



More Than Half of Rewards Cardholders Are Missing Out on Rewards

Millennials more likely than elders to miss out on travel rewards

New York – January 23, 2020 – Among rewards credit cardholders who pay their bills in full each month, more than half (55%) are missing out on rewards, according to a new Bankrate.com survey. The biggest missed opportunities: groceries and restaurants. More than 4 in 10 typically pay for these purchases with debit or cash. Click here for more information:

<https://www.bankrate.com/finance/credit-cards/cash-back/#survey>

Rewards credit cardholders who don't carry a balance aren't reaching their full rewards potential by swiping their debit card or paying with cash when making these types of purchases. For instance, if a consumer were to have a lucrative no annual fee card such as Discover it Miles (3% in your first year as a cardholder), Citi Double Cash (2%) or Wells Fargo Propel (3% on dining, gas and travel and 1% on groceries) in each of these four spending categories, they would earn: \$350 with Discover it Miles, \$233 with Citi Double Cash and \$261 with Wells Fargo Propel back annually (if their spending matched the national averages).

Rewards Category	Average Annual Spend	Percent Back	Total
Groceries	\$4,464*	3% (Discover it Miles)	\$134
		2% (Citi Double Cash)	\$89
		1% (Wells Fargo Propel)	\$45
Dining	\$3,459*	3% (Discover it Miles)	\$104
		2% (Citi Double Cash)	\$69
		3% (Wells Fargo Propel)	\$104
Gas	\$2,109*	3% (Discover it Miles)	\$63
		2% (Citi Double Cash)	\$42
		3% (Wells Fargo Propel)	\$63
Travel	\$1,639*	3% (Discover it Miles)	\$49
		2% (Citi Double Cash)	\$33
		3% (Wells Fargo Propel)	\$49

**Provided by U.S. Bureau of Labor Statistics, 2018.*

Instead, this is how rewards cardholders who don't carry a balance from month to month pay for these types of purchases:

Rewards Category	Debit Card/Cash	Credit
Groceries	44%	56%
Restaurants	43%	57%
Gas	37%	63%
Airfare	15%	85%
Hotel	16%	84%

Meanwhile, there's a significant generational divide on form of payment for travel purchases between millennial (ages 24-39) and boomer (ages 56-74) rewards cardholders who pay their bills in full every month. Millennials who purchase airfare are more than three times as likely as boomers to miss out on rewards by paying with debit/cash (25% vs. 7%). Millennials who purchase hotel stays are more than twice as likely to miss

out on rewards on hotel purchases (25% vs. 9% who pay with debit/cash). Gas is also a significant category, with 42% of millennials who purchase gas using cash/debit at the pump vs. 35% of boomers.

“It’s disappointing how many people are missing out on earning rewards for purchases they would have made anyway,” said Bankrate.com analyst Ted Rossman. “As long as you’re avoiding credit card debt and refraining from overspending, you should be using a rewards credit card for everything as it can make a big difference. Credit cards also offer better consumer and fraud protections than debit cards and cash.”

Over the past year, 72% of all rewards credit cardholders have redeemed rewards, however only 35% have managed lucrative redemptions like \$300 or more in cash back/gift cards (21%), a free hotel stay (11%) and/or a free flight (10%). Another 36% redeemed for less than \$300 total in cash back or gift cards.

Of those who are rewards credit cardholders, the biggest cash back earners are millennials (29% redeemed for \$300+, compared with 19% of boomers), men (24% redeemed for \$300+, versus 18% of women), parents of children under 18 (27% redeemed for \$300+, against 20% of non-parents) and higher earners (33% with annual household incomes of \$80K+ redeemed for \$300+, more than double the 16% with lower incomes).

Methodology:

Bankrate.com commissioned [YouGov Plc](#) to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,716 adults, including 1,625 rewards cardholders. Fieldwork was undertaken on December 11-13, 2019. 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.

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