

# Devenir Research

2021 Year-End HSA Market Statistics & Trends  
Executive Summary

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## Report Methodology

The majority of this report was derived from the 2021 Year-End Devenir HSA Market Survey. The survey was carried out primarily in January 2022, and largely consisted of top 100 providers in the health savings account market. All data was requested for the period ending on December 31st, 2021.

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, either with other statistics in this report or 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

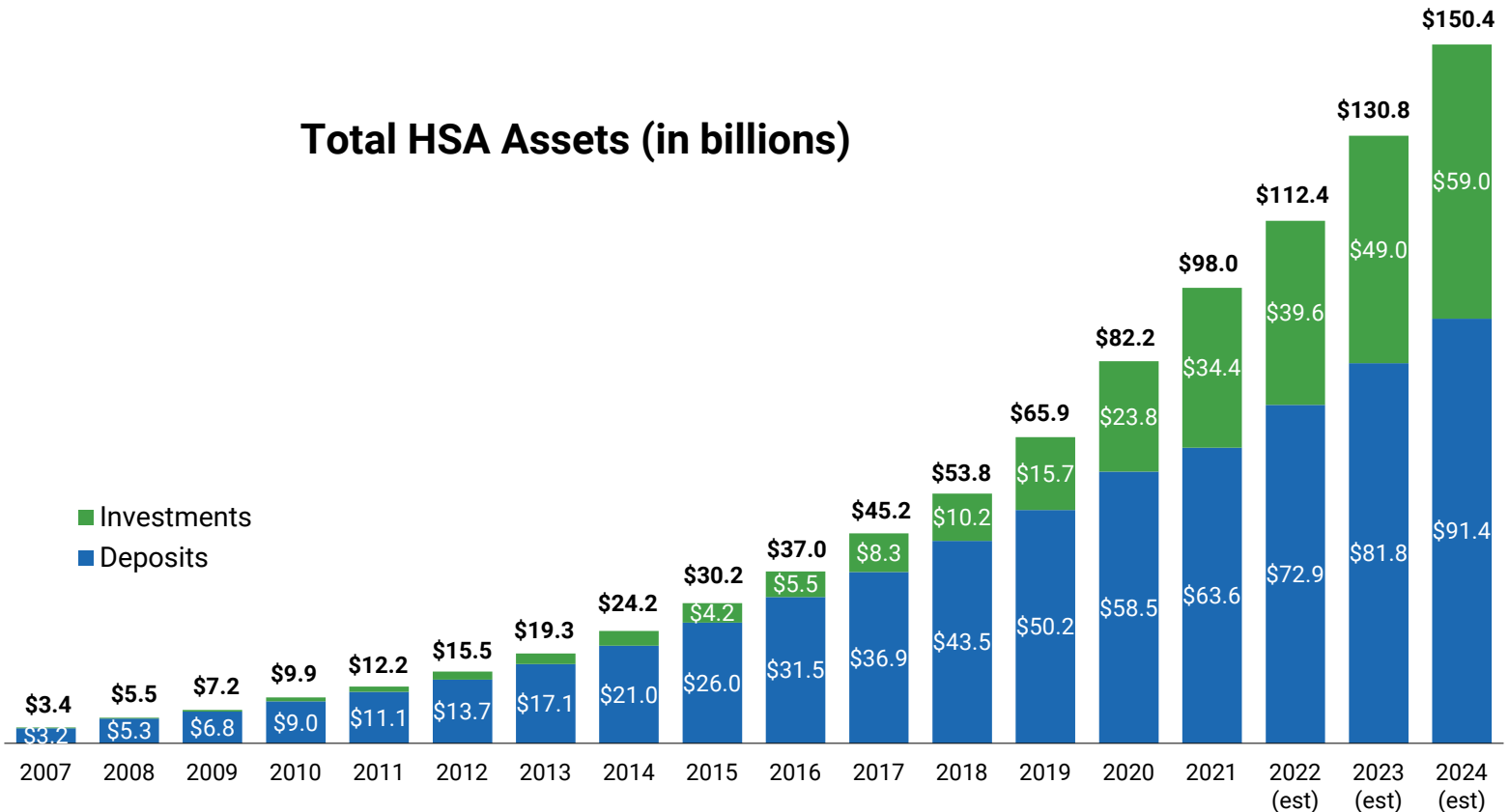
**Healthy growth in HSA assets.** Driven by robust investment growth, health savings accounts grew to \$98.0 billion in assets held in over 32 million accounts, a year-over-year increase of 19% for assets and 8% for health savings accounts for the period ending December 31st, 2021.

**Strong HSA investment asset growth.** With a growing base of investors and continued strong market gains, HSA investment assets rose to an estimated \$34.4 billion at the end of the year, up 45% year-over-year. On average, investment account holders have a \$19,224 total balance (deposits and investments combined).

**Participation in HSA investing increases.** Over 2 million health savings accounts have at least a portion of their HSA dollars invested, representing over 7% of all accounts.

**HSA contribution and withdrawal growth remains muted.** Account holders contributed over \$42 billion to their accounts in 2021 (up 2% from the year prior) and withdrew almost \$31 billion from their accounts in 2021 (up 2% from year prior).

