

U.S. Healthcare Employment

In Thousands (000s) - NSA

	Employment	12-Month Change
Apr-17	15,628	+2.1%
Apr-18	15,975	+2.0%
May-17	15,660	+2.3%
May-18	15,975	+1.9%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted

U.S. Employment

In Thousands (000s) - NSA

	Employment	12-Month Change
Apr-17	146,101	+1.5%
Apr-18	148,366	+1.6%
May-17	146,937	+1.6%
May-18	149,309	+1.6%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted

U.S. Unemployment Rate

Apr-17	4.4%
Apr-18	3.9%
May-17	4.3%
May-18	3.8%

Source: Bureau of Labor Statistics

U.S. Employment per Industry

12-Month Percent Change in Employment - NSA

	May-17	May-18
Mining and logging	+1.4%	+8.9%
Construction	+3.4%	+4.2%
Manufacturing	+0.6%	+2.1%
Retail trade	+0.2%	+0.8%
Transportation, warehousing	+3.1%	+3.0%
Utilities	-0.1%	-0.0%
Information	+1.4%	-0.6%
Financial activities	+2.0%	+1.5%
Professional and business services	+2.2%	+2.4%
Education and health services	+2.5%	+1.9%
Leisure and hospitality	+2.8%	+1.6%
Government	+0.5%	+0.1%
Goods-producing	+1.6%	+3.1%
Service-providing	+1.7%	+1.4%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted

Contact UMB

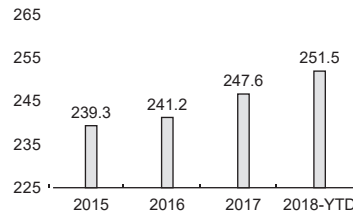
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U.S. HEALTHCARE BENCHMARKS

U.S. Consumer Price Index

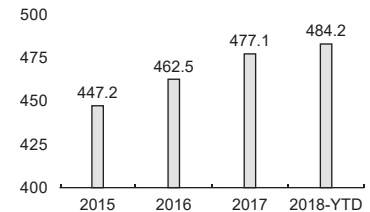
1982-84 = 100 - NSA



Source: Bureau of Labor Statistics NSA = not seasonally adjusted

U.S. Medical Care Price Index

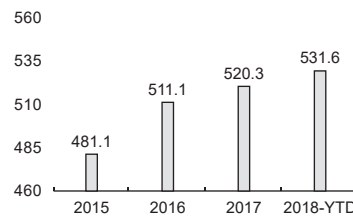
1982-84 = 100 - NSA



Source: Bureau of Labor Statistics NSA = not seasonally adjusted

U.S. Prescription Drug Price Index

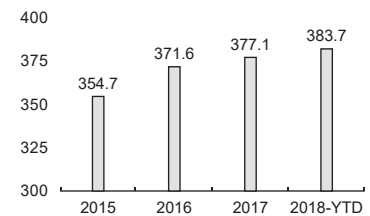
1982-84 = 100 - NSA



Source: Bureau of Labor Statistics NSA = not seasonally adjusted

U.S. Medical Care Commodities Price Index

1982-84 = 100 - NSA



Source: Bureau of Labor Statistics NSA = not seasonally adjusted

HEALTHCARE PERSPECTIVE

Are HSA Owners Spending Their Money on the Right Items?

Health savings accounts (HSAs) continue to remain a popular option among Americans, with over 22 million people enrolled in HSAs at year-end 2017 and total assets reaching approximately \$45.2 billion. That growth isn't expected to slow anytime soon, as HSAs continue to remain a popular option to help combat the rising costs of health care.

In fact, according to the [2016 Health Care Cost and Utilization Report](#) by the Health Care Cost Institute, "total spending per person is now growing at faster rates than prior years, with 4.6 percent growth in 2016 compared to 4.1 percent growth in 2015. Spending growth in each year from 2012 to 2016 was almost entirely due to price increases."

In Devenir's 2017 year-end report, the findings show that average account balances are slowly increasing year-over-year, despite the increased popularity of HSAs as a long-term tax savings vehicle. This indicates health savings account holders are spending the majority of their HSA contributions for the particular year on health care expenses instead of rolling over contributions, which can be saved or invested for future health care expenses.

UMB Healthcare Services is also seeing this trend among account holders with their average account balance. UMB's annual segmentation data findings show the average account balance in 2016 was \$1,472 average, while the average account balance in 2017 was \$1,741.

Today, we're seeing account holders use their HSAs to pay for current health care expenses as opposed to saving for the future due to the rising cost of health care. By encouraging and educating account holders to maximize their contributions on a tax year basis we can teach them how to fund for current expenses as well as how to save funds for future expenses in retirement.

