

# Devenir Research

## 2022 Midyear HSA Market Statistics & Trends Executive Summary

---

report release date: 9.20.2022



## Table of Contents

Key Findings .....	3
HSA Industry Level Account Data .....	4
Industry Contributions and Withdrawals .....	6
HSA Investments .....	9
Looking Forward .....	10
About Devenir .....	11

## Report Methodology

The majority of this report was derived from the 2022 Midyear Devenir HSA Market Survey. The survey was carried out primarily in July 2022, and largely consisted of top 100 providers in the health savings account market. All data was requested for the period ending on June 30th, 2022.

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

### Stock market headwinds stunt asset growth.

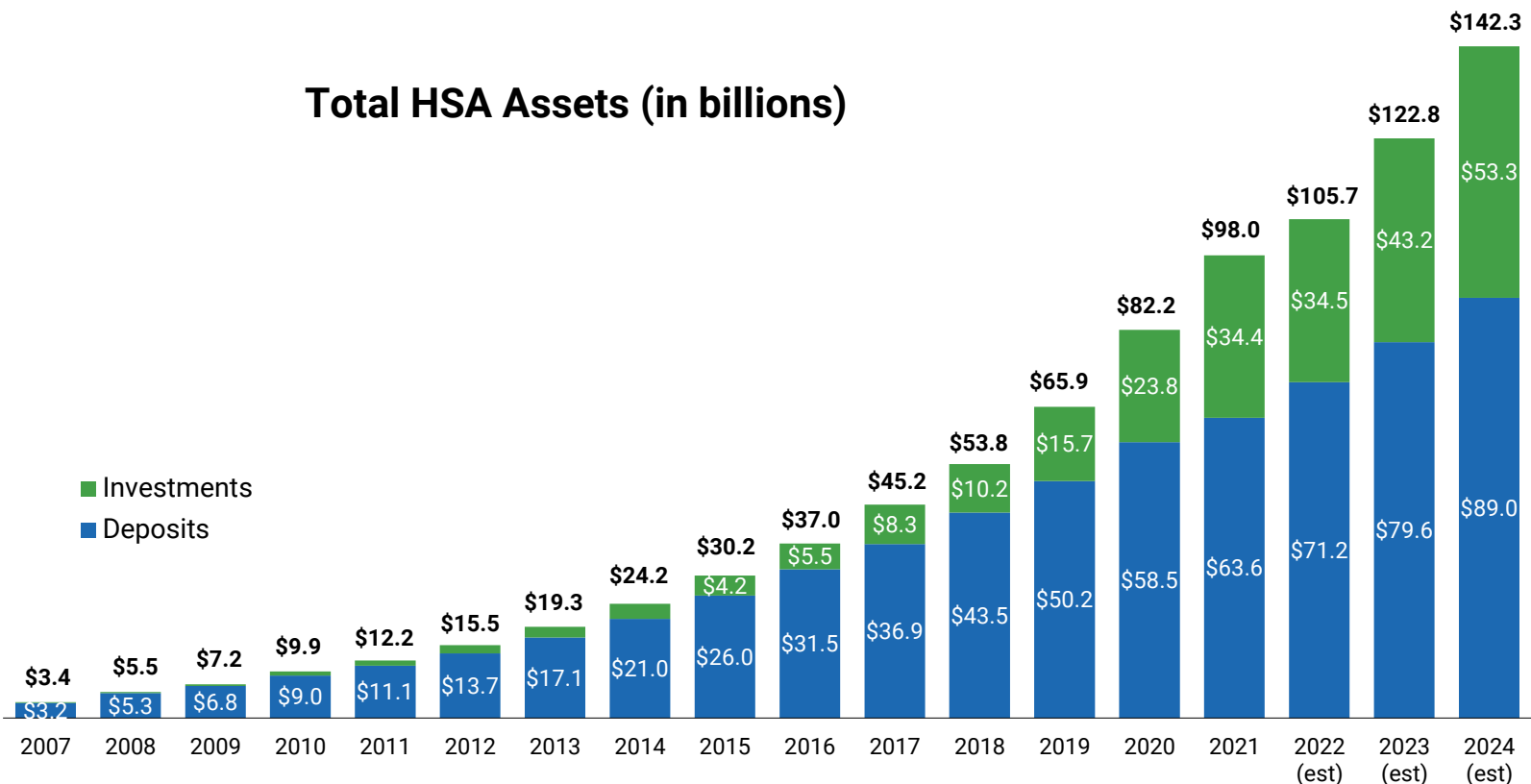
Hindered by market headwinds, health savings accounts grew to \$98.8 billion in assets held in almost 34 million accounts, a year-over-year increase of 6% for assets and 9% for health savings accounts for the period ending June 30th, 2022.

**HSA investment assets contract.** With stocks seeing their worst first half of the year since 1970, HSA investment assets were down almost 10% from the end of 2021, totaling an estimated \$31 billion at the end of June (up 2% from the year prior). On average, investment account holders held a \$16,220 total balance (deposits and investments combined) at the end of June.

**More HSAs investing.** Over 2.4 million health savings accounts have at least a portion of their HSA dollars invested, representing over 7% of all accounts.

**HSA contribution and withdrawal activity picks back up.** Account holders contributed over \$26 billion to their accounts in the first half of 2022 (up 11% from the year prior) and withdrew \$18 billion from their accounts in the first half of 2022 (up 12% from year prior).

