

# New Bank of America and Chase cards hint at issuers' future strategy

Article

**The news:** Two major issuers launched new credit cards this week.

- **Bank of America [launched](#)** the Unlimited Cash Rewards credit card, which offers a flat **1.5%** cash back on all purchases. The card, which carries no annual fee, is also tied to BofA's relationship rewards program, which lets eligible customers with other accounts at the bank earn up to **2.62%** cash back.

- **Chase announced** the Slate Edge, a revamped version of the discontinued Slate Card. Slate Edge offers no rewards but is designed to help customers build credit: After introductory offers, the card gives customers who pay on time automatic consideration for both **2% APR** reductions each year and a credit line increase.

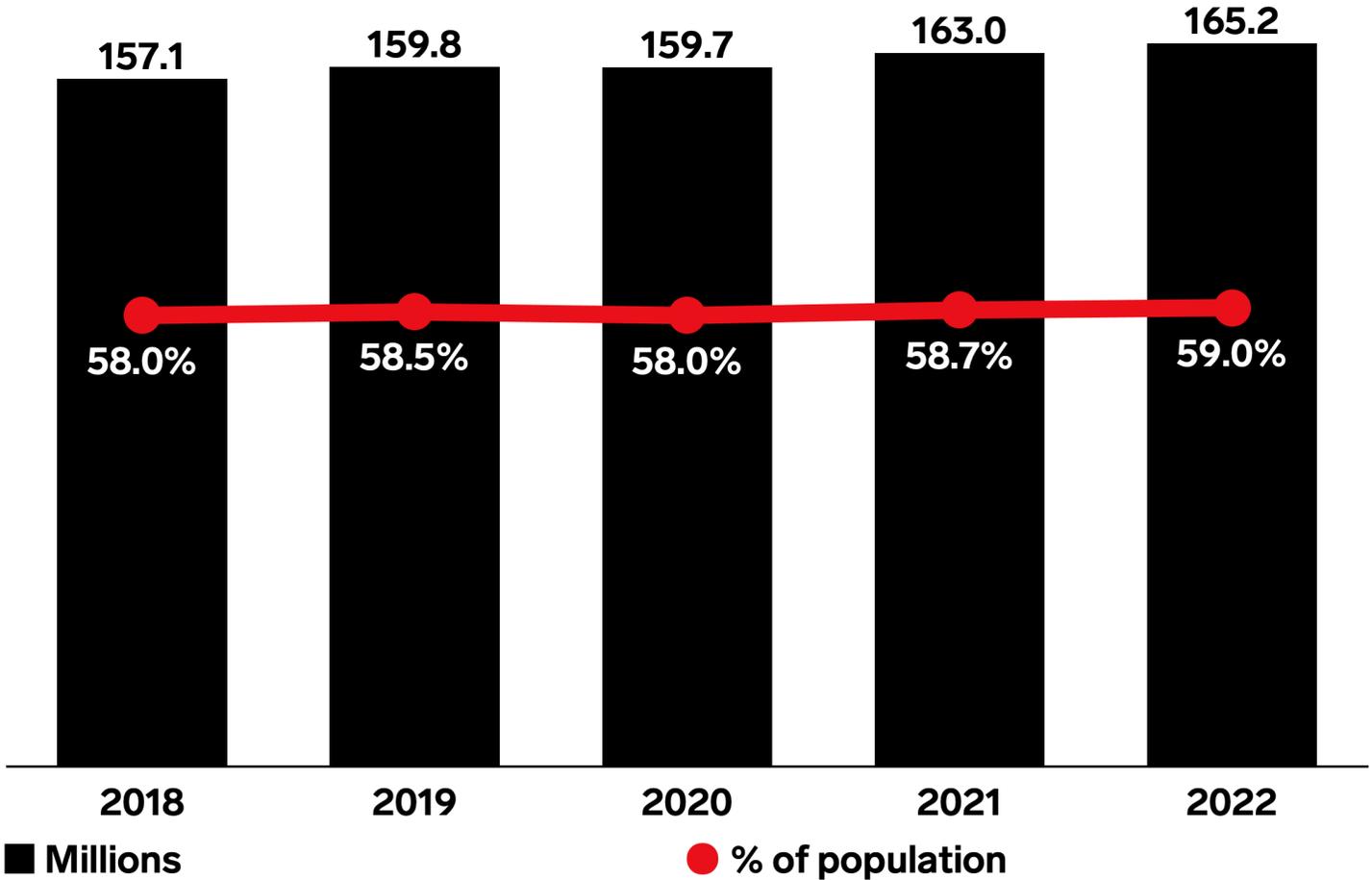
**How we got here:** After the pandemic cut into credit card spending in a big way—thanks to overall spending downturns and an aversion to debt—major issuers are on their way to recovery. And credit appetite is also on the up-and-up: **19%** of customers plan to change their primary card post-pandemic, reflected in the **6 million** new cards opened in March 2021.

**The bigger picture:** Bank of America and Chase are the latest in a flurry of new card launches—and the new products could keep them competitive.

- **Flat cash-back cards are the latest hot product.** Pioneered by Citi Double Cash, providers like TD Bank and Wells Fargo have thrown their hats into the ring this year with flat-rate cards. Not unlike the ultra-premium card rat race in 2016 and 2017, when the card market was thriving, these cards could be particularly appealing post-pandemic: Cash back is the most popular card reward by far, and the clear rewards proposition and lack of fees might play well among prospective cardholders looking for an accessible entrance into the market.
- **And Slate Edge could be a preview of what's next.** Major issuers, including Chase, reportedly joined a government initiative to make credit accessible to customers previously considered not creditworthy—including the **53 million** US adults without credit scores. Cards like Slate Edge could help bring them into the ecosystem—giving issuers a path to capture customers and convert them into healthy users with upsell and high lifetime value potential—while also attracting customers who developed an interest in personal finance during the pandemic. Chase's entry could give it an early mover advantage—and might signal issuers' plans to compete with fintechs like Deserve and buy now, pay later (BNPL) products to grab users who might take up nontraditional alternatives.

# In-Store Credit Card Users

US, 2018–2022



*Note: ages 14+; consumers who make an in-store purchase at least once per month using a credit card; includes purchases at retail stores and food services and drinking places; excludes proximity mobile payment transactions*

*Source: Insider Intelligence, December 2020*

*Methodology: Estimates are based on the analysis of data from the US Department of Commerce and the Federal Reserve, estimates from other research firms, reported company revenues, historical trends, consumer buying trends, and macro-level economic conditions.*

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