

Devenir Research

2024 Midyear HSA Market Statistics & Trends Executive Summary

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Report Methodology

The majority of this report was derived from the 2024 Midyear Devenir HSA Market Survey. The survey was carried out in mid-2024 and all data was requested for the period ending on June 30th, 2024.

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.

This executive summary provides key highlights from the full 2024 Midyear Devenir HSA Research Report. For access to the complete report with detailed analysis and additional insights, please contact Devenir.

Key Findings

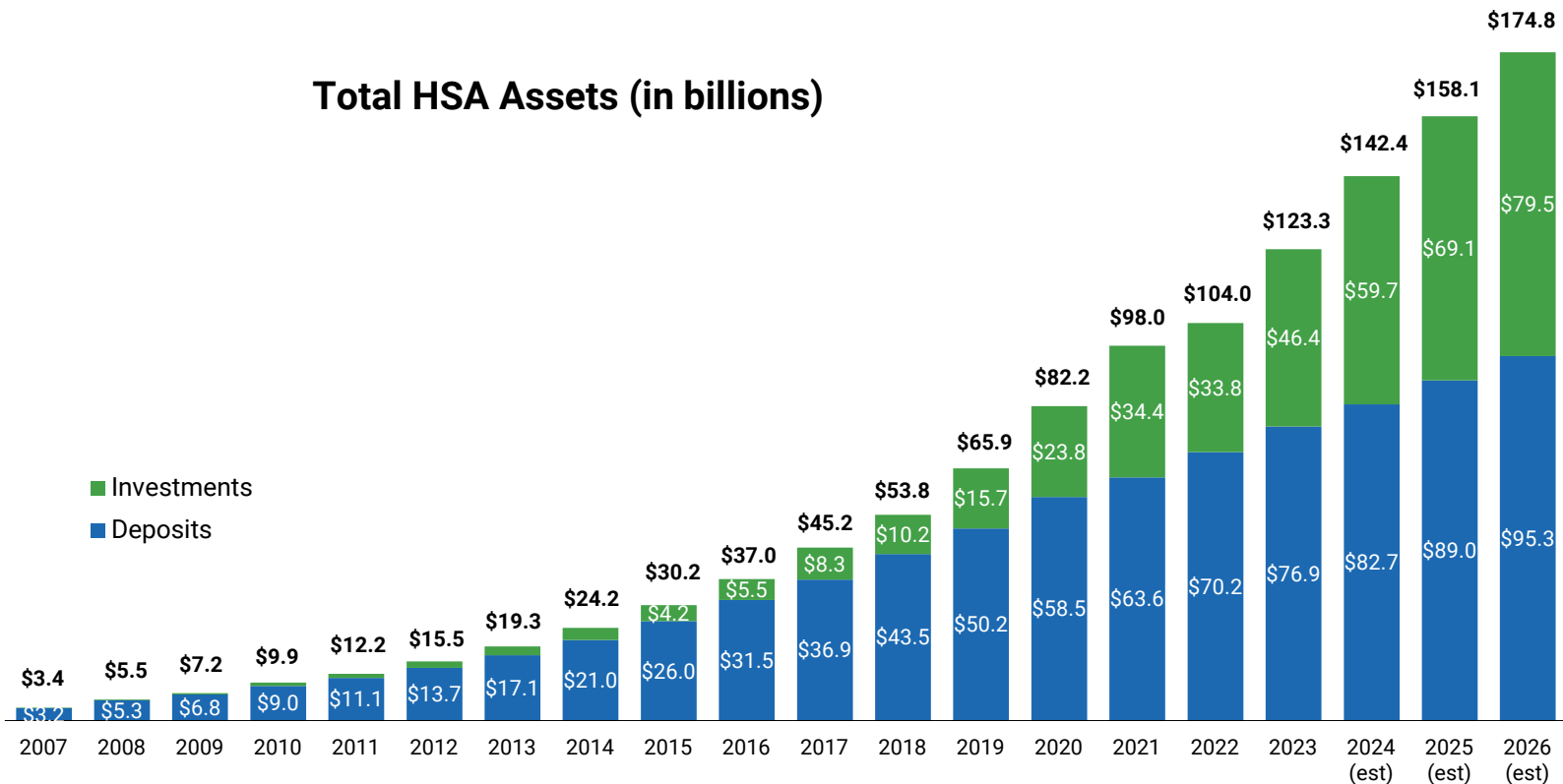
Strong asset growth. Supported by stock market tailwinds, HSA assets saw continued strong growth during the first half of 2024. Growth in the number of HSAs continued. At the midyear point of 2024, there were \$137 billion in HSA assets held in almost 38 million accounts, a year-over-year increase of 18% for assets and 5% for accounts.

Rapid growth in HSA investment assets. HSA investment assets saw continued rapid growth, driven by significant market returns during the first half of the year and increased recognition of HSAs' long-term potential. During the first half of 2024, HSA investment assets grew 21%, totaling \$56 billion at the midyear point.

Increase in HSA accounts investing. The number of HSAs investing continued to grow. About 3.2 million HSAs, representing almost 9% of all accounts, had at least a portion of their HSA dollars invested.

Slowing withdrawal activity. Account holders contributed \$31 billion to their accounts in the first half of 2024 (up 6% from the year prior) and withdrew \$20 billion from their accounts during the same period (down 2% from the year prior).

Total HSA Assets (in billions)

