



CASE STUDY

# Chime's SpotMe: A New Model for Cash Flow Support

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The findings, interpretations, and conclusions expressed in this piece are those of the Financial Health Network and do not necessarily represent those of our funders or partners. This report reflects analysis based solely on data that the partner has approved as non-business-sensitive and suitable for public dissemination.

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# Introduction

Despite meaningful declines from historic highs, overdraft and nonsufficient funds (NSF) fees remain a significant source of revenue for banks and a persistent burden for consumers. Financial Health Network research estimates that banks and credit unions generated \$12.1 billion in overdraft and NSF fee revenue in 2024, a slight uptick after several years of decline.<sup>1</sup> Early data from large banks suggest this increase continued into 2025.<sup>2</sup>

According to the Financial Health Network's FinHealth Spend Report 2025, 15% of households with a checking account paid one or more overdraft or NSF fees in 2024. Overdraft fees affect households across financial health tiers, but are disproportionately concentrated among Financially Vulnerable households with approximately \$6.3 billion spent in 2024.<sup>3</sup> Differences in payment timing, cash flow volatility, and institutional practices also shape overdraft outcomes.



Overdrafts often stem from relatively small, everyday transactions: More than half are triggered by purchases of \$50 or less.<sup>4</sup> Many consumers overdraft unintentionally, misjudging timing, balances, or pending transactions, while others knowingly take the risk, hoping funds will cover immediate expenses.<sup>5</sup> In practice, this suggests that overdraft frequently functions as a costly way to manage short-term liquidity gaps rather than a deliberate credit choice.

Against this backdrop, products that allow consumers to cover everyday expenses without incurring punitive fees represent a promising alternative. Chime, a financial technology company built around the premise that basic banking services should be helpful, easy, and free, launched SpotMe—an early and prominent example of a fee-free overdraft innovation. In this case study, we examine SpotMe as a market mover, offering new insight into how providers can redesign overdraft tools to better support consumers' financial needs.

## The History of Chime

Founded in 2012 and launched in 2014, Chime was created by Chris Britt and Ryan King to better meet the needs of everyday customers and address what they perceived to be long-standing consumer pain points with the traditional banking industry.<sup>6</sup> From the founders' perspective, too many financial services providers relied on fee structures that were particularly harmful to those least able to afford them. They believed that high-fee models were misaligned with the needs of the majority of the

<sup>1</sup> Hannah Gdalmán, Shira Hammerslough, Amber Jackson, & Meghan Greene, "FinHealth Spend 2025: The Cost of Financial Services For American Households," Financial Health Network, October 2025.

<sup>2</sup> Allisa Kline, "Overdraft fee income is on the rise at these big banks," American Banker, January 2026.

<sup>3</sup> Hannah Gdalmán, Shira Hammerslough, Amber Jackson, & Meghan Greene, "FinHealth Spend 2025: The Cost of Financial Services For American Households," Financial Health Network, October 2025.

<sup>4</sup> Donald P. Morgan & Wilbert van der Klaauw, "Learning by Bouncing: Overdraft Experience and Salience," Federal Reserve Bank of New York, April 2024.

<sup>5</sup> MK Falgout, Meghan Greene, & Necati Celik, "Overdraft Trends Amid Historic Policy Shifts," Financial Health Network, June 2023.

<sup>6</sup> Throughout this case study, "customer" and "member" are used interchangeably. Chime refers to its customers as members.

population—specifically the 75% of adults earning up to \$100,000 annually—and set out to create an alternative.<sup>7</sup>

Chime’s approach to developing its business model rested on three core pillars. First, by building a modern technology company from the ground up, Chime avoided the legacy costs of brick-and-mortar banking, delivering products in partnership with two federally chartered banks. Second, Chime believed that by offering affordable terms on products and services designed for consumer financial health needs, they could build long-term, profitable customer relationships. Third, Chime saw an opportunity to build a customer-aligned model that monetizes the primary account relationship: When members have a positive experience, they are more likely to transact using their Chime-branded cards, which drives revenue from interchange fees.<sup>8</sup>

