Tips to spot hidden opportunity and hidden risk in an uncertain economy

Recession or not, members' finances are facing some pressure.

But even as inflationary pressures persist, **not all members are affected equally**. This disparity in consumer financial resilience and durability can conceal **hidden opportunity** and **hidden risk**.

Financially resilient

Some households have the financial capacity to **continue to spend, save, and pay down debt**, despite inflation and economic uncertainty.

Struggling

Other households are struggling to pay for higher priced goods, services, housing costs, and transportation that may **result in delinquency.**

How can CU's uncover hidden opportunity and hidden risk?

Marketers and lenders can **use consumer financial insights** to identify opportunities and risks across the **member lifecycle** — from **acquiring new members**, to **managing their existing portfolio**, to **planning for the future**.

Uncover hidden **opportunity**

Find acquisition opportunity

- **Target** affluent members for new investment and banking relationships
- **Focus** prospecting on households that have the ability to spend
- **Expand** your lending prospect audience with a view of member finances beyond credit

Find member growth opportunity

- **Uncover** wealthy members to capture assets and grow wallet share
- **Segment** lower risk lending members with credit growth potential
- **Deliver** the right next investment, banking, or credit offer to deepen the relationship
- **Identify** audiences for top-tier treatment groups, service levels, and loyalty program benefits

Uncover hidden **risk**

Uncover member and portfolio risk

- **Review** lending accounts monthly to prevent losses
- **Get real-time alerts** of changes in members' finances
- **Identify** members that may struggle to meet financial obligations
- **Differentiate** members with changes in employment, income, and bill pay behavior
- **Recalibrate** your models with current credit scores, expanded data, and the cloud

Uncover market risk

- **Monitor** member financial trends to spot areas of concern
- **Update** your forecasts with recent historical credit data

Spot the **opportunity**

One credit union analyzed its members' likely total deposits to discover

$14 billion
in assets held at other firms.

18%
of thin/invisible consumers could qualify for prime/near prime offers by using alternative data.*

Spot the **risk**

Low-durability households have **delinquency rates up to**

10 times higher
than those with the highest durability.*

Firms that have not updated their models to include our latest credit attributes could be **missing out on up to a**

15% lift
in performance over legacy attributes.*

Put consumer financial insights to work at your firm.

Consumer financial insights are the key ingredients that credit unions need to better understand members' financial health and ability to spend, save, invest, and meet financial commitments — even when they are under financial stress.

Stay on top of business goals while managing risk.

Focus on forward

Navigating uncertainty

Forward: The only way to go

In uncertain times, businesses are inclined to pause and may miss opportunities or fail to uncover hidden risks — while waiting for the perfect picture to emerge. But you must keep momentum to move through changing and difficult economic conditions.

Equifax is an empowerment engine. We help businesses plan so your operation is resilient and prepared for whatever is next. We help you adapt with confidence and focus on moving forward.

To discover the latest data-backed insights on navigating risk and finding opportunity in an uncertain economy, visit **equifax.com/focusonforward**

*Equifax analysis

Results for scenarios may vary based on actual data and situation.

Copyright © 2023, Equifax Inc., Atlanta, Georgia. All rights reserved. Equifax is a registered trademark of Equifax Inc. 23-13089563