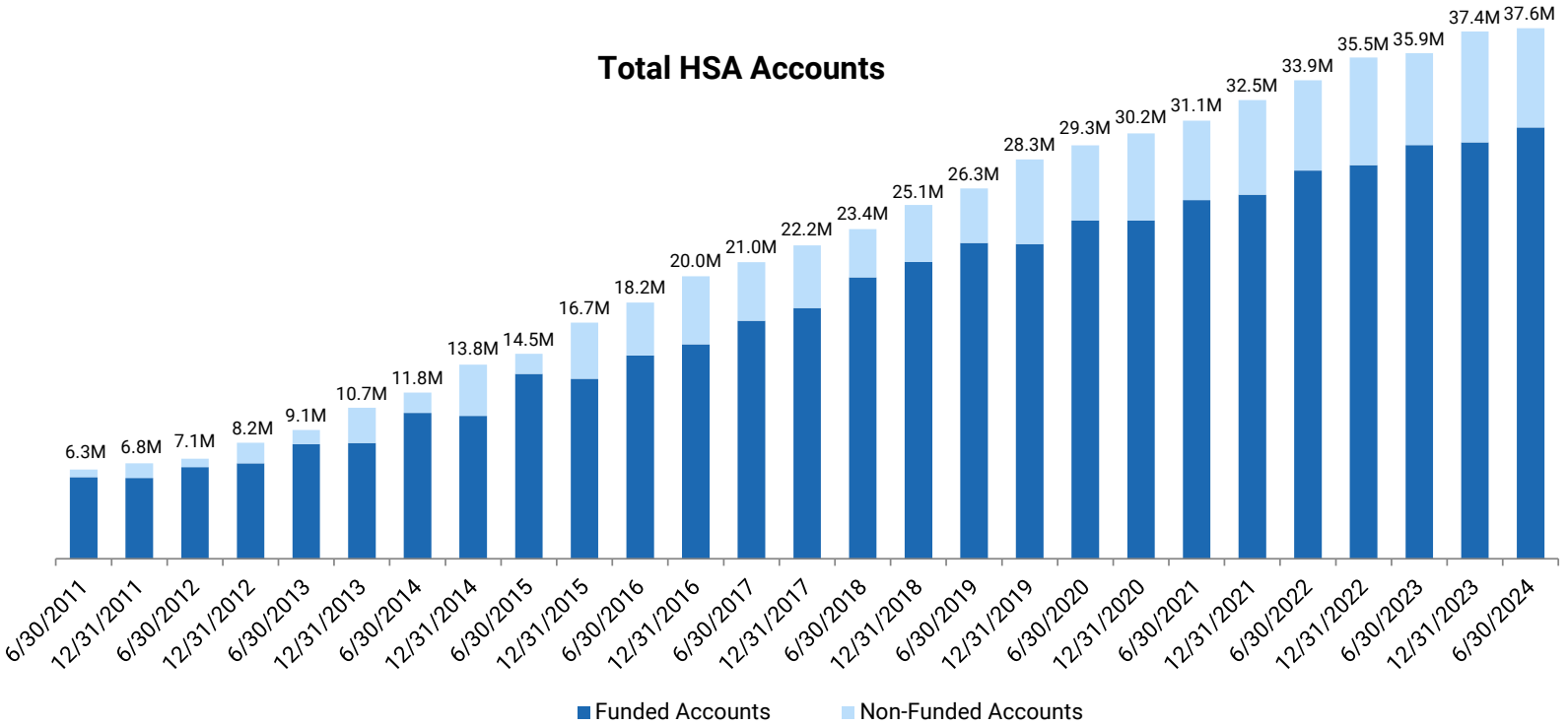


Source: Estimates derived from 2024 Midyear Devenir HSA Market Survey, press releases, previous market research, and market growth rates.

HSA Industry Level Account Data

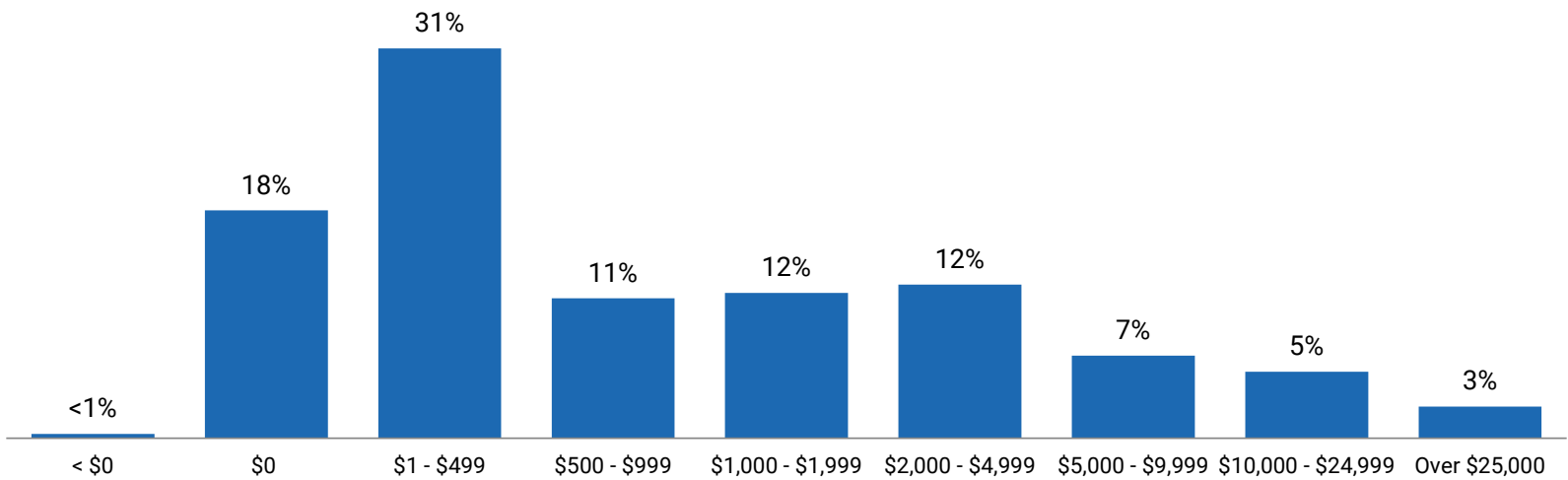
The pace of account growth has continued to moderate, growing about 5% year-over-year. There continues to be some seasonality in the percentage of accounts that are unfunded. Accounts are often opened during the fall open enrollment season, but remain unfunded until early the following year. Halfway through 2024, about 19% of all accounts were unfunded, up from 18% from a year ago.