According to Chime, its mission is to find ways to challenge punitive fee structures by putting the consumer first. This is an effort driven by what Chime describes internally as an “obsessive” focus on understanding their members’ needs and developing innovative products to meet them. One of these innovative products is **SpotMe**, which Chime believes is one of the first fee-free overdraft protection of its kind, and one that could lead to better outcomes for consumers. When SpotMe was first rolled out in 2019, it was seen as a direct challenge to established financial institutions by offering consumers an alternative to traditional banks and credit unions.<sup>9</sup> Industry commentary has pointed to fintech innovators like Chime as playing a role in large bank overdraft reform through competitive pressure.<sup>10,11,12</sup>

In June 2025, Chime conducted a highly anticipated and successful initial public offering, signaling market confidence in the viability of its business model and growth potential. The financial technology company has experienced rapid growth in recent years, driven in part by its member-first approach and innovative suite of financial health products.<sup>13</sup>

This case study is presented in two parts. First, we share insights from interviews with company leaders to explore the strategic thinking and processes behind SpotMe’s creation. Second, we analyze anonymized customer data to highlight how people engage with the product. Our findings offer lessons for the broader financial services industry on how innovative, customer-first alternatives to traditional fee-based overdraft can better align business objectives with consumer needs.

<sup>7</sup> In its SEC Form S-1, Chime defines “everyday consumers” as the roughly 75% of U.S. adults earning up to \$100,000 annually, whom the company characterizes as underserved by traditional, high-fee banking models. See: [Chime Financial, Inc., Form S-1](#), United States Securities and Exchange Commission, May 2025.

<sup>8</sup> Chime’s partner banks are under \$10 billion in assets, making them exempt from interchange fee caps imposed by the Durbin Amendment.

<sup>9</sup> Will Hernandez, “[Challenger banks apply pressure with fee cuts](#),” American Banker, September 2019.

<sup>10</sup> Ryan Scarborough, Jesse Smallwood & Richard Olderman, “[Banking, Professional Perspective - Navigating CFPB Regulation of Bank Overdraft Fees](#),” Bloomberg Law, March 2022.

<sup>11</sup> “[Examining Overdraft Fees and Their Effects on Working Families](#),” Committee on Banking, Housing, and Urban Affairs, May 2022.

<sup>12</sup> “[Competition Drives Overdraft Disruption](#),” Curinos, December 2021.

<sup>13</sup> Mulenga Agle & Jay Mokashi, “[The Playbook that Fueled 12+ Million Users For Chime](#),” Growth Curve, May 2025.

# The SpotMe Design Journey

## Understanding the Need for Short-Term Liquidity

Many Americans face ongoing gaps between income and everyday expenses. The Financial Health Pulse® 2025 U.S. Trends Report found that spending meets or exceeds income for more than half (51%) of U.S. consumers, resulting in households who struggle to build savings, experience financial stress, or incur costly overdraft fees to cover expenses.<sup>14</sup> When households face cash shortfalls, it can fuel reliance on costly overdraft and liquidity products. In 2024, the FinHealth Spend survey found that 1 in 7 U.S. households (15%) experienced at least one overdraft fee, while other estimates place that figure closer to 30%.<sup>15,16</sup>

**1 in 7 U.S. households  
experienced at least  
one overdraft fee in 2024.**

For households struggling to balance income and expenses, fluctuations in earnings can create compounding challenges, making it harder for people to keep their spending steady and cover unexpected shocks. Income volatility is widespread among U.S. households, with research showing that most workers experience substantial month-to-month fluctuations in earnings.<sup>17</sup> When expenses also fluctuate from month to month, these unpredictable costs add an additional layer of complexity for households attempting to better manage their cash flow.



Chime's founders set out to create a fee-free banking model that addresses three core financial needs: stability in everyday cash flow through short-term liquidity offerings; access to affordable, quality credit and credit-building as pathways; and the ability to save. Solving the pressing need for short-term liquidity was one way that Chime could help consumers with their financial progress.

Understanding this need for short-term liquidity was just the starting point for Chime. By analyzing customer data, the team gained deeper insights into how members actually navigate day-to-day cash-flow pressures, ultimately guiding product design choices.

<sup>14</sup> Andrew Warren, Shira Hammerslough, Wanjira Chege, & Taylor C. Nelms, "Financial Health Pulse® 2025 U.S. Trends Report," Financial Health Network, September 2025.

<sup>15</sup> Hannah Gdalmán, Shira Hammerslough, Amber Jackson, & Meghan Greene, "FinHealth Spend 2025: The Cost of Financial Services For American Households," Financial Health Network, October 2025.

