

Devenir Research

2017 Midyear HSA Market Statistics & Trends
Executive Summary

report release date: 8.16.2017



Table of Contents

Key Findings	3
HSA Industry Level Account Data	4
Industry Contributions and Withdrawals	4
HSA Investments.....	6
HSA Marketplace Projections	6
About Devenir	7

Report Methodology

The majority of this report was derived from the 2017 Midyear Devenir HSA Market Survey. This survey was conducted in order to continue to help shed light on the rapidly growing and evolving health savings account market. The survey was carried out in July, 2017 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, 2017.

All estimates and projections reflect the current environment surrounding health savings accounts and are barring any 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 leave certain statistics not reconciling with others both within this report and with previous reports.

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

Key Findings

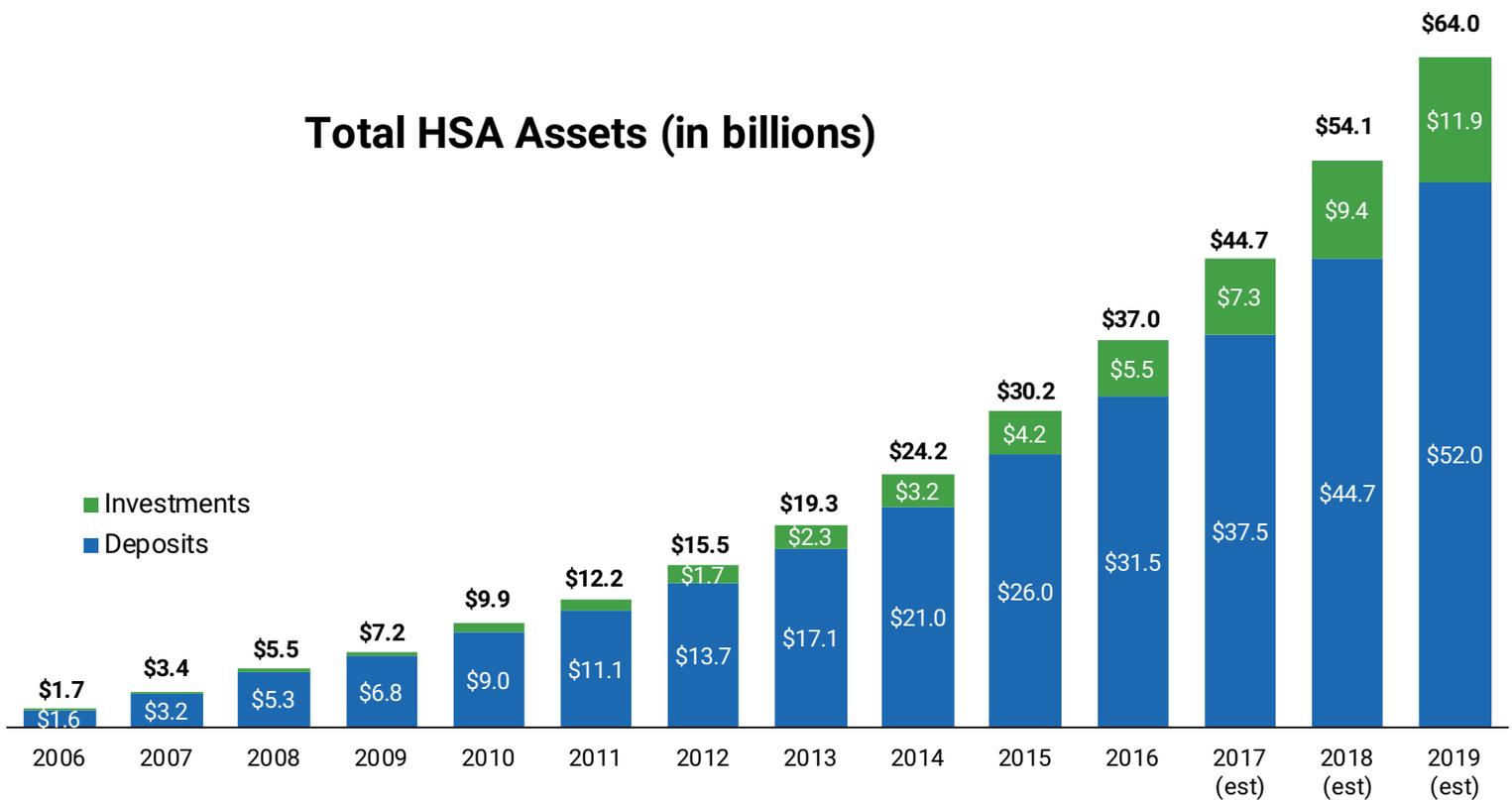
Strong HSA asset growth. The number of HSA accounts surpassed 21 million, holding about \$42.7 billion in assets, a year over year increase of 23% for HSA assets and 16% for accounts for the period of June 30th, 2016 to June 30th, 2017.

