

Bankrate

More Than 7 in 10 Credit Card Debtors Are Chasing Rewards, a Potentially Big Mistake

The average credit card rate is near a record high and more than half of credit card debtors say it has gotten harder to pay off their credit card debt over the past year

NEW YORK - March 24, 2025 - According to a new Bankrate survey, 72% of U.S. adults with credit card debt are pursuing credit card rewards. This includes 46% who say they make "some effort" to earn credit card rewards and 26% who make "every effort." Additionally, the majority of credit cardholders who carry a balance month to month (54%) say it has become harder to pay off their credit card debt over the past year.

For more information:

<https://www.bankrate.com/credit-cards/news/chasing-rewards-in-debt/>

Notably, according to Bankrate, the average credit card charges a near-record [interest rate of 20.09%](#) and new data from the Federal Reserve Bank of New York shows Americans owe a record \$1.21 trillion on their credit cards.

"Chasing credit card rewards can be a mistake given high interest rates that outweigh the value of these rewards," said Bankrate Senior Industry Analyst Ted Rossman. "It doesn't make sense to pay 20, 25, or 30% in interest just to earn a few percentage points in cash back or travel rewards. Rewards are great, but only if you're able to pay in full and avoid interest each month."

Overall, the vast majority (80%) of credit cardholders say they make an effort to pursue rewards. Nearly 9 in 10 (86%) cardholders who tend to pay their balance in full each month say they make an effort to earn credit card rewards. Just 20% of credit card holders say they make no effort to earn credit card rewards.

Across generations, younger credit cardholders are slightly more likely to pursue credit card rewards. Nearly 9 in 10 Gen Z cardholders (89%; ages 18-28) and 85% of millennial cardholders (ages 29-44) say they pursue credit card rewards, compared to 78% of Gen X (ages 45-60) and 72% of baby boomer cardholders (ages 61-79).

Overall, while higher-income households are more likely to pursue credit card rewards, other income brackets are not far behind. A strong majority of cardholders (87%) earning \$100,000 or more annually make an effort to pursue rewards, followed by 85% earning between \$80,000 and \$99,999, 80% earning between \$50,000 and \$79,999 and 76% earning less than \$50,000.

More than half of credit cardholders who are carrying balances month to month (54%) say it has become harder to pay off their debt over the past year. This includes 31% who say it has become "much harder" and 23% who say it has become "a little harder." Just 18% of credit card debtors say it has gotten easier to pay off their debt, while 29% say the difficulty level has remained about the same.

Over half of Gen Xers (66%) and baby boomers (56%) with credit card debt say it has gotten harder to pay off their debt over the past year, compared to 46% of millennials and 39% of Gen Zers with credit card debt.

"If you have credit card debt, don't be ashamed, you have plenty of company," added Rossman. "Almost half of credit cardholders carry debt from month to month. It's important to pay it down as quickly and cost-effectively as possible. If you can't pay it all right away, sign up for a 0% balance transfer card and avoid interest for up to 21 months. Or work with a reputable nonprofit credit counseling agency such as Money Management International. They can often negotiate something like a 6 or 7% interest rate over four or five years."

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 2,144 U.S. adults, of whom 1,638 are credit cardholders. Fieldwork was undertaken between February 10th-12th, 2025. 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.

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