<sup>16</sup> Differences in survey method and sampling techniques likely contribute to differences in estimates. See: [Making Ends Meet in 2024: Insights from the Making Ends Meet Survey](#)," Consumer Financial Protection Bureau, November 2024.

<sup>17</sup> Peter Ganong et al., "Earnings Instability," National Bureau of Economic Research, September 2025.

## Chime's "Member-Obsessed" Approach to Product Development

Chime describes its product development approach as grounded in an understanding of the specific financial needs members face and the forces shaping their lives.

Rather than relying on internal assumptions, Chime draws on a range of customer feedback channels, including customer service inquiries, app store reviews, social media forums, Net Promoter Score (NPS) surveys, user experience research, and periodic member listening sessions. These sources help identify where members experience friction; where they fall off the "happy path," as one Chime executive put it; and what features or policies resonate most. Paired with analysis of transactional data and purchase behavior, this feedback surfaces patterns in member financial behavior and highlights areas of ongoing financial stress.

Consumer data collected through these channels directly informed the design of SpotMe by shedding light on the real stress and added cognitive burden consumers face when managing cash flow and covering essential expenses as funds run low. Chime developed SpotMe to provide members with a financial safety net for small, unexpected shortfalls by preventing declined transactions and costly overdraft charges. In doing so, Chime not only helped to meet a critical member need, but also deepened its direct deposit relationships with its members.

Guided by the belief that member satisfaction is driven both by products that meet real financial needs and by continuous experiential improvements, ongoing feedback continues to shape refinements to SpotMe's limits, eligibility criteria, and user experience.

## About SpotMe

**SpotMe** is a fee-free overdraft feature that allows eligible Chime members to spend up to their limit on debit or credit card purchases and cash withdrawals without being charged fees. The negative balance is automatically repaid from the next direct deposit or transfer.

**Tipping:** SpotMe is a fee-free service. Users are given the option to leave a tip after repaying their negative balance.<sup>18</sup>

**Eligibility and Enrollment:** A Chime debit or credit card and a qualifying direct deposit of at least \$200 per month determine eligibility. Eligible members must enroll in SpotMe by toggling it on and accepting the terms.

**Overdraft Limits:** Currently range from \$20 to \$200 and can increase over time based on account history. Members can set a lower personal max, or temporarily increase their limit through \$5 Boosts from friends or promotional bonuses from Chime.

## The Idea Behind SpotMe: A Little Bit Goes A Long Way

After extensive product development and customer research, Chime launched SpotMe in 2019 with a goal of extending short-term liquidity to people who maintained a primary account at Chime and had an established direct deposit. Chime leaders saw an opportunity to offer an overdraft product that would provide a layer of protection for their customers, without charging punitive fees.

<sup>18</sup> Per Chime's website, tipping is completely optional and has no impact on a consumers' eligibility for SpotMe. See: "[What are SpotMe@ tips?](#)" Chime Help Center, accessed March 2026. Tipping for SpotMe is not included in our Part II analyses.

Chime anticipated that relatively modest yet meaningful amounts could help members cover everyday expenses—like gas, groceries, restaurants, or rideshare costs—and alleviate stress caused by budget shortfalls. Indeed, transactions that lead to overdraft are often small, with the median overdraft transaction around \$50.<sup>19</sup>

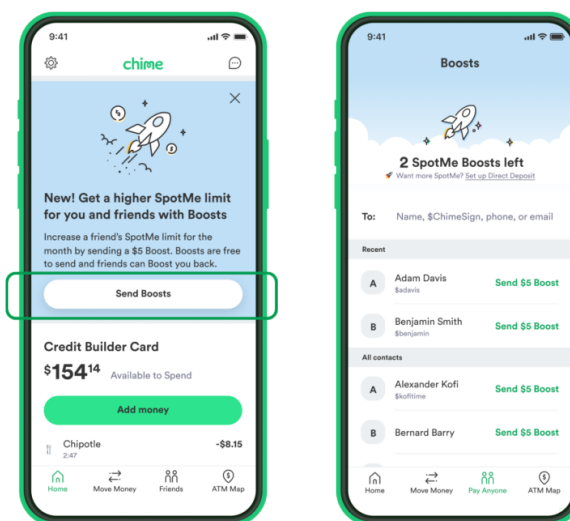
Chime initially piloted SpotMe with 30 direct deposit customers, each with a \$20 limit. Early member response, particularly in Chime’s Facebook group, indicated strong demand for the product. Through iterative modeling and continuous monitoring of customer feedback, SpotMe expanded to offer limits ranging from \$20 to \$100 at the time of its broader market launch, based on tenure and direct deposit amounts.