Unfunded accounts come down. Less HSAs (20 percent) were unfunded halfway through 2017, compared to 24 percent at the end of 2016.

HSA investments see substantial growth. HSA investment assets reached an estimated \$6.8 billion in June, up 44% year over year. The average investment account holder has a \$15,146 average total balance (deposit and investment account).

Health plans remain the largest driver of account growth. Health plan partnerships continued as the leading driver of new account growth, accounting for 36% of new accounts opened in 2017 so far.

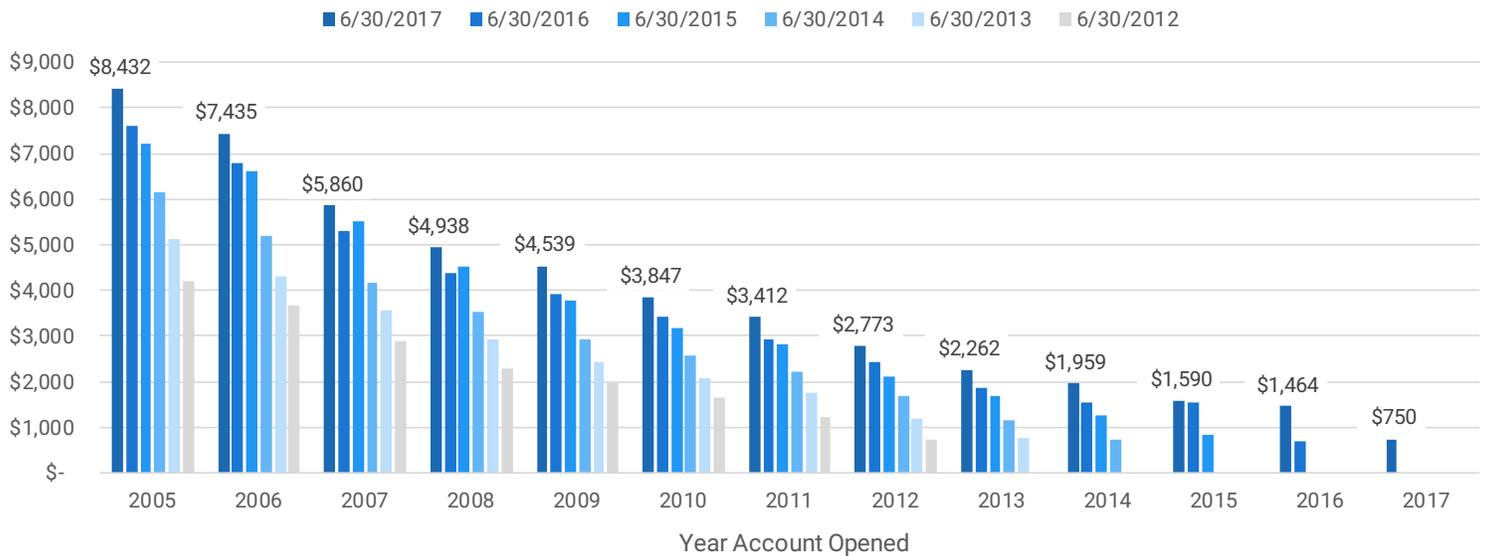
Total HSA Assets (in billions)