Total HSA Accounts

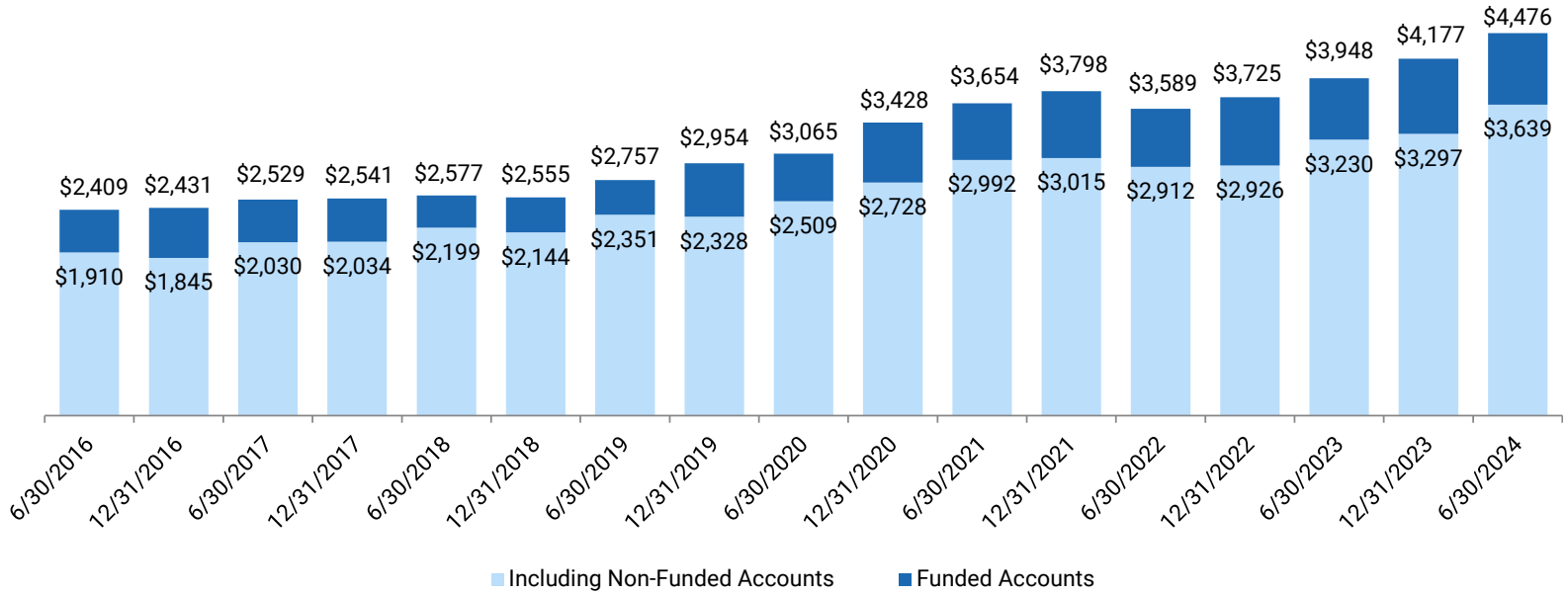


A funded account is defined as an account with a balance greater than \$0 as of 6/30/2024

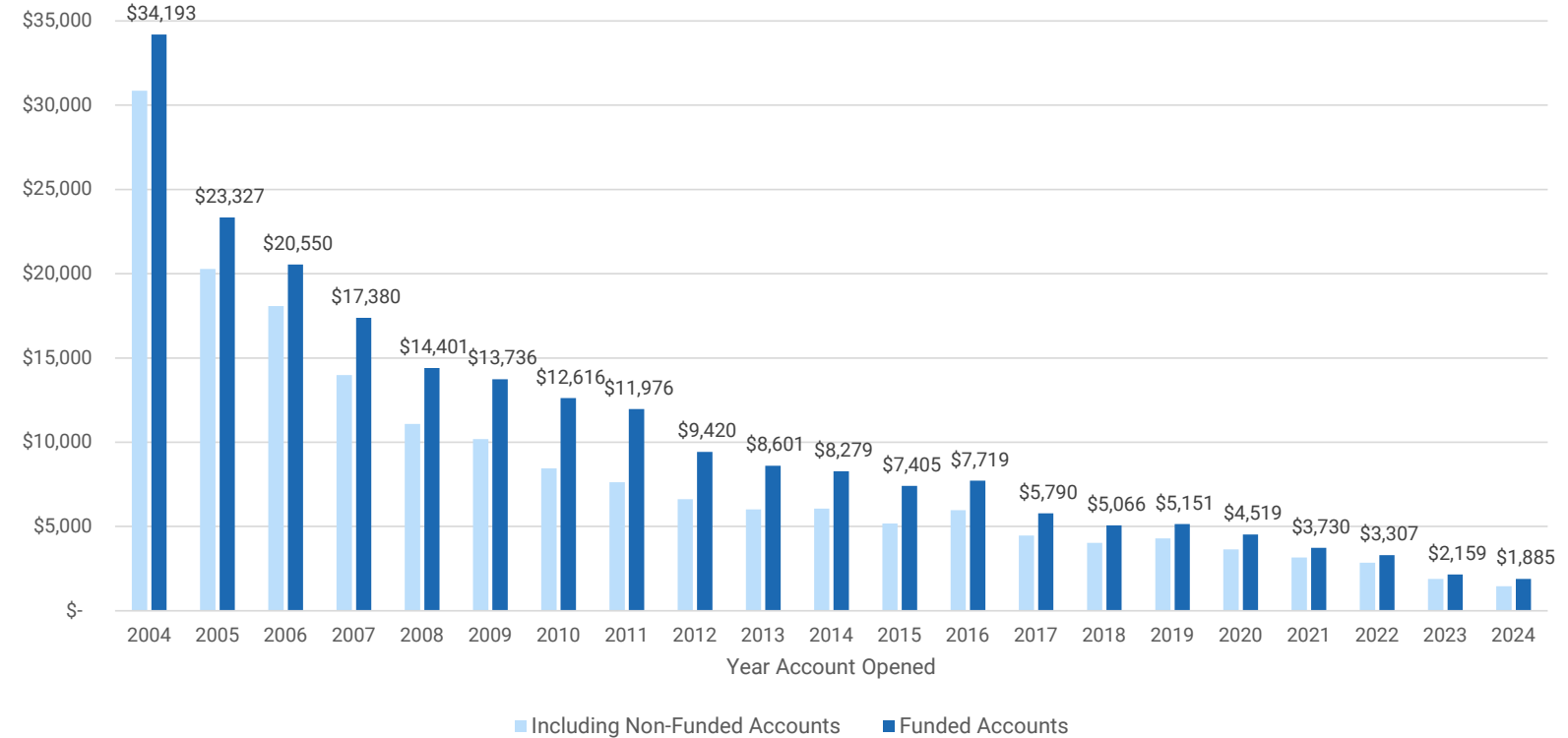
Health Savings Account Balance Distribution