### SpotMe Enhancements

SpotMe’s evolution as a product illustrates Chime’s approach to continuous learning from customers and ongoing product adaptation. The first major change came in 2021 with the introduction of Boosts, which allow members to send up to four \$5 SpotMe limit increases to fellow Chime members each month without affecting their own limits. Boosts temporarily increase a recipient’s overdraft limit until they expire at the end of the month.

Chime’s members are highly engaged on social media. Many members have friends on the platform, and a large proportion of new direct deposit users come from referrals. The company expected Boosts would drive even greater engagement. Members responded positively, with terms such as “boost buddies” and “boosts for boosts” emerging across social media channels.<sup>20</sup>

## SpotMe Boosts



Around 80% of SpotMe users in our sample sent or received at least one Boost during the 12-month study period.<sup>21</sup> On average, these users sent three and received two Boosts per month.

The second major product change rolled out in May 2021, when Chime doubled SpotMe limits for all existing users, increasing the maximum limit from \$100 to \$200. By then, SpotMe’s product performance was well-understood, competitors had begun offering similar products, and member feedback indicated strong demand for higher limits. Rather than adjusting limits incrementally, Chime opted to double limits across the board, believing that members would appreciate fairness and simplicity. The change led to a sizable increase in traffic on the app.

<sup>19</sup> Research by the Consumer Financial Protection Bureau found that available funds covered between 40%-60% of the amount of the average overdraft. See: “[Data Point: Checking account overdraft](#),” Consumer Financial Protection Bureau, July 2014.

<sup>20</sup> A quick glance at the /chimefinancial subreddit shows how common this is. See: “[SpotMe Boosts Megathread](#),” Reddit, accessed March 2026.

<sup>21</sup> For more details on our sample and data analysis, see [Part II](#).

## Serving Customers Through Continuous Evolution

Beyond the substantial changes described above, Chime continues to refine SpotMe through incremental improvements, with new iterations to further support financial health.

- **Increasing stability in limits.** In early versions of the product, changes in direct deposit amounts led to frequent adjustments in members' SpotMe limits. Operations and member experience data showed that abrupt limit reductions created a confusing experience for members. To address this, Chime introduced a floor on SpotMe limits and slowed the pace of limit increases over time. Internal analyses indicated that customers were willing to accept slower increases in exchange for greater stability in the amount of SpotMe available to them.
- **Enabling access to SpotMe for members between jobs.** Because SpotMe eligibility depends on direct deposit, members may lose access during employment transitions—a time when liquidity needs are often the greatest. Chime is exploring how to continue to enable access to SpotMe during these transitions.
- **Expanding access to SpotMe for people paid in cash or checks.** Some Chime members are paid in cash or by check rather than through direct deposit, which has historically limited their access to SpotMe. Chime is in the process of learning more about the risk profiles in order to responsibly extend access to members paid by cash or check.

- **Developing spend insights.** Chime is interested in using historical spending patterns and income data to help members feel more confident about what they can comfortably spend at various points in the pay cycle, while accounting for upcoming obligations. By using transaction data to forecast expected future balances, Chime can help members identify and anticipate cash-flow challenges—an approach aligned with the Financial Health Network's account feature standards for spending management products.<sup>22</sup> This concept is in early development to explore what solutions might be possible and helpful to members.

Six years after its launch, SpotMe remains one of Chime's most popular innovations. By the time of its IPO, Chime had spotted over \$43 billion to members since launch.<sup>23</sup> Company leaders describe SpotMe as a beloved feature that drives member acquisition and plays a central role in many members' financial lives.

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Chime has spotted  
**\$43+ billion**  
to members since launch.

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<sup>22</sup> MK Falgout et al., "FinHealth Standards for Spending Management Products: Checking Accounts and Credit Cards," Financial Health Network, June 2025.

<sup>23</sup> "Chime Financial, Inc., Form S-1," United States Securities and Exchange Commission, May 2025.

