



Rewarding Resilience:

How Canadians Leverage Credit Card Points to Navigate Economic Pressures

The Canadian Consumer Rewards Coalition's inaugural annual supporter survey report shows the importance of credit card points and rewards to supporters across the country and why protecting them is crucial.

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Executive Summary



In the face of ongoing inflation pressures and persistent economic challenges, Canadians are increasingly relying on credit card points and rewards to manage everyday expenses. The Canadian Consumer Rewards Coalition (CCRC) continues its mission to protect these vital consumer benefits against policy changes and governmental overregulation. With over 22,000 active supporters nationwide, our work is more crucial than ever.

Current State of Consumer Affairs:

- Credit card points and rewards translate to real savings for Canadians across the country every year. On average, Canadians earn over \$2,100 in points and rewards annually, redeeming over \$700 to help make their lives more affordable.
- Canadians are utilizing credit cards to combat rising grocery prices, with 70% using credit to purchase essentials.
- CCRC supporters who responded report that affordability challenges persist. However, 67% of respondents report paying their credit card bill in full every month, with 94% routinely paying more than the minimum amount due.
- Despite challenges, the importance of credit card rewards remains high, with 85% of our supporters considering them crucial for managing affordability.

Governmental and Regulatory Landscape:

- Recent ongoing pressure from retail businesses for further cuts to credit card transaction fees poses potential risks to consumer rewards programs.
- Ottawa has recently picked up the case again, with the Standing Committee on Industry and Technology (INDU) having launched a broad study looking at credit card transaction fees and interchange rates among other things.
- These potential policy changes could force adjustments in credit card issuers' rewards programs, potentially diluting the benefits consumers rely on.

CCRC Initiatives and Impact:

- Our recent survey underscores the critical role of rewards programs in Canadians' financial strategies, particularly among those aged 55 and older.
- A striking 76% of respondents indicated they would not support a political party that proposes changes harmful to their credit card rewards.
- CCRC's advocacy is increasingly focused on ensuring that political candidates and parties recognize and protect consumer interests in their policy proposals.



Methodology of Engagement:

- The survey conducted in August 2024 engaged nearly 1,000 supporters, revealing that most are highly active in using their rewards for daily necessities and are politically engaged.
- The sample is not weighted to be representative of the Canadian population, and represents what we heard only from CCRC supporters.
- This data helps CCRC target advocacy efforts effectively, ensuring that our supporters’ voices are heard in relevant policy discussions.

Outlook and Next Steps:

- As Canadians face ongoing economic pressures, CCRC is positioned to act as a critical intermediary, advocating for policies that protect consumer interests in credit card reward programs.
- We will continue to engage our supporters through regular surveys and updates, ensuring that our strategies align with their needs and responses to changing economic conditions.



State of the Issue

Amid some of the highest inflation rates in decades, Canadians have turned to their credit cards for relief. It should come as no surprise that the Canadian credit card points and rewards industry remains competitive and constantly evolving, with loyalty programs and rewards playing a critical role in consumers’ card choice.

The Canadian Consumer Rewards Coalition (CCRC) fights to protect Canadians’ hard-earned points and rewards, ensuring their ability to keep collecting and using them against any encroachment by government or other groups. We have been able to do so thanks to the support of over 22,000 supporters, from coast to coast to coast, who have decided to take a stand with us.

In the CCRC’s most recent semi-annual survey of its supporters nationwide, one of the most

In the last six months, when redeeming credit card points or rewards, have you primarily used them for basic needs such as groceries, gas, household supplies, etc.?



Yes
 No
 Unsure





revealing insights into the affordability pressures facing Canadians is that 70% of supporters have used a credit card to pay for essential purchases in the past six months.

Given the backdrop of the ongoing affordability crises, it should come as no surprise that Canadians, and by extension CCRC supporters, are turning to their credit cards more frequently to defray daily costs (68%). With this, the value and priority placed on the ability to continue collecting points and rewards remain incredibly high. Survey respondents indicated it is very important (59%), growing to 85% for those who say it's at least somewhat important.

