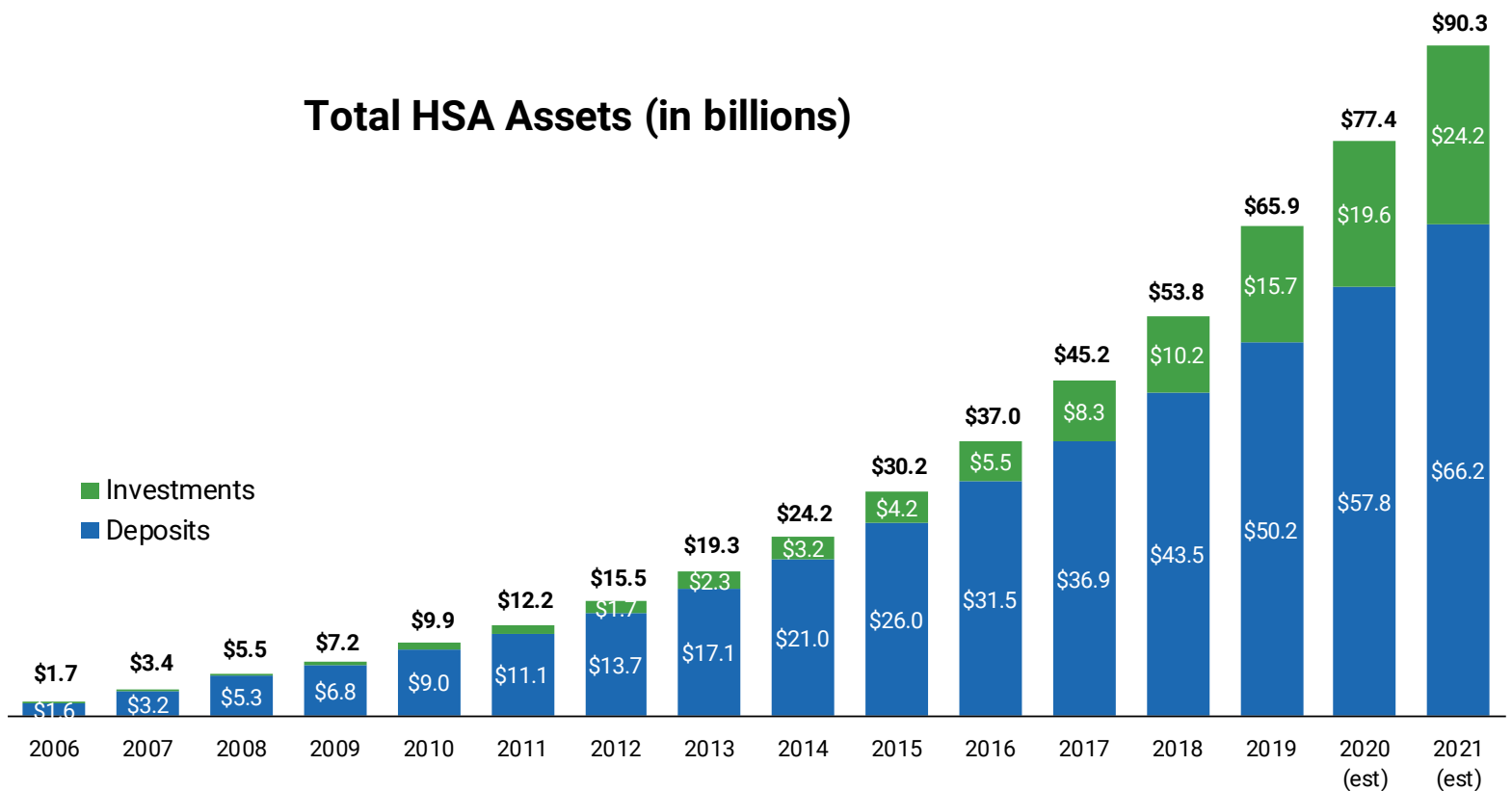
**HSA investment asset growth continues.** Strong market tailwinds continued, as HSA investment assets surged to an estimated \$15.7 billion at the end of December, up 54% year-over-year. On average, investment account holders hold a \$16,012 total balance (deposits and investments combined).

**More HSAs investing.** There are now approximately 1.2 million accounts that are investing a portion of their HSA dollars, representing more than 4% of all accounts.

**HSA contributions continue to rise.** Account holders contributed over \$38 billion to their accounts in 2019, up 14% from the year prior.

**Health plan partnerships and employer relationships the largest driver of new accounts.** Health plan partnerships and direct employer relationships accounted for almost 69% of new accounts opened in 2019.

