

The Four S's of HSAs:

A Persona-Based Approach





Differentiating the Messages

Have you ever noticed that when you're watching a sporting event, you see a lot of commercials for trucks and beer? Or when you're watching a mushy holiday movie, there are lots of mom-oriented advertisements? Segmented and assumptive messaging is effective. That's why marketers spend a lot of time (and money) defining their audiences and crafting different approaches for various groups.

Right message. Right time.

Take a look around almost any workplace, and you'll find a lot of diversity—in age, life stage, education, wellness, income level, and racial/ethnic background. It stands to reason that you might need to segment and target various groups within your workforce when it comes to benefits communications. Without enrolling in night classes for marketing, how can you begin to define those “audiences” in your workplace—so you then can tailor messaging to them?

Consider this your crash course in HR Marketing 101: Audience Segmentation.





Let's look at a how a single benefit—a health savings account (HSA)—is a good case for segmentation. With four groups that are a general representation of your workplace, we can examine how to communicate the value and use of an HSA to each group, using simple message techniques and segmented audiences.

SPOILER ALERT: The days of a static benefits guide are best left behind. But with a few tricks and some thoughtful approaches, you can help rescue your employees from their benefits confusion. Your benefits partners can help, too!



19% of HSA accounts are unfunded, up from 18%

2022 Midyear Devenir HSA Research Report





Understanding HSA Basics

Of 996 employees, 56% said they had a good understanding of HSAs, yet only 11% correctly identified all four basic HSA attributes. The percentage of employees who correctly identified each attribute:

Triple tax advantage: pre-tax contributions, tax-free investment growth and tax-free withdrawals

30%

HSA funds can be invested like your 401(k) funds for long-term growth

37%

HSA funds do not expire and roll over year to year

74%

HSAs are available to participants who are also enrolled in a high-deductible health plan

78%

Let's meet the 4 groups

Bank of America [Workplace Benefits Report](#), 2020



1

The Student

Overall, the Student is still learning about their benefits. The Student doesn't rely much on their health care benefits, and either hasn't taken time or had enough opportunities to understand the value and need for their coverage options.

When it comes to HSAs, the Student may not be aware of what it is or why they need it. Some other attributes that might define the Student:

- New hire
- Early in career
- Low medical usage
- Low balance (if they have an HSA)
- Other financial priorities
- Low contributions



1

Student Messaging

What's in your wallet?

Did you know most people pay about \$6,000/year on average for out-of-pocket medical costs? If you're paying for items like over-the-counter medications, dental visits, glasses or contacts or prescriptions, you could be saving money over the long term with an HSA.

No "use it or lose it!"

Opening and contributing to an HSA is a great way to create a safety net for your budget. It's there if you have an emergency medical expense, and it never expires. So, if you don't use it now, you can save it for later.

Your money, no problems.

It may feel like you can't afford to set aside money for medical expenses, but there is good news! With an HSA, you can spend it or save it—and even invest it if you don't need it immediately. It's yours—wherever you go, whenever you need it.



62%

Employee contributions to HSAs have declined from 90% in February 2022 to 62% in July

2022 Workplace Benefits Pulse Report



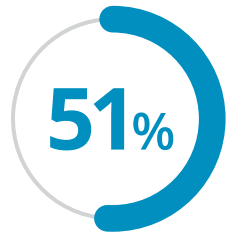
2

The Spender

The Spender contributes regularly to their HSA ... then spends it down without fail. They may be using it like its cousin, the flexible spending account (FSA).

A Spender might be:

- ☑ Financially fragile, living paycheck-to-paycheck with little or no other savings
- ☑ A medical care super-user
- ☑ A parent or single parent
- ☑ Anxious about maximizing contributions



51% of workers surveyed said **they don't have enough income to save for retirement**

Emerging From the COVID-19 Pandemic:
Four Generations Prepare for Retirement...
Transamerica Center for Retirement Studies, 2022



2

Spender Messaging

Set it and forget it.

If you are contributing to your HSA, way to go! Did you know the REAL value in the HSA comes with saving it over the long term? Think about setting aside just a little more each month and saving for a rainy day.

