

NEWS FROM THE EMPLOYEE BENEFIT RESEARCH INSTITUTE

New EBRI Analysis of Over 13 Million Health Savings Accounts Finds Balances Increasing in 2021

For immediate release: 1/31/23

For more information: Ron Dresner

dresner@ebri.org

(Washington, D.C.) – In an analysis of its Health Saving Account (HSA) Database, the Employee Benefit Research Institute (EBRI) found in a published report today that, despite health care expenditures increasing in the wake of the COVID-19 pandemic, average HSA balances increased during 2021. In fact, the majority of accountholders contributed more than they withdrew, which helps to improve financial wellness and better prepare accountholders to weather unexpected medical costs.

Key findings in the research report include:

- Accounts that received an employer contribution saw higher total contributions and were more likely to invest. This may be a sign that employer contributions can play a pivotal role in fostering accountholder engagement with their HSAs. However, research also found that accountholders were more likely to take more frequent and larger distributions.
- Most accountholders took a distribution in 2021. More than half of HSAs in the EBRI database saw a distribution in 2021 and the average distribution was \$1,786.
- Still relatively few HSAs are invested. One of the largest advantages HSAs offer is the ability to invest assets within the account. However, EBRI's analysis reveals that only 12% of accountholders invested their HSAs in assets other than cash.
- Age and tenure play a major role in HSA utilization. Older accountholders tended to have higher average contributions and higher average balances than younger accountholders. Similarly, accountholders who have had their HSAs for a longer period tended to have higher average contributions, higher average balances and invested their balances in assets other than cash more frequently.

“As high-deductible health plans and HSAs become further entrenched as an employee benefit offering, it is important for employers and policymakers alike to develop a full understanding of how both are used,” said Jake Spiegel, research associate, Health and Wealth Benefits, EBRI.

The EBRI established its HSA Database nearly 10 years ago, capturing the spending and savings behavior of 1.4 million HSAs. Since then, the EBRI HSA Database has grown to account for 13.1 million HSAs in 2021, containing \$39.5 billion in assets, and is estimated to represent 40% of the whole market.

To view a summary of the Issue Brief, “Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics, 2021: Evidence From the EBRI HSA Database”, visit <https://www.ebri.org/hsas-2021>.

The Employee Benefit Research Institute is a non-profit, independent and unbiased research organization that provides the most authoritative and objective information about critical issues relating to employee benefit programs in the United States. For more information, visit www.ebri.org.

#

(MEDIA NOTE: To receive and review the complete 20-page Issue Brief, email dresner@ebri.org)