### Total HSA Assets (in billions)

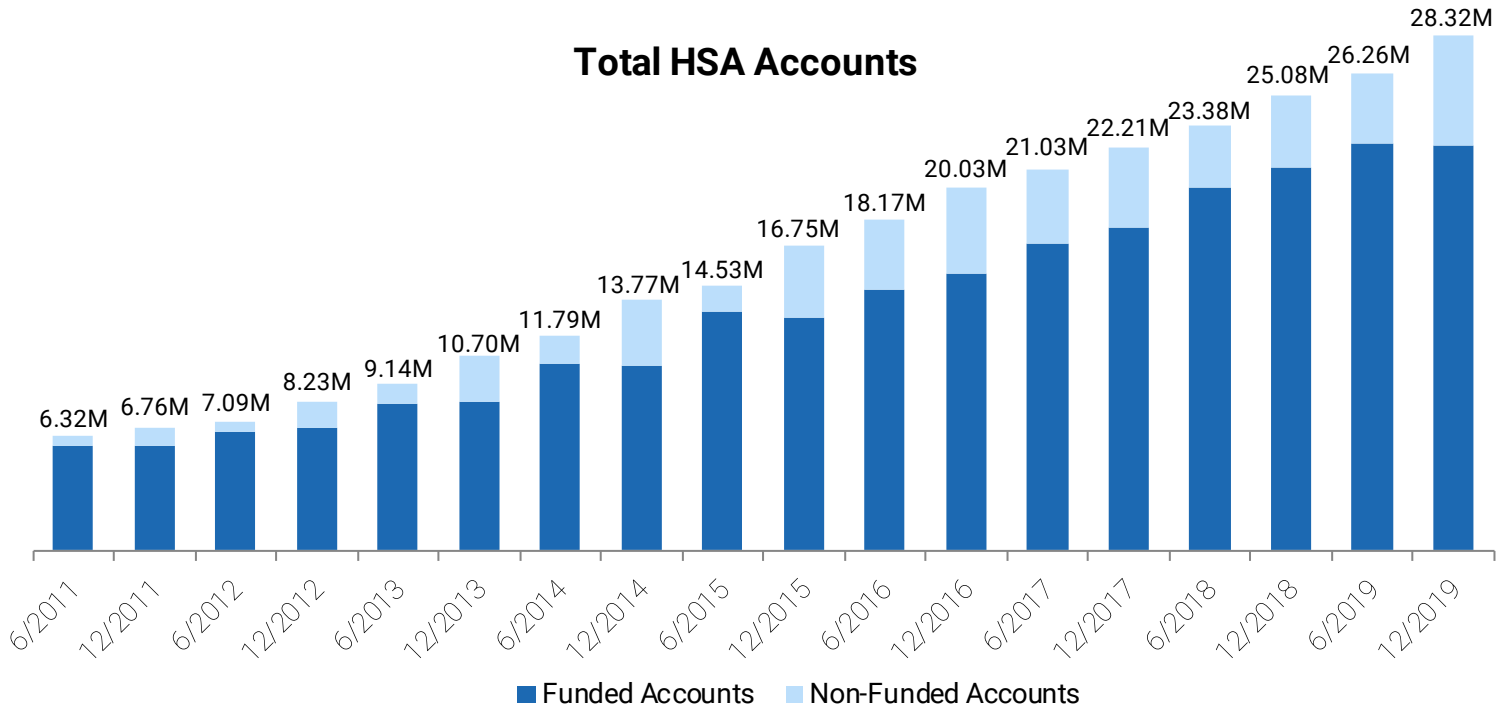


Source: Estimates derived from 2019 Year-End Devenir HSA Market Survey, press releases, previous market research, and market growth rates.