## Total HSA Assets (in billions)

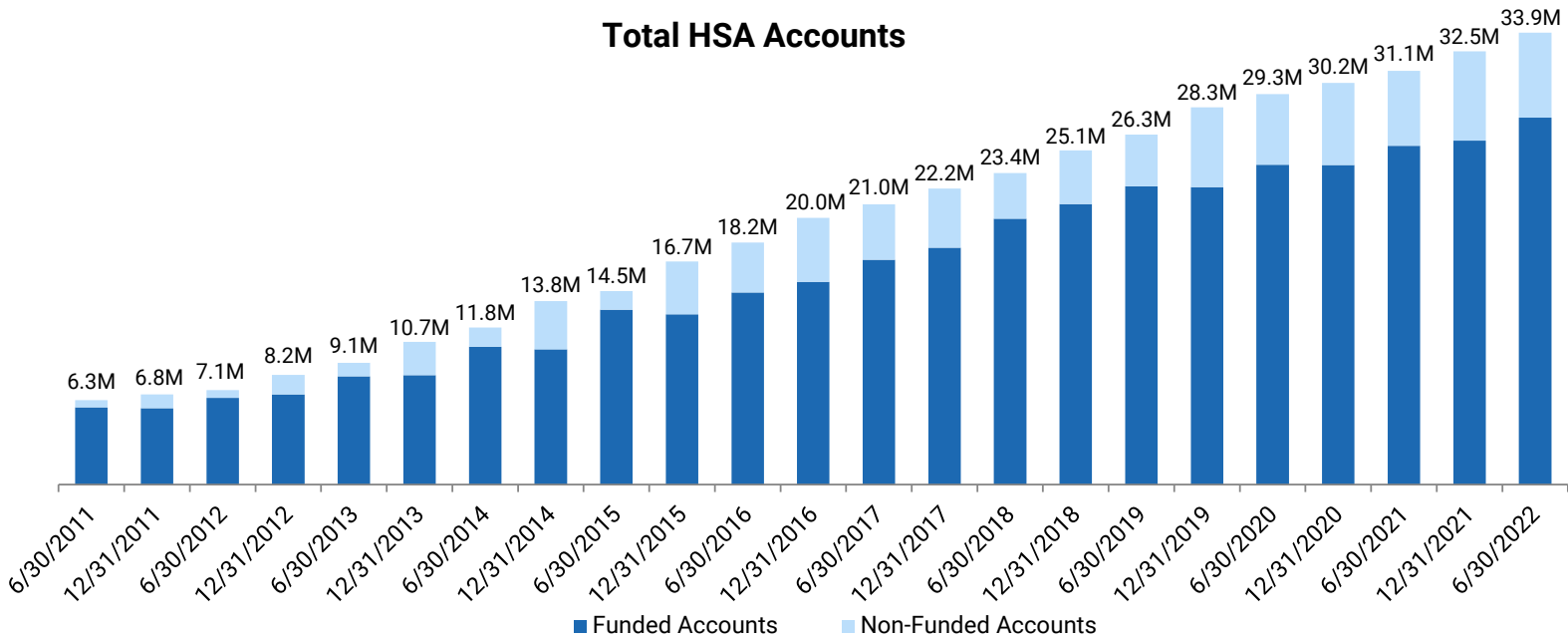


Source: Estimates derived from 2022 Midyear Devenir HSA Market Survey, press releases, previous market research, and market growth rates.

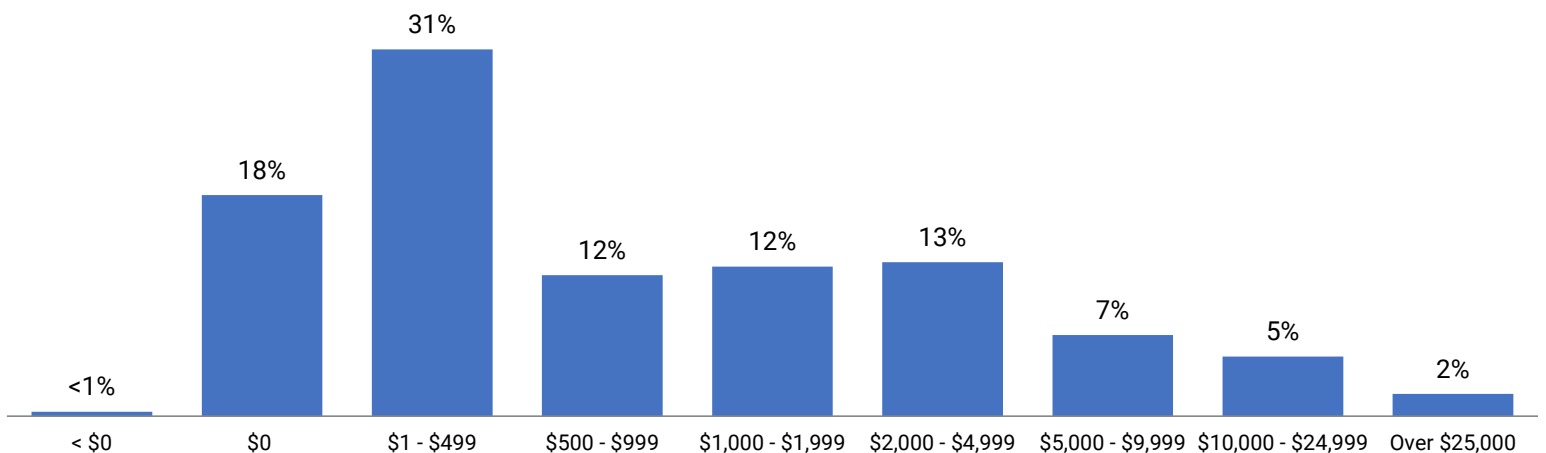
# HSA Industry Level Account Data

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 and we saw this continue during the first half of 2022. 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 2022, almost 19% of all accounts were unfunded, up from 18% a year ago.