# Understanding SpotMe in Members' Financial Lives

To help the industry better understand member engagement with a fee-free overdraft feature, the Financial Health Network analyzed administrative data from a random sample of 100,000 SpotMe-eligible Chime members over a 12-month period (January 2024-December 2024).<sup>24</sup>

Below, we summarize key findings across three dimensions—the typical SpotMe user, how members used SpotMe, and when members used it—to shed light on how the feature supports members' day-to-day financial management and liquidity needs.

## Who Uses SpotMe?

We began by examining the share of eligible members who used SpotMe during the study period, followed by an analysis of SpotMe use by age, tenure, average account balance, and presence of income and expense shocks to better understand the typical SpotMe user.

**The majority of members in our sample used SpotMe at least once during the study period, pointing to a very high adoption rate.**

According to Chime reporting, as of March 2025, nearly half (49%) of all active members used SpotMe in a given month.<sup>25</sup> Across the study period, 93% of members in our sample—those eligible for SpotMe at any point—had activated the feature and used SpotMe at least once. This strong uptake among eligible members reflects the product's broad appeal while also suggesting that some members may join

Chime specifically to access SpotMe. In either case, these patterns suggest strong market demand for this type of fee-free overdraft alternative.

**SpotMe uptake was highest among Chime members aged 25-34 and those who had been with Chime for over 3 years.**

While SpotMe use varied across age groups, usage peaked among users ages 25-34 (95%) and 35-44 (94%) and tapered slightly among younger users (18-25: 91%) and older users (55+: 88%). This pattern suggests that SpotMe resonates particularly strongly with early- to mid-career adults.



<sup>24</sup> The sample includes members who were eligible for SpotMe for any period of time during the 12-month study period.

<sup>25</sup> "Chime Financial, Inc., Form S-1," United States Securities and Exchange Commission, May 2025. Chime defines "active members" as any member who has initiated a money movement transaction on the platform in the last calendar month of the applicable period.

Incidence of use also increased with tenure, from 91% among SpotMe-eligible members with less than one year of tenure to 92% among those with 1-3 years of tenure, and to 95% among members with three or more years of tenure (Figure 1). This might suggest that, over time, members deepen their relationship with Chime by adopting additional products and services. It may also indicate that members who rely more heavily on SpotMe are

more likely to use their Chime account as their primary spending account, making Chime a central part of their everyday financial lives and contributing to greater retention over time.

Regardless of the factors driving these differences, SpotMe uptake is consistently high across all age and tenure groups, underscoring its broad appeal among members.

**Figure 1. SpotMe uptake was high across age groups and tenure, peaking among 25-34 year olds and individuals who had been Chime members for longer.**

*SpotMe use by age and tenure.*

**Age**



**Tenure**



*Note: All differences are statistically significant across age and tenure categories.*

## Higher-frequency SpotMe users more often carried lower account balances and experienced income and expense shocks.

High-frequency users—defined as those in the top third of SpotMe transactions relative to all users—were more likely to be ages 25-34, have longer tenure with Chime, fall within the lowest third of average account balances, and experience income and expense shocks at least once during the study period compared to low-frequency users.<sup>26,27</sup> This pattern suggests that heavier use is concentrated among members facing greater financial strain or income instability, indicating that SpotMe may function as part of their day-to-day financial management systems rather than as an occasional safeguard.

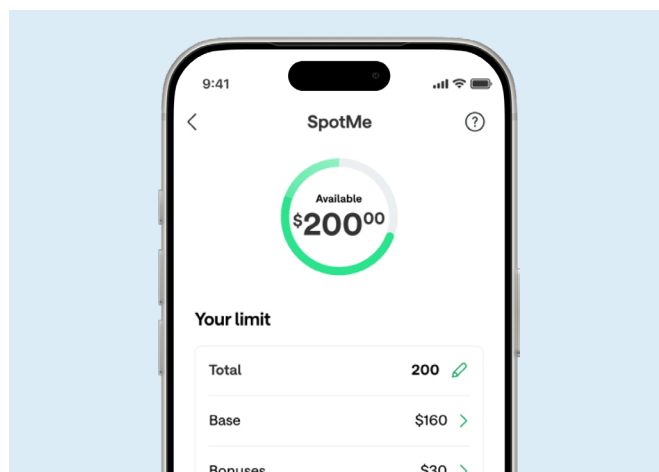
## How Do Members Use SpotMe?