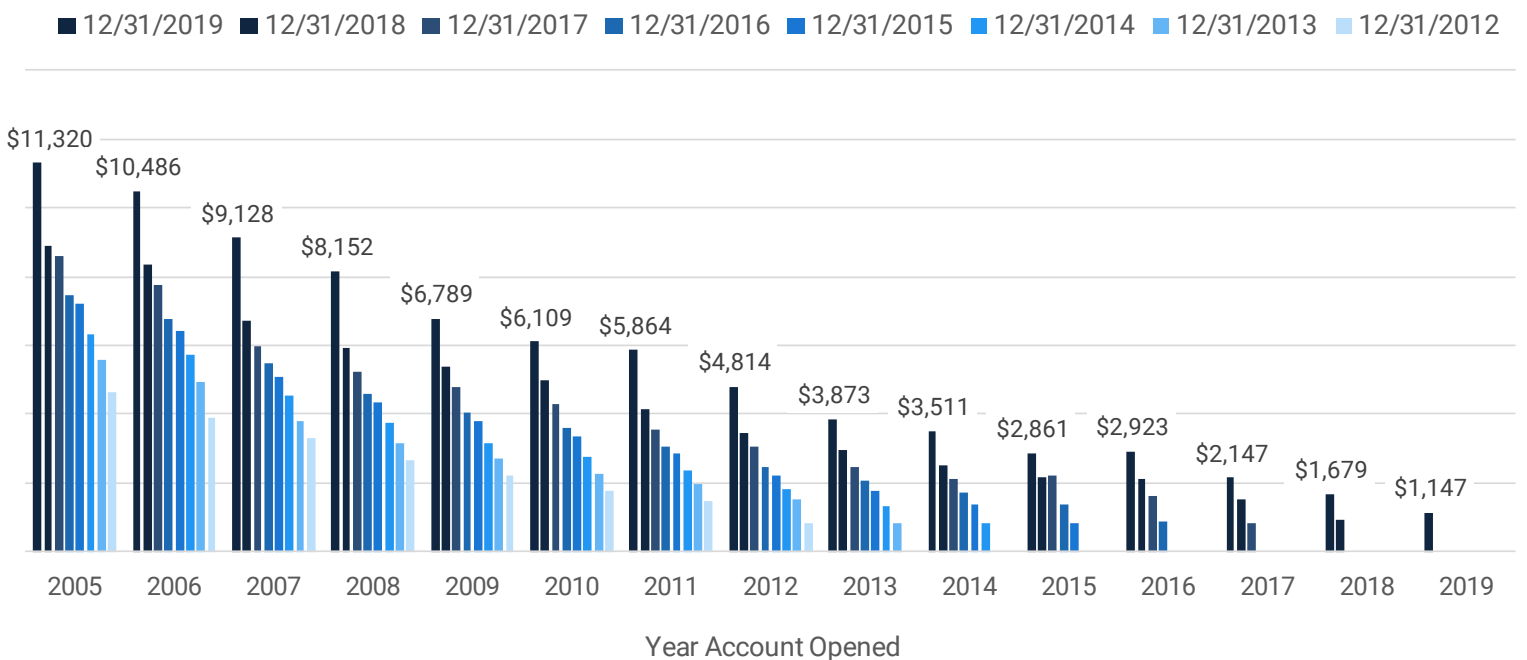
# HSA Industry Level Account Data

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. At the end of 2019, about 21% of all accounts were unfunded, up from 16% a year ago.