**Total HSA Assets (in billions)**

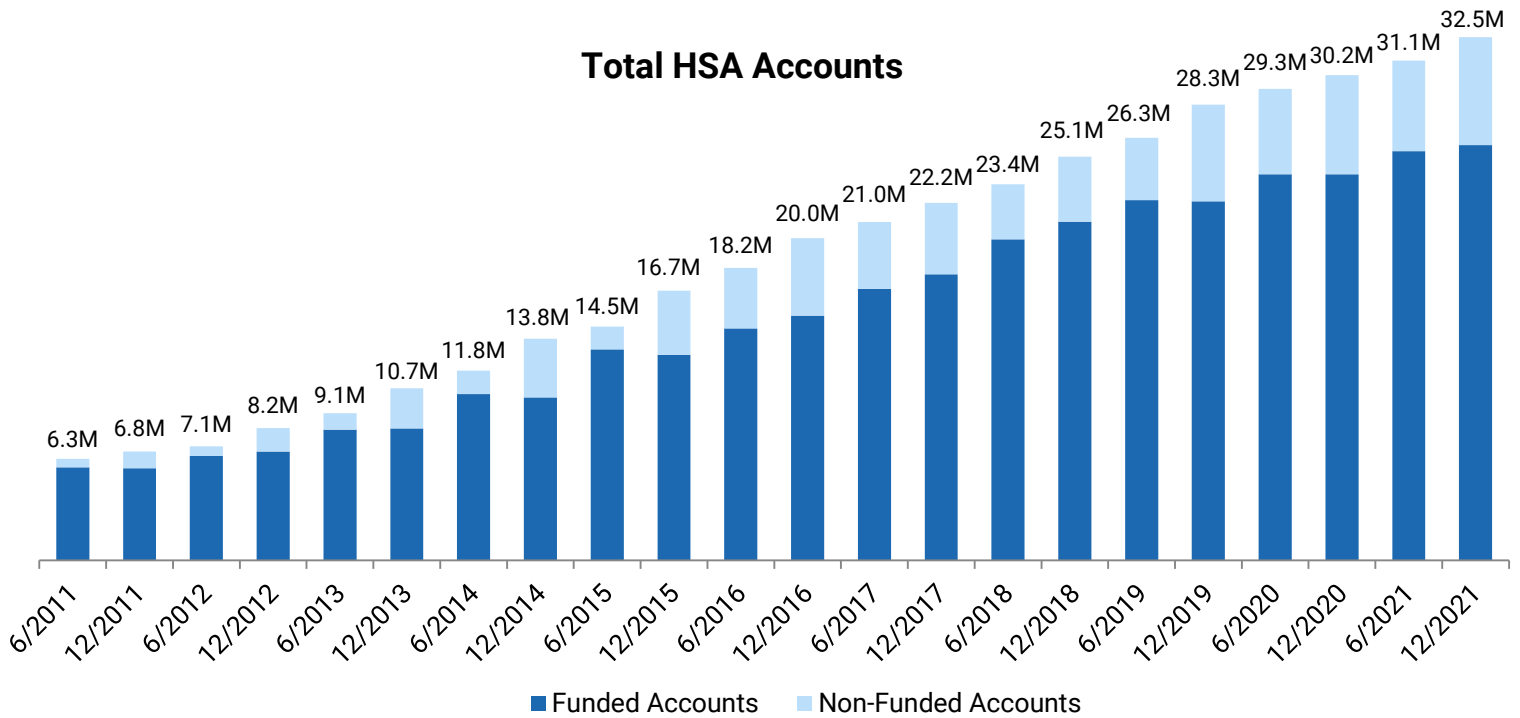


Source: Estimates derived from 2021 Year-End Devenir HSA Market Survey, press releases, previous market research, and market growth rates.

