**Health Savings Accounts (HSAs)**

Health Savings Accounts (HSAs) are tax-advantaged savings accounts designed to help individuals save for medical expenses in the United States.

A Health Savings Account (HSA) is a potential tax-advantaged personal savings account that helps those with HDHP (High Deductible Health Plan) save money on many out-of-pocket medical expenses like doctor visits, vision and dental care, and prescriptions. An HSA gives you more control over your health care spending.

The minimum deductible required to open an HSA is $1,600 for an individual or $3,200 for a family for the 2024 tax year ($1,500 and $3,000, respectively, for 2023). The plan must also have an annual out-of-pocket maximum of $8,050 for self-coverage for the 2024 tax year ($7,500 for 2023) and $16,100 for families for the 2024 tax year ($15,000 for 2023).

**Key Features of HSAs**

**Eligibility**

To contribute to an HSA, you must be enrolled in a High-Deductible Health Plan (HDHP).

You cannot be enrolled in Medicare.

You cannot be claimed as a dependent on someone else’s tax return.

**Contributions**

Contributions can be made by the individual, their employer, or both.

Contributions are tax-deductible.

For 2024, the contribution limits are $4,150 for individuals and $8,300 for families. There is an additional catch-up contribution of $1,000 for those aged 55 and older.

**Distributions**

Withdrawals for qualified medical expenses are tax-free.

Withdrawals for non-qualified expenses are subject to income tax and a 20% penalty if taken before age 65. After 65, non-qualified withdrawals are subject to income tax but not the penalty.

**Portability**

HSAs are owned by the individual, meaning they are portable and remain with the person regardless of job changes or retirement.

**Rollover**

Unused funds roll over year to year, with no expiration.

**Benefits**

**Triple Tax Advantage**

Contributions are tax-deductible.

Earnings grow tax-free.

Withdrawals for qualified medical expenses are tax-free.

**Long-term Savings**

HSAs can be used as a retirement savings tool, allowing for investment options similar to IRAs.

**Statistics**

**Adoption**

As of 2023, there are over 30 million HSA accounts in the U.S.

Total HSA assets have exceeded $100 billion.

**Contribution Patterns**

On average, individuals contribute about $2,000 annually to their HSAs.

Employers often contribute to employees’ HSAs, with an average employer contribution of approximately $1,000 per year.

**Usage**

Around 60% of HSA account holders use their funds for current medical expenses, while the rest save for future use.

**Trends**

**Growth**

HSAs have been growing rapidly due to increasing healthcare costs and the rising popularity of high-deductible health plans.

**Investments**

A growing number of HSA holders are investing their funds in mutual funds, stocks, and other securities, with an estimated 10-15% of HSA assets being invested.

HSAs are an important tool for managing healthcare costs and saving for future medical expenses, offering significant tax advantages and flexibility.

**Personal loans**

Nearly 23 million Americans have unsecured personal loans, with an average balance of about $11,500. Today, the average interest rate on a personal loan is 11.48%, up from 9.38% in 2021. The average personal loan balance is highest among baby boomers ($21,644) and lowest among Generation Z ($7,684).

Over the past two years, outstanding balances for personal loans have increased by nearly 59%, from $146 billion to $232 billion, according to TransUnion data.

Nearly 23 million Americans have unsecured personal loans, with an average balance of about $11,500.

Today, the average interest rate on a personal loan is 11.48%, up from 9.38% in 2021.

The average personal loan balance is highest among baby boomers ($21,644) and lowest among Generation Z ($7,684).

The average new account balance for personal loans exceeds $12,000 in four states (Connecticut, Massachusetts, Hawaii and New Jersey).

The delinquency rate for personal loans that are 60 days or more past due is 3.62%.a

Personal loan debt dipped at the beginning of the COVID-19 pandemic, falling from $159 billion in the first quarter of 2020 to $144 billion a year later.

Since then, it has grown steadily and significantly. Outstanding personal loan balances in the U.S. amounted to $232 billion at the end of June — nearly 46% higher than the March 2020 figure and roughly 59% higher than June of 2021, TransUnion data show.

Personal loans are a form of unsecured credit provided by financial institutions, which can be used for various personal purposes such as debt consolidation, home improvement, medical expenses, or major purchases.

**Key Features of Personal Loans**

**Unsecured**

Most personal loans do not require collateral, making them unsecured.

Some personal loans might be secured by assets such as savings accounts or certificates of deposit (CDs).

**Fixed Interest Rates**

Personal loans typically come with fixed interest rates, meaning the rate stays the same throughout the loan term.

**Fixed Repayment Terms**

Borrowers repay the loan in fixed monthly installments over a predetermined period, usually ranging from 12 to 60 months.

**Loan Amounts**

Loan amounts can vary widely, generally ranging from $1,000 to $100,000, depending on the borrower’s creditworthiness and the lender’s policies.

**Credit Score Impact**

Lenders evaluate credit scores and credit histories when approving personal loans.

A higher credit score can result in lower interest rates and better loan terms.

**Benefits**

**Versatility**

Personal loans can be used for a wide range of purposes.

**No Collateral Required**

Since they are often unsecured, borrowers don’t need to provide collateral.

**Debt Consolidation**

Personal loans can be used to consolidate high-interest debts, potentially lowering the overall interest rate and simplifying payments.

**Statistics**

**Market Size**

As of 2023, the personal loan market in the U.S. is substantial, with outstanding personal loan balances exceeding $160 billion.

**Average Loan Amount**

The average personal loan amount is approximately $6,500.

**Interest Rates**

Interest rates on personal loans vary based on the borrower’s credit score. As of 2023, average interest rates range from about 10% for those with excellent credit to over 20% for those with poor credit.

**Loan Growth**

Personal loans have seen significant growth over the past decade. Between 2010 and 2020, the number of personal loan accounts grew by over 100%.

**Delinquency Rates**

Delinquency rates on personal loans are relatively low compared to other forms of credit. As of late 2023, the delinquency rate (90+ days past due) is around 3.5%.

**Trends**

**Online Lenders**

The rise of fintech companies and online lenders has made personal loans more accessible. Online lenders now account for a significant portion of the market.

**Credit Score Improvement**

Some borrowers use personal loans to improve their credit scores by consolidating and paying off high-interest debts, leading to more manageable monthly payments and reduced overall debt.

**Digital Applications**

The application process for personal loans has become increasingly digital, with many lenders offering quick approval and funding, often within 24 hours.

Personal loans are a flexible financial tool for managing various expenses and consolidating debt. They provide a straightforward borrowing option with fixed terms and rates, making them a popular choice among U.S. consumers.