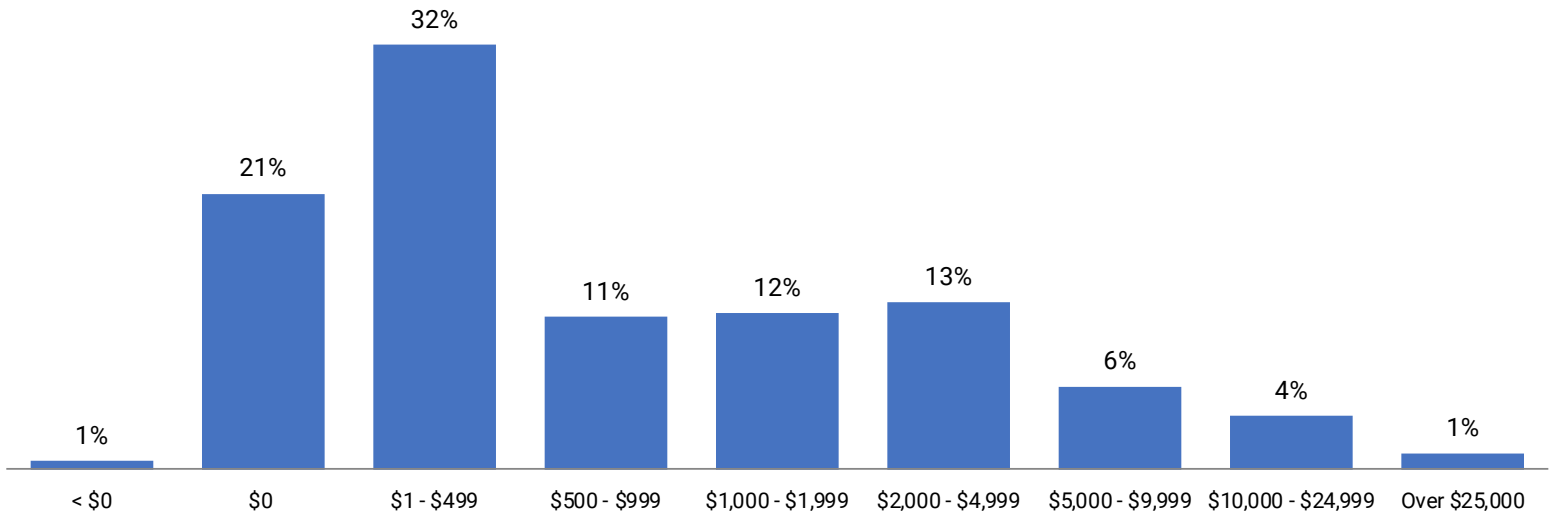
### Total HSA Accounts



### Average Balance By Year The Account Opened



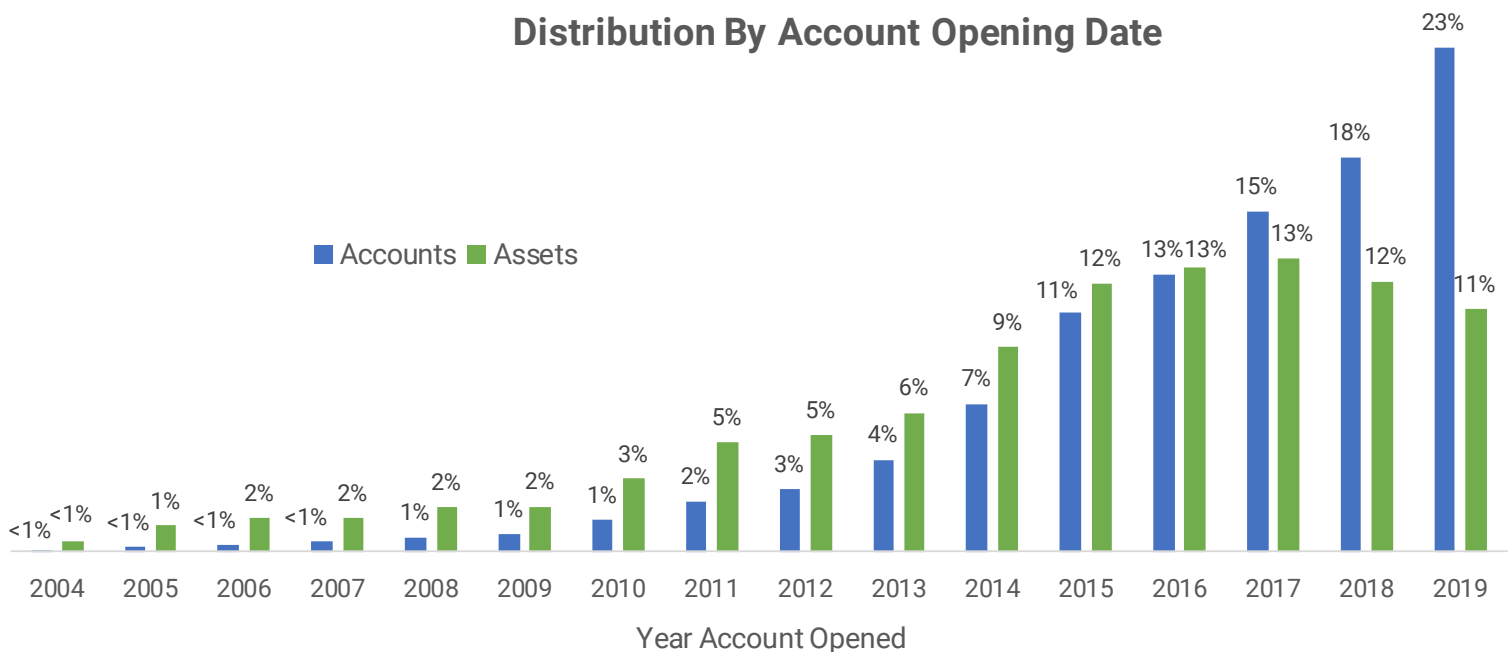
## Health Savings Account Balance Distribution