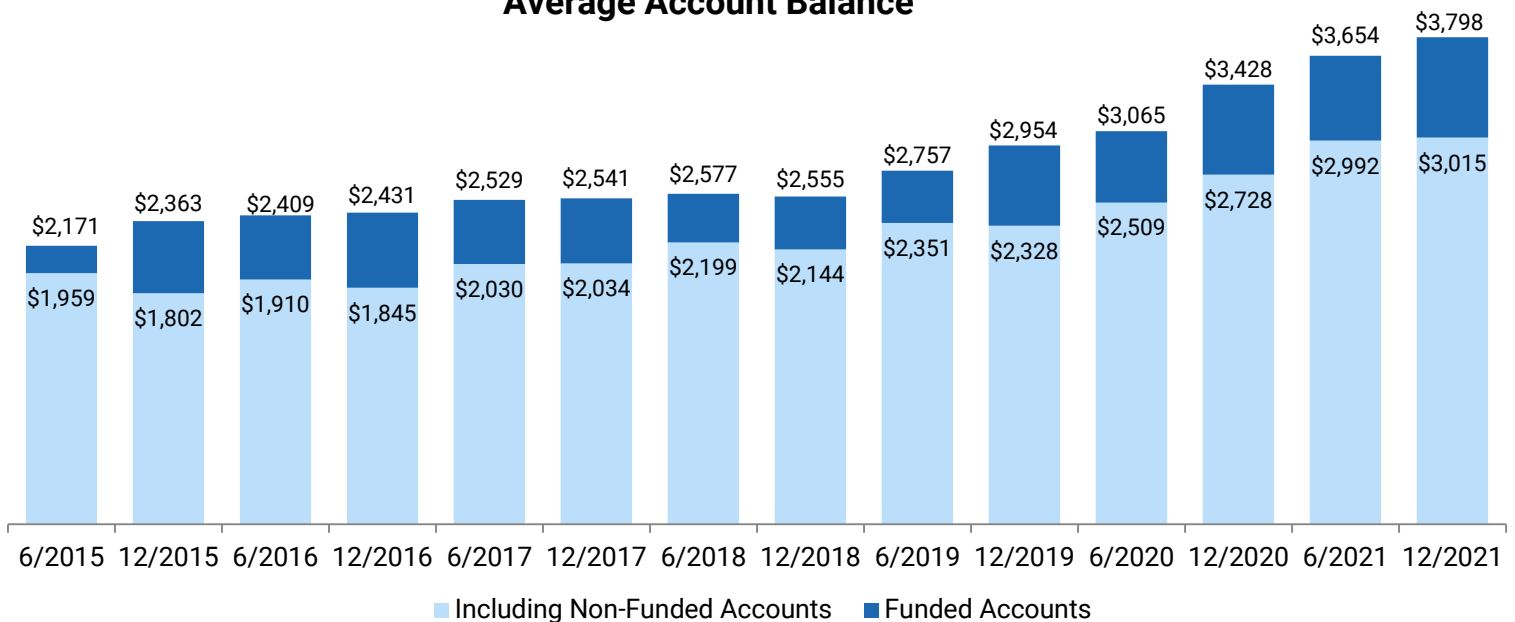
# HSA Industry Level Account Data

The pace of account growth began to pick up in 2021 as the COVID-19 pandemic and related impacts to the employment market began to subside. 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 2021, almost 21% of all accounts were unfunded, up from 20% a year ago.