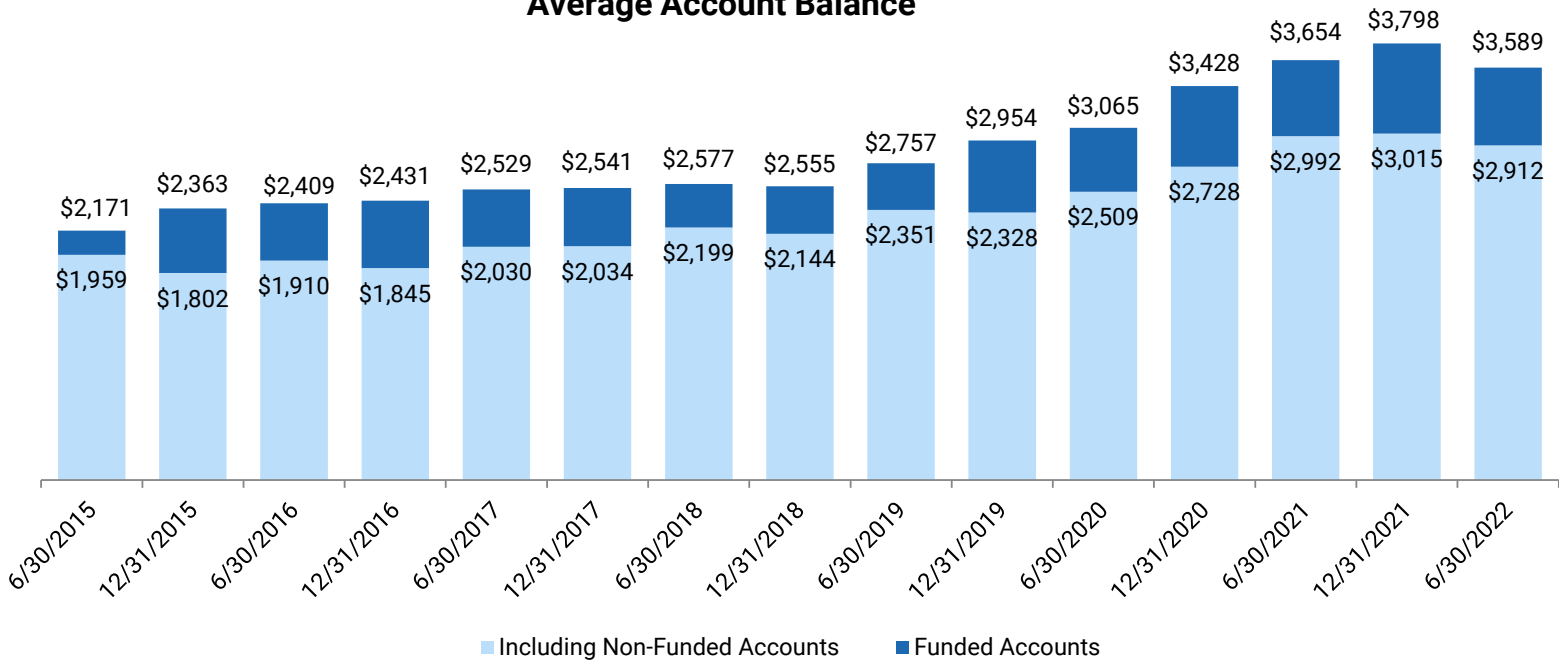
**Total HSA Accounts**



**Health Savings Account Balance Distribution**

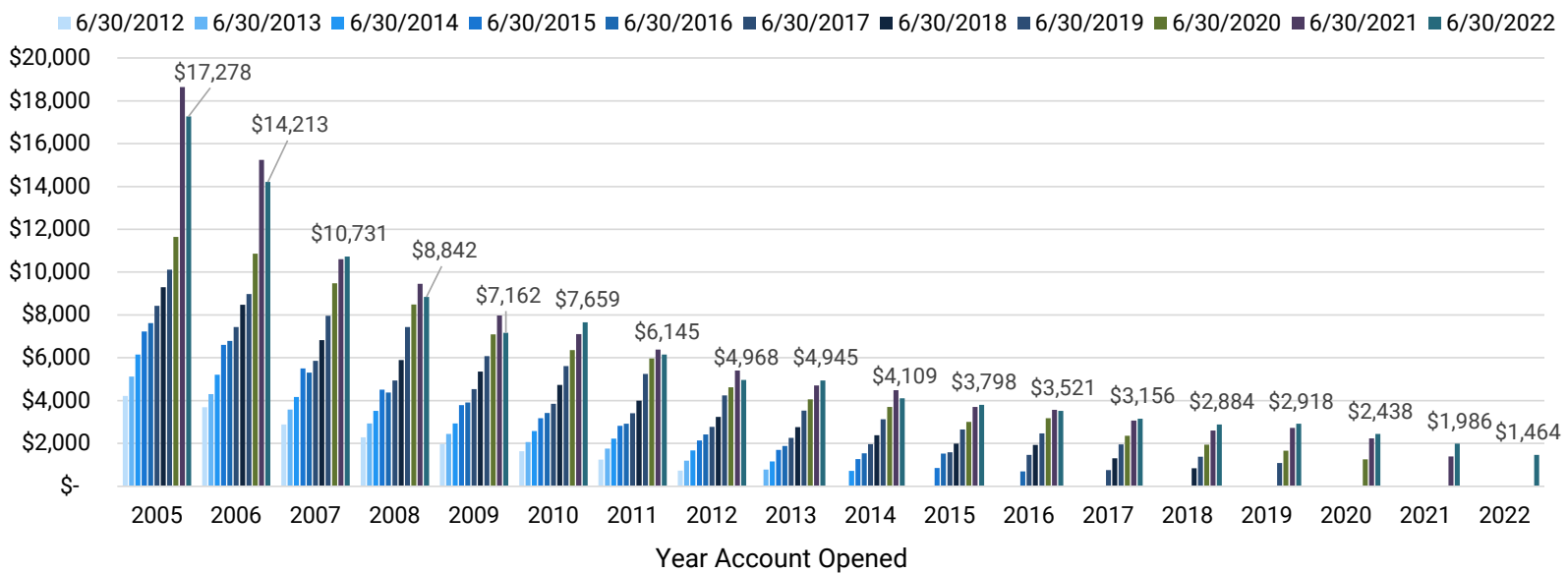


## Average Account Balance



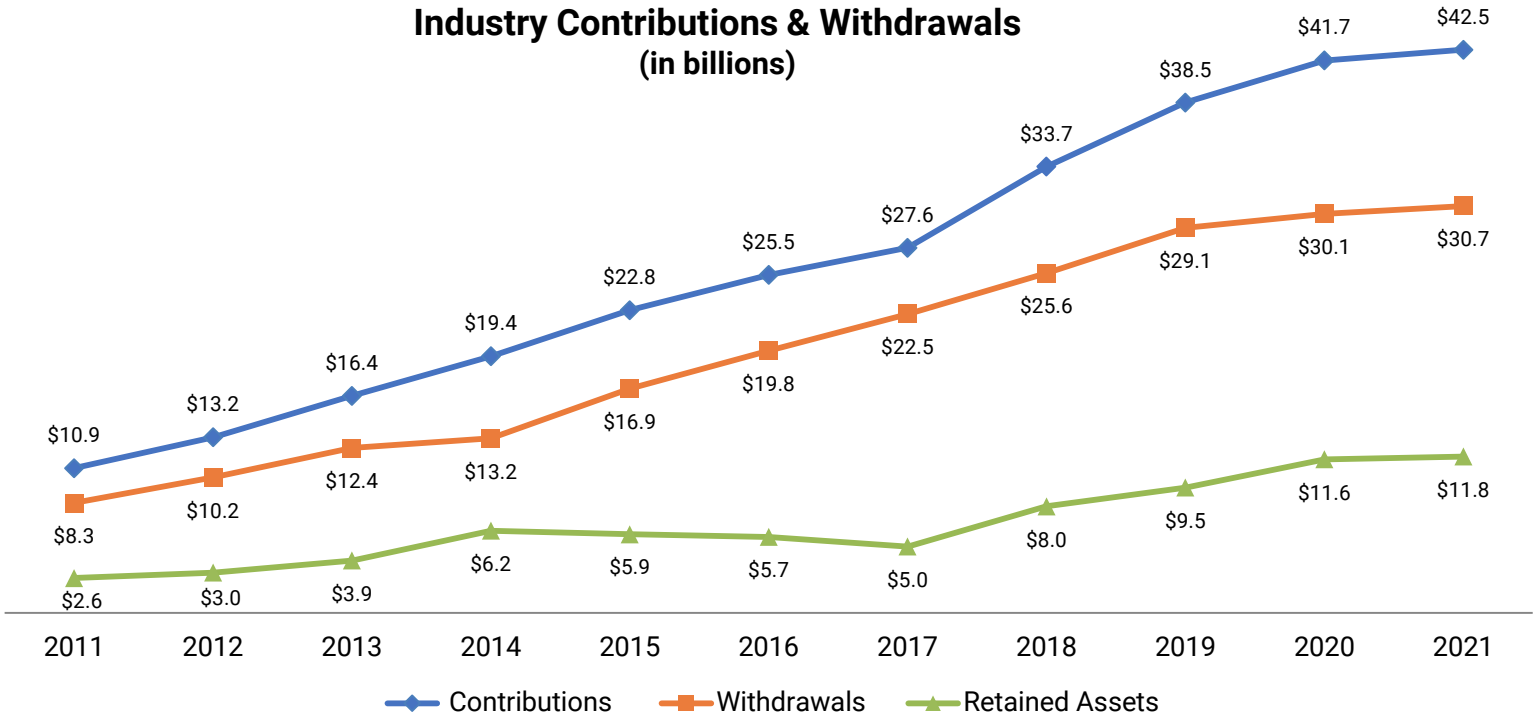
HSAs opened during the first half of 2022 had an average balance of \$1,464 at the midyear point, compared to \$1,385 for accounts opened in 2021 and \$1,770 for accounts opened in 2020. We believe a contributing factor to the trend of newer accounts having higher balances is a result of HSA providers reporting M&A or market share gains from existing accounts won in 2022 as having been opened the same year.