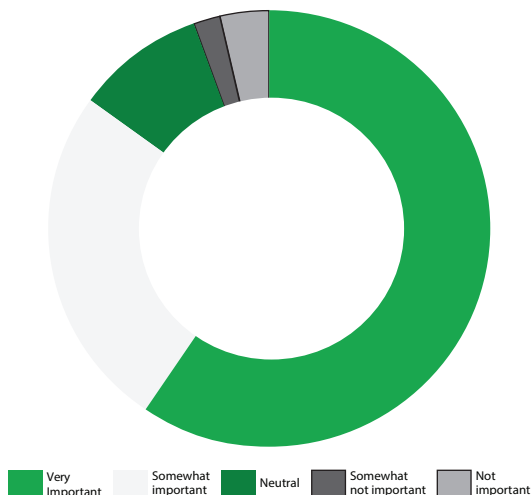
Do you carry a balance on your credit card from month to month?



How do credit card points and rewards affect your affordability?




How important is the ability to collect credit card point and rewards to you?




If a party came out with a plan that would threaten points and rewards, would you be less likely to vote for it?





This is why any policy changes that would negatively impact interchange rates —part of the fees that acquiring banks (the merchant’s bank) pay to the issuing bank (the consumer’s bank) for processing credit card transactions—could become a factor at the ballot box. Research and evidence from other jurisdictions shows that when interchange rates are cut, points and rewards programs are put under threat or diminished as banks seek to make up for lost margins, ultimately hurting consumers. CCRC supporters understand the risk. More than two in three (76%) say they would be less likely to vote for a party proposing a plan that could threaten credit card points and rewards.

In 2023, the federal government and the two biggest payment networks, Visa and Mastercard, announced a new voluntary agreement to cap interchange rates , aiming to ease the financial burden on small businesses. The new measures took effect on October 19, 2024, reducing interchange rates for qualifying small businesses to an average of 0.95% as well as a reduction of domestic online interchange fees by 10 basis points. These reductions are estimated to benefit 90% of small and medium-sized businesses in Canada that accept credit card payments.



Who the CCRC Is

The Canadian Consumer Rewards Coalition (CCRC) is a not-for-profit organization dedicated to amplifying the collective voice of Canadian consumers. As a grassroots movement, we are backed by tens of thousands of supporters from every province, and our numbers are growing daily.

The CCRC was founded to protect Canadian consumers’ reward points and programs from threats posed by government overregulation and other unfair practices. For too long, the consumer voice has been absent in decision-making processes across the country. We’re here to change that.

Millions of Canadians rely on rewards for everyday essentials like groceries and gas, as well as for theatre tickets, flights, and vacations. However, credit card points and rewards are continuously at risk. At CCRC, our mission is to protect consumers’ hard-earned rewards, ensuring that they remain available for use as they choose.

Our advocacy focuses on ensuring that elected officials and policymakers prioritize consumer interests when it comes to points and rewards programs. With over 22,000 members and counting, we’re growing stronger every day.

For our inaugural annual report, we surveyed our supporters to gain valuable insights into how Canadian consumers are using their credit card points and rewards, helping us better understand their experiences and needs.

Methodology

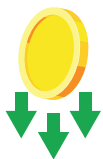
This survey is part of our ongoing longitudinal study, the second in 2024, following a semi-annual cadence. Like previous supporter engagement surveys, this online survey targeted our existing list of supporters. The questionnaire consisted of 33 questions covering a range of topics, including demographics, political affiliation, spending habits, and credit card points and rewards use.

The survey was distributed in August 2024 to a list of approximately 21,000 supporters and received a total of 968 responses, yielding a response rate of around 4.6%. Data collection occurred over a two-month period, and participants self-administered the survey online. Respondents could not take the survey multiple times to stop the skewing of results. The sample size, while big enough to draw meaningful conclusions from, was not weighted to make it representative of a cross-section of the Canadian general population. This is not meant to be a scientific survey of the Canadian populous at large and its attitudes on the issue. The answers and data that we got represent the views of the CCRC's supporters. However, while not representative of the wider population, the CCRC's broad and diverse support across the country gives good indications of the Canadian public's attitudes toward credit card points and rewards and their role in helping life affordability.

The survey comprised multiple-choice questions, and the average completion time was around eight minutes.

This methodology aligns with the CCRC's aim of engaging its supporters and gathering insights on trends and behaviors over time.

What We Heard



Roughly nine out of every 10 Canadians believe that affordability is deteriorating.