**56%**  
of accounts have been  
opened in the last 3  
years

**37%**  
of assets are held by  
accounts opened in the  
last 3 years

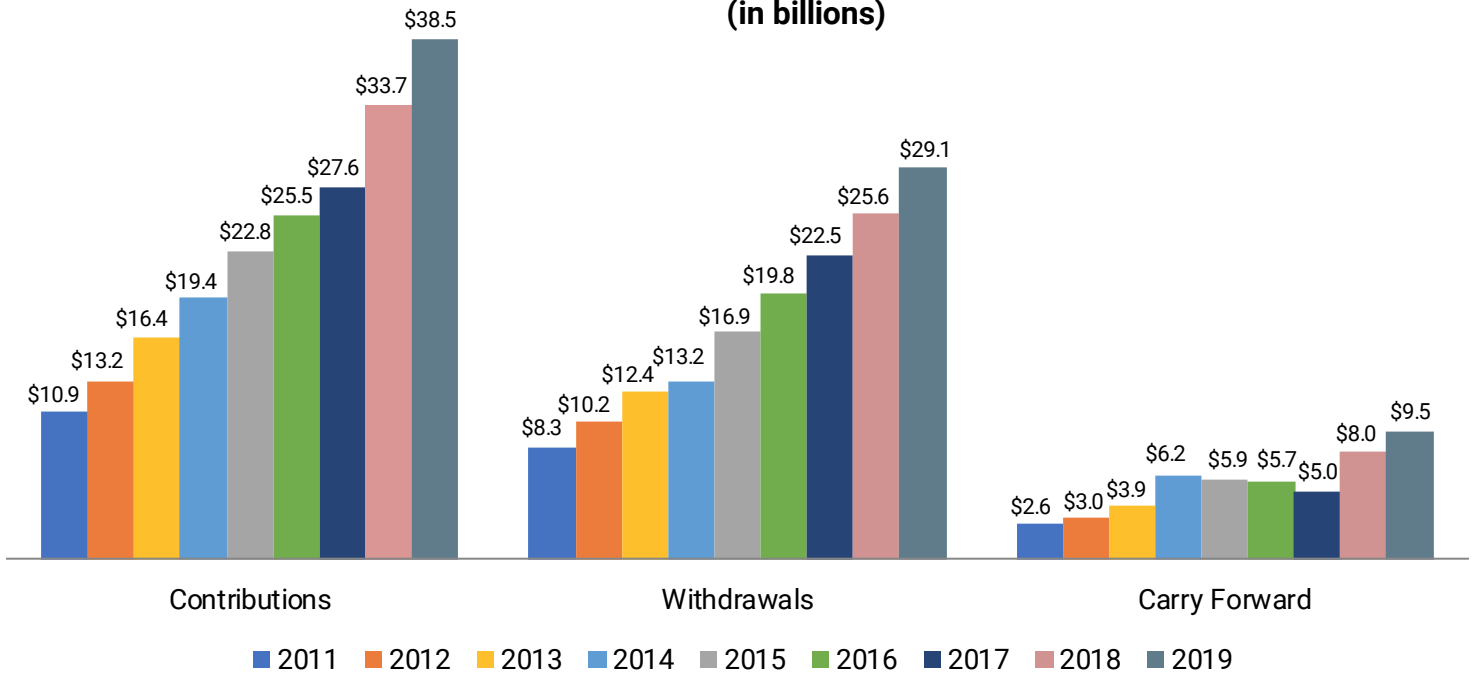
## Distribution By Account Opening Date



Recent growth in the number of opened accounts may be due, in part, to accounts being moved from provider to provider which effectively resets the apparent account opening date for the same account holder.

# 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 - 12/31/19.

2019 Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$38,505,000,000	\$29,051,000,000	\$9,454,000,000	25%

## 42% of accounts contributed more than they withdrew in 2019.

**2019 Employer Contributions**  
**27%** of all HSA dollars contributed to an account came from an employer.  
 The average employer contribution was **\$880** (for those making contributions).

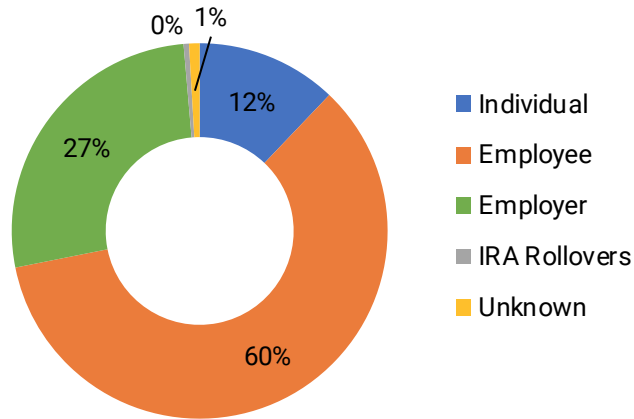
**2019 Employee Contributions**  
**60%** of all HSA dollars contributed to an account came from an employee.  
 The average employee contribution was **\$2,034** (for those making contributions).

**2019 Individual Contributions**  
**12%** of all HSA dollars contributed to an account came from an individual account not associated with an employer.  
 The average individual contribution was **\$1,841** (for those making contributions).