Grow and behold!

Save that HSA for bigger-ticket expenses, like surgery or orthodontia and let it grow. It's also good to save for life's curve balls, like an ER visit or accident-related expenses. Reducing your withdrawals each year or contributing just a little more can really add up over several years with interest and investing. Check out [this HSA calculator](#) to see how making a small adjustment can pay off big.

Keep the S in HSA.

Your benefits need to cover you today and in the future. Did you know the average cost of health care during your retirement years is \$662,156 for a married couple? Your HSA can be stashed away for Medicare premiums and long-term care coverage. Be sure to take advantage of the savings of your HSA.



Large healthcare expenses pose a financial risk.

Following a month in which healthcare spending exceeds \$400...families...[experienced] sustained depletions in their cash balances

Healthcare Spending during the Pandemic, JP Morgan Chase, 2022

3

The Simple Saver

The Simple Saver likely did their research when the HSA became an option. They know it's a good idea to set aside those funds for the unexpected medical expenses and even for retirement.

The Simple Saver might look like this:

- ✓ Looking to save and has a budget
- ✓ Contributes to a 401(k)
- ✓ Low debt ratio
- ✓ Maximizes HSA contributions
- ✓ More likely to be Gen X or Boomer
- ✓ Uses HSA only when necessary or for big expenses



3

Simple Saver Messaging

Rev that investment vehicle.

Saving those HSA dollars is one of the best ways to ensure your financial future. Log in to your HSA today to check out investment options. Grow your HSA for even more financial security.

Expand your nest egg.

The best-kept secret of HSAs is their ability to grow through investments. By increasing your rate of return and maximizing your annual contribution, you could greatly increase your retirement health care nest egg.

Compare:

Average salary, maximum annual contribution, and average tax brackets:

- with standard HSA interest (2%) over 20 years = \$178,800
- with investment rate of return (6%) over 20 years = \$282,340

Shop 'n' save.

Maximize your HSA dollars by making sure you “shop” your services. Staying in-network and comparing providers and costs can really put the “save” back into your HSA.



4

The Savvy Saver

The Savvy Saver may be a benefits unicorn. This is the person who probably studies the benefits guide, knows their coverage and could help your team field annual enrollment calls. This is the person you want to spread the word to their colleagues.

More likely than not, the Savvy Saver:

- ✔ Has a healthy HSA balance
- ✔ Already invests their HSA dollars
- ✔ Pays out of pocket for medical expenses
- ✔ Is relatively healthy or doesn't depend on their HSA for medical expenses
- ✔ Contributes and invests the maximum amount allowed
- ✔ Is financially stable, regularly saving more than they spend overall



4

Savvy Saver Messaging

Be an influencer.

If you have already unlocked the secret sauce of HSAs, and you're investing—great job! Can you spread the word to your coworkers? Almost half of folks eligible for an HSA have never heard of them. It's shocking—we know. But the best influencer is someone like you! A 2019 VISA study says that 45% of folks signed up because of "family/friends" and "colleagues."

Check your vitals.

It's time for your HSA Health Check. Be sure to log in to your HSA this month. You can maximize your contributions at any time during the year, and ensure you are investing too. You're doing great on your journey to a healthy HSA.

Shop 'n' save.

Maximize your HSA dollars by making sure you "shop" your services. Staying in-network and comparing providers and costs can really feed the "save" in your HSA.



Account holders **contributed over \$26 billion to their accounts** in the first half of 2022 (up 11% from the year prior)

[Devenir 2022 Midyear HSA Research Report](#)

On Your Marketing...Get Set...Go!

HSA-eligible health plans are on the rise, so it's important to review the way we communicate about HSAs—their value for tomorrow's medical “curve balls” as well as longer-term savings. Engage in messaging to all your populations year round to ensure success.

Additional Resources

- *Three Components of an Omni-Channel Benefits Experience*
- *Get to Know MyChoice Accounts*



Market-Leading Benefits Technology + Innovative, High-Touch Services
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