

At a Glance | May 27, 2021

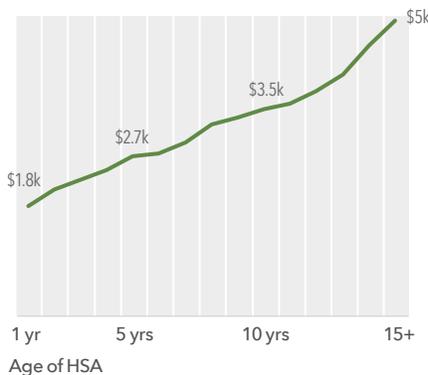
HSA Utilization: What Moves the Dial?

INFLOW / OUTFLOW

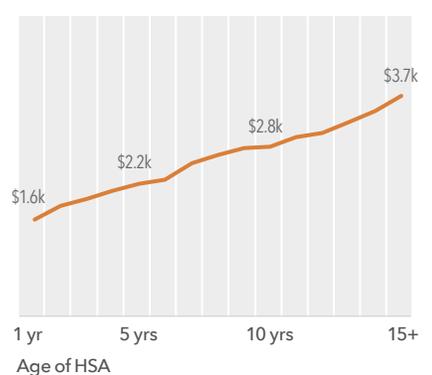
Regardless of the year the account was opened, individual contributions increased with the age of the account. The higher distributions associated with older accounts may suggest that individuals have been actively building up their account balances over time, and, as major health expenses have been incurred, account owners then take larger distributions.

Contributions and Distributions Increase Each Year an HSA Is Owned

Contributions by Age of Account



Distributions by Age of Account

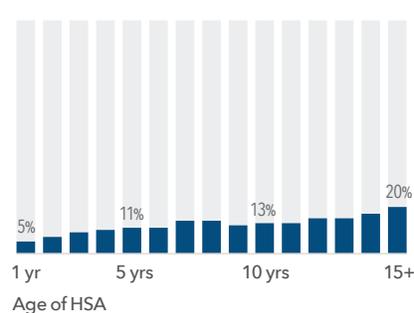


HSA INVESTING

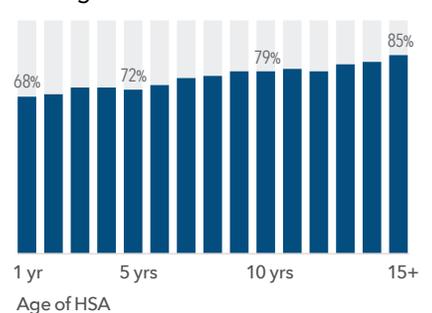
The use of investments other than cash within HSAs remains low despite the tax-saving possibilities, though usage appears to change the longer an HSA owner holds the account. Also, generally, the longer an account has been open, the larger the percentage of the account balance that is in non-cash investments.

Investing of HSA Balances Increased With Age of Account

Percentage of Accounts With Invested Assets Other Than Cash



Percentage of Total Assets Invested, Among Accounts With Invested Assets

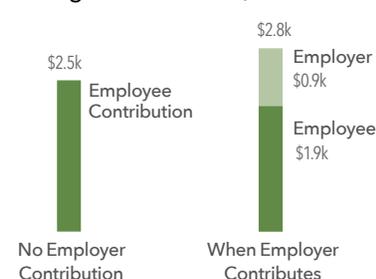


EMPLOYER CONTRIBUTION EFFECT

Accounts with an employer contribution had lower average individual contributions. Employer contributions may nudge employees to allocate their discretionary dollars elsewhere. Accounts that received employer contributions more frequently contained assets other than cash.

Employer Contributions Can Play a Role in Engaging HSA Users

Average Contributions, 2019



Accounts With Invested Assets, 2019



SOURCE: Paul Fronstin and Jake Spiegel, "Trends in Health Savings Account Balances, Contributions, Distributions, and Investments, 2011-2019: Estimates From the EBRI HSA Database," EBRI Issue Brief, no. 518 (November 12, 2020).

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