## Average Balance By Year The Account Opened



# Industry Contributions and Withdrawals

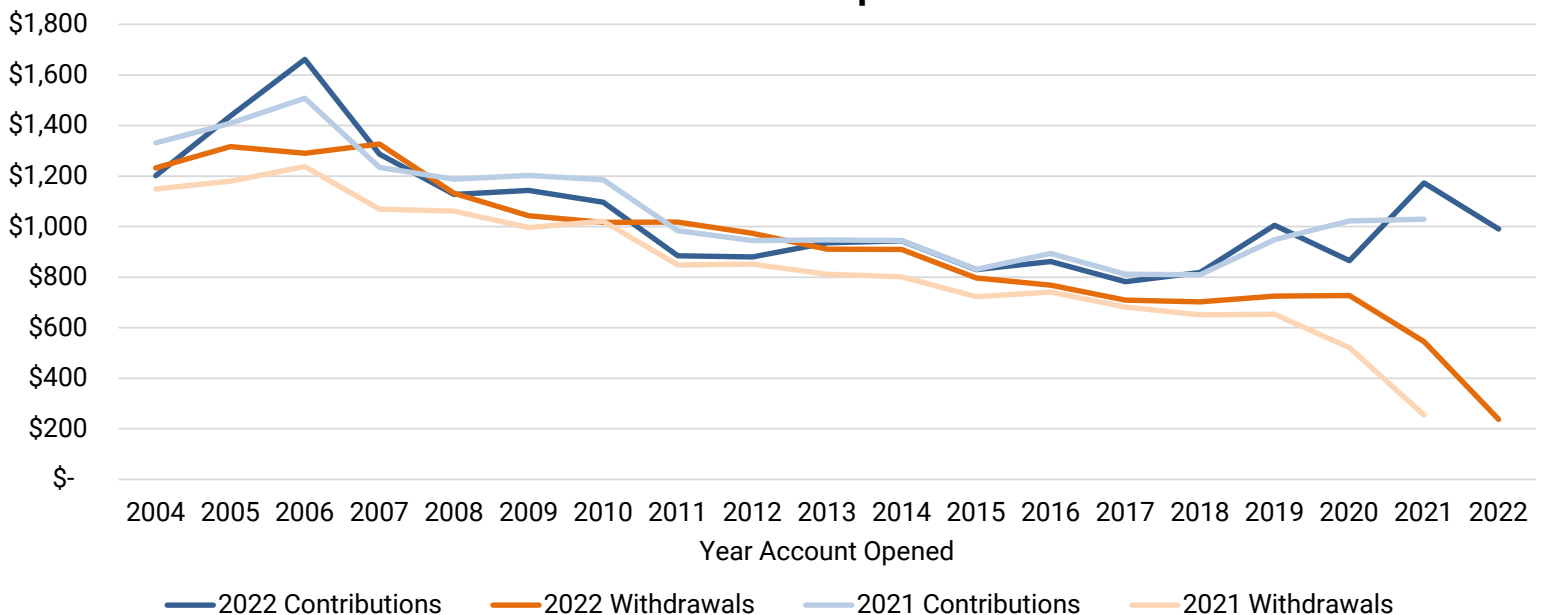
**Industry Contributions & Withdrawals**  
(in billions)



Below is an industry estimate of total contributions and withdrawals for the period 1/1/22 - 6/30/22.

2022 YTD Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$26,388,000,000	\$18,065,000,000	\$8,322,000,000	32%

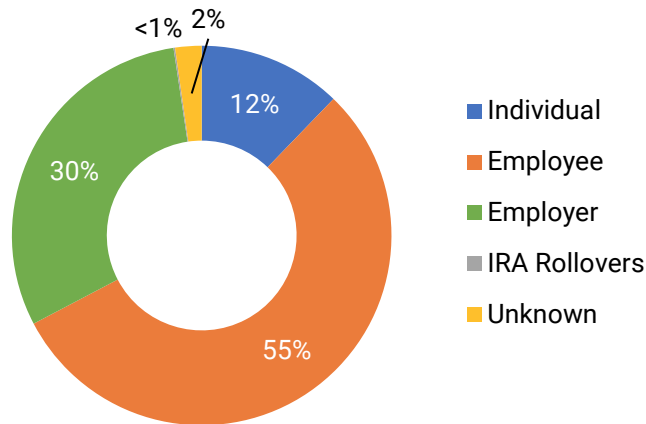
## First Half of Year Contributions & Withdrawals Per Funded Account by Year Account Opened