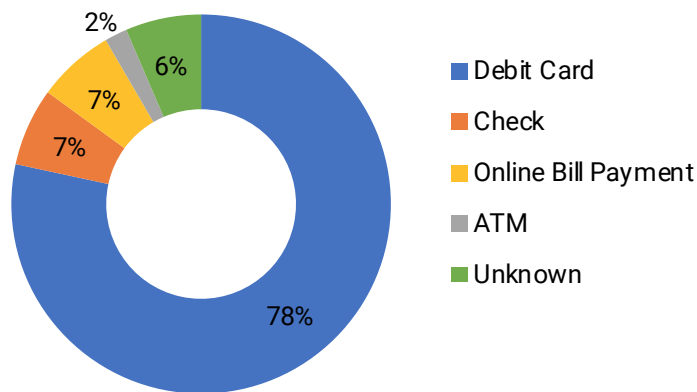
The remaining contributions in 2019 came from IRA Rollovers & other sources.

## Industry Contributions and Withdrawals - Details

### Contributions 2019 (\$)



### Withdrawals 2019 (\$)

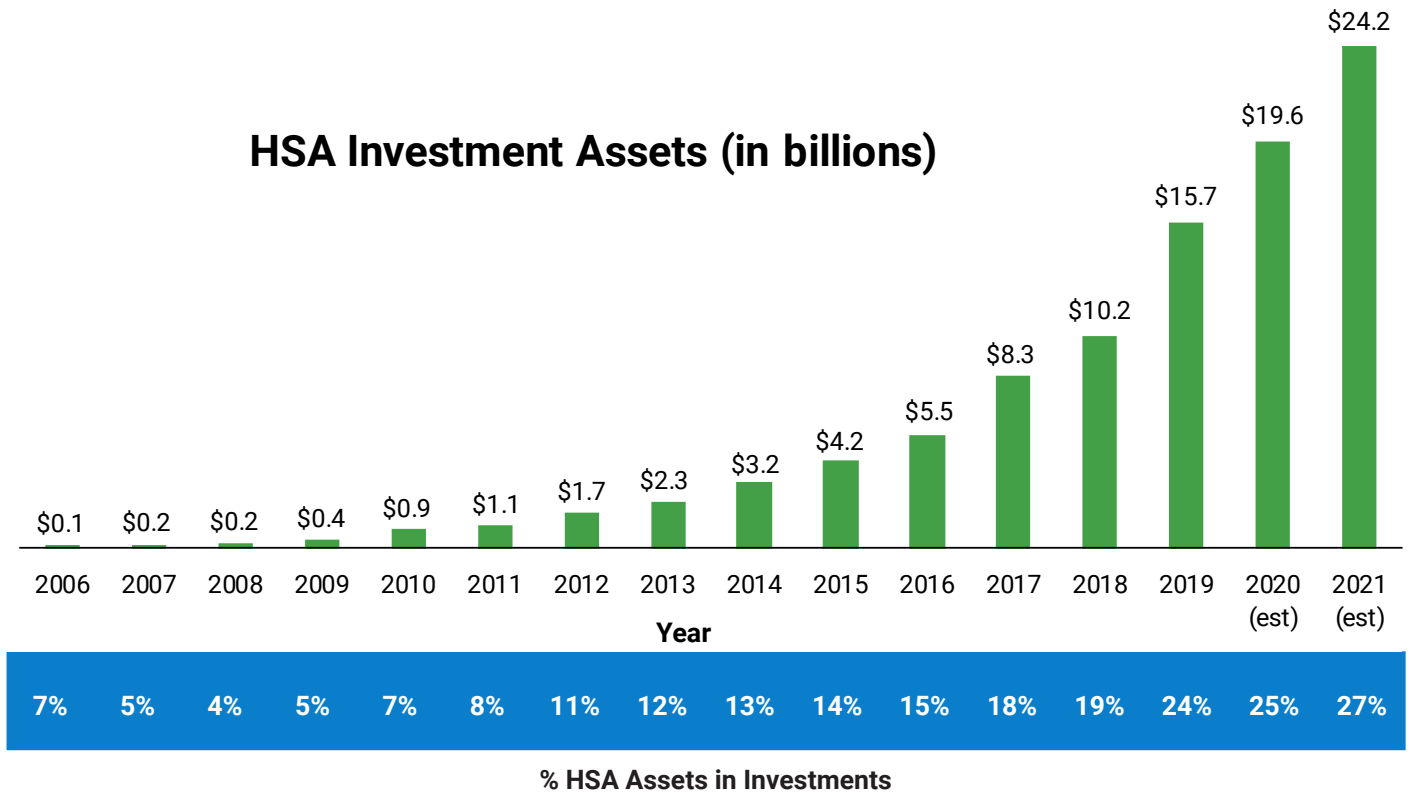


2019	Average Number of Withdrawals Per Account	% Of Total Withdrawals (#)	Average Transaction Size
Debit Card	8.9	88%	\$104
Check	0.2	2%	\$356
Online Bill Pay	0.3	3%	\$256
ATM	0.9	3%	\$66
Unknown	0.5	3%	\$229