HEALTHCARE TRENDS

Healthcare Costs Businesses with 1-49 Workers

	Compensation Cost per Hour	% of Total Compensation
Q4-16	\$1.63	6.1%
Q1-17	\$1.65	6.1%
Q2-17	\$1.65	6.0%
Q3-17	\$1.67	6.1%
Q4-17	\$1.66	6.0%
Q1-18	\$1.69	6.0%

Source: Bureau of Labor Statistics

Healthcare Costs Businesses with 50-99 Workers

	Compensation Cost per Hour	% of Total Compensation
Q4-16	\$2.13	7.1%
Q1-17	\$2.21	7.2%
Q2-17	\$2.26	7.3%
Q3-17	\$2.27	7.4%
Q4-17	\$2.22	7.4%
Q1-18	\$2.20	7.4%

Source: Bureau of Labor Statistics

Healthcare Costs Businesses with 100-499 Workers

	Compensation Cost per Hour	% of Total Compensation
Q4-16	\$2.73	8.4%
Q1-17	\$2.70	8.3%
Q2-17	\$2.69	8.2%
Q3-17	\$2.74	8.2%
Q4-17	\$2.88	8.3%
Q1-18	\$2.94	8.3%

Source: Bureau of Labor Statistics

Selected Healthcare Service Estimates

	Q1-18	Q1-17	Q3-17	Q2-17	Q1-17	% Chg. Q1-18- Q1-17
Revenue (in millions)						
Hospitals	\$242,450	\$239,478	\$238,658	\$240,240	\$228,958	+2.1%
Physician's offices	\$129,350	\$128,048	\$125,343	\$123,685	\$118,120	+1.1%
Outpatient Care	37,493	35,895	34,015	34,553	32,883	+1.4%
Medical Labs	13,985	13,047	12,564	12,668	12,121	+0.7%

Nursing care facilities

	Q1-18	Q1-17	Q3-17	Q2-17	Q1-17	% Chg. Q1-18- Q1-17
Total revenue Taxable	\$41,748	\$40,299	\$39,189	\$38,799	\$38,292	+1.3%
Total revenue Tax Exempt	\$25,400	\$23,645	\$21,301	\$20,972	\$20,831	+2.1%

Source: U.S. Census Bureau

NATIONAL HEALTHCARE TRENDS

HSA/HDHP Enrollment Number of Covered Lives

	January 2013	January 2014	January 2015	January 2016	January 2017
Individual market	2,029,646	1,974,895	2,042,520	1,894,113	1,100,431
Small-group market	2,590,037	2,505,931	2,294,590	2,113,133	1,656,413
Large-group market	9,597,759	12,813,021	15,357,063	13,902,214	12,755,818
Other group*	N/A	N/A	N/A	N/A	N/A
Uncategorized	1,237,631	749,177	3,102	2,255,470	6,41,238
Total	15,455,073	17,368,764	19,697,275	20,164,930	21,824,627

Source: Center for Policy and Research, America's Health Insurance Plans *Most Recent Data Available

Employment Cost Index 2005 = 100.0 NSA

	Index Number	12-Month Change
Q3-2016	127.5	+2.4%
Q4-2016	127.9	+2.1%
Q1-2017	129.0	+3.1%
Q2-2017	129.7	+2.8%
Q3-2017	130.7	+2.3%
Q4-2017	131.2	+3.0%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted

Consumer Price Indexes 1982-84 = 100 - NSA

	May-17	May-18
U.S. all items	244.7	251.5
Health insurance ¹	133.7	134.3
Medical care services	505.6	517.2
Dental services	472.5	487.9
Inpatient hospital services ²	310.8	324.1
Outpatient hospital services ²	704.5	734.5
Nonprescription drugs ³	98.1	97.2
Physicians' services	379.2	381.3

¹ December 2005 = 100 Source: Bureau of Labor Statistics
² December 1996 = 100 NSA = not seasonally adjusted
³ December 2009 = 100 N/A = data not available

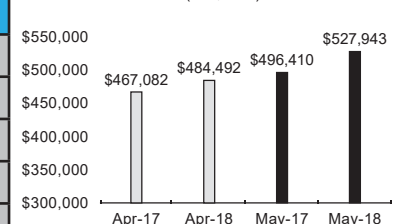
Gross Domestic Product	
Q1-17	1.2%
Q2-17	3.1%
Q3-17	3.2%
Q4-17 (r)	2.9%
Q1-18 (p)	2.0%

Source: Bureau of Economic Analysis Percent change from prior qtr. (r) = revised

Consumer Confidence Index	
Feb-18	130.8
Mar-18	127.7
Apr-18	128.7
May-18 (r)	128.8
Jun-18 (p)	126.4

Source: The Conference Board 1985 = 100 (p) = preliminary

Total U.S. Retail Sales In Millions (000,000s) NSA



Source: U.S. Department of Commerce NSA = not seasonally adjusted

Quick Fact

8.3B

The total estimated value in HSA investment assets as of December 31st 2017. This represents an increase of 53% from the prior year.

Source: Devenir HSA Market Survey