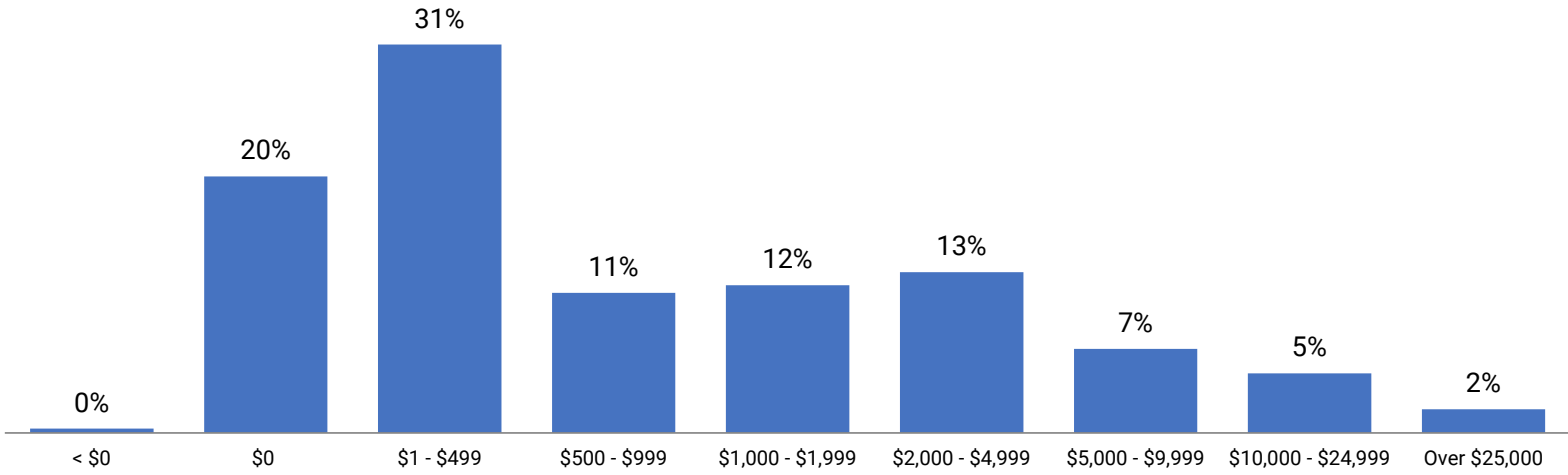
### Total HSA Accounts



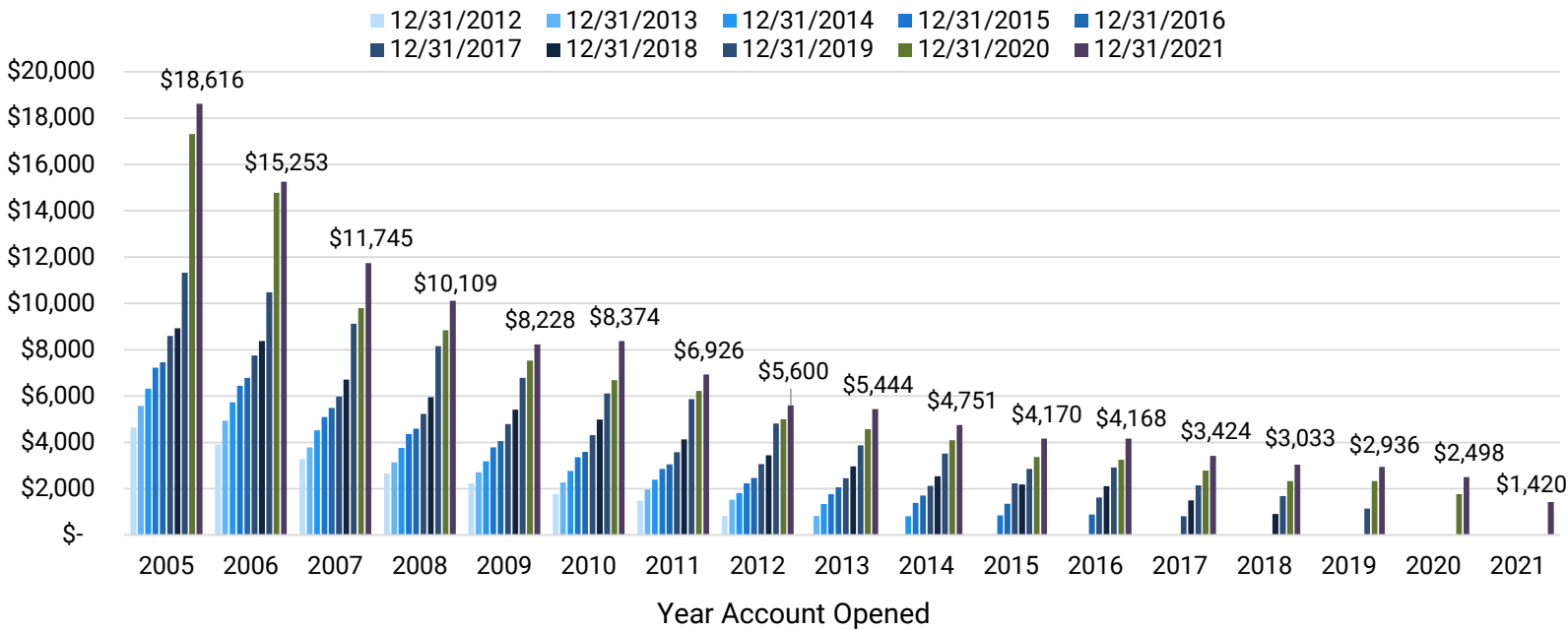
### Average Account Balance



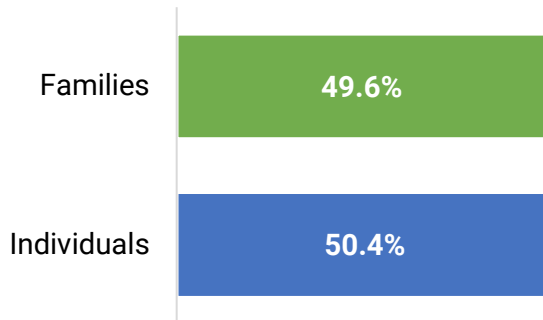
## Health Savings Account Balance Distribution



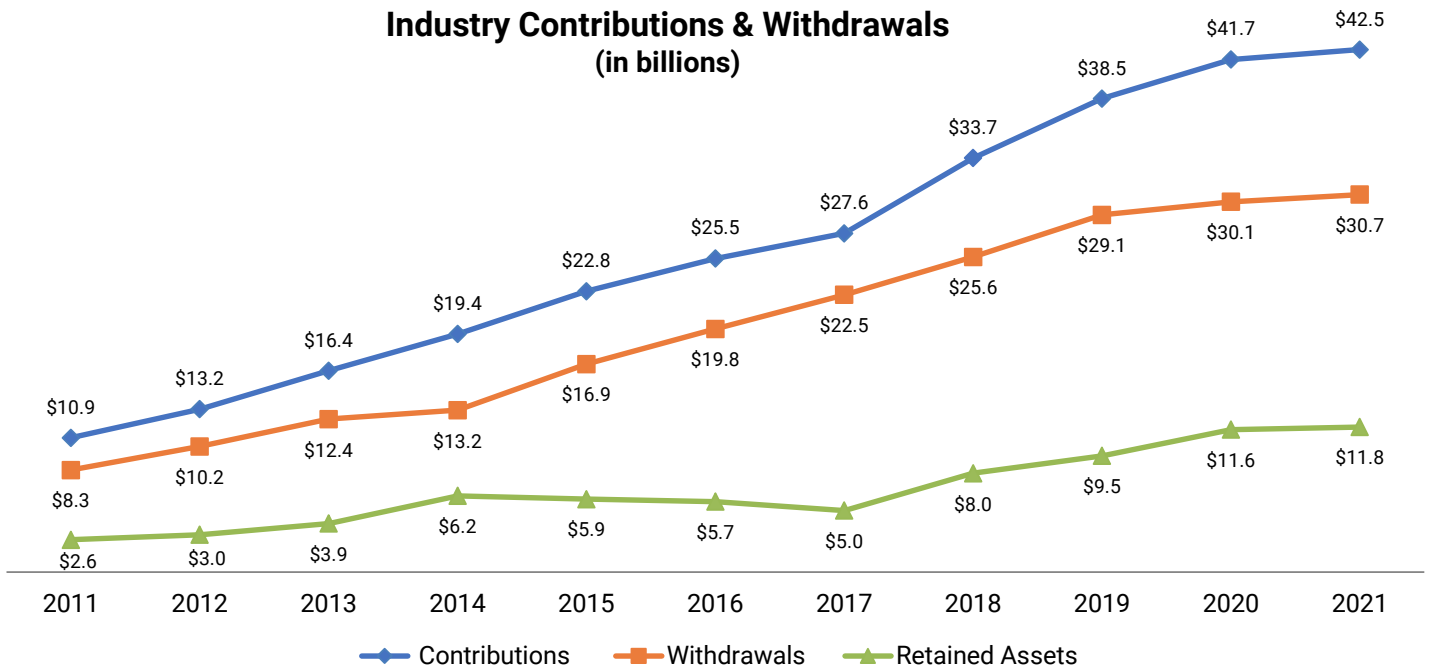
## Average Balance By Year The Account Opened