Average Account Balance



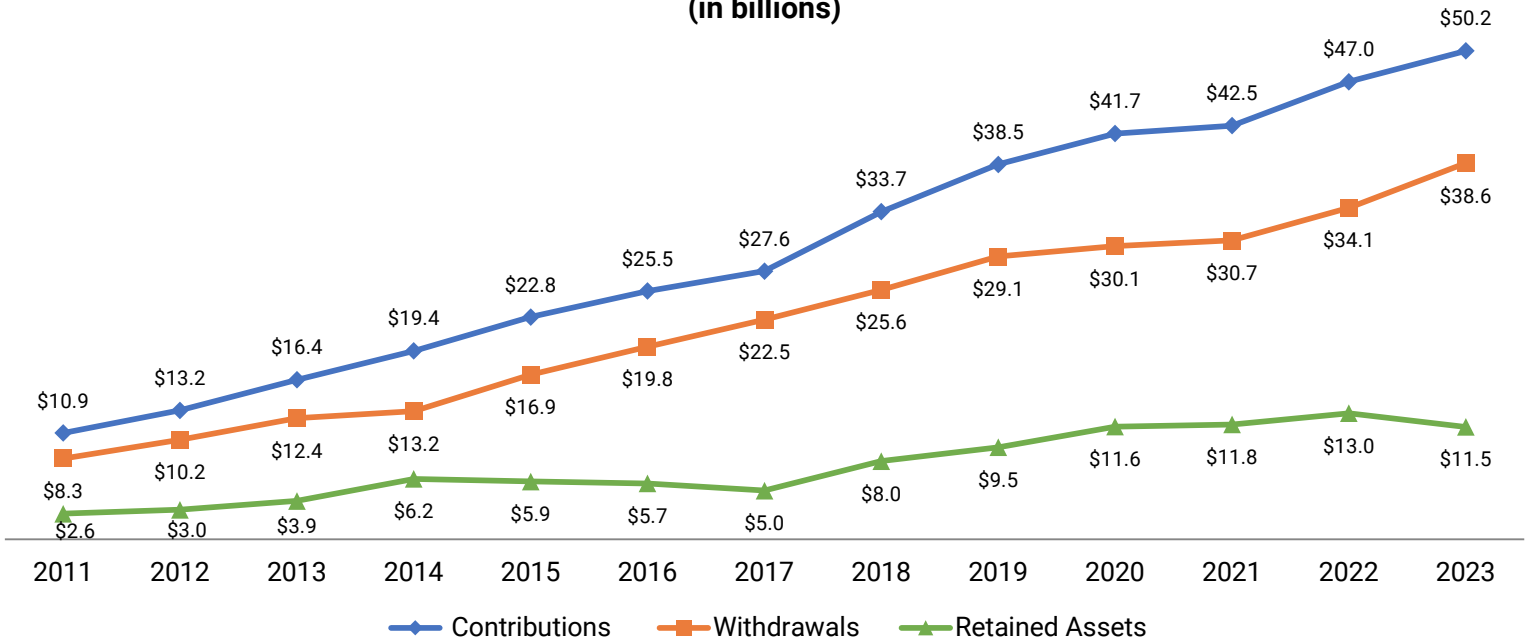
Average Balance by Year the Account Opened



A clear correlation is seen between account age and balance size. Funded accounts opened in 2004 have the highest average balance at \$34,193, while those opened in 2024 average \$1,885. This pattern holds consistently across the years, with a gradual decline in average balances for more recently opened accounts. The data demonstrates the cumulative effect of long-term HSA ownership, with older accounts benefiting from extended periods of potential contributions and possible investment growth.

Industry Contributions and Withdrawals

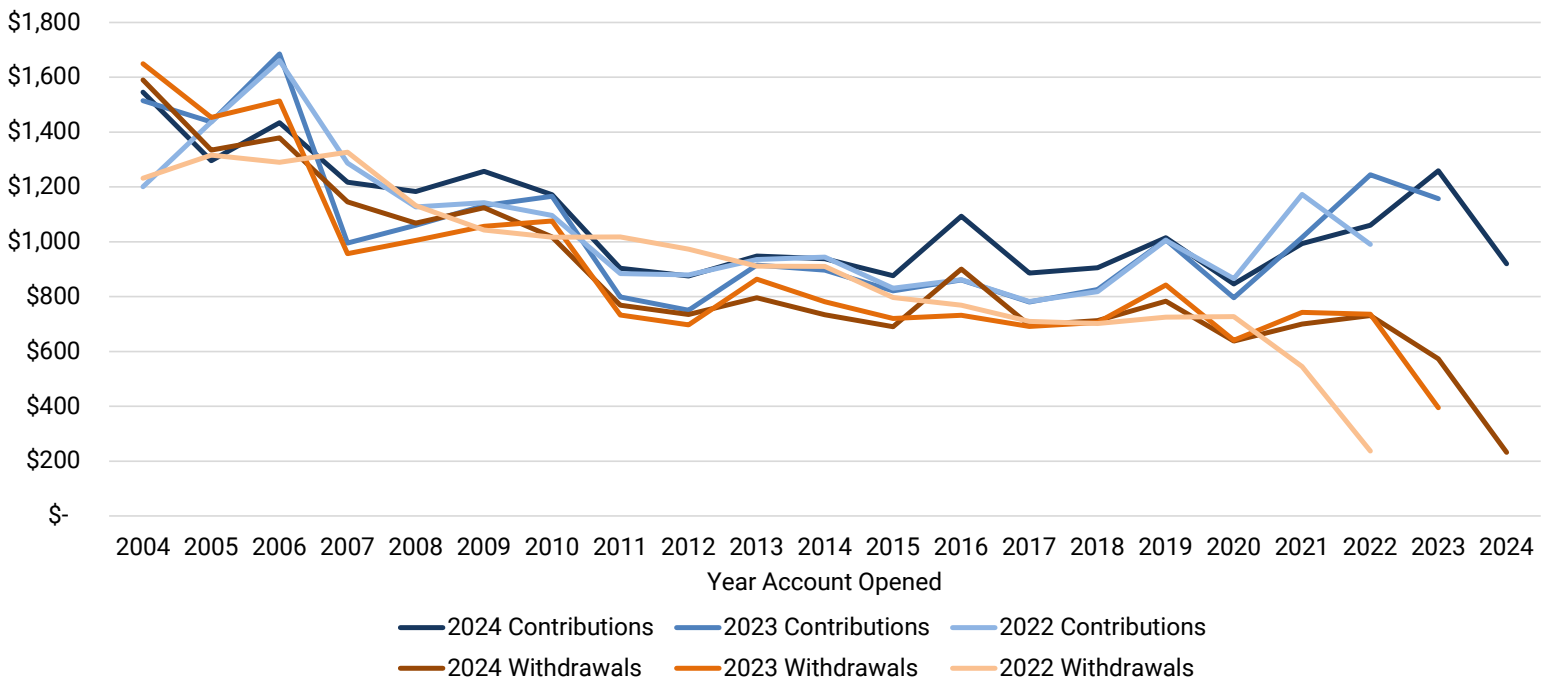
Industry Contributions & Withdrawals
(in billions)



Below is an industry estimate of total contributions and withdrawals for the period 1/1/24 - 6/30/24.

