

# Credit Unions Uncover Members' Revolving Debt and Opportunities to Advance Margin and Mission

*Published by Filene Research Institute, research from Nickels points to opportunities for loan growth while improving members' financial health*

ANN ARBOR, MI, UNITED STATES, November 28, 2022 /EINPresswire.com/ -- [Nickels](#), a fintech



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*Joseph Gracia, Founder and CEO, Nickels*

company that helps banks and credit unions take control of consumers' third-party card debt, released research today in a [Filene Research Institute](#) brief. The brief utilizes data from 500,000 members' checking accounts to uncover significant opportunities for credit unions to strengthen members' financial health while growing their loan portfolios.

In collaboration with Filene, Nickels partnered with five credit unions ranging in size from \$200 million to \$7 billion in assets. Analyzing members checking account transactions, Nickels identified members' credit card

usage, spending patterns, and those with revolving debt. 60% of members had payments to one or more credit card companies, accounting for an astounding 29% of those members' monthly spending. Roughly one quarter of all checking account holders showed signs of revolving debt on their cards from month to month while making more than the minimum payment each month.

The research suggests these members represent a lost lending opportunity with card outstandings estimated at over \$600 million. Offering personal installment loans with fixed monthly payments would both lower their interest expense and shorten their projected time in debt while increasing the credit union's interest income and net interest margin by as much as 25% and 17% respectively.

“Credit unions have long envied credit cards' profitability, but most lack the scale necessary to compete with the dozen or so issuers that dominate the market,” said Corey Stone, Senior Advisor at the Financial Health Network and a Nickels Advisor. “Our analysis showed that members are making sincere efforts to pay down their debt which makes them attractive candidates for refinance.”

One of the participating credit unions used the checking analysis to test responsiveness to card refi offers and achieved positive results. They targeted approximately 15,000 of their qualified revolvers with a single email and postcard and yielded a 1.2% conversion rate with more than \$2.4 million of third-party credit card debt refinanced.

Nickels, also the developer of Credit Card Coach, a white-label credit card health tool, routinely examines spending data to provide credit unions with insight into how members use their credit cards. This type of information well exceeds what is available on a typical credit report or a credit union's transactional records.

"The data speaks for itself," said Joseph Gracia, Nickels Founder and CEO. "Credit unions are sitting on massive opportunities to help their members pay down debt, build savings, and improve their credit score, and overall financial health."

To access the full brief published by Filene Research Institute visit [www.filene.org](http://www.filene.org). To learn more about Nickels and Credit Card Coach visit [www.asknickels.com](http://www.asknickels.com).

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