



## CardRatings Analyst Predicts Credit Card Landscape for Second Half of 2021

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*Patterns emerge: travel rewards bonuses booming while credit limits are shrinking*

**Foster City, CA – July 8, 2021** – The credit card analyst for [CardRatings.com](https://www.cardratings.com), a leading credit card review and comparison site, is releasing predictions for the next six months of the calendar year. Brooklyn Lowery researched how the pandemic affected the credit card industry in general and explains what consumers should expect in the coming months. She finds both positive and negative trends in her new analysis of “Mid-year update: [Credit card trends to watch for in 2021](#).”

- **COVID perks remain:** As Lowery predicted at the end of 2020, several credit card features and benefits designed to provide value during the pandemic are continuing as COVID restrictions lift. Her analysis finds a number of popular travel rewards cards are keeping everyday-gear benefits and features that were introduced during the economic shutdown.

“The credit card industry understandably held its breath during the height of the pandemic, waiting to see how the economy would fare and what existing customers would demand for cards in their wallets,” says Lowery. “Banks rolled out new features and benefits and customers responded positively, so banks are assessing what to keep long-term.”

- **Consumer credit card approvals slow and credit limits low:** Anecdotal evidence suggests banks are continuing to exercise caution with card approvals and credit limits. As the economy has largely reopened, risk aversion has ebbed slightly, but it’s still common for consumers to wait for approvals or receive low credit limits. At this point, lending may continue loosening at a steady rate; that could depend on what happens with COVID variants and possible new restrictions going forward.
- **Small business credit cards bounce back:** After 18 months of hardship, small business owners are receiving positive news - [small business credit card](#) approvals are bouncing back and businesses are having an easier time getting approved. Banks are marketing this card type again after largely stopping at the height of the pandemic.
- **Interest rates low - for now:** Most credit card interest rates are shaped by the U.S. prime rate, and the Federal Reserve isn’t predicting a rate hike until 2023, so major changes in credit card interest rates seem unlikely for now. That said, issuers can increase interest rates apart from that federal rate and traditionally have done so as they introduce new features or benefits. Lowery believes the historically low interest rates will stick around for the next six months but predicts they’ll creep a bit higher in 2022 as banks continue rolling out new features and benefits to attract new cardholders. That means now is the time to pay down credit card balances.

“Peeking ahead to early 2022, I think we’ll see balance transfer offers make a comeback following the holiday season. Of course, everything here is dependent on COVID remaining under control and the economy remaining fully open. If any of that changes, all bets are off.”

- **Travel rewards bonuses are booming:** “Have vaccine, will travel.” We knew travel would return and, with it, mega travel rewards credit card bonuses. CardRatings is seeing highest-ever offers for perennial travel rewards favorites. Credit card companies seem to be competing for cardholders, so if consumers are considering [travel rewards cards](#), now is the ideal time to apply. Bonuses are significant but may be for a limited time, even if they aren’t advertised as such.

“With most of the country returning to normal, Americans hit the roads and skies in record numbers this past July 4<sup>th</sup> weekend, and banks want to capitalize on that travel fever. We don’t predict a slowdown any time soon in travel nor in big travel rewards bonuses. As soon as one card announces its offer, a competing card announces its own. Expect this domino effect to remain at least through the end of the year.”

Lowery is available to discuss her predictions for CardRatings.com, the methodology used to make them and the overall credit card industry landscape.

### About CardRatings

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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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