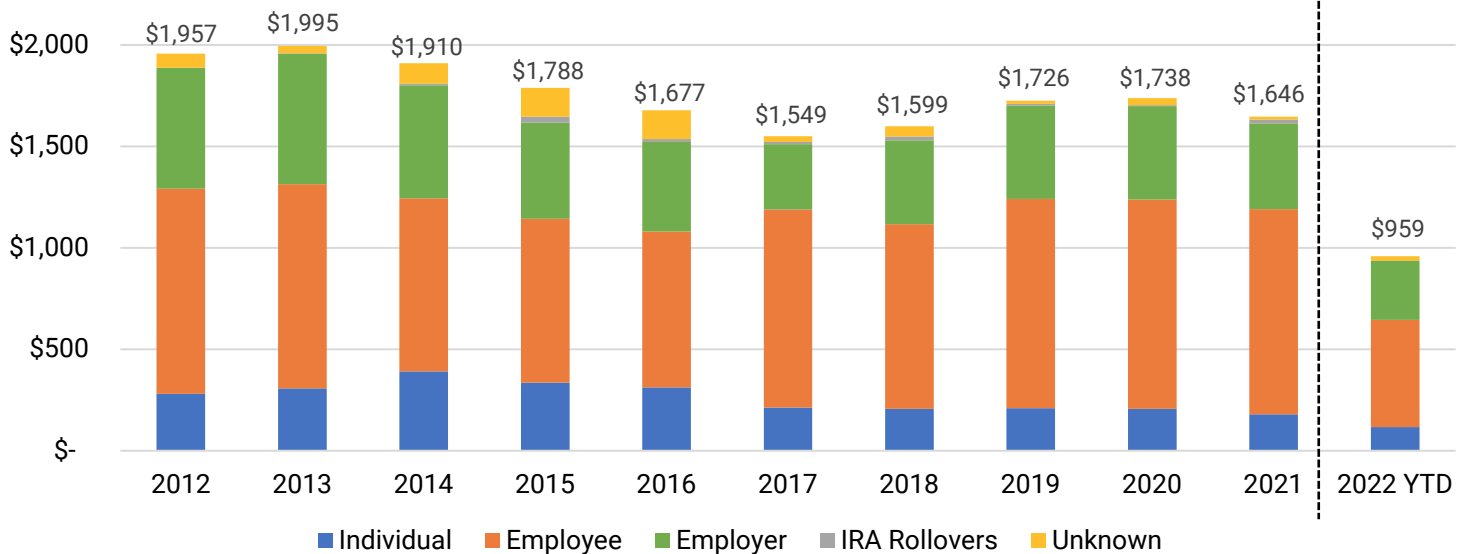
A funded account is defined as an account with a balance greater than \$0 at the midyear.

# Industry Contributions

## Contributions 2022 YTD (\$)



## Average Contribution Per Funded Account



**2022 YTD Employer Contributions**  
 30% of all HSA dollars contributed to an account came from an employer.  
 The average employer contribution was \$664 (for those making contributions).

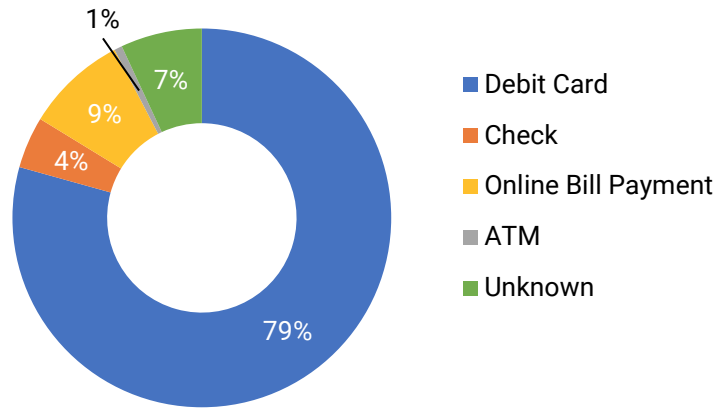
**2022 YTD Employee Contributions**  
 55% of all HSA dollars contributed to an account came from an employee.  
 The average employee contribution was \$1,182 (for those making contributions).

**2022 YTD 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 \$1,883 (for those making contributions).

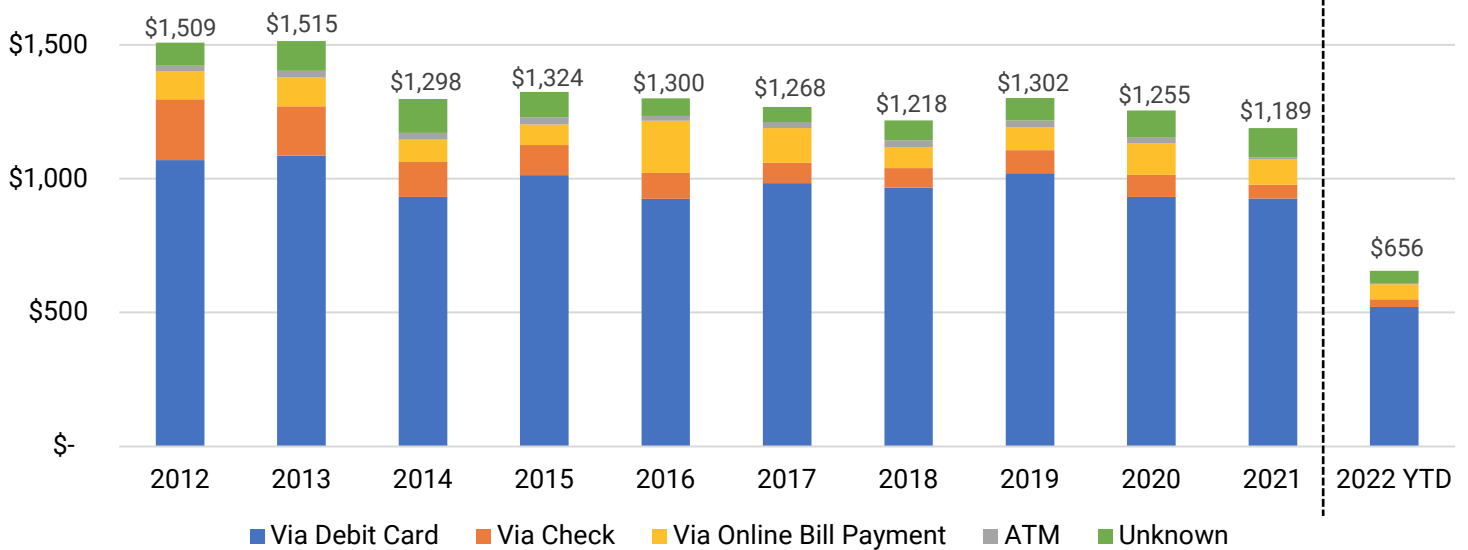
The remaining contributions in the first half of 2022 came from IRA rollovers & other sources.

