



2023 HSA BANK HEALTH & WEALTH INDEXSM

Table of contents

Our mission and commitment3

Methodology4

2023 consumer engagement scores5

Introduction to key insights6

Key insights7

 Healthcare costs7

 Virtual care and preventive services8

 Lifestyle changes10

 Mental health11

 Mental healthcare coverage12

 Costs into retirement13

 Retirement savings14

Make change happen with us16

Appendix17

Disclaimer

Index results, research and analysis are provided for informational purposes only and should not be relied upon for marketing, legal, regulatory or other advice. HSA Bank is not responsible for your use of the Index results, research, analysis or other information, including errors of any kind, or any assumptions or conclusions you might draw. The results of the Index are based on HSA Bank’s interpretation of how participation in certain activities impacts physical, mental and financial health. While generally applicable, the survey and subsequent Index report cannot possibly consider all the various factors that may affect a specific individual’s health and wealth. Respondents were able to select multiple responses to some of the Index questions; percentages may not equal 100. All infographics and charts are for illustrative purposes only.

Released June 6, 2023

Our mission and commitment

As inflation hits the nation and the overall cost of living rises, saving may become more of a challenge for Americans. At HSA Bank, we're here to help with personalized insights, experiences and solutions. We're committed to guiding employees and families to confidently engage in their health and wealth. Since 2018, the HSA Bank Health & Wealth IndexSM has offered unique insights on the state of health and wealth engagement of healthcare consumers nationwide. Our goal has been to offer an annual snapshot of how Americans are engaging with their health, savings and employee benefits — and how confident they are about their current and future healthcare and financial needs. Each year, employers use our findings to aid them in their own ongoing efforts to tailor health benefits and services to meet the needs of employees and their families. They can also use the [Health & Wealth Index Calculator](#) to engage employees. Educating employees on how to manage their healthcare finances will help them balance decisions and expenses during their working years and throughout retirement.



Want to see how results compare year over year? [View previous reports.](#)



Methodology

Health and wealth consumer index score

A survey of more than 2,000 randomly selected U.S. adults was conducted in the fall of 2022 to gauge physical and financial health across the country. The survey was commissioned by HSA Bank and executed by a third-party organization.

This year, respondents were scored based on their responses to 15 questions about their health plan enrollment status, health practices, mental health, ability to pay for health-related expenses, and confidence in their own health and wealth. Each survey respondent receives a health score and a wealth score which are combined to produce their overall health and wealth consumer index score.

The health and wealth consumer index score for each respondent ranges from zero to 100. The maximum score is 50 for health and 50 for wealth. The higher the score, the better the respondent ranks in terms of their physical, mental and financial health engagement.

This is a different scoring procedure than in past years of HSA Bank's Health & Wealth Index to accommodate for updates to the survey including new mental health questions that were included in the health category, versus being scored separately.

Respondents are grouped into four categories based on their health and wealth consumer index score:



Minimally Engaged (Score Range: 0-39)

Rarely prepare for healthcare expenses and do not take an active role in managing their health



Moderately Engaged (Score Range: 40-59)

Participate in roughly half of health and wealth activities that contribute to engagement



Highly Engaged (Score Range: 60-74)

Participate in most of the behaviors that contribute to health and wealth engagement



Optimally Engaged (Score Range: 75-100)

Take active steps to maintain or improve their health and health-related finances



Get your personal score with the [Health & Wealth Index Calculator](#).

The margin of error for this sample size is +/- 2.18% at the 95% confidence level. Smaller subgroups have larger margins of error.

