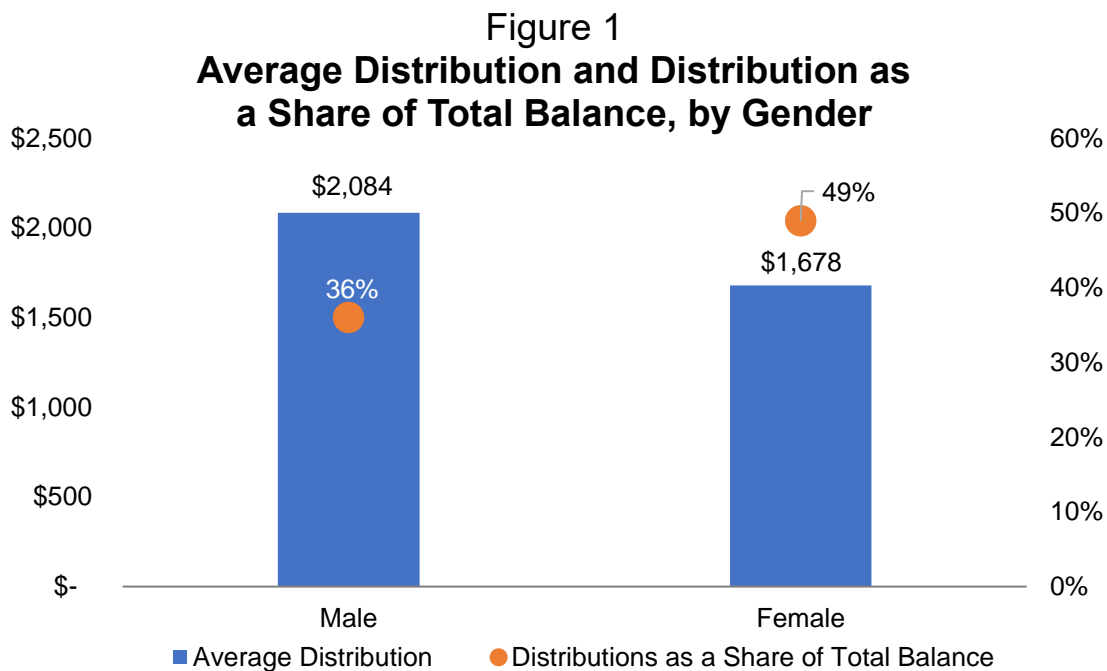


Digging Deeper on Distributions

Health savings accounts (HSAs) are paired with HSA-eligible health plans and can help accountholders offset the higher deductibles these plans feature. Since HSA contributions and distributions (for qualified medical expenses) are on a pre-tax basis, they help accountholders stretch their health care dollars further than they otherwise could. Some ways of maximizing the tax benefits that HSAs offer are to contribute the statutory maximum, invest in assets other than cash, and refrain from taking distributions until retirement.

However, taking a distribution to pay for a medical expenditure is not necessarily suboptimal. Accountholders may not necessarily have the spare cash to pay for all of their medical expenses out of pocket, or they may not want to subject funds earmarked for medical expenses in the near term to market risk. Previous EBRI research indicates the average distribution over the past five years has ranged from \$1,714 to \$1,897, and accountholders who have had their HSA for longer take larger distributions on average, as do older accountholders. But do distribution patterns vary significantly by gender or income?

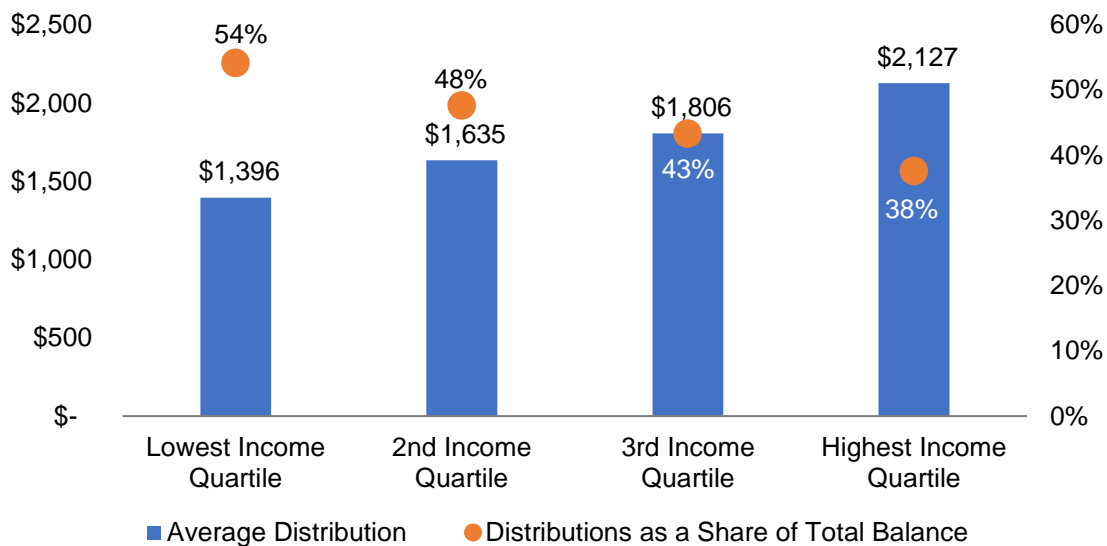
We find that there are some differences in distributions taken by male and female accountholders. We find that the average male accountholder took a distribution of \$2,084, compared with the average female accountholder, who took a distribution of \$1,678. This may not necessarily tell the whole story, however; [previous EBRI research has indicated](#) that male accountholders tended to make larger contributions and have higher average balances than female accountholders, which may enable them to take larger distributions. As a share of their total balances, however, women tended to take larger distributions: The average male accountholder took a distribution that represented 36 percent of his total HSA balance, compared with the average female accountholder, who took a distribution representing 49 percent of her total HSA balance, shown below in Figure 1.



Source: EBRI HSA Database.

While we do not have granular data on an accountholder’s income, we can use ZIP code income quartiles as a proxy for accountholder income. Notably, we find that accountholders living in ZIP codes in the lowest income quartile took a distribution of \$1,396 on average. Their counterparts living in the 2nd income quartile, meanwhile, took an average distribution of \$1,635, and those living in ZIP codes in the 3rd income quartile took an average distribution of \$1,806. Finally, accountholders living in ZIP codes in the highest income quartile took an average distribution of \$2,127. As is the case with gender, however, simply examining average distributions does not tell the whole story. Accountholders living in higher-income ZIP codes took larger distributions than those living in lower-income ZIP codes, but these distributions represented progressively smaller shares of their entire HSA balances; for accountholders in the lowest-income ZIP codes, their average distributions represented 54 percent of their balances, compared with 38 percent for accountholders in the highest-income ZIP codes, shown below in Figure 2.

Figure 2
Average Distribution and Distribution as a Share of Total Balance, by ZIP Code Income Quartile



Source: EBRI HSA Database.

About the EBRI HSA Database

The EBRI HSA Database is a representative repository of information about individual HSAs. The database is unique because it includes data provided by a wide variety of account recordkeepers and, therefore, represents the characteristics and activity of a broad range of HSA owners.

As of Dec. 31, 2021, the EBRI Database includes:

- 13.1 million health savings accounts.
- \$39.5 billion in assets.

Since 2011, the database has grown from 800,000 to 13.1 million accounts, and assets have grown from \$1.5 billion to \$39.5 billion. Most HSAs in the EBRI HSA Database were initially opened within the past few years. See <https://www.ebri.org/health/hsa-database> for more information about the EBRI HSA Database.

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