On average, Canadians estimate they earn over \$2100 in points and rewards each year.



With Canadians redeeming slightly over \$700 each year, there's clear value placed on saving points and rewards for when they're needed most.

Over 70% of Canadians use their credit card points and rewards for basic necessities like groceries, gas, and household supplies, it is clear that more and more Canadians would be falling behind if not for their points and rewards.

Supporters of the CCRC are both registered and engaged voters, with over 90% having voted in the last provincial and federal elections and plan to do so in the next. Whereas a significant portion of supporters preferred not to identify their political affiliation (27-32%), those that did were right leaning (31-32%).

As a strong majority of the **CCRC members see affordability as deteriorating (89%)** it comes as no surprise that 68% use their points to make life more affordable and 60% see their ability to collect points and rewards as very important.

Supporters who participated in the survey (71%) **have two or more credit cards in their wallet and use their card daily (29%)**. However, they see themselves as responsible and cautious when using their card (54%) and pay their balance in full every month (67%).

Despite the value attributed to and regular use of credit card points and rewards, **supporters feel that both annual credit card fees (66%) and interest rates (92%) are high**.

Points and Rewards matter, now more than ever

For Canadians, credit card points and rewards are not just perks—they are a financial lifeline, helping to offset the rising costs of everyday essentials like groceries, gas, and household items. As life continues to become increasingly unaffordable, the importance of protecting these programs has become even more apparent. Canadians rely on these rewards to help balance their budgets and ease financial pressure, and any threat to them feels like an attack on their financial security.

Our survey revealed that a significant portion of Canadians is apprehensive about potential changes to credit card rewards. When asked if they would support a political party committed to cutting credit card transaction fees, 51% of respondents said yes. The data also reveals that any reform to the current system of hard-earned points and rewards would not be well-received by Canadians. When asked if they would be less likely to vote for a party that proposed a plan threatening their hard-earned points and rewards, a striking 76% of respondents said yes.

This overwhelming sentiment sends a clear and powerful message to political parties: Canadians view their rewards not as bonuses, but as essential tools in managing their financial well-being. Any party proposing changes to the system should be careful not to endanger these benefits. Canadians are deeply concerned that political action threatening these programs could lead to a diminished quality of life—especially as they face rising costs across the board.

For political parties, this means that while there may be an appetite for cutting credit card transaction fees, any plan that could unintentionally harm consumer rewards programs would be politically risky. With 76% of respondents less likely to support a party that threatens their points and rewards, it's clear that this issue could sway voter



behavior. Consumers are prepared to hold elected officials accountable for decisions that impact their rewards, signaling that policies affecting these programs will be a key consideration in upcoming elections.

There is a growing awareness and commitment among consumers to protect their points and rewards. Canadians are sending a strong message that they expect policymakers to prioritize their interests in political discussions surrounding credit card reforms. This reinforces the importance of our advocacy efforts, as we continue to push for policies that safeguard the rewards Canadians rely on and protect their financial futures.

Credit Card Usage

Insights into credit card usage included the fact that 71% of supporters hold two or more credit cards. At least 40% use their card weekly, and 69% use it weekly or more. Responsible financial management is evident, with 67% paying their credit card bill in full, and 94% paying more than the minimum amount due.

Credit card usage trends were reported as stable for half of respondents, though one-third report increased usage. Points and rewards programs are highly utilized, with 80% regularly redeeming them. While 54% identify as responsible and cautious users, 23% use their cards strategically to maximize rewards.

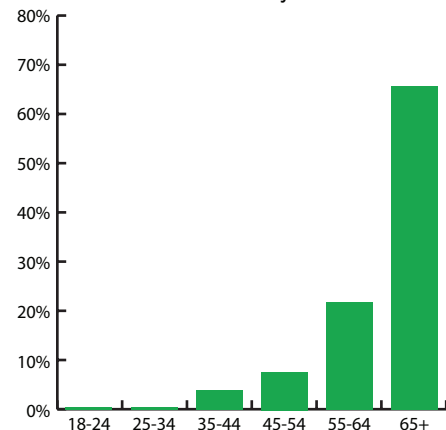
General Socio-Economic and Demographic Information

The demographic and socio-economic breakdown of our survey respondents offers crucial insights into the profile of Canadians who are highly invested in credit card points and rewards programs. These results paint a vivid picture of the groups that stand to be most affected by any potential changes to these systems, offering valuable guidance to policymakers.