# Industry Withdrawals

## Withdrawals 2022 YTD (\$)



## 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.

### 2022 YTD

	Average Number of Withdrawals Per Account	% Of Total Withdrawals (#)	Average Transaction Size
Debit Card	4.2	88%	\$114
Check	0.1	2%	\$306
Online Bill Pay	0.3	7%	\$167
ATM	0.1	1%	\$132
Unknown	0.2	3%	\$334

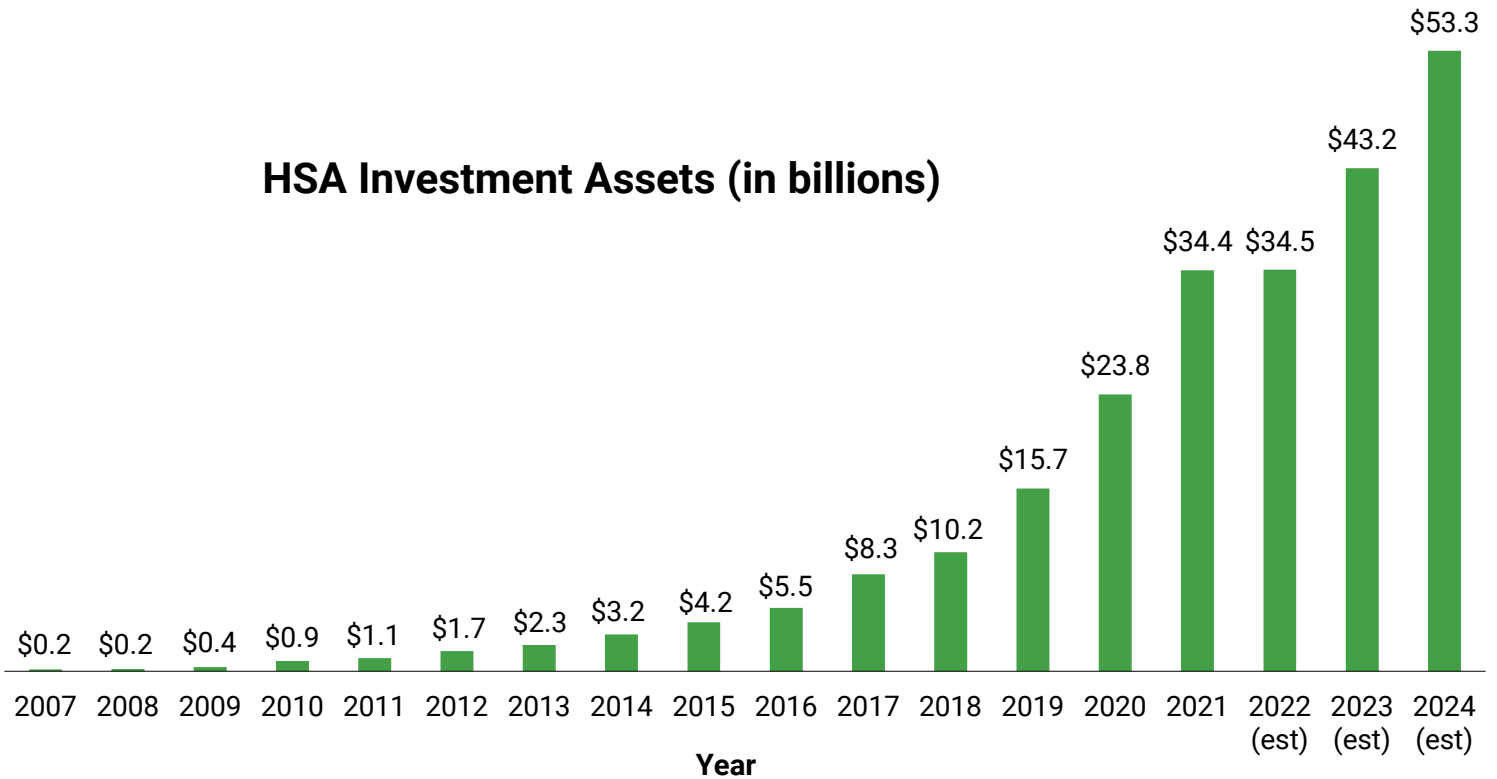
Note: Due to rounding, the above table may not total 100%.