First Half 2024 Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$31,101,000,000	\$20,411,000,000	\$10,689,000,000	34%

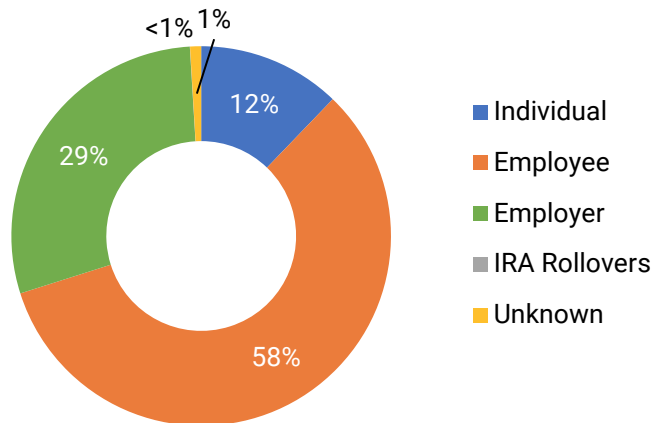
First Half of Year Average Contributions & Withdrawals Per Funded Account by Year Account Opened



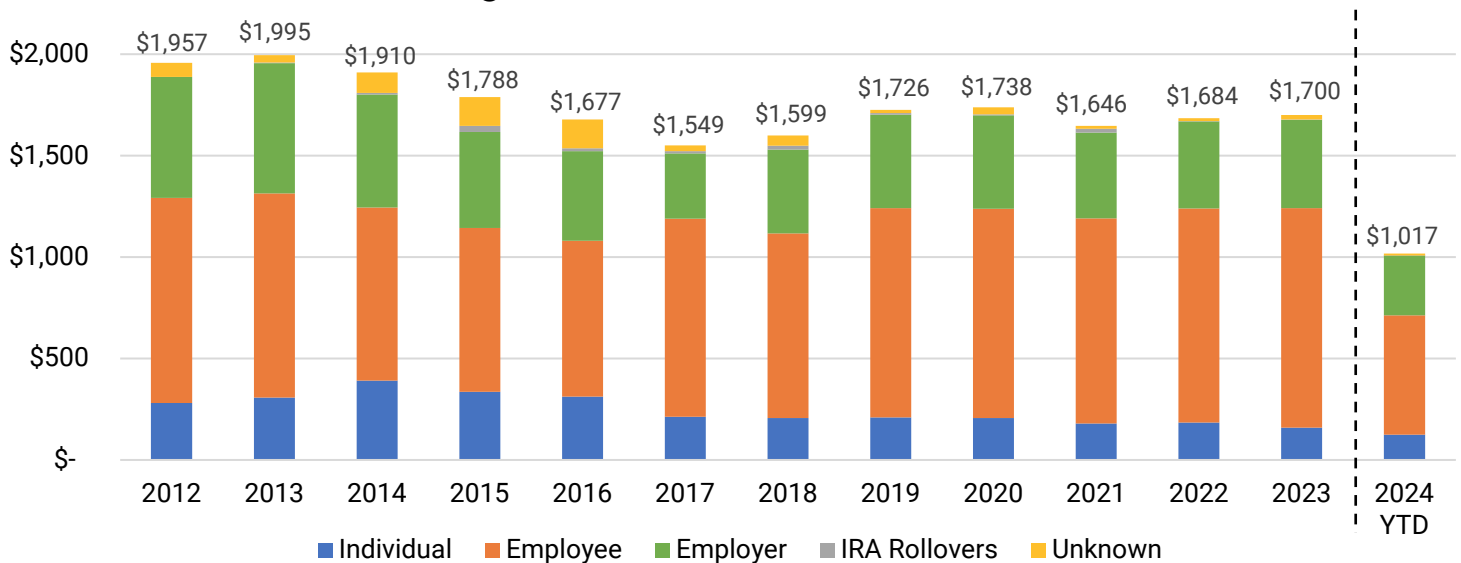

A funded account is defined as an account with a balance greater than \$0 as of 6/30/2024

Industry Contributions


Contributions 2024 YTD (\$)




Average Contribution Per Funded Account

First Half 2024 Employer Contributions
 29% of all HSA dollars contributed to an account came from an employer.
 The average employer contribution was \$706 (for those making contributions).



First Half 2024 Employee Contributions
 58% of all HSA dollars contributed to an account came from an employee.
 The average employee contribution was \$1,363 (for those making contributions).

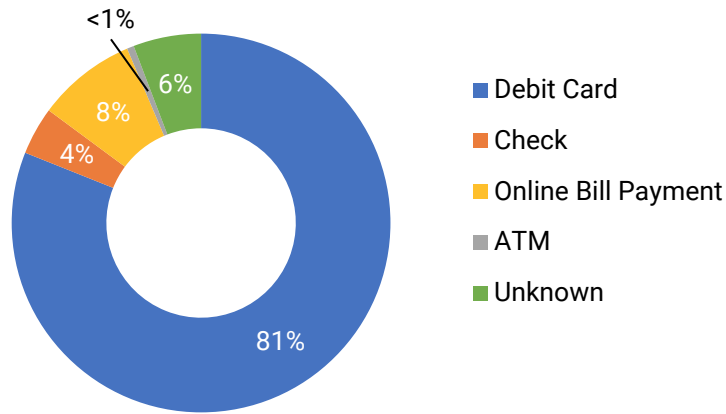


First Half 2024 Individual Contributions
 12% of all HSA dollars contributed to an account came from an individual account not associated with an employer.
 The average individual contribution was \$1,192 (for those making contributions).

