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HealthSavings Administrators Survey Reveals Registered Investment Advisors Are Missing the Mark on HSAs

Despite Multi-Billion-Dollar Investment Opportunity, HSAs Are Not Being Fully Utilized in Long-Term Financial Strategy

Richmond, VA – June 11, 2019 – [HealthSavings Administrators](#), a top health savings account (HSA) provider, today revealed the findings of a survey conducted to reveal what registered investment advisors (RIAs) know about HSAs and how they leverage HSAs for their practice. Of the more than 230 advisors surveyed, the majority is still not offering HSAs to clients, despite the triple tax advantage and multi-billion-dollar investment opportunity. To learn more about the survey results, [download the infographic](#).

HSAs Missing From Client Conversations

According to the findings, nearly 60 percent of advisors are not offering HSAs to their clients, and a quarter of them (26 percent) admit they do not discuss HSAs with their clients at all. The responses revealed that a lack of knowledge about HSAs – how they operate and how they fit into a long-term financial strategy – is a primary driver for the disconnect. While 36 percent of advisors noted they do not fully understand how an HSA works, 40 percent claim clients do not either. Further underscoring the need for more education, nearly half say that clients perceive HSAs as spending accounts only.

The survey also revealed that 22 percent of advisors are not aware they can earn revenue by offering an HSA. As individually owned accounts, HSAs can be invested like a 401(k) or an IRA. This means an RIA can be compensated for managing an HSA account based on a percentage of assets or a fixed fee. According to the latest research from [Devenir](#), invested assets in HSAs are estimated to grow to \$16.7 billion in the year 2020 – providing advisors with ample opportunity for compensation and client satisfaction.

Long-Term Investment Misfire

When advisors do offer HSAs to clients, nearly half (47 percent) still position them as spending accounts and 72 percent as savings accounts. Those findings reveal a deep-seated belief among advisors and clients alike that HSAs are short-term financial vehicles, despite industry research lauding the extensive benefits of investment-focused HSAs. While 73 percent of those surveyed claim they do offer investment-focused HSAs, less than half of their HSA-eligible client base (41 percent) is actually investing in an HSA for long-term growth.

Misunderstandings about how to leverage HSAs as long-term investment and retirement strategies are a primary factor for the mismatch. For example, 70 percent of respondents noted their clients are completely unaware of HSAs as a means of transferring wealth to family members. Anyone can fund an HSA for a loved one, as long as that loved one is HSA-eligible and has an HSA. In 2019, up to \$3,500 can be deposited in an HSA for an individual under self-only health coverage, and \$7,000 can be deposited for an individual under family coverage.

Service and Reputation Matter Most

Despite the current disconnect among advisors about how HSAs can benefit their practice and their client base, 79 percent of respondents who offer an HSA noted they are satisfied with their current HSA offering. When asked about what they care about when working with an HSA provider, an overwhelming majority of respondents (98 percent) cited reputation/trust and customer service as the top two factors. Low administration fees were also cited by 90 percent of respondents as a primary consideration.

“The call for better HSA education among consumers, plan sponsors and advisors is nothing new. What is changing, however, is the why,” noted Craig Keohan, chief revenue officer at HealthSavings Administrators. “With health care costs continuing to rise, there has never been a more critical time for advisors and consumers alike to build their knowledge about HSAs and where they fit into the retirement planning mix. Investment-focused HSAs are the future of the industry, and advisors will benefit by using them as strategic long-term investment vehicles that will help ensure happy, healthy retirements.”

About HealthSavings Administrators

HealthSavings empowers consumer-driven health plan participants to invest all their health benefit dollars in institutional-class funds so they can grow their savings tax-free and meet their financial goals for a happy, healthy future. By choosing from a carefully curated selection of funds with lower expense ratios and no trading fees, HealthSavings accountholders have historically saved five times more than the industry average. Visit [HealthSavings.com](https://www.healthsavings.com) to learn more.

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