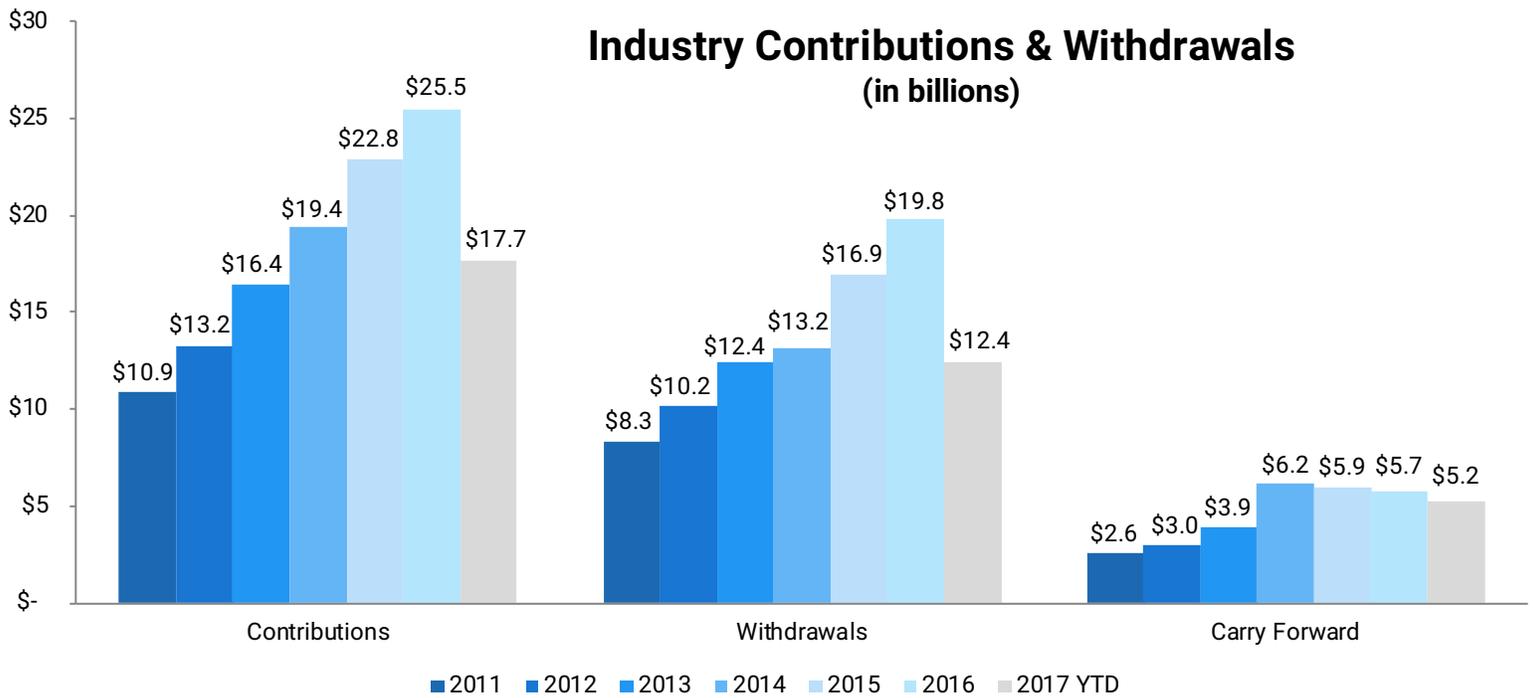
Source: Estimates derived from 2017 Midyear Devenir HSA Market Survey, press releases, previous market research and market growth rates.

HSA Industry Level Account Data

Average Balance By Year The Account Opened



Industry Contributions and Withdrawals



Below is an industry estimate of total contributions and withdrawals for the period 1/1/17 - 6/30/17.

2017 YTD Activity	Contributions	Withdrawals	Retained Assets	% Retained
Estimated Industry Totals	\$17,657,000,000	\$12,449,000,000	\$5,208,000,000	29%

Industry Contributions and Withdrawals - Details



2017 YTD Employer Contributions

33% of all HSA dollars contributed to an account came from an employer.
The average employer contribution was **\$719** (for those making contributions).



2017 YTD Employee Contributions

46% of all HSA dollars contributed to an account came from an employee.
The average employee contribution was **\$1,111** (for those making contributions).



