

New Research About Health Savings Account Usage Finds Balances Increasing Despite Higher Spending

- HSAs That Received Employer Contributions Had Higher Balances, More Likely to Invest -

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(Washington, D.C.) – A new research report reviewing the most recent information about health savings account (HSA) usage finds balances continuing to increase despite higher spending on health care. Accounts that received employer contributions also had higher total contributions and were more likely to invest. The new report, “Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics: Evidence From the EBRI HSA Database,” was published by the Employee Benefit Research Institute (EBRI).

Key findings in the report include:

- **HSA balances continued to increase over the course of the year, despite higher spending on health care.** Continuing a trend observed post-COVID-19 pandemic, patient spending on health care increased in 2022. Still, average end-of-year HSA balances were higher than average beginning-of-year balances. Average balances increased at an even faster rate in 2022, conditional on those accounts receiving either an employee or employer contribution over the course of the year.
- **Accounts that received an employer contribution saw higher total contributions and were more likely to invest.** Employers seeking to help their workers engage with their HSAs may find employer contributions to be a useful tool, as accountholders who received an employer contribution on their behalf had higher average total contributions and were more likely to invest. Our analysis indicates, however, that these accountholders were also more likely to take more frequent and larger distributions.
- **Most accountholders took a distribution in 2022.** More than half of the HSAs in EBRI’s database saw a distribution in 2022, and the average distribution was \$1,868.
- **Relatively few HSAs are invested.** One of the largest advantages HSAs offer is the ability to invest assets within the account. However, our analysis reveals that only 13% of accountholders invested their HSAs in assets other than cash.
- **Age and tenure play a major role in HSA utilization.** Consistent with previous findings, accountholder age — as well as accountholder tenure — is closely related to average balances, contributions, and distributions, as well as the propensity to invest. On average, older accountholders contributed more to their HSAs, had higher balances, more frequently took distributions, and had a higher likelihood of investing at least some portion of their HSA in assets other than cash.

“Health savings account-eligible health plans are an important part of the health benefits landscape. Yet, there is little empirical research on how HSAs are used by employees. Based on its unique database of more than 14 million HSAs, the Employee Benefit Research Institute is seeking to shed light on the ways HSA accountholders contribute to, withdraw from and invest in their HSAs. This analysis can help plan sponsors, providers and policymakers better understand strategies that can help improve utilization of HSAs and, ultimately, overall employee financial wellness,” explained Jake Spiegel, research associate, Health and Wealth Benefits, EBRI.

To view a summary of the research report, “Health Savings Account Balances, Contributions, Distributions, and Other Vital Statistics: Evidence from the EBRI HSA Database,” visit <https://www.ebri.org/publications/research-publications/issue-briefs/content/health-savings-account-balances--contributions--distributions--and-other-vital-statistics--evidence-from-the-ebri-hsa-database>.

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(Media Note: To receive a complete research report, email dresner@ebri.org).