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## **FIDELITY HEALTH® REPORT: TOTAL ASSETS IN FIDELITY HEALTH SAVINGS ACCOUNTS HIT RECORD-HIGH \$24 BILLION**

- *Fidelity Becomes Second-Largest Health Savings Account Provider<sup>1</sup>*
- *American Savers Increasingly Investing in HSAs, with Younger Generations Leading the Way*
- *Fidelity Health® Brings Clarity to Health Care Through Innovative Benefits and Offerings*

**BOSTON, April 23, 2024** – Fidelity Investments® today reported substantial growth in the number of Americans taking advantage of health savings accounts (HSAs), with a 19% increase in funded HSAs year-over-year. This comes as total Fidelity HSA assets increased 44% to a record-high \$24 billion, making Fidelity the second-largest HSA provider in the country<sup>1</sup>. In addition to offering the [Fidelity HSA](#), Fidelity Health® helps nearly 2,000 employers and millions of Americans navigate the health landscape through innovative offerings that aim to bring clarity to the ever-changing, complex health care system.

“Americans and their employers increasingly recognize how important access to comprehensive benefits, including tax-advantaged savings vehicles, can be for managing the financial impact of their health care decisions,” said Steve Betts, head of Fidelity Health. “Whether through an employer or on their own, we are committed to helping individuals build a stronger financial future as they manage the rising cost of health care.”

### **Fidelity Reports \$24 Billion in HSA Assets, as HSAs Celebrate 20 Years**

For more than two decades, HSAs have given Americans enrolled in HSA-eligible health plans a tax-advantaged way to save for short- and long-term health expenses, and the utility of an HSA has only increased as health care costs continue to rise. In fact, since Fidelity’s HSA debuted in 2005, the cost of health care has more than doubled<sup>2</sup>, making the tax-advantaged nature of HSAs more important than ever. Whether saving, spending, or investing, all strategies

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<sup>1</sup> Devenir Research 2023 Year-End HSA Market Statistics & Trends



<sup>2</sup> Centers for Medicare & Medicaid Services National Health Expenditure, 2005-2022

leverage the fundamental power of an HSA: the triple-tax advantage. This means there are no taxes on contributions, no taxes while money grows in the account, and any withdrawals for qualified medical expenses are tax-free<sup>3</sup>.



**Fidelity HSA Assets Have Nearly Quadrupled Since 2020**

SOURCE: Internal Fidelity data from January 31, 2020 to January 31, 2024

 <b>Year</b> (as of January 31)	 <b>Fidelity HSA Assets</b> (Billions)
2020	\$6.5
2021	\$10.2
2022	\$13.7
2023	\$16.6
<b>2024</b>	<b>\$23.9</b>

### The HSA: a Multi-tool for Health Expenses

As the number of HSA accounts continues to grow – with Fidelity seeing a 19% increase year-over-year to 3.3 million as of January 31, 2024 – investors may wonder if there is a “right” way to maximize the benefits of their HSA. There is no one-size-fits-all approach: HSAs can be a [multifunctional spending, saving and investing account](#), helping to pay for current qualified medical expenses; save in an “emergency fund” for unplanned medical emergencies; or invest over the long-term for health care expenses in retirement. Yet, even as [employers are making progress in educating employees](#) about the benefits of HSAs<sup>4</sup>, only half of Americans are familiar with the features of the account that could help alleviate some of their biggest financial concerns<sup>5</sup>.

<sup>3</sup> With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation.

<sup>4</sup> Fidelity Health Solutions Thought Leadership HSA Investing Survey, 2024

<sup>5</sup> Fidelity 2023 Fall Health Outlook Study

“There is always work to be done,” said Karen Volo, head of health and benefit accounts at Fidelity. “We know employees with HSAs are significantly more likely to say they’re prepared to cover unexpected health care expenses<sup>6</sup>. Providing as much education as possible can help employees build a more resilient savings strategy, now and in the future.”

### **Building a Stronger Retirement with HSAs**

Recent Fidelity research found 17% of Americans say paying medical bills for a health condition is keeping them from reaching retirement goals<sup>7</sup>, suggesting the high cost of health care is having an impact on retirement preparedness. What’s more, more than a third (36%) of respondents said being able to afford health care is among their top retirement concerns<sup>7</sup>. The good news is that younger generations are increasingly taking advantage of the opportunity to invest in their HSA and build a nest egg for health care costs in their later years – in fact, according to Fidelity research<sup>8</sup>, younger HSA holders – those ages 18-35 – were more likely to be investors than account holders from older age groups. And Americans of all ages are taking steps to address the rising cost of care, with 71% saying they plan on saving more for retirement out of concern of the high cost of health care<sup>6</sup>.

### **Fidelity Resources for American Employers and Savers:**

With over a quarter-century of experience in the health benefits space, Fidelity Health® is dedicated to empowering individuals and employers to make better health decisions and build a stronger financial future.

- For employers, new thought leadership including “[6 Benefits Trends to Watch in 2024](#)” and “[Investing in HSAs](#).”
- Fidelity’s [Health & Welfare](#) offering brings wellness solutions, administrative services, and individual and group voluntary benefits.
- For individuals nearing or in retirement, [Fidelity Medicare Services](#) provides education and impartial guidance from a non-commissioned associate.

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<sup>6</sup> Fidelity Health Thought Leadership Benefit Plan Participant Survey, Fall 2023

<sup>7</sup> Fidelity Investments 2024 State of Retirement Planning Study

<sup>8</sup> Fidelity Health Thought Leadership Benefit Plan Participant Survey, Fall 2023

- For those looking to learn more about how HSAs can help build a stronger financial future, Fidelity has dedicated learning resources on Fidelity.com, including “[Managing unexpected health care costs](#)” and “[Three healthy habits for health savings accounts](#).”
- Fidelity’s [Workplace Consulting](#) team offers a dedicated health care consulting practice, with data-driven insights and research to inform health care strategy, plan design and employee engagement.

### **About Fidelity Investments**

Fidelity’s mission is to strengthen the financial well-being of our customers and deliver better outcomes for the clients and businesses we serve. Fidelity’s strength comes from the scale of our diversified, market-leading financial services businesses that serve individuals, families, employers, wealth management firms, and institutions. With assets under administration of \$12.6 trillion, including discretionary assets of \$4.9 trillion as of December 31, 2023, we focus on meeting the unique needs of a broad and growing customer base. Privately held for 77 years, Fidelity employs more than 74,000 associates across the United States, Ireland, and India. For more information about Fidelity Investments, visit <https://www.fidelity.com/about-fidelity/our-company>.

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Investing involves risk, including risk of loss.

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