

39 Million Rewards Credit Cardholders Didn't Redeem Any Rewards in the Past Year, Despite Some Improvement Overall

Gen Z's and Millennials More Likely to Maximize Rewards

NEW YORK – March 20, 2023 – Almost a quarter (23%) of rewards credit cardholders, or 39 million U.S. adults, haven't redeemed any rewards over the past year and missed out on a valuable inflation-busting strategy, according to a new CreditCards.com report. That number is an improvement from 31% of rewards credit cardholders who didn't redeem any rewards in 2020. For the full report, click here:

<https://www.creditcards.com/statistics/unused-credit-card-rewards-poll/>

Nearly 2 in 5 (39%) rewards cardholders have maximized their value through major redemptions, including \$300 or more in cash back or gift cards (17%), free hotel stays (16%), or free flights (13%). Younger generations are more likely to have made a major reward redemption in the past year, including 52% of Gen Zers (ages 18-26) and 52% of millennials (ages 27-42) vs. 34% of Gen Xers (ages 43-58) and 27% of baby boomers (ages 59-77).

Travel redemption was most common among younger generations, whereas cash back or gift card redemption was more consistent across generations.

Credit Card Redemption	Gen Z (ages 18-26)	Millennials (ages 27-42)	Gen X (ages 43-58)	Boomers (ages 59-77)	Overall
Less than \$300 in cash back/gift cards	37%	40%	35%	39%	38%
\$300 or more in cash back/gift cards	14%	16%	19%	16%	17%
Free hotel stay	28%	26%	12%	7%	16%
Free flight	21%	19%	9%	10%	13%

Other	1%	2%	6%	9%	6%
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In the past year, 55% of rewards credit cardholders redeemed for cash back or gift cards, well ahead of the 25% who redeemed for travel (either a free hotel stay or a free flight). Younger generations were much more likely to take advantage of travel rewards; 42% of Gen Z and 39% of millennial rewards cardholders redeemed their rewards for a free flight and/or hotel stay in the past year compared to 17% of Gen X and 14% of boomers.

CreditCards.com Senior Industry Analyst Ted Rossman says, “I think it makes sense that cash back is the most popular credit card reward. Cash back is very simple, straightforward and universal. Who couldn’t use more cash, right? Especially with high inflation and rising interest rates squeezing consumers, I believe that now is an especially good time to take advantage of credit card rewards. Used properly, credit card rewards can be a valuable inflation-busting strategy, just like putting your [unused gift cards](#) to work.”

Overall, older generations, women, and cardholders in lower-income households are more likely to be leaving value on the table by not cashing in on rewards. 28% of both Gen Xers (ages 43-58) and boomers (ages 59-77) with rewards credit cards failed to redeem any of their rewards over the past year compared to just 15% of millennials and 18% of Gen Zer rewards credit cardholders. Over a quarter (27%) of women didn’t use any of their rewards compared to 20% of men. And just over 3 in 10 (31%) rewards credit cardholders with annual household incomes under \$50,000 didn’t utilize any rewards over the last 12 months, versus 22% with incomes between \$50,000 and \$79,999, 20% with incomes between \$80,000 and \$99,999 and 12% with incomes of \$100,000 or more.

Unredeemed credit card rewards could mean consumers are leaving hundreds of potentially inflation-busting dollars on the table. According to Rossman, “The Bureau of Labor Statistics [reports](#) that the average annual expenditures for a household in 2021 were \$66,928. About half of these aren’t easy candidates for credit card rewards (for example, mortgage and car payments), but that still leaves about \$33,000 per year (or close to \$3,000 per month) that a typical household could easily put on a credit card. Even if you just got a simple flat 2% return on that spending (with a no annual fee cash back card such as the Wells Fargo Active Cash or Citi Double Cash), \$33,000 in annual spending would equate to \$660 in cash back rewards each year.”

Overall, 64% of U.S. adults have at least one rewards credit card. A recent Bankrate survey found that [54% of credit cardholders](#) pay all of their cards off in full each month and the other 46% carry balances, so more than half of credit cardholders are good candidates for rewards. Rossman says, “Credit cards offer vastly superior rewards programs compared with other payment methods, and they offer much better buyer protections as well. The one big drawback of credit cards is that they tend to charge

high interest rates. So if you have credit card debt, prioritize a low interest rate rather than chasing rewards.” The [average credit card rate](#) is 20.35%.

Among those rewards credit cardholders who didn’t redeem any of their points or miles over the past year, the most common explanation was that they’re saving their rewards for a specific future redemption (51%), followed by “I don’t think my rewards points/miles are worth enough to be valuable” (23%), “I don’t know how to redeem” (11%), “rewards programs are too confusing” (9%) and “I’m too busy” (also 9%).

Methodology:

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,417 U.S. adults, of whom 1,566 are rewards credit cardholders. Fieldwork was undertaken between February 21 - February 23, 2023. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

About CreditCards.com

CreditCards.com is the ultimate credit card destination and the largest marketplace of credit card offers you can find online, along with relevant news, advice, features and user-friendly tools. Our mission is to help consumers seize greater opportunity through smarter spending, and we believe that the right credit card, used the right way, can be a life-changer.

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