

PayPal Reveals How Americans Are Spending Credit Card Rewards In A COVID-19 World

44% of American credit card holders say they are more likely to spend their credit card rewards during the COVID-19 pandemic

29% see rewards balances as a way to stretch budgets; top items purchased with credit card rewards shift to everyday essentials like groceries

As of November 27, 2022, Free Shipping on Us is no longer available. Customers looking for other shopping benefits and ways to save can take advantage of a range of features in the PayPal app. More information can be found [here](#).

SAN JOSE, Calif., June 25, 2020 /PRNewswire/ -- PayPal today released new research looking at purchasing behaviors of credit card rewards holders during the COVID-19 pandemic, revealing people around the country are turning to rewards balances to help them stretch their budgets (29%) and purchase the things they need most, such as groceries. However, with 39% of credit card rewards holders *unaware* of their rewards balances, there's an opportunity for more people to uncover funds which could extend their budgets and help them buy the things they need most.

"More and more people across the country are turning to their credit card rewards as a helpful and easy way to make their dollars go further, and in the current environment, two thirds of Americans (66%) now view these rewards balances as a way to buy the things they need such as groceries and other essentials," said Jill Cress, vice president of consumer marketing at PayPal. "With travel and luxury items still less of a priority for many right now, our research shows that people are instead tapping into their rewards balances to support small businesses in their community and to give back to causes."

To easily, and securely use rewards balances as a budget extension, PayPal's [Pay with Rewards](#) feature allows people to seamlessly shop online using eligible credit card rewards at millions of businesses. By linking rewards from credit card issuers such as American Express, Chase, Citi and Discover to PayPal, Pay with Rewards can convert your rewards balance to a dollar figure to put towards online purchases, including for groceries, clothing stores, food delivery services, and more. Plus, purchases made using PayPal and Pay with Rewards can benefit from PayPal's Purchase Protection and Return Shipping On Us (on eligible purchases), helping to provide peace of mind and secure shopping.

Using Rewards Balances to Shop for Everyday Essentials

The research shows nearly a third (30%) of credit card holders say rewards balances are useful to fund everyday spending, such as groceries (40%), gift cards (37%) and clothing (34%). Additionally, two thirds (64%) of respondents think rewards balances are as valuable as spendable cash.

At the end of April, the items Americans claim they were most likely to purchase using rewards include:

- Toilet paper (25%)
- Cleaning products (25%)
- Drinking Water (22%)
- Hygiene products (20%)

Supporting Small Businesses and Causes with Rewards

The research also showed that since the COVID-19 outbreak began, nearly three quarters (74%) of credit card holders have made a conscious effort to shop more at locally owned, small businesses. Nearly a quarter (24%) would choose to spend rewards with a small business if their points were about to expire.

In addition, with nearly half of Americans enrolled in a credit card rewards program (49%) saying they are now likely to donate to a charitable cause, PayPal has expanded its Pay with Rewards feature, enabling customers to donate their credit card rewards to support charitable causes through the PayPal Giving Fund ([terms apply](#)), including COVID-19 relief efforts.

Use Rewards in More Ways at More Places

With 27% of credit card holders actively trying to collect as many rewards as possible, PayPal's Pay with Rewards offering provides an easy way for shoppers to use their rewards at millions of online stores. Customers with eligible credit cards from American Express, Chase, Citi and Discover can simply add credit cards to PayPal, link their rewards, then redeem eligible points using PayPal at checkout.

From groceries to clothing, home improvement to hobbies, PayPal's Pay with Rewards feature gives customers more places to spend their rewards points, including many small businesses around the country. More information on Pay with Rewards [can be found here](#).

About the research:

PayPal commissioned Atomik Research to conduct an online survey of 1,543 American credit card users who are enrolled in at least one credit card rewards program. The margin of error for the overall sample is +/- 3 percent with a confidence interval of 95%. Fieldwork took place between Wednesday, April 29, 2020 and Thursday, April 30, 2020.

About PayPal:

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering more than 300 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit paypal.com.

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