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Credit Card Rewards Most Likely to Be Put towards Household Necessities, though Four in Ten Plan on Using Rewards for Holiday Purchases

Cash Back Is the Most Common and Most Appealing Reward Program

New York, NY – Among credit card holders, over three quarters (77%) have rewards programs associated with their cards, most commonly cash back (47%) and general rewards points (44%), according to a new poll of over 1,000 adults conducted by Ipsos Public Affairs on behalf of the American Bankers Association. Other rewards programs include airline miles (15%), gas rewards points (8%), hotel points (7%), or some other reward program (4%). Fewer than one-quarter (23%) do not have rewards programs associated with their cards.

Cash back is not only the most common type of rewards program, but it is also the most favored; six in ten rewards card holders (60%) say that cash back cards are the most appealing credit card reward program to them personally. A quarter (26%) prefer general points cards that can be redeemed for goods, while one in ten (9%) most prefer airline miles cards. A handful of respondents choose hotel points (2%) or some other type of reward (2%), while 1% volunteered that none of these types of rewards are most appealing.

- Those most likely to prefer airline points are those with a higher household income (11% vs. 5% of those with lower incomes), and those with a college degree (13% vs. 6% of those without).
- Those without a college degree tend to prefer general points cards (30% vs. 21%)

When it comes to card ownership in general, 75% of U.S. adults have at least one credit card, including about a third (34%) who have three cards or more.

- Over four in ten (43%) of those aged 55 and over have three or more cards, compared to about one-third (34%) of those aged 35-54, and fewer than one-quarter (23%) of those aged 18-34.

Credit Card Rewards Most Commonly Used for Necessary Household Purchases

Just over half of rewards card holders say they most commonly use their rewards to make necessary purchases for themselves or their household (54%). Three in ten use their rewards to purchase gifts for friends and family (31%) or for purchases or travel that are outside of their normal purchase behavior (i.e. special offers, upgrades, or trips etc) (27%). Only one in five (18%) report that they have not used the rewards they have earned.

Few Seek Rewards Programs That Differ from What is Already Provided

Among those who participate in a credit card rewards program, seven in ten (68%) do not have any suggestions for additional rewards they would like to see their credit card company offer other than what is already provided. Less than one in five offer some suggestion about another type of rewards offering, most commonly cash back (5%), some other type of points/rewards



(5%), gift cards (2%), or gas rebates or rewards (2%). Just 2% would like to see a rewards program related to reduced fees or interest rates.

Many Plan on Using Rewards Points during the Upcoming Holiday Season

Four in ten rewards card holders (41%) plan to use their credit card rewards this holiday season, with 30% expecting to redeem rewards to purchase holiday gifts for friends and family. One in ten will use rewards to travel to see friends and family (9%) or take a holiday vacation (8%). Fewer say that they intend to use their rewards to pay down their credit card balance (1%) or for some other purpose (4%) this holiday season. An additional 45% say that they do not plan on using their credit card rewards over the holidays, and 14% are unsure.

- Those ages 18-34 (51%) and 35-54 (43%) are more likely to say they will use credit card rewards over the holidays than are those who are older than 55 (32%).
- Those most likely to be planning to use rewards to see friends and family include men (11% vs. 6% of women), and younger adults (16% of those aged 18-34 vs. 8% of those aged 35-54, and 3% of those aged 55 and over).

Most Intend to Use Either a Debit/ATM Card or a Credit Card for Holiday Purchases

When it comes to holiday purchases, four in ten (37%) U.S. adults intend to use a debit/ATM card, though credit cards (31%) and cash (25%) are also popular forms of payment. Less common payment options include a check (2%), store layaway program (1%), a pre-paid card (1%), or an online payment service like PayPal or Google Wallet (1%). Very few say that they either do not know how they intend to pay (1%), are using another form of payment (1%), or are not using any method of payment (1%).

- Men are more likely to intend to use credit cards than are women (34% vs. 28%), while a greater proportion of women plan on using cash (28% vs. 21%).
- Those with children in the household are more likely than those without kids to say they will use debit/ATM card for the majority of their holiday purchases (43% vs. 36%).

Vast Majority Satisfied with Their Credit Cards

Among respondents who have a credit card, nine in ten (90%) say that they are satisfied with their credit cards, including over a third (35%) who say that they are *very* satisfied. Just under one in ten (8%) say that they are dissatisfied, of which only 2% are *very* dissatisfied. Two percent are unsure.

- Those whose credit cards have rewards programs associated with them are more likely than those who do not to be *very* satisfied with their credit cards (39% vs. 23%).

Online and Billing Tools Viewed as Most Helpful For Managing Credit

When asked what tools they would find most helpful when it comes to managing their credit, online tools (14%) such as online banking (12%) were most commonly cited, followed by billing tools (13%) such as a tool to keep track of their expenses/purchases (6%). Others would like to have a tool help with their credit card usage (5%), in order to help in budgeting and controlling spending (4%). Six percent would like access to their credit score or report, and 3% would like a tool to help pay off their cards each month. Accounting tools such as a calculator or accounting software were mentioned by just 2%. Three in ten (29%) say that they do not need any tool to help them manage their credit, while 16% were unsure.



- Online tools are in the greatest demand among those under 35 (20% vs. 12% of those 35-54, and 11% of those 55 and over), those with a college degree (19% vs. 11%), and those with three or more cards (17 % vs. 11% of those with 1-2 cards).

These are some of the findings of an Ipsos poll conducted November 15-19, 2012. For the survey, a national sample of 1,006 adults aged 18 and older from Ipsos' U.S. online panel were interviewed online. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the U.S. adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of 1,006 a 100% response rate would have an estimated margin of error of +/- 3 percentage points 19 times out of 20 of what the results would have been had the entire adult population of adults in the United States had been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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