We examined usage patterns among SpotMe users in our sample to better understand how members use the feature, including how they engage with their SpotMe limits, and whether they also engage with other Chime products, such as savings accounts.

### Many SpotMe users actively managed their limits.

Although Chime sets members' SpotMe limits automatically, SpotMe users can choose to set a custom limit or personal max, ranging from \$0 to their total available limit. This allows members to limit how much they can cover using SpotMe before their balance is replenished from their next direct deposit or manual account transfer.

## Custom Limits



About half of SpotMe users (51%) set a custom limit below their total limit at least once during the study period.

About half of SpotMe users (51%) set a custom limit below their total limit at least once during the study period. On average, users who set custom limits used SpotMe more frequently than those who did not. In addition, a majority of SpotMe users in our sample (69%) reached their personal max or total SpotMe limit at least once during the study period, indicating that many users are using the entirety of their limit at least occasionally.<sup>28</sup>

On average, users set custom limits at roughly 72% of their maximum available limit, a pattern that remained consistent regardless of limit size.<sup>29</sup> A small share of SpotMe users (6%) set a personal max of \$0 at least once during the study period, essentially disabling SpotMe temporarily. Together, these findings suggest that a segment of users actively manage how much of the buffer they draw on by adjusting their SpotMe limit accordingly.

<sup>26</sup> We divided SpotMe users into three use-frequency groups (low, moderate, and high) based on the number of spotted transactions throughout the study period.

<sup>27</sup> We defined income shocks as months when an individual's total deposits were at least 20% below their 12-month median and expense shocks as months in which an individual's total expenses were at least 20% above their 12-month median.

<sup>28</sup> We defined hitting the limit as any case where the negative account balance was equal to the maximum limit or custom limit set by the user.

<sup>29</sup> Based only on those who set their custom limit at an amount less than their maximum limit.

## SpotMe users also engaged with Chime savings accounts.

SpotMe users were around 1.5 times more likely than eligible non-users to have an active Chime savings account throughout the entire study period.<sup>30</sup> Savings account ownership also increased with SpotMe usage frequency, with higher rates among more frequent users.<sup>31</sup>

Among SpotMe users who maintained an active savings account for the entire year, high-frequency users made more savings deposits on average than low-frequency users.<sup>32</sup> However, they also made more savings withdrawals and held smaller average monthly savings balances than low-frequency users, a pattern that may suggest the use of savings for short-term liquidity rather than long-term accumulation. Taken together with the previous findings, this suggests there is a subset of SpotMe users who are highly engaged in managing their finances and actively using available liquidity tools, including setting custom limits for finer control over their SpotMe use, and contributing and withdrawing from their savings accounts regularly.

## When Do Members Use SpotMe?

We examined how SpotMe usage changed during months with income or expense shocks. This timing analysis offers insight into when the feature is most relevant and how members rely on it during periods of financial strain or instability.

## SpotMe usage varied during months with income and expense shocks.

SpotMe users were more likely to use SpotMe during months in which they experienced an expense shock—that is, months when spending was at least 20% above their 12-month median—and, on average, they used more SpotMe dollars during these months.<sup>33</sup> The amount of SpotMe dollars increased on average by \$53 in months with expense shocks compared with months without them.<sup>34</sup> Unsurprisingly, higher expenses translate into greater short-term liquidity needs, which SpotMe is designed to help partially absorb.

However, during months with income shocks—defined as months when total deposits fall at least 20% below a user’s 12-month median—SpotMe usage declined. SpotMe users were significantly less likely to use the feature during these months and, among those who did, drew an average of \$66 less in SpotMe funds compared with months without an income shock.<sup>35</sup>

This pattern suggests that people respond immediately to income shocks by cutting back on spending. Indeed, our data show that average account outflows decline significantly during months with income shocks, which in turn reduces SpotMe use. In fact, SpotMe use—measured in SpotMe dollars—remains suppressed for several months following the income shock month.

<sup>30</sup> Chime offers a savings account with up to a 3.00% APY for Chime+ members as of March 2026. See: “[High-Yield Savings Account](#),” Chime, accessed March 2026.

<sup>31</sup> There is a positive association between SpotMe frequency and savings account ownership. Even after controlling for SpotMe limit, high-frequency SpotMe users showed a higher likelihood of holding a savings account.