## Breakdown of HSA by Type



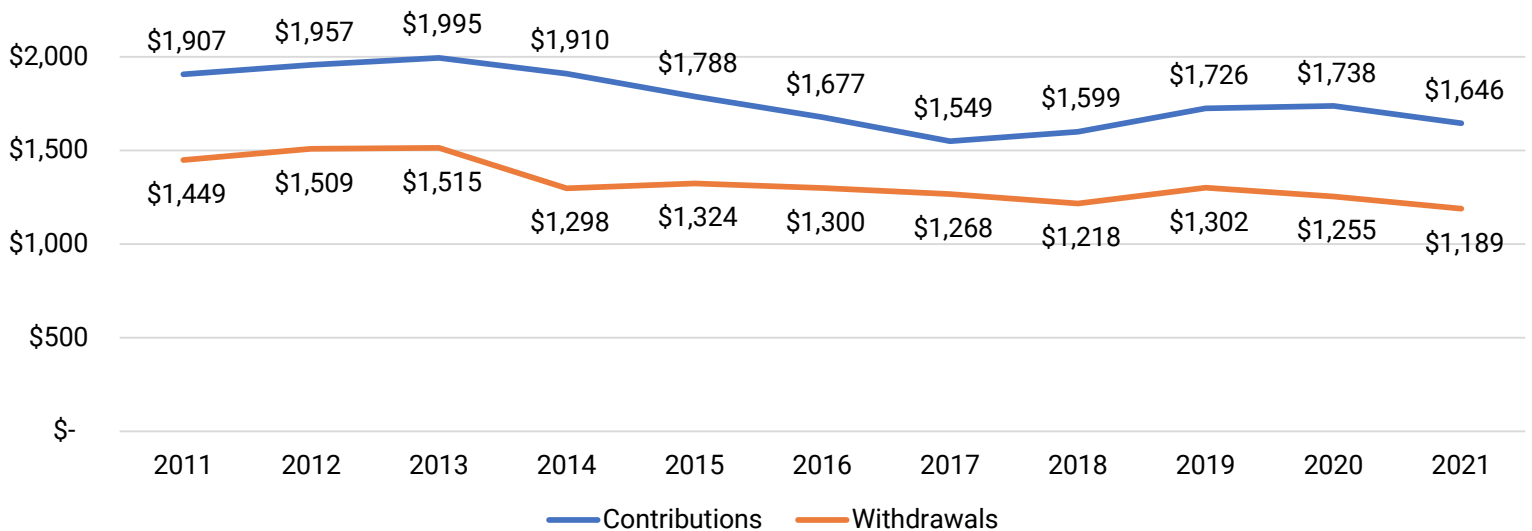
# Industry Contributions and Withdrawals



Below is an industry estimate of total contributions and withdrawals for the period 1/1/21 - 12/31/21.

2021 Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$42,490,000,000	\$30,699,000,000	\$11,792,000,000	28%

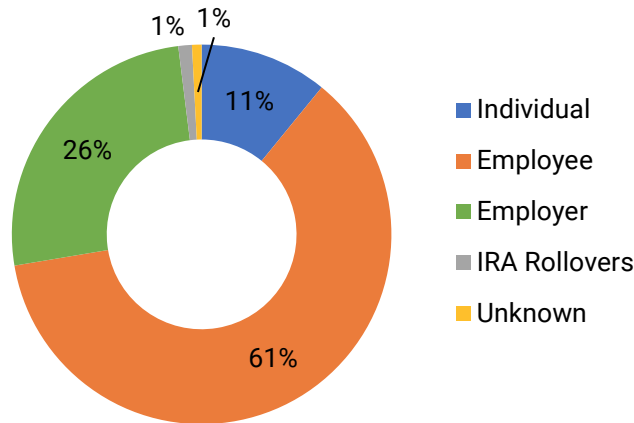
## Yearly Contributions & Withdrawals Per Funded Account



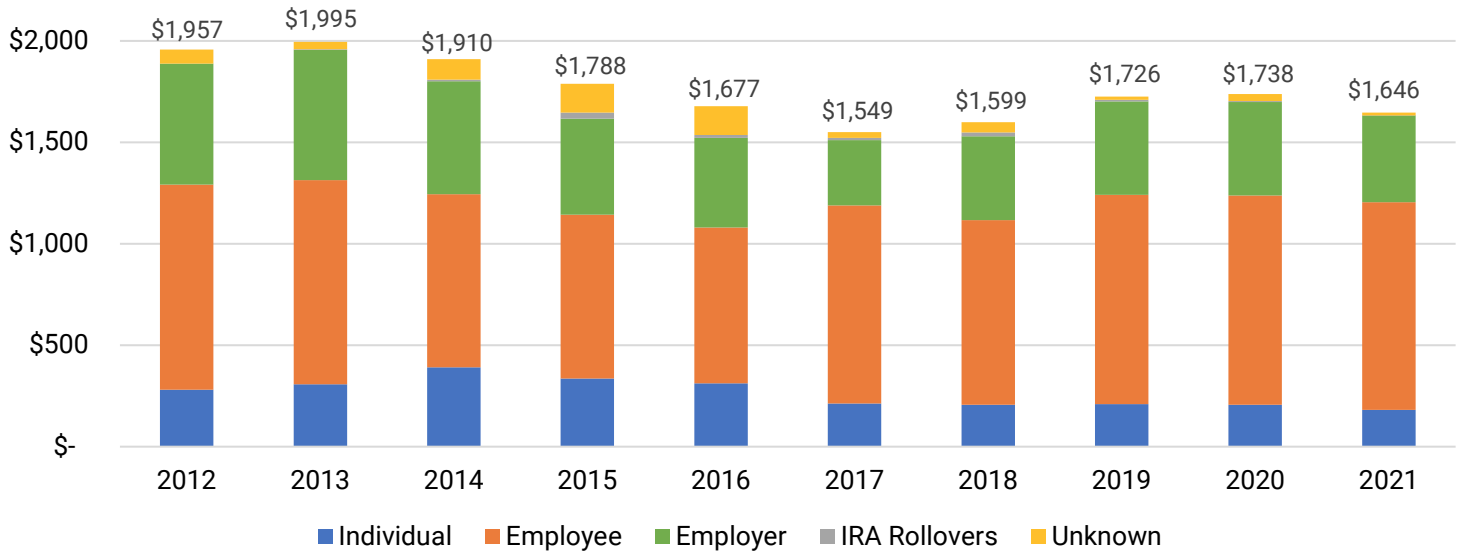
A funded account is defined as an account with a balance greater than \$0 at the end of the year.

# Industry Contributions

## Contributions 2021 (\$)



## Average Contribution Per Funded Account



A funded account is defined as an account with a balance greater than \$0 at the year-end.