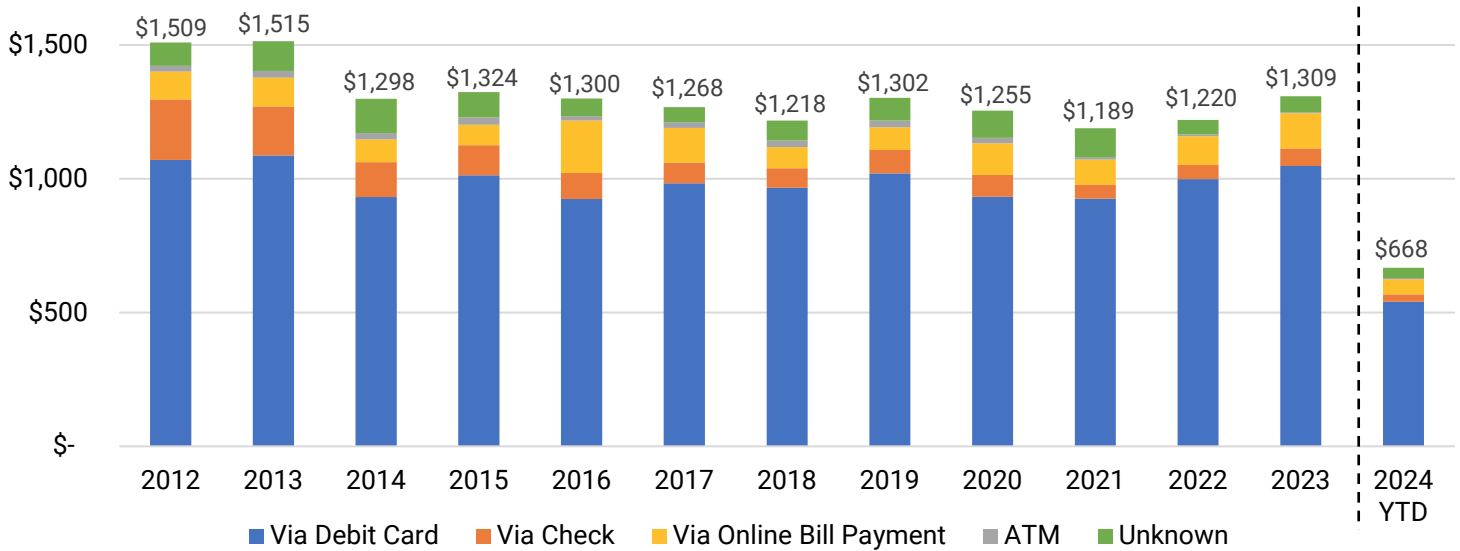
The remaining contributions in the first half of 2024 came from IRA rollovers & other sources.

Industry Withdrawals

Withdrawals 2024 YTD (\$)



Average Withdrawal Per Funded Account



A funded account is defined as an account with a balance greater than \$0 as of 6/30/2024.

2024 YTD

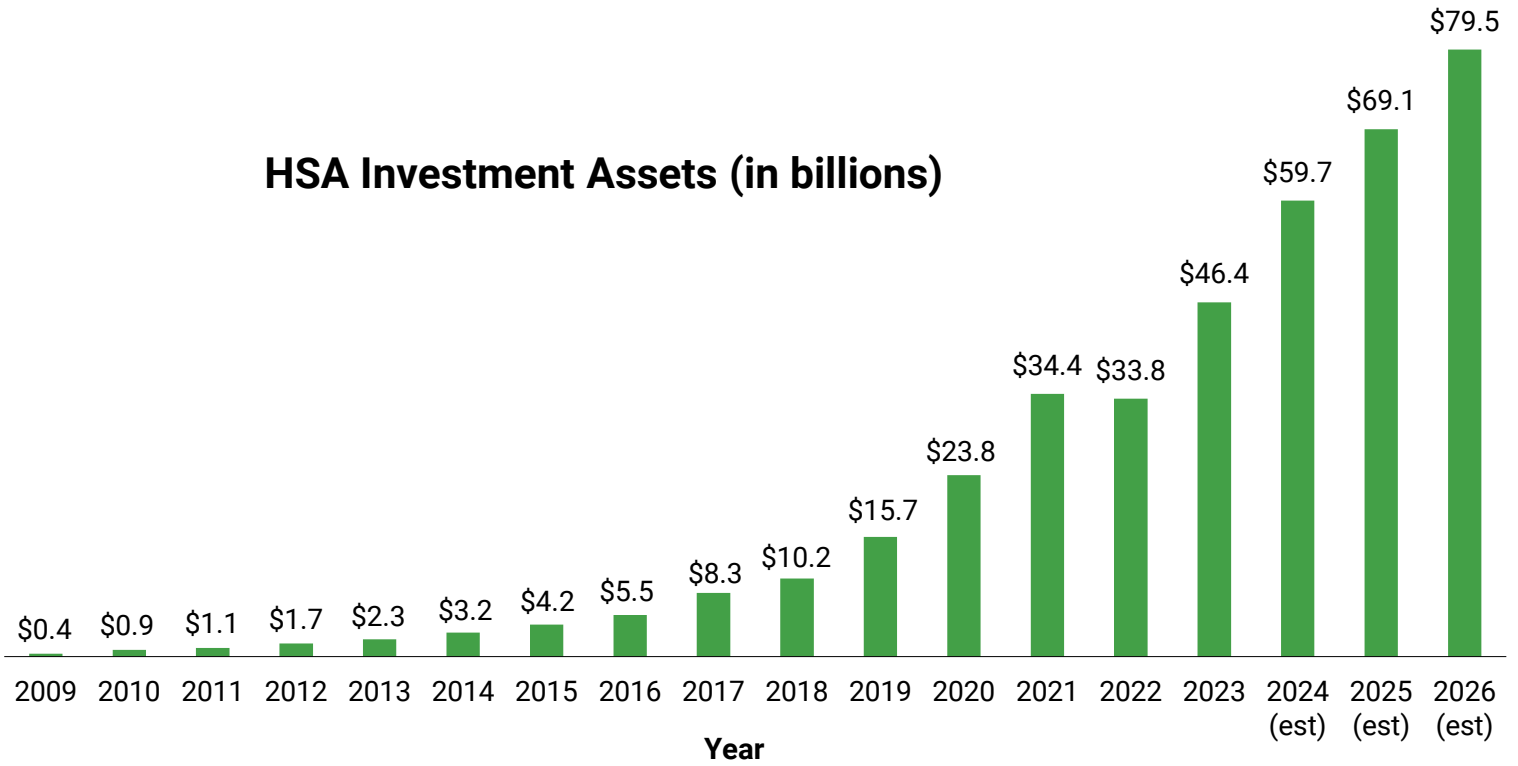
	Average Number of Withdrawals Per Account	% Of Total Withdrawals (#)	Average Transaction Size
Debit Card	4.4	90%	\$116
Check	0.1	1%	\$502
Online Bill Pay	0.3	6%	\$186
ATM	0.1	1%	\$135
Unknown	0.2	2%	\$343

