



Look Out for These 2021 Credit Card Trends: CardRatings.com Shares Predictions

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The pandemic shifted ways Americans use plastic, which may impact trends for 2021

Foster City, CA – Dec. 22, 2020 – R.E.M. sang “It’s the end of the world as we know it,” and they may have been right. While the past year bungled nearly every facet of life, Americans adjusted to their “new normal.” That includes with their finances, and [CardRatings.com](https://www.cardratings.com) discusses trends that could continue, or may emerge, for cardholders and card issuers in 2021.

“There’s no doubt that 2020 has been a challenging year with the COVID-19 pandemic changing our lives in myriad ways,” remarks Brooklyn Lowery, senior managing editor for CardRatings. “How we used credit cards, as well as how banks market their cards and make them valuable to cardholders, weren’t immune to the changes.”

The leading credit card ratings site analyzes these trends in its new report: [Credit Card Trends to Watch Out for in 2021](#). The predictions include:

COVID causes continuing caution

Mirroring any economic downturn, banks have been more hesitant to approve new cards, and even when approved, offer more modest credit limits. Small businesses seem to have been hit particularly hard by this. CardRatings’ analysts believe this trend will likely continue until the rippling effects of the pandemic ease up.

“Thankfully, with the recent vaccine rollout,” continues Lowery, “there’s reason to be hopeful the economy – and credit card approvals – bounce back sooner rather than later.”

Those “limited time” credit card perks won’t be so limited, after all

Since travel has been severely limited during the pandemic, credit card companies found alternative ways to make their travel rewards cards valuable. The [Chase Pay Yourself Back program](#), for instance, allows those with the Chase Ultimate Rewards® cards to redeem points for several categories of everyday purchases. That “limited time” feature has already been expanded to additional cards and extended into next year. CardRatings predicts we may see programs such as this and others get long term or even permanent status as banks work to retain and attract cardholders.

Tiered bonuses gain traction

Credit card issuers want consumers to use their cards, rather than earn a quick bonus and put the card in a drawer. Some issuers are experimenting with tiered bonus offers designed to keep cardholders swiping for longer.

“Sure, this strategy is good for the banks as they make money from processing fees every time you use your card,” explains Lowery. “But it also means cardholders might have some stellar opportunities to earn sky-high bonus rewards.”

Have health, will travel

Americans are eager to travel again when life is back to normal. CardRatings’ researchers predict that banks will diligently compete for new customers by offering bonuses, and travel rewards cards will bounce back in a big way. During this year of staying home, banks offered extensive cash-back rewards bonuses and perks. That focus likely shifts back to travel rewards cards when the world again opens for travel.

Sorry, but interest rates are going to rise

Low interest rates have held steady during the pandemic, with cardholders enjoying [lower APRs](#) than is typical. When the economy rebounds, our experts expect those rates to climb.

“Historically, interest rates tend to go up as the economy improves,” remarks Lowery.

About CardRatings

CardRatings is owned and operated by QuinStreet, Inc. (Nasdaq: [QNST](#)), a leader in providing performance marketplace technologies and services to the financial services and home services industries. QuinStreet is a pioneer in delivering online marketplace solutions to match searchers with brands in digital media. The company is committed to providing consumers with the

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CardRatings innovated online credit card ratings and has been offering independent ratings and reviews of credit card offers since 1998. The website collects and maintains data on more than 700 credit card offers and carefully compiles objective lists of the top credit cards by card type, making it easy for consumers to find the right card to fit their needs. Sign up for the bimonthly newsletter [here](#).

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