

Bankrate

Nearly 1 in 4 Rewards Cardholders Did Not Redeem Any Rewards Over the Past Year

Cash back is their favorite credit card feature

NEW YORK - December 19, 2024 - Nearly 1 in 4 rewards credit cardholders (23%) did not redeem any rewards over the past year (i.e. since November 2023), according to a new Bankrate survey. Additionally, 50% cited cash back rewards as the best feature of the credit card they use most often, with travel rewards points/miles and widespread card acceptance tied for second place at 9% each, followed by “it has a low interest rate” (8%). Click here for more information:

<https://www.bankrate.com/credit-cards/news/credit-card-rewards-survey/>

Over 3 in 5 rewards cardholders (61%) redeemed their credit card rewards for cash back/gift cards over the past year. This includes 22% who redeemed at least \$300 worth of cash back/gift cards and 39% who redeemed for cash back/gift cards worth less than \$300. Only 11% of rewards cardholders redeemed for a free hotel stay, while slightly less (10%) redeemed for a free flight.

“Cash back is Americans’ favorite credit card reward because it’s straightforward and universally appealing,” said Bankrate Senior Industry Analyst Ted Rossman. “Who couldn’t use more cash, right? Especially given the toll that inflation has taken these past few years. Travel rewards can be more lucrative, but it takes more effort to figure out the best travel redemptions.”

The preference for cash back rises with age. Among rewards credit card users, over half of baby boomers (55%; ages 60-78) and half of Gen Xers (50%; ages 44-59) say cash back is their favorite reward, compared to 45% of millennials (ages 28-43) and 43% of Gen Zers (ages 18-27). In second place for Gen Zers and baby boomers was widespread card acceptance (13% and 10%, respectively). Gen Xers and millennials put travel rewards second (12% and 11%, respectively).

Rewards credit cardholders in the middle income bracket (earning between \$40,000 and \$79,999 annually) have the strongest preference for cash back (54%). In comparison, half of those earning \$80,000+ annually (50%) and 46% earning less than

\$40,000 per year said cash back was the best feature of the rewards card they use most often.

Overall, rewards credit card usage increases with both age and income. Specifically, 70% of baby boomers, 60% of Gen Xers, 58% of millennials and 42% of Gen Zers have at least one rewards credit card. Income-wise, 4 in 5 (80%) households earning \$80,000 or more annually have at least one rewards credit card, compared to 63% who earn between \$40,000 and \$79,999 annually, and 44% who earn less than \$40,000 per year.

“As long as you pay in full to avoid interest, credit card rewards are free money,” Rossman added. “Failing to redeem your rewards is a major missed opportunity. While the best rewards can be subjective, the worst reward is getting nothing at all. Similar to what we saw in our [unused gift cards survey](#), a sizable number of Americans are missing out. Rewards points and miles are great, but they don’t get more valuable over time. They actually lose value to inflation and program changes. It’s smart to earn and burn rewards strategically.”

Methodology:

This survey has been conducted using an online interview administered to members of the YouGov Plc panel of individuals who have agreed to take part in surveys. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,517 U.S. adults, of which 1,535 own a rewards credit card. Fieldwork was undertaken between November 6-8, 2024. The survey was carried out online and meets rigorous quality standards. It gathered a non-probability-based sample and employed demographic quotas and weights to better align the survey sample with the broader U.S. population.

Bankrate Awards:

The 2025 Bankrate Awards are now live to help consumers find the best financial products in a range of categories. The Bankrate Awards highlight the best of the best in credit cards, banking, lending and more, so that everyone can find winners for their wallet. For the complete list of this year’s winners and our methodology, please visit: www.bankrate.com/awards.

Additionally, Bankrate Visionaries are innovators who deserve recognition for driving change in personal finance. For the complete list of 2025 winners, please visit: www.bankrate.com/awards/2025/visionaries.

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