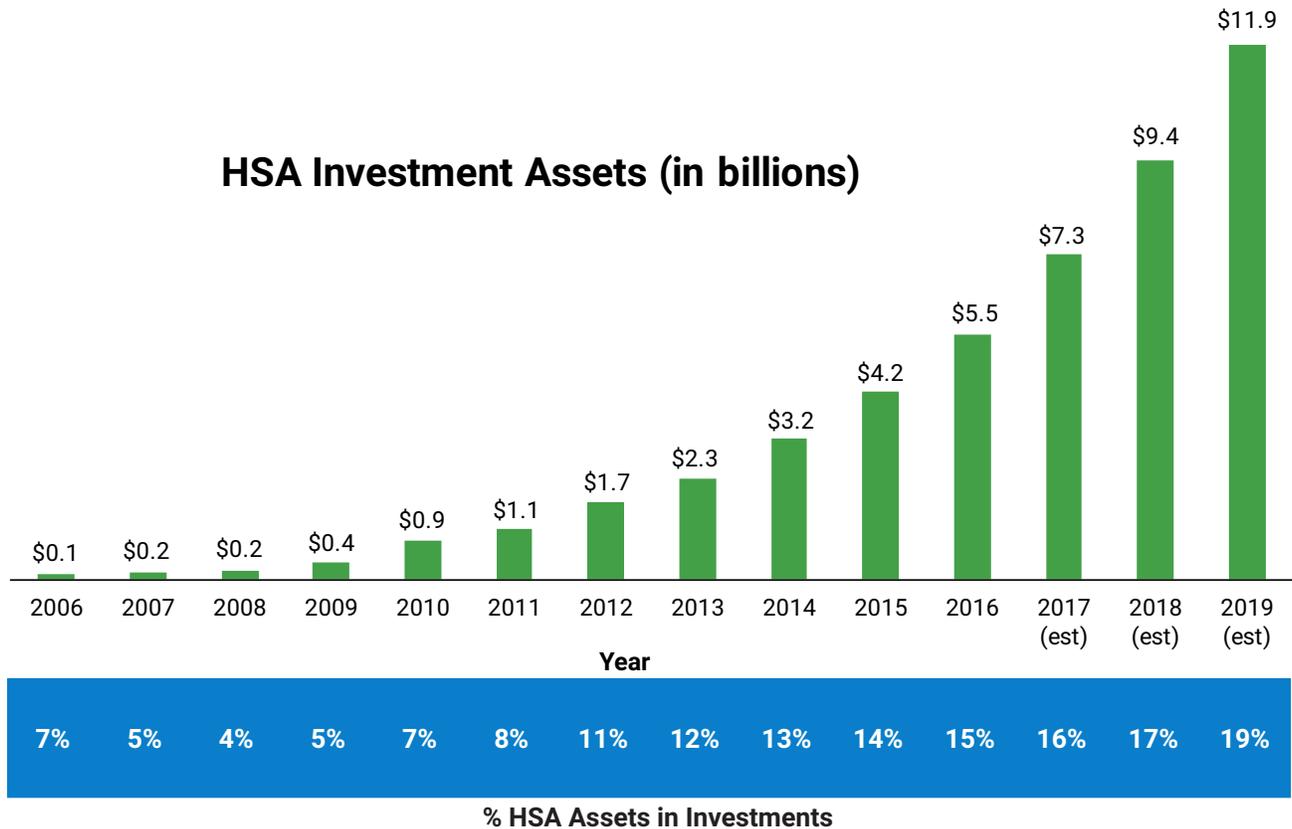
2017 YTD Individual Contributions

18% of all HSA dollars contributed to an account came from an individual account not associated with an employer.
The average individual contribution was **\$1,242** (for those making contributions).

2017 YTD	Average Number of Withdrawals Per Account	% of Total Withdrawals (#)	Average Transaction Size
Debit Card	5.0	80%	\$104.89
Check	0.2	3%	\$283.69
Online Bill Pay	0.3	4%	\$258.47
ATM	0.3	2%	\$105.20
Unknown	1.9	11%	\$69.56

HSA Investments

- **\$6.8 billion** estimated in HSA investment assets as of June 30th, 2017, an estimated 24% year-to-date increase.
- **\$15,146** average total balance (deposit and investment account) of an HSA investment account, 6 times larger than a non-investment holder's average account balance.
- **16%** of all HSA assets are in investments as of June 30th, 2017.



HSA Marketplace Projections

HSA providers project 21% HSA industry asset growth in 2017, while anticipating their own businesses will grow by 25% during the same period. In previous surveys, HSA providers have been reasonably 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 exceed \$60 billion in HSA assets by the end of 2019, held amongst nearly 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

Thank you for your participation!

©2017 by Devenir Group, LLC

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