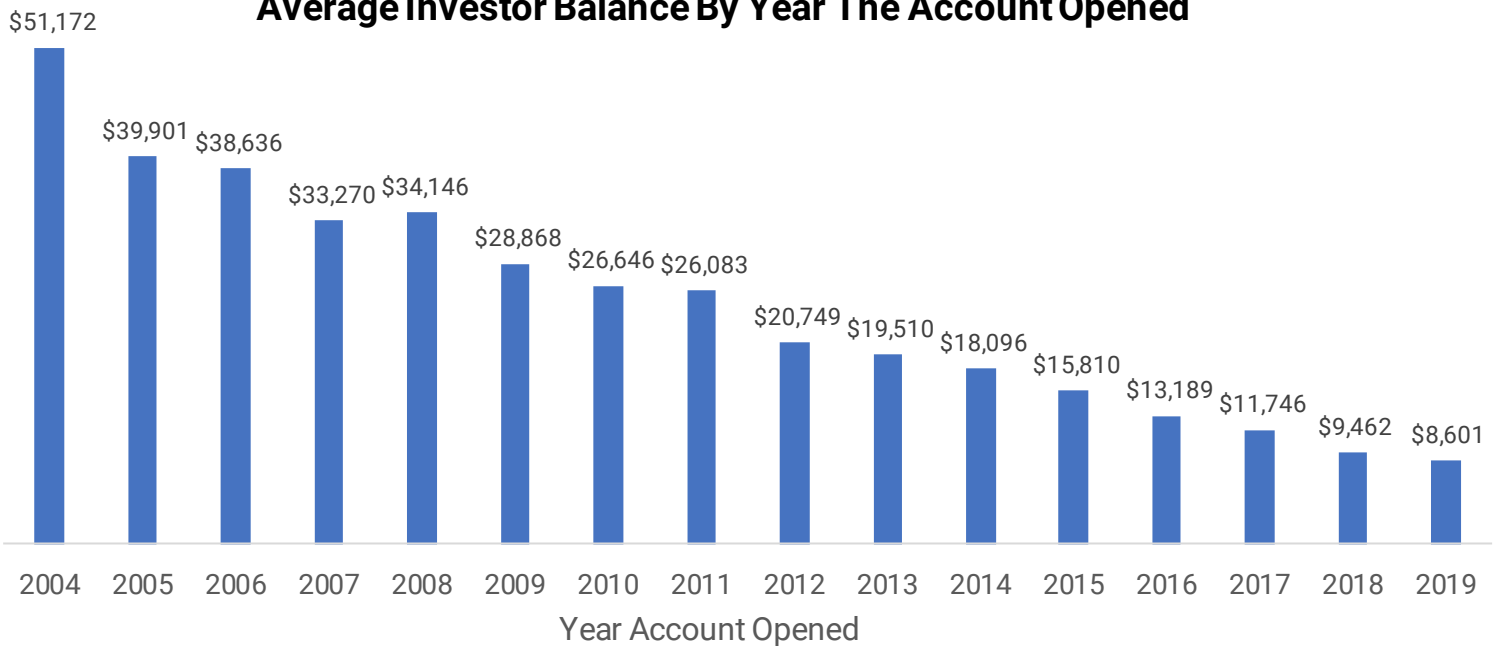
## HSA Investments

- **\$15.7 billion** estimated in HSA investment assets as of December 31st, 2019, a 54% year-over-year increase.
- **24%** of all HSA assets are in investments as of December 31st, 2019.
- **\$16,012** average total balance (deposits and investments combined) for HSA investment accounts, over 7 times larger than a non-investment holder's average account balance.

### HSA Investment Assets (in billions)



### Average Investor Balance By Year The Account Opened





## HSA Marketplace Projections

HSA providers project HSA industry asset growth of 14% in 2020, while anticipating their own businesses will grow by 17% 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. However, in 2019 HSA providers significantly underestimated HSA asset growth, even at the midyear point. Devenir currently projects that the HSA market will exceed \$77 billion in HSA assets by the end of 2020, held by over 30 million accounts.

