What Should Community Banks and Credit Unions Actually Do About Chime?

Chime is now a public company. Since its June 2025 IPO, it has filed an S-1, two 10-Qs, and a 10-K — the first neobank in U.S. history to put real numbers on the table for scrutiny. In Q1 2026, it reported its first profitable quarter. The hype has become auditable fact.

That creates a different kind of conversation for community banks and credit unions. The question is no longer whether Chime is a real threat to the banking industry. It is: what does Chime's performance and marketing data actually say about it as a strategic competitor, and what should you do about it?

Need to Know

- Chime's advantage is not feature innovation. It is disciplined execution on basics — intense marketing, frictionless onboarding, early direct deposit, transparent overdraft — that most community institutions already have the capability to match.
- Chime spent $635 million on marketing in 2025, equal to 29% of revenue. On a per-active-customer basis, the gap with community institutions is narrower than the headline number suggests.
- You cannot outspend Chime nationally. You do not have to. You only need to get your message across using precise targeting to the right prospects in your local market

The Product: Execution, Not Innovation

Spend an hour in the Chime app, and the feeling is not awe — it is simplicity. No unknown fees, no friction, money arriving early. That is the entire pitch, and that is the entire product.

Chime advertises opening an account in under two minutes. In timed tests of community-bank digital flows in early 2026, the median time to open an online checking account was 14 minutes when it was completed at all — with abandonment at identity verification running 30–40%. Chime is not doing anything exotic. It collects the minimum data required to open the account, instantly delivers a virtual debit card, and treats every screen as a conversion surface rather than a policy disclosure.

Most community banks have a mobile app. Most do not have a mobile-first product. The distinction matters — and it rarely requires a core conversion to fix. It requires a willingness to delete features rather than add them.

The same logic applies to the features themselves. Early direct deposit? Most community institutions can already post deposits two days early. They simply do not choose to. Where institutions have turned it on and marketed it, it consistently ranks among the highest converting features in a direct-deposit acquisition campaign. Real-time alerts and card controls? Available on most licensed digital banking platforms, typically buried or default-off. SpotMe-style overdraft buffers? Technically accessible to most institutions, with punitive economics that persist by inertia rather than necessity.

Marketing Spend: Narrower Than It Looks

Chime spent $635 million on marketing in 2025 — 500 times the median for banks as a share of average assets. That number is real, and it is large. It is also misleading as a competitive benchmark.

On a per-active-customer basis, Chime spends roughly $60–80 per customer per year. A well-run community institution running a serious checking acquisition program spends a comparable amount — against a far higher-lifetime-value household. Chime's average revenue per active member is approximately $210. A community institution's primary checking household generates $400–700 once you include net interest income, fees, and the lending and wealth relationships that travel with it.

Chime's national budget is, in any given market, distributed across whatever share of the trade area the company indexes against. OptimaFI's benchmarks shows that community banks or credit unions can acquire new relationships at a lower cost as a percentage of revenue than Chime if they use the right approach and discipline. The simple math: Acquire a new relationship that generates over $500 a year for less than $300 is a year one incremental payback.

Two Embedded Advantages Chime Does Not Have

Checking cross-sell. Community institutions can acquire active checking relationships by converting existing customers who do not yet have checking. We typically see the cost per account for these programs run at half or less the cost of acquiring a new net prospect.

Relationship expansion. Chime only recently introduced its first loyalty tier. Community banks offer a full menu of products after account opening — from auto loans and mortgages to business accounts and wealth management. A disciplined onboarding and relationship-expansion program can lift revenue per household to two to four times what Chime sees from the same customer, compounding over the years.

Campaign Strategy: Discipline Over Dollars

Chime runs an always-on, multi-channel, single-message system. There is no Q1 push and Q3 lull. The creative changes; the message does not. Most community institutions do the opposite — a checking campaign in February, a HELOC push in April, back-to-school savings in August — with little continuity and a brand that the market cannot quite hold in its head.

Three things consistently outperform across the institutions we work with:

1. **Always-on programs over one-time campaigns**. The same budget spread across the year outperforms the campaign-burst equivalent by 20–40% in cost per funded account. Every relaunch pays a discovery tax; always-on eliminates it.
2. **Activation over acquisition.** A new checking customer who has not switched direct deposit within 30 days is four to seven times more likely to churn than one who has. A 14-day onboarding sequence, a direct-deposit switch tool, and a banker touchpoint on day 45 consistently produce greater improvements in primary-banking conversion than any other acquisition tactic.
3. **One message, held long enough to work.** You get tired of your messaging long before your prospects do — they may see it for a few seconds per week while you have lived with it for months.

What This Means for Your Institution

For the CEO: The strategic question Chime poses is not “should we build a neobank?” It is “are we executing on the customer experience and brand discipline our existing model already entitles us to?” On almost every call we have on this topic, the honest answer is: not yet. The capabilities are inside the building. The brand is inside the community. The customer file is inside the institution. The work is to remove the friction, name the promise, and run a program designed to compound rather than refresh. None of that requires Chime’s budget. All of it requires Chime’s discipline.

For the CMO and revenue leader: Three priorities follow directly from the analysis. First, audit your account-opening flow against a two-minute benchmark and remove every step you cannot defend on the grounds of customer value. Second, turn on the features you already pay for — early direct deposit, instant virtual debit card, default-on real-time alerts — and market them like they are new. Third, reallocate your budget into a data-driven, always-on engine that tracks new-to-bank households from first impression through funded account, and use that proof to make the case for scaling up.

For the board: There is a temptation to either dismiss the threat (“they don’t make money on a loan, they’ll be a footnote”) or over-rotate into imitation (“we need to be a neobank too”). Both are mistakes. Chime is a real institution — public, profitable at times, and brand-defining for a segment of U.S. consumers. It is not going to displace a well-run community institution among households that need a real banker, a real loan, and a real branch. Your job is to keep the institution honest about both halves of that sentence.

About the Authors

[Capital Performance Group] is a strategy consulting firm working with banks, credit unions, and other financial institutions on enterprise strategy, growth, performance management, and customer experience.

[OptimaFI] (formerly Infusion Marketing Group) has spent more than two decades helping U.S. community banks and credit unions grow checking households and deposits through always-on, data-driven campaigns, delivering over $30 billion in deposits and loans to clients.

Chime financial figures sourced from S-1 (May 2025), 10-Q filings, and FY2025 10-K. Community bank benchmarks drawn from FDIC Call Report data and published research from Cornerstone Advisors and Javelin Strategy & Research.