



3 in 10 Have Never Redeemed Credit Card Rewards

Millennials Showing Strong Appetite for Credit Cards

NEW YORK – April 12, 2017 – About three in 10 credit cardholders (31%) have never redeemed credit card rewards, according to a new Bankrate.com report. The survey found that cardholders typically gravitate to one extreme or the other, redeeming their rewards points/miles frequently (38% did so within the past six months) or not at all. Click here for more information:

<http://www.bankrate.com/credit-cards/money-pulse-0417/>

“Credit card rewards don’t usually gain value over time,” said Bankrate.com credit card analyst Robin Saks Frankel. “In fact, they’re more likely to lose value as companies require more points or miles for the same perks. Your best move is to cash them in regularly.”

The most popular redemption is cash back; 49% who have used credit card rewards said they most recently exchanged their rewards points for this purpose. Airline tickets were a distant second (17%), followed by gift cards (12%). Millennials (18-36 year-olds) were much more likely to have chosen cash back than older adults (67% vs. 43%).

The conventional wisdom has been that millennials are averse to credit cards, but that seems to be changing. Older millennials – 27-36 year-olds – are now more likely than Gen Xers to possess a credit card (61% to 56%). Baby Boomers (64%) and the Silent Generation (68%) are a bit more likely to have a card.

Overall, about 1 in 4 cardholders is willing to pay an annual fee. Millennials are much more receptive than other age groups (37% to 24%).

“The credit card market is very competitive right now, so if you’re not happy with a fee, you can either shop around to find another card that doesn’t have one or you can see if the issuer is willing to waive the fee to keep your business,” Frankel added. CreditCards.com recently reported that more than 80% of cardholders were able to get an annual fee waived or reduced just by asking.

The survey was conducted by Princeton Survey Research Associates International. PSRAI obtained telephone interviews with a nationally representative sample of 1,001 adults living in the continental United States. Interviews were conducted by landline (501) and cell phone (500, including 312 without a landline phone) in English and Spanish by Princeton Data Source from March 16-19, 2017. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is plus or minus 3.8 percentage points.

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