## 2020 January HSA Supplement

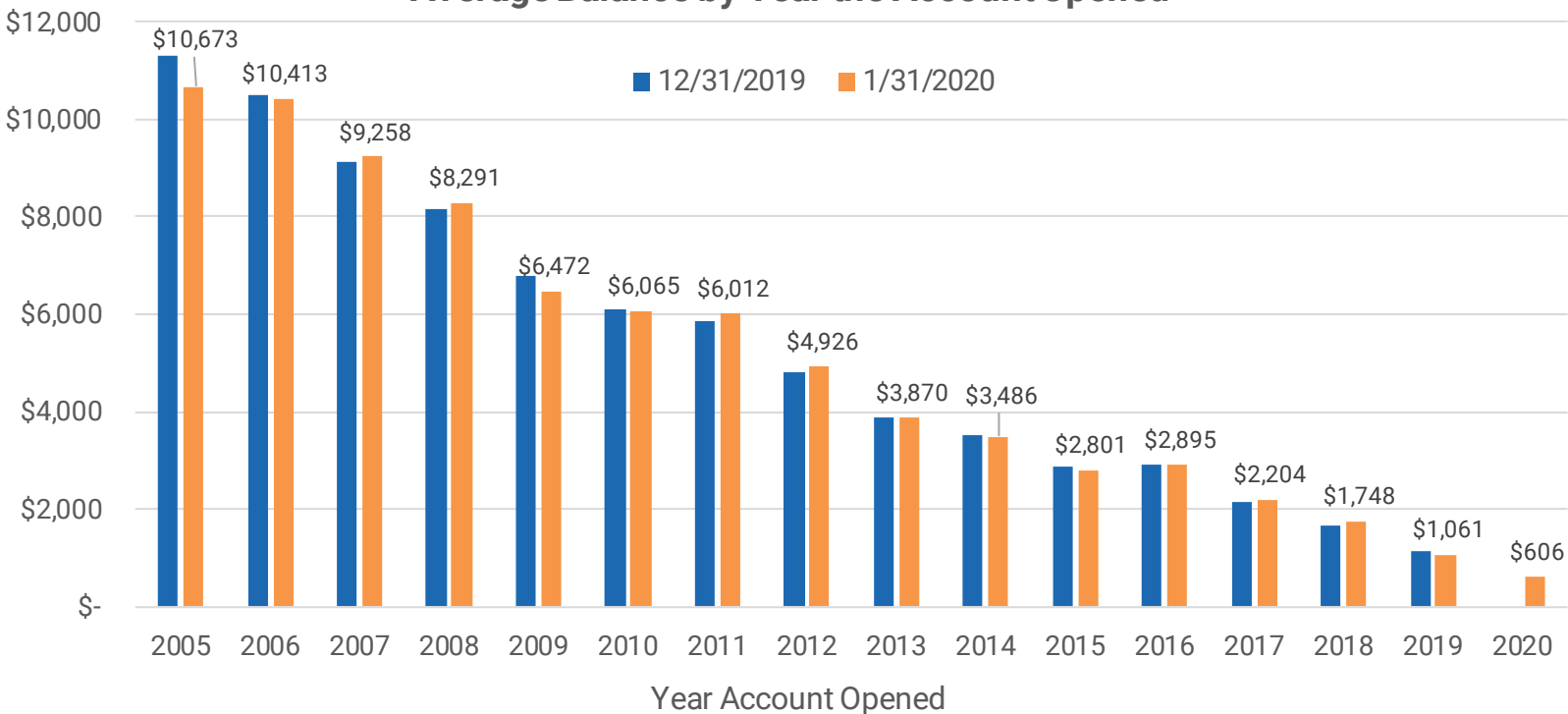
This section draws data primarily from the January 2020 Supplemental Survey. All year-end survey participants were invited to participate in the January 2020 supplement, with participation varying from small community banks and credit unions to the largest HSA providers.

**HSA assets exceed \$71 billion.** HSA assets grew by almost \$6 billion in January 2020 to reach \$71.7 billion, up 9% since the end of 2019. Accounts grew by almost 4%, with the total number of HSA accounts rising to an estimated 29.4 million.

**Employers drive January growth.** 36% of HSA accounts received an employer contribution in January. Employers contributed 60% of all dollars to HSA accounts during the month of January, with an average contribution of \$520.

**Fewer unfunded accounts.** At the end of 2019, unfunded accounts represented about 21% of all accounts, but by the end of January 2020 that number was back down to about 16% of all accounts. This data point continues to reaffirm our belief that a significant portion of the unfunded accounts found during the year-end survey are attributed to accounts being opened during the fall enrollment season, but not being funded until early 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](https://devenir.com).

Devenir Research as mentioned in:



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