Age-wise, the fact that 86% of respondents are aged 55 or older (with 65% being 65+) highlights a significant trend: older Canadians, many of whom may be retired or on fixed incomes, rely heavily on points and rewards programs to manage their finances. For these individuals, rewards are more than just perks—they are critical financial tools. This demographic is often less likely to have the flexibility to adjust to new financial pressures, making them particularly sensitive to any policy changes that could threaten their rewards.

The gender breakdown shows that 66% of respondents are female, reflecting a possible pattern in household financial management. Women often

How old are you?

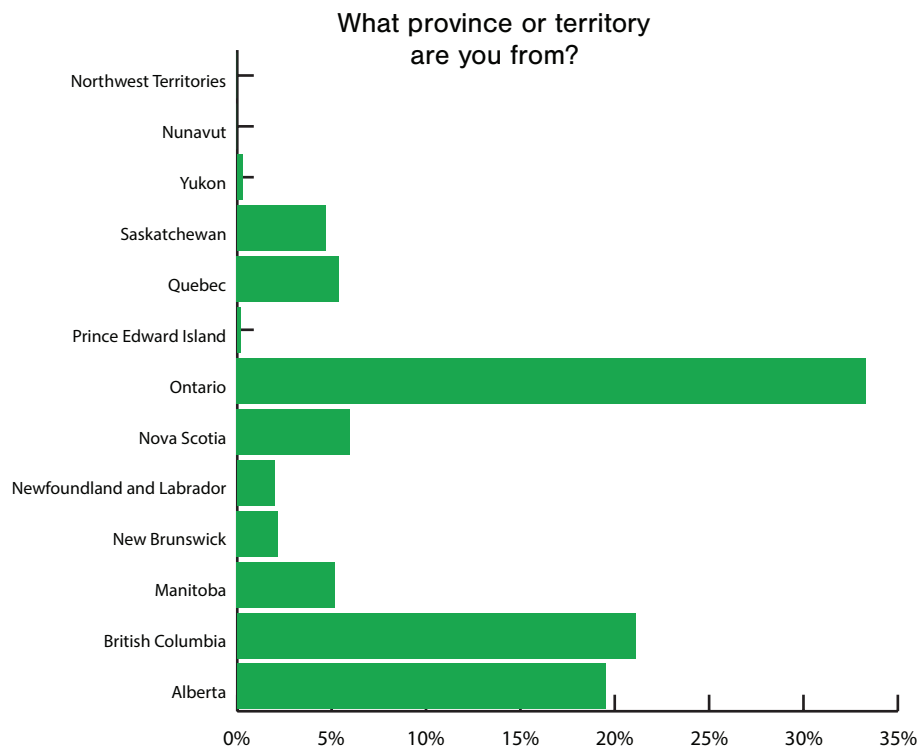
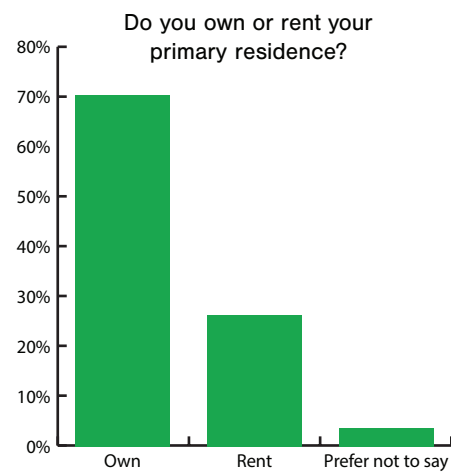
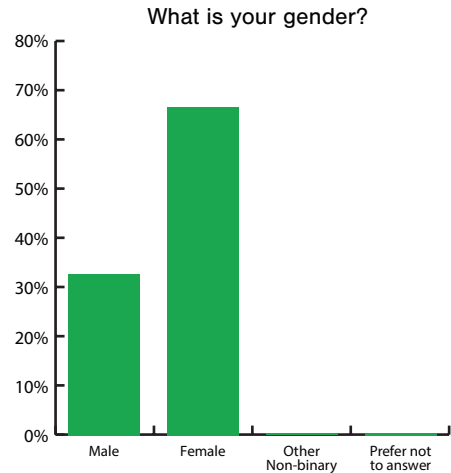




play a leading role in making day-to-day purchases, budgeting, and managing rewards. This high representation suggests that women, especially older women, may be more reliant on points programs as part of their household financial strategy, reinforcing the importance of protecting these programs for those managing tight budgets or fixed incomes.