### 2021 Employer Contributions

26% of all HSA dollars contributed to an account came from an employer. The average employer contribution was \$867 (for those making contributions).



### 2021 Employee Contributions

61% of all HSA dollars contributed to an account came from an employee. The average employee contribution was \$2,101 (for those making contributions).



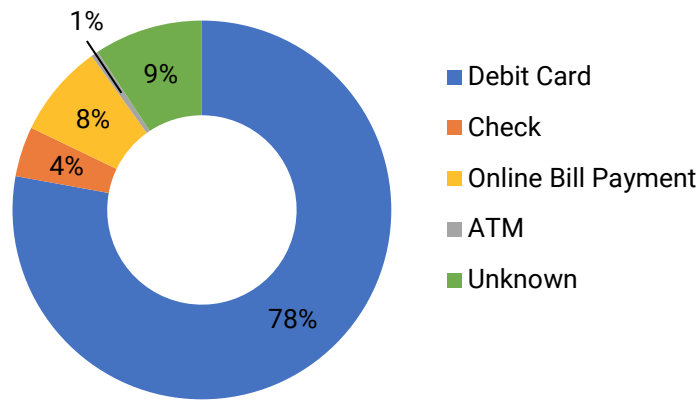
### 2021 Individual Contributions

11% of all HSA dollars contributed to an account came from an individual account not associated with an employer. The average individual contribution was \$2,079 (for those making contributions).

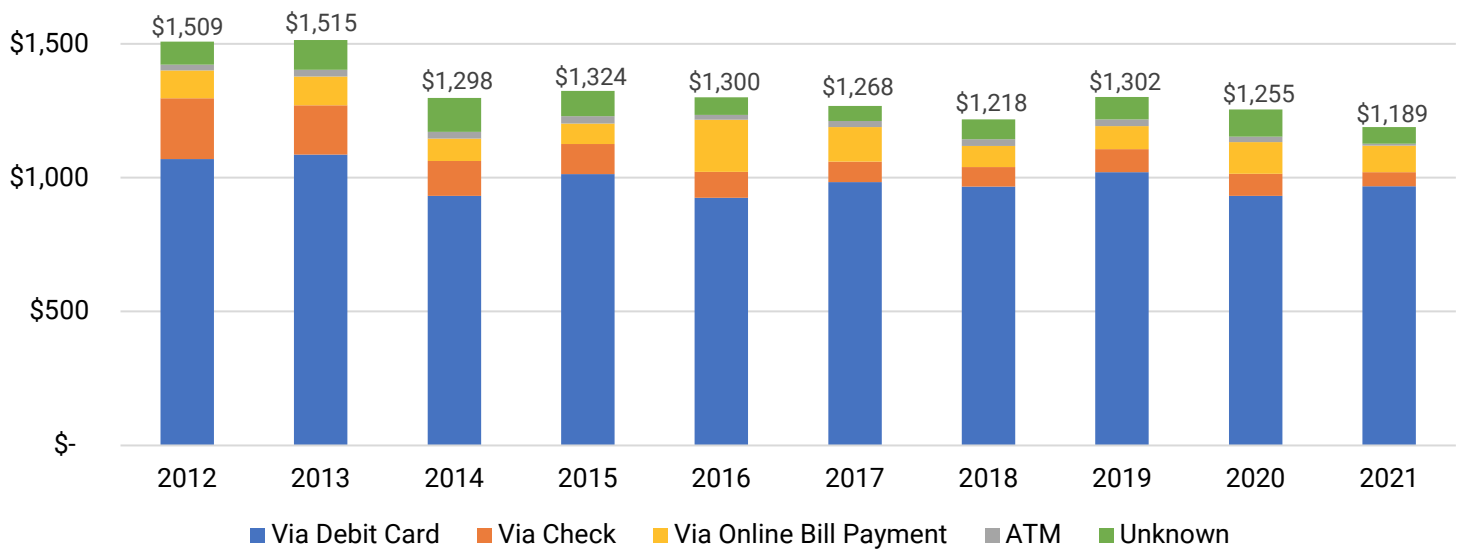
The remaining contributions in 2021 came from IRA rollovers & other sources.

# Industry Withdrawals

## Withdrawals 2021 (\$)



## Average Withdrawal Per Funded Account



A funded account is defined as an account with a balance greater than \$0 at the end of the year.