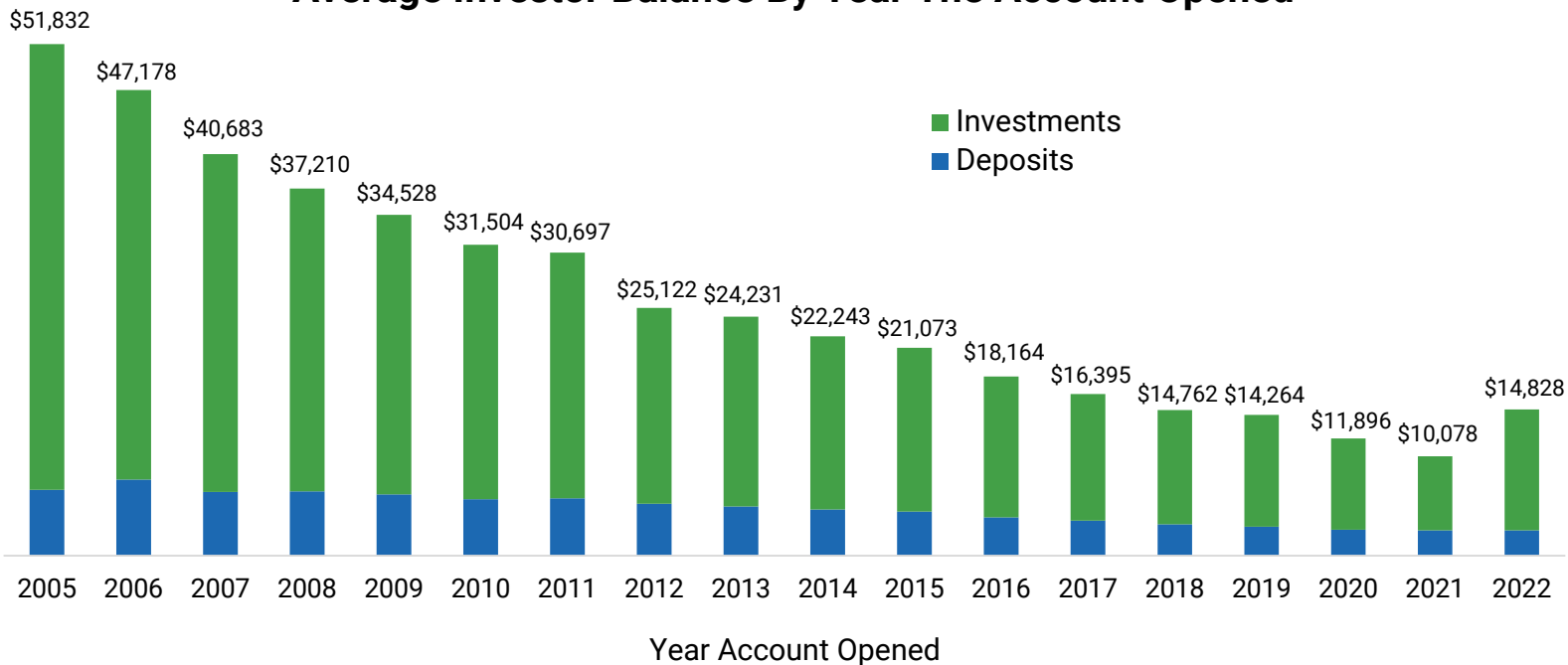
## HSA Investments

- **\$31 billion** estimated in HSA investment assets as of June 30th, 2022, a 2% year-over-year increase.
- **31%** of all HSA assets are in investments as of June 30th, 2022.
- **\$16,220** average total balance (deposits and investments combined) for HSA investment accounts, 6.8 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 10% in 2022 (down from 15% at the end of 2021), while anticipating their own business will grow by 13% during the same period (down from 20% at the end of 2021). Historically, HSA providers have been fairly accurate with their growth forecasts, demonstrating an impressive understanding of the outlook for their book of business. However, as a greater share of HSA assets are held in investments, market movement will make forward looking projections more difficult. Devenir currently projects that the HSA market will reach 39 million accounts by the end of 2024, holding \$142 billion in assets.

## 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

Jon Robb – Senior Vice President, Research & Technology

Eric Remjeske – President

Blake Jouwstra, CFA – Investment Analyst

Thank you for your participation!

©2022 Devenir Group, LLC (Devenir). All Rights Reserved. Reproduction or redistribution of this report by any means is strictly prohibited. The information, data, analyses, and opinions presented herein do not constitute business or investment advice; are provided solely for informational purposes; and is not warranted to be correct, complete, or accurate. The opinions are expressed as of the date written and are subject to change without notice. Except as otherwise required by law, Devenir, shall not be responsible for any decisions, damages, or other losses resulting from, or related to, the information, data, analyses, or opinions or their use. The information contained herein is the proprietary property of Devenir and may not be reproduced or redistributed, in whole or in part, or used in any manner, without the prior written consent of Devenir.

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