Technology and Data Segmentation Driving HSA Engagement

Health savings accounts (HSAs) are powerful tools for helping employees save for healthcare expenses and building long-term wealth. However, not enough accountholders are taking advantage of HSAs to finance their future. According to UMB Healthcare Services 2017 HSA Accountholder Overview, only 2 percent of HSA accountholders have investment accounts.

HSAs hold the power to improve employees' financial outlook. This is not only an option for the wealthy, but for a large segment of employees who can benefit from the unique features HSAs offer. According to the 2016 year-end Devenir report, there are currently more than 20 million HSA accounts in the U.S. and this number is steadily rising.

Using HSAs as a long-term savings tool has been greatly underemphasized; but the future is bright. New technology and data segmentation provide the foundation and opportunity for employers to have personalized conversations with their employees. Through targeted communications, employees' HSA contributions can be maximized by further understanding their broad financial picture. This information can help provide targeted education, ultimately supporting overall financial wellness.

Investing in Financial Wellness

Financial wellness is a key factor in creating a successful and productive workplace. In fact, according to a WorkPlace Options survey, 40 percent of employees say they spend more than three hours each week dealing with personal finance issues. Employers feel this financial stress in the form of lower productivity due to distractions, missed work and lower performance. There are many options for integrating technology into HSA engagement that can increase employee's investments in their financial future.

Americans Face Retirement Fears

While HSAs continue to grow, the confidence that Americans have in their retirement plans, readiness and financial literacy are not keeping pace. According to the Employee Benefit Research Institute's *2017 Retirement Confidence Survey*, 18 percent of Americans say they are not confident about retirement. An even larger number are living paycheck to paycheck. As these financial concerns continue to plague a growing number of employees, now is the time to change the course of the financial discussion.

By providing increased, targeted education to help accountholders maximize the power of their HSA savings, long-term financial stability and savings can be achieved.

Technology Solutions

The most effective first step in improving financial wellness is to understand how employees are interacting with their HSAs. Are they spending or saving? Are they investing? To help answer these questions, innovative technology solutions allow

employers to see aggregated monthly employee HSA activity. This can help drive understanding of accountholder behavior and spending trends. Benefit strategies can then be developed that influence and optimize employee health decisions and financial wellness—without added cost.

Data segmentation is a key component of understanding employees' current needs. Goals and strategies can then be defined to help move each segmented group forward on the path to financial wellness.

By utilizing segmentation tools, employers can determine if employees are contributing enough money to their HSAs and help them set specific goals to increase participation in investments. These efforts, along with a strong communications strategy, can help employees learn how to make the right decisions for their financial future.

Investing in technology segmentation data could be the key to unlocking employee engagement in HSAs. Employers can effectively target and segment communications to drive better employee outcomes. The data can work to answer the most critical questions about employee HSA engagement and segment communications efforts to ultimately provide financial wellness and preparedness to employees.