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

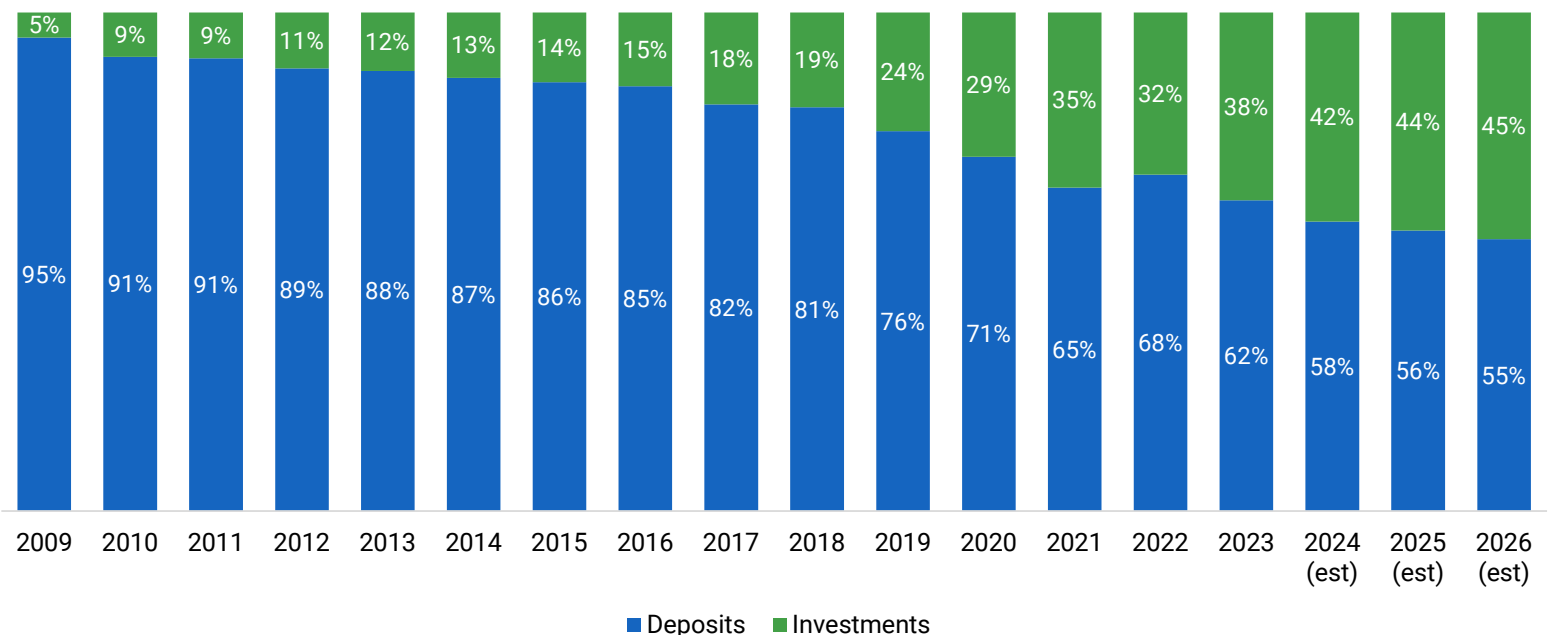
HSA Investments

- **\$56.2 billion** estimated in HSA investment assets as of June 30th, 2024, which is an increase of 39% year-over-year.
- **41%** of all HSA assets are in investments as of June 30th, 2024.
- **\$20,677** average total balance (deposits and investments combined) for HSA investment accounts, 8 times larger than an average funded non-investment holder’s account balance.

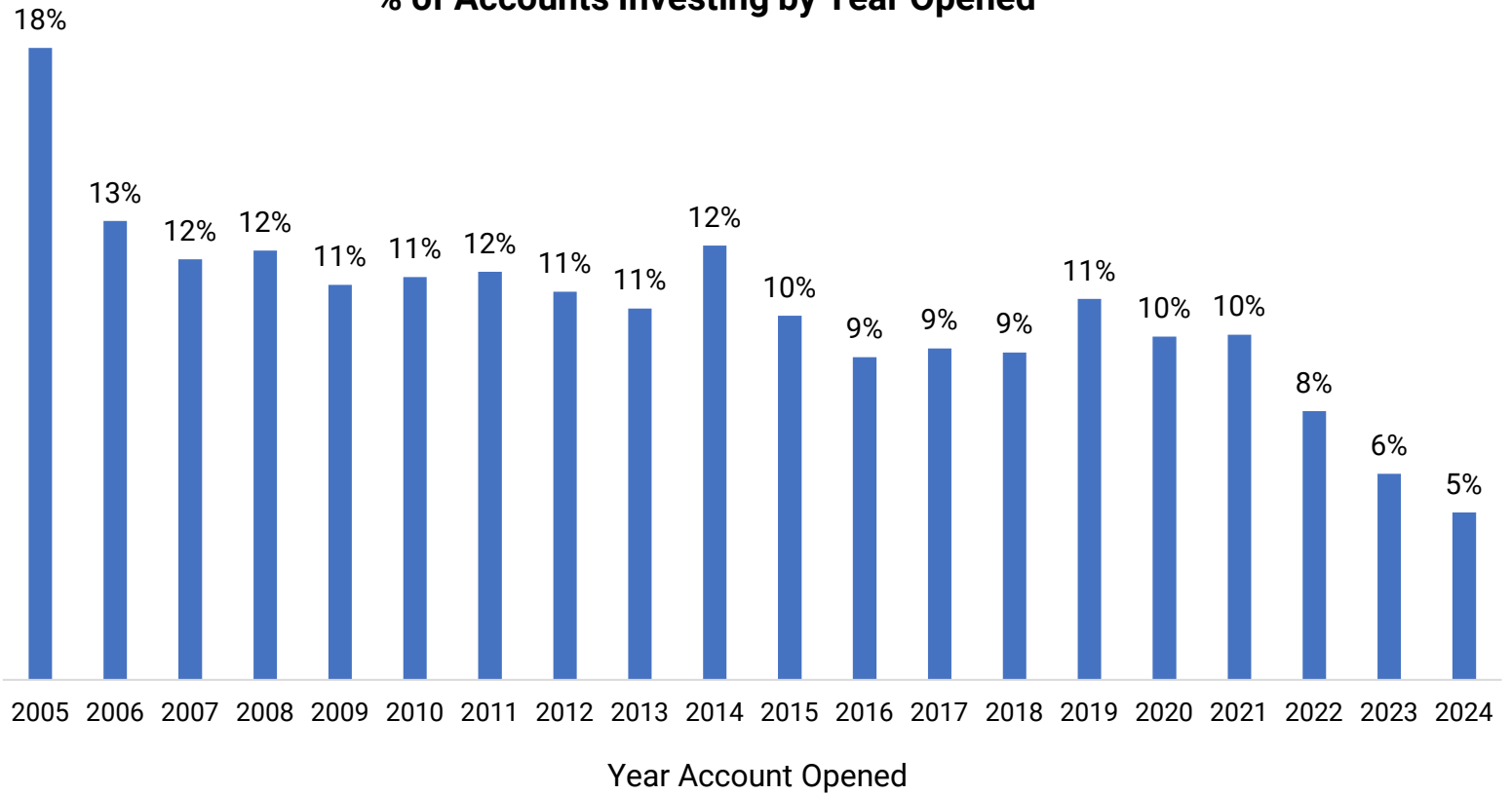
HSA Investment Assets (in billions)