2023 consumer engagement scores

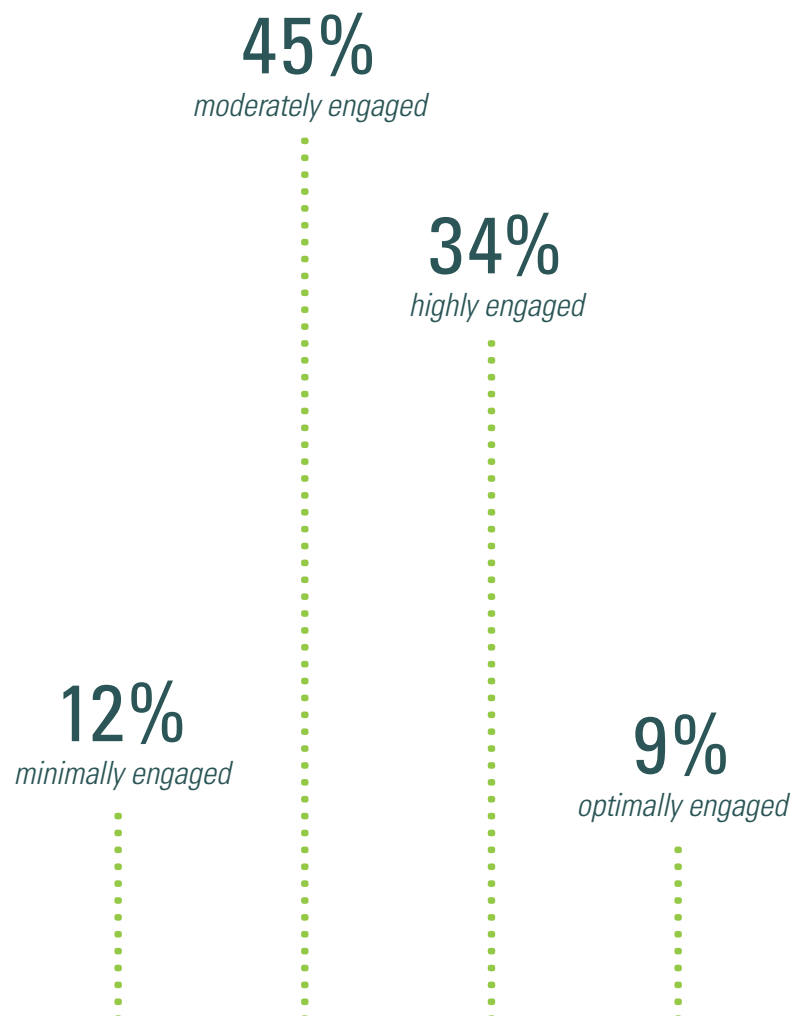
We surveyed 2,000 healthcare consumers this year, just as we did last year. We also evaluated the same demographic factors, including age, gender, location, income and health plan type.

*This year's average
consumer engagement is*

56.6

Average index score remained the same in 2023.

Overall, the average index score this year of 56.6 is consistent with that of 2022 and remained well within the “moderately engaged” category. This score indicates continued positive levels of health and wealth engagement among Americans.





Introduction to key insights

With COVID-19 in the rearview, another — but not new — affliction affects Americans: inflation. How does this influence health and wealth? And what can employers do to help their employees best navigate the impact higher prices have on their healthcare costs and savings?

The sixth annual HSA Bank Health & Wealth Index provides insight into health and wealth engagement of consumers across the country. Employers can use these findings to tailor their benefits offerings to the needs of their employees, and they can share the [Health & Wealth Index Calculator](#) to encourage employee engagement. Educating employees on how to stretch their healthcare finances during a time with rising costs will help them balance decisions and expenses in their working years and as they prepare for retirement.

Key insights

Healthcare costs

Healthcare costs remain the primary reason for those who are not enrolled in a health plan. Of those who are not currently enrolled in a health plan, 51% said it was due to cost. But are costs well known?

For those enrolled in a health plan, knowledge of its costs remained low this year. But it has improved over the years.

If more consumers knew the healthcare costs associated with their plan, they might enroll in a health plan that is a better fit for their unique needs and more cost-effective.

Personal healthcare cost knowledge of their existing plan, broken down:



Those in Generation Z continue to be the least informed about their health plan, followed by millennials and those in Generation X. Those in Generation Z have the highest rate of uninsured individuals, but they are still eligible to be covered by their parents' plan.

Insights & action

With inflation on the rise, better understanding of healthcare costs, so employees can plan, is critical. Employers can provide more education during open enrollment and throughout the year. [The HSA Bank Open Enrollment Resource Center](#) has resources on not just Health Savings Accounts (HSAs), but also other plan offerings, such as Flexible Spending Accounts (FSAs) and Lifestyle Spending Accounts (LSAs). These resources can help employees understand how to use their benefits and plan for healthcare expenses through the year. Explore the [Health Plan Comparison Calculator](#), which helps employees compare plans based on health plan costs and their predicted healthcare usage.