### 2021

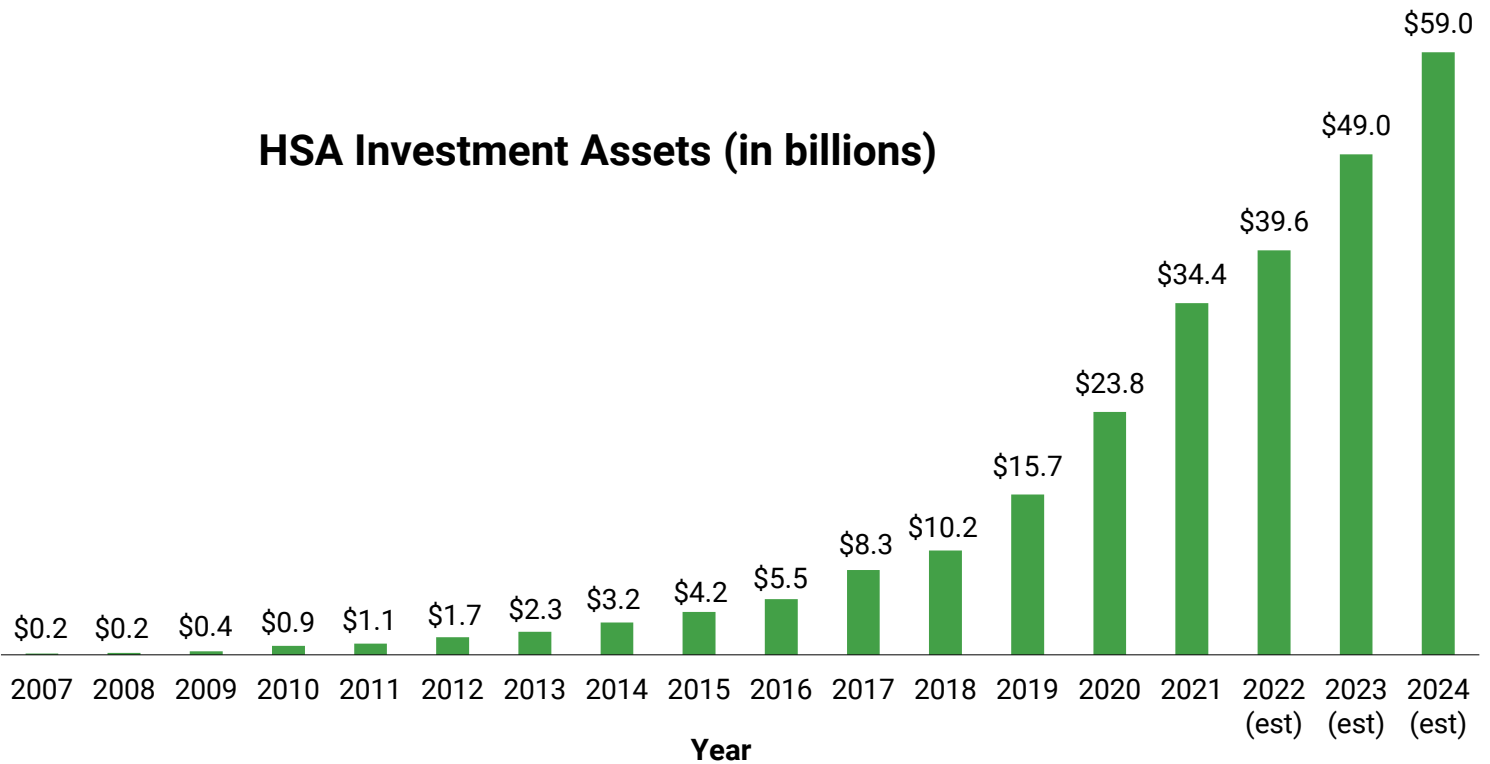
	Average Number of Withdrawals Per Account	% Of Total Withdrawals (#)	Average Transaction Size
Debit Card	7.8	89%	\$112
Check	0.2	2%	\$308
Online Bill Pay	0.7	7%	\$150
ATM	0.2	1%	\$124
Unknown	0.2	2%	\$341



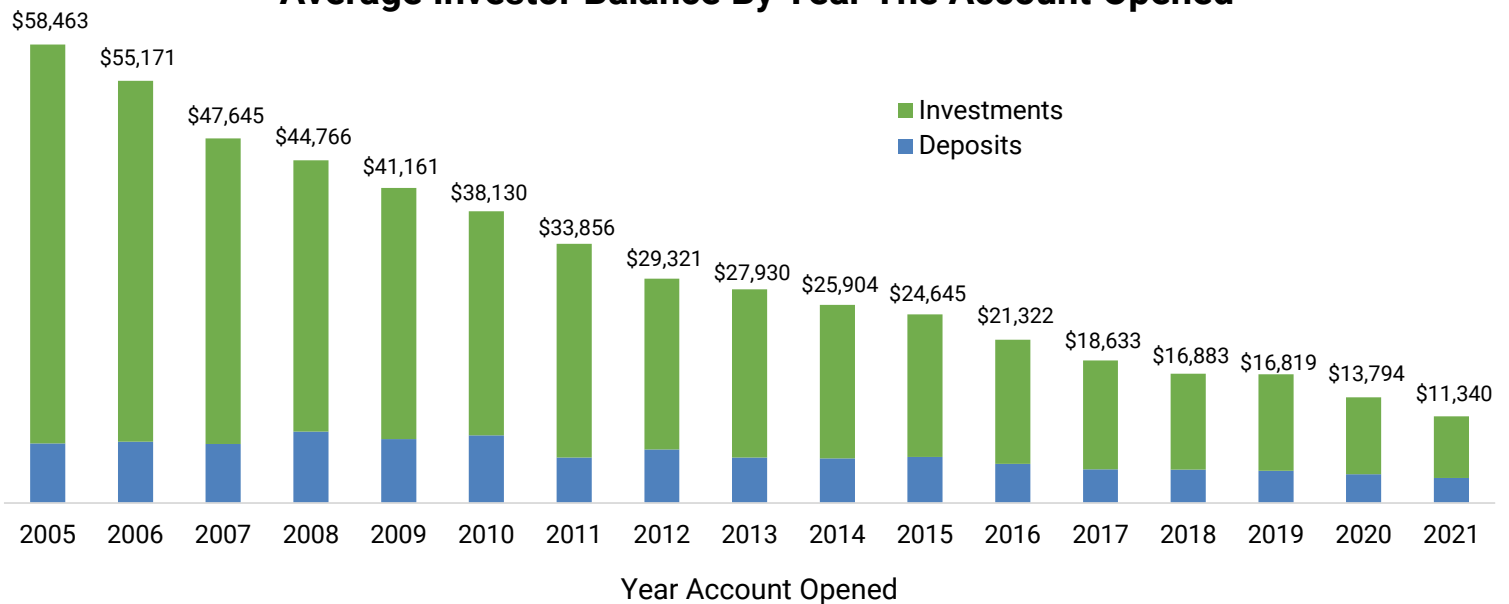
# HSA Investments

- **\$34.4 billion** estimated in HSA investment assets as of December 31st, 2021, a 45% year-over-year increase.
- **35%** of all HSA assets are in investments as of December 31st, 2021.
- **\$19,224** average total balance (deposits and investments combined) for HSA investment accounts, 7.3 times larger than an average funded non-investment holder's account balance.