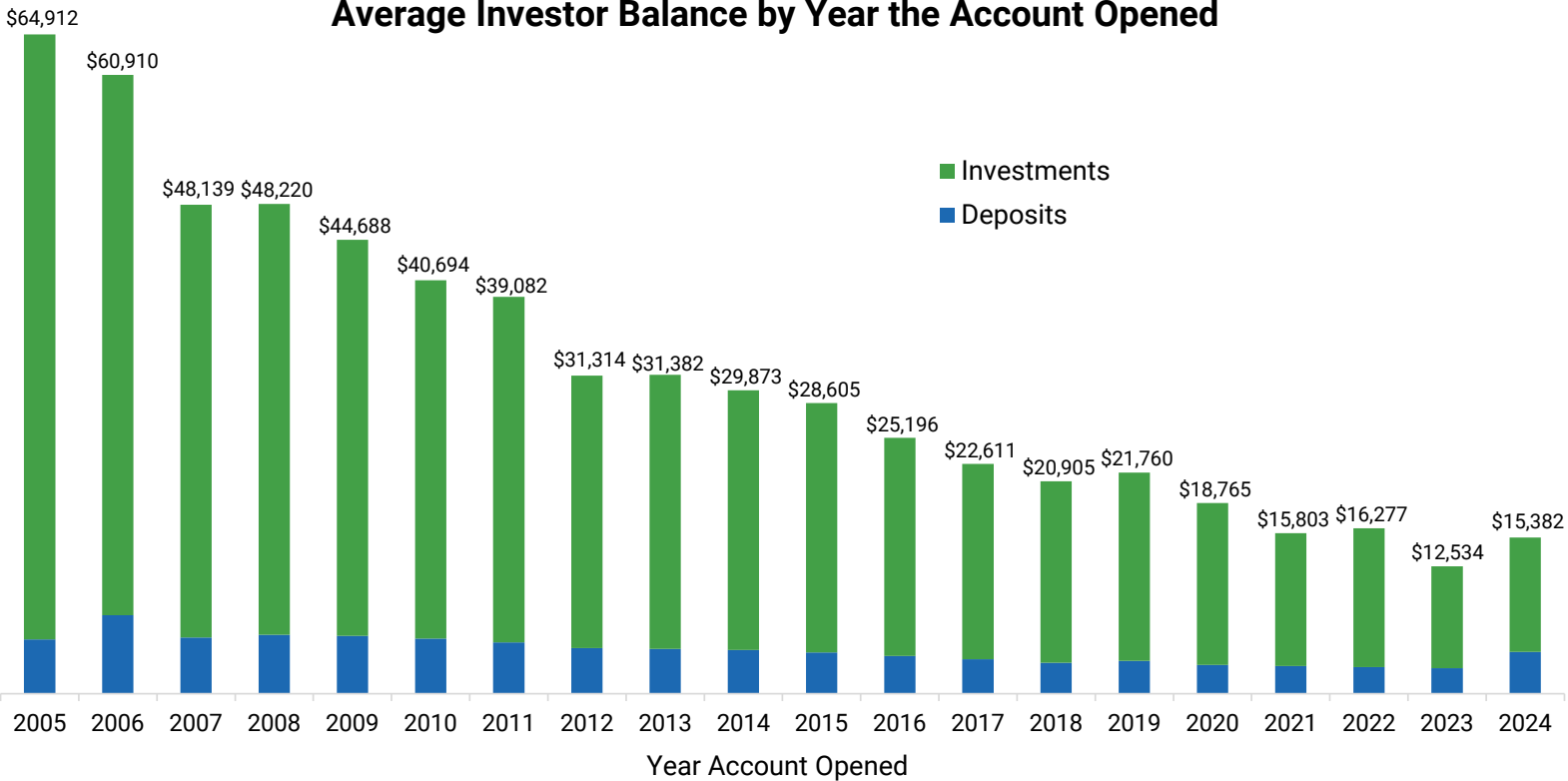
Breakdown of HSA Assets by Type



% of Accounts Investing by Year Opened



Average Investor Balance by Year the Account Opened



Looking Forward

HSA providers project HSA industry asset growth of 16% in 2024 (up from 14% at the end of 2023), while anticipating their own business will grow by 25% during the same period (up from 23% at the end of 2023). Historically, HSA providers have been fairly accurate with their asset 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 asset projections more difficult.

For the first time, we asked HSA providers to project industry account growth as well. As of the mid-year point, HSA providers anticipate we will see HSA account growth of 6.8%.

Devenir currently projects that the HSA market will grow to exceed 43 million accounts by the end of 2026, holding nearly \$175 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.

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