Virtual care and preventive services

No longer quarantined in our homes, appointments for telehealth have decreased and consumers are going back to their doctors' offices for preventive care appointments. This shift to in-person appointments does not mean there is no longer a need for online care. Follow-ups and other information are accessed online. Especially by younger consumers. Millennials are the generation most likely to communicate with their doctor virtually with online services like MyChart or other healthcare apps.

Telehealth usage was most popular in 2021 with a high of 53%. This trended down in the following years with 48% responding that they accessed telehealth in 2022 and 47% in 2023.



Half of respondents said they never communicate with their doctor virtually through services like MyChart or an app. Millennials do tend to use this service more than other generations, with 62% reporting doing so at least once, followed by those in Generation Z (56%), those in Generation X (50%) and baby boomers (37%). Preventive care usage increased in each of the last three years. Annual physical exams increased from 46% in 2021 to 58% in 2023, and dental exams increased from 37% in 2021 to 48% in 2023.

This year, the participation was as follows for the most popular services:

58% annual exam



49% flu shot



48% dental exam



40% health assessment



31% recommended preventive care exams



..... **Insights & action**

Preventive care appointments are typically at no cost to insured consumers. Employers can educate their employees on these covered services and use incentives to encourage participation.

.....



Lifestyle changes

Preventive care appointments can be an opportunity to identify unhealthy habits. Many times, consumers are encouraged to make positive lifestyle changes.

84%

84% of respondents reported making lifestyle changes to improve their health in the past year.

More men than women strongly agree that they made lifestyle changes to improve their health (43% of men strongly agree; 35% of women strongly agree).

43% men

35% women

Those in younger generations agreed more than older generations that they made lifestyle changes (88% for Generation Z, 84% for Generation X and 82% for baby boomers).

88% Generation Z

84% Generation X

82% baby boomers

Insights & action

Employers can promote the value and convenience of tools, such as sleep and meditation apps, that can help improve the physical and mental well-being of employees and encourage them to make positive lifestyle changes.

Mental health

As healthcare affordability and medical debt gain attention from policymakers and the media, healthcare costs and chronic condition management weigh on the minds of consumers. The ability to pay for these expenses only adds to the financial stressors that influence physical and mental health.

In fact, mental health continues to be an important topic of overall health. And, of course, benefits. Employers may want to create a company culture of support for the mental wellness of their employees.

This is seen in our survey results as the coverage of mental health has increased from 23% from last year to 27% this year. Employees are recognizing this, as shown by a slight increase in those confident in their mental health, rising from 81% from last year to 83% this year.

Respondents in older generations were more confident in their mental health, with baby boomers more confident than those in Generation Z.

Inflation has less impact on mental healthcare access or affordability for baby boomers (4%) than for those in Generation Z (29%).

Though, those in Generation Z are more likely to obtain mental healthcare than those in older generations.

Insights & action

With a greater focus on mental healthcare, employers are recognizing the unique needs of their employees to better support their mental health. As an IRS-qualified expense, employers can offer HSAs, FSAs and HRAs to help cover mental healthcare.

And benefits like LSAs help make paying for additional expenses more attainable and less of a financial stressor. Counseling, gym memberships, workout equipment and more can be covered by this overarching benefit and can contribute to higher overall well-being.

Mental healthcare coverage

Employees notice when employers offer mental healthcare benefits and favor those who do. Mental health benefits coverage makes more of an impact when researching a potential new employer for those in Generation Z and millennials (48%) and less of an impact for those in Generation X (38%).

Those in Generation Z (61%) and millennials (51%) are more likely to change employers due to improved benefits. Compare this to the percentage for those in Generation X (31%) who are likely to change employers due to improved benefits.

31%
Generation X

51%
millennials

61%
Generation Z

Insights & action

Employers can ask their insurance carrier about adequate mental healthcare coverage and ensure employees know how to access this benefit both at open enrollment and throughout the year.



Costs into retirement

It is estimated that a 65-year-old couple retiring today will spend hundreds of thousands of dollars on healthcare alone. Factor in inflation and what employees are saving may not be enough for their future expenses.

Those who save money for future healthcare expenses and consider cost in the selection of health services have been steady for the past four years. But worrying about current or future medical bills has also remained steady.

Those in Generation Z (59%) and millennials (55%) are more likely to save money for a future healthcare expense compared to those in Generation X at (45%).

And those in Generation Z (63%) and millennials (65%) are also more likely to consider cost in their selection of health services.