<sup>32</sup> Chime offers automatic and round-up savings features that could contribute to higher savings deposits, however, this analysis did not examine enrollment in these features. See: “[Easy Savings](#),” Chime, accessed March 2026.

<sup>33</sup> We are using “SpotMe dollars” to refer to the dollar amount extended to a user to help cover transactions.

<sup>34</sup> Using a fixed effects regression, we controlled for differences in time-invariant characteristics across users, as well as seasonal variation in SpotMe use.

<sup>35</sup> SpotMe limits can change based on changes to income. However, even after controlling for SpotMe limits, spotted dollars were still lower, on average, during months with income shocks.

# Lessons for Financial Health Design

## A Business Strategy Based on Acquisition and Retention

Like traditional overdraft, SpotMe addresses short-term liquidity gaps, but does so as a fee-free service rather than by penalizing consumers with high fees. When people have access to cash when they need it, they gain control over the timing and sequencing of their financial decisions. Without that flexibility, even small, routine expenses can lead to stress, late fees, or reliance on high-cost credit. Low-cost tools can help consumers plan, prioritize, and make choices aligned with their financial goals.

- **Improving member experience for primary account holders can drive both acquisition and retention.** Chime's model depends on member engagement through primary account

relationships and card transactions, which in turn supports the design and extension of lower-cost products.<sup>36</sup> SpotMe is a clear example of this model in action. Chime features SpotMe as part of its product-led marketing, positioning it within a broader “no hidden fees” value proposition. Separately, Chime highlights that members may qualify for higher SpotMe limits as they demonstrate consistent account activity. As both an acquisition and retention tool, SpotMe has resonated enough in the market to offset losses.<sup>37</sup>

- **There is strong unmet demand for overdraft alternatives.** High SpotMe uptake in our sample suggests strong demand for alternatives to traditional overdraft, pointing to a persistent unmet need in the market. Among SpotMe users in our analysis, usage patterns align closely with



<sup>36</sup> Chime's partner banks are under \$10 billion in assets, making them exempt from interchange fee caps imposed by the Durbin Amendment.

<sup>37</sup> Risk losses related to SpotMe from 2022 through the first quarter of 2025 have been below 0.40% of total dollars overdrawn since 2022. See: [Chime Financial, Inc., Form S-1](#), United States Securities and Exchange Commission, May 2025.

periods of higher expenses, suggesting that the feature meets members' needs when they need it most.

- **Satisfied members are often more engaged.**

Findings suggest that SpotMe use is correlated with higher tenure and higher levels of engagement with other Chime products, such as savings accounts. Overall, the data indicate that SpotMe provides meaningful value to members, particularly those who experience income and expense volatility.

## Unlocking Financial Progress for All Americans

Consumer spending on overdraft and NSF fees has steadily declined in recent years, down \$6.1 billion between 2019 and 2023.<sup>38</sup> The trend likely reflects increased regulatory scrutiny as well as shifting customer expectations, driven in part by companies like Chime that are redefining how customers should pay for—and benefit from—financial services.

Yet the need for better solutions remains. Most major banks continue to charge consumers who opt in to overdraft fees on debit card purchases

and ATM withdrawals. In fact, the FinHealth Spend Report 2025 estimates that overdraft/NSF fee revenue ticked up in 2024 after years of decline.<sup>39</sup>

As a fintech challenger entering the market in the early 2010s, Chime built its offerings around its target customers' needs: listening, iterating, and designing for everyday financial pressures. SpotMe and other products reflect this need by addressing the real challenges of managing cash flow and navigating periods of low liquidity while fostering trust and engagement. In Chime's view, what began as a focus on consumer needs has evolved into a broader effort to shape the industry by leading by example.

Ultimately, this is a story about unmet need, responsive design, and the business opportunity that comes with it. Still today, many Americans only have access to products that are poorly aligned with their financial realities. Chime's experience demonstrates that designing for financial health needs can be both mission-aligned and a meaningful driver of growth.

<sup>38</sup> For banks with assets over \$1 billion. See: [Overdraft/NSF Revenue in 2023 down more than 50% versus pre-pandemic levels, saving consumers over \\$6 billion annually.](#) Consumer Financial Protection Bureau, April 2024.

<sup>39</sup> Hannah Gdalmán, Shira Hammerslough, Amber Jackson, & Meghan Greene, "FinHealth Spend 2025: The Cost of Financial Services For American Households," Financial Health Network, October 2025.



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