Homeownership plays an important role in financial stability, with 70% of respondents owning their homes. This statistic suggests that a majority of respondents are relatively financially secure in terms of housing. However, homeownership can also come with significant ongoing costs, such as property taxes, home maintenance, and utilities, making rewards programs a vital way to offset some of those expenses. Meanwhile, the 26% of respondents who rent are likely to face other financial pressures, such as rising rent costs, further reinforcing the value of credit card rewards as a way to stretch their income.

The geographic diversity of respondents—33% from Ontario, 21% from British Columbia, and 19% from Alberta—demonstrates that concerns about credit card points and rewards are widespread, with significant representation from Canada’s most populous and economically diverse provinces. These provinces also tend to have higher costs of living, further



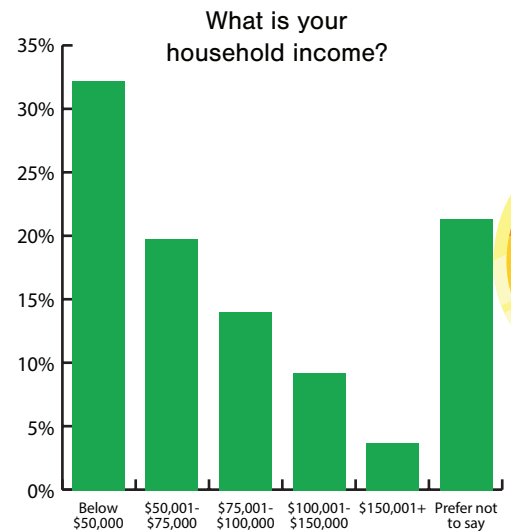
explaining the heightened concern about preserving rewards programs as a financial buffer. Ontario, in particular, has a large portion of the population, so the data suggests that a party's stance on credit card rewards programs could influence voter behavior in key provinces.

The CCRC started fully bilingual communications with supporters in the past year, and our base of French-speaking supporters is steadily growing. However, the head start of the English language communications explains the lower representation of Quebec as compared to the province's share of population. We expect to see these numbers continue climbing to a more representative sample in the future.

The income breakdown shows that 32% of respondents earn less than \$50,000 annually, which makes sense given the large portion of older respondents, many of whom are likely retired or living on pensions. This group is particularly vulnerable to rising costs and economic instability, making rewards programs an essential part of their financial toolkit. For this group, any threat to their ability to earn and redeem points could have a real, tangible impact on their quality of life.

Interestingly, even among higher-income brackets—19% earning between \$50,000 and \$75,000, and 14% between \$75,001 and \$100,000—there remains strong reliance on rewards. This suggests that rewards programs are not just important for lower-income or retired Canadians but are also crucial for middle-income earners who use these programs to manage the rising costs of living. The income breakdown clearly shows that points and rewards programs are not just a perk that benefits the rich and well to do among us. While Canadians in all income brackets love them and use them, they are an essential tool to make life more affordable for all Canadians, but especially those with lower incomes.

Older Canadians, particularly those on fixed incomes, represent a highly engaged voting block, and their reliance on credit card rewards programs makes this issue politically sensitive. The large representation of women and older homeowners further highlights this point—parties proposing policies that could undermine these rewards systems risk alienating key voter demographics.



Conclusion

This report underscores the vital role that credit card points and rewards play in helping Canadians manage the rising costs of living. As evidenced by the high levels of engagement and strategic use of credit facilities among our supporters, it is clear that these benefits are not merely perks but essential financial tools. The Canadian Consumer Rewards Coalition remains steadfast in its commitment to protect these valuable resources. As we move forward, the CCRC will continue to amplify the voices of Canadians nationwide, advocating for policies that safeguard our members' ability to collect and use their rewards. Our mission is more crucial than ever, as we work to ensure that every Canadian has the tools necessary to navigate financial challenges effectively.



**CANADIAN
CONSUMER
REWARDS
COALITION**