Confidence to cover costs remained consistent in the last three years. Still 33% of respondents are not sure how to cover medical expenses in retirement and 32% are not sure how to cover an unexpected expense in the next year.



44% of those who responded said that inflation impacted their ability to save for retirement.

Insights & action

An HSA is a way to save for healthcare expenses in retirement, with three tax advantages and funds that roll over. Additionally, a Retirement Reimbursement Arrangement is a way for employers to help their retirees offset healthcare costs in retirement with tax-free dollars. This can be a more predictable and cost-effective option for employers compared to offering defined benefit retiree health plans.

And for those just entering the workforce or continuing their education, a Tuition Reimbursement Account can help cover some costs that could result in debt or prevent them from saving for retirement.

Retirement savings

Traditional retirement accounts like a 401(k), 403(b) or IRA may need to be supplemented to create a sufficient nest egg. Many employees are complementing employer-sponsored retirement accounts with HSA investment accounts. And making financial changes that lead to greater savings.

Men more than women tend to invest money in their HSAs while women tend to spend the money in theirs. Millennials and those in Generation X are more likely to spend the money in their HSAs.

Women more than men are likely to create a budget, but women are less likely to invest their savings or save for retirement or college.

70%

70% of respondents agree they made changes, such as creating a budget, paying off debt, funding an emergency savings, investing, etc., to improve wealth and finances in the past year.

83%

Of these respondents, 83% of millennials agree.

64%

And 64% of those in Generation X and baby boomers agree.

Insights & action

Do not underestimate the interest younger employees have in saving and investing for the future. Women invest less than men but are more likely to live longer and have a need for investing. Employers can provide educational resources like webinars to help these employees understand how to invest the money in their HSAs. Investment programs with moderate entry thresholds and a streamlined fund lineup for those with minimal investing experience can reduce some barriers. And retirement cost estimators like our Contribution Planner can give them a more accurate estimate of the money they will need.



Make change happen with us

At HSA Bank, our team is helping create a world where everyone is engaged in their health and wealth. We help individuals, employers and partners simplify complex health and wealth decisions by delivering personalized insights, experiences and solutions that drive value and tangible outcomes. By providing the right tools and resources, we make it simple for our 3 million members nationwide to maximize their savings for healthcare and long-term goals. Our offerings in the healthcare savings space drive down healthcare costs, increase access, and assist with decision-making for consumers, partners and advisors.

Find additional statistics in the following appendix for more information.



**START THE
CONVERSATION**

salesupport@hsabank.com



Appendix

Index scores by age

Millennials had the highest wealth score this year. Those in Generation Z had the lowest health score this year.

| Generation | Overall | Wealth | Health |
|----------------------|---------|--------|--------|
| Generation Z (18-25) | 54.9 | 24.9 | 30.0 |
| Millennials (26-41) | 56.7 | 25.6 | 31.1 |
| Generation X (42-57) | 54.9 | 23.1 | 31.7 |
| Baby boomers (58-76) | 58.2 | 23.3 | 34.9 |







Index scores by gender
Men continued to score higher than women.

| | Overall | Wealth | Health |
|-------|---------|--------|--------|
| Men | 57.9 | 25.0 | 32.9 |
| Women | 55.5 | 23.5 | 32.0 |








Index scores by marital status

Married respondents, among all groups, scored the highest in all categories.

| Status | Overall | Wealth | Health |
|---|---------|--------|--------|
| Married  | 59.8 | 25.8 | 34.0 |
| Living with a partner  | 52.5 | 22.4 | 30.1 |
| Single, never married  | 54.2 | 23.8 | 30.4 |
| Separated  | 47.5 | 19.4 | 28.0 |
| Divorced  | 55.1 | 22.1 | 33.0 |
| Widowed  | 55.9 | 22.5 | 33.4 |

Index scores by health plan type

High-deductible health plans (HDHPs) plans have the highest wealth score.

| Plan Type | Overall | Wealth | Health |
|--|---------|--------|--------|
| PPO  | 60.2 | 26.8 | 33.4 |
| HMO  | 61.2 | 27.2 | 33.9 |
| Medicare  | 57.3 | 23.5 | 33.8 |
| Medicaid  | 48.4 | 19.6 | 28.7 |
| HDHP (HSA + HRA)  | 60.4 | 28.1 | 32.3 |