## HSA Investment Assets (in billions)



## Average Investor Balance By Year The Account Opened



## Looking Forward

HSA providers project HSA industry asset growth of 15% in 2022, while anticipating their own business will grow by 20% during the same period. Historically HSA providers have been fairly accurate with their growth forecasts, demonstrating an impressive understanding of the outlook for their book of business. However, in both 2020 and 2019 HSA providers significantly underestimated HSA market asset growth. Devenir currently projects that the HSA market will reach 38 million accounts by the end of 2024, holding \$150 billion in assets.

# January Supplement

This section primarily draws data from the January 2022 Supplemental Survey. All year-end survey participants were invited to participate in the January 2022 supplement, with participation varying from small community banks to the largest HSA providers.

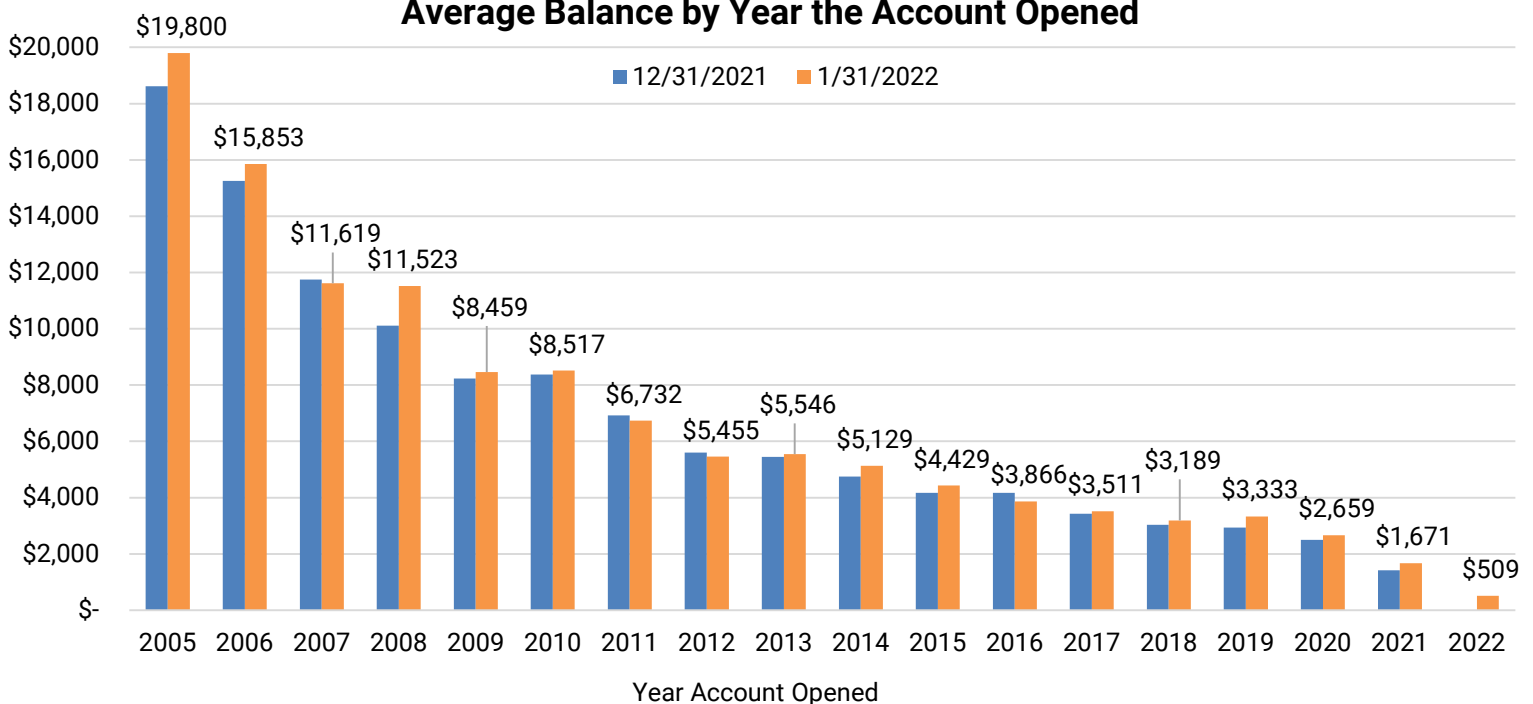
**HSA assets hit \$100 billion milestone.** Despite a large market pull back leading to a reduction of \$1.4 billion in HSA investments, the influx of January contributions helped propel overall HSA assets to \$100.7 billion, up 3% since the end of 2021. Accounts grew by 3%, with the total number of HSA accounts rising to an estimated 33.4 million.

**Employers continue to drive January growth.** 33% of HSA accounts received an employer contribution during the month of January. Employers contributed 58% of all dollars flowing into HSA accounts during the month of January, with an average contribution of \$494.

**Mixed bag for HSA investments.** The S&P 500 index was down 5.3% during the month of January (it's worst month since March 2020), leading HSA investment assets to shrink 4% to \$33 billion at the end of January. Despite poor market performance, the number of HSA accounts investing grew by 14% during January alone to reach 2.6 million accounts.

**Fewer unfunded accounts.** At the end of 2021, unfunded accounts represented about 21% of all accounts, but by the end of January 2022 that number was down to about 18% of all accounts.

**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 Team

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Thank you for your participation!

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