



# How Much Do You Need to Spend to Earn \$1,000 in Credit Card Rewards?

## Description

Earning \$1,000 in credit card rewards isn't easy. Most cards earn 1% or 2% back, which means you could hit \$1,000 within two to three years, sometimes longer. And that's *if* you're using it for every purchase.

If that sounds too long for you, you could get a card that earns more cash back on popular spending categories, such as groceries, gas, utilities, restaurants, subscriptions, and entertainment. Your earn rate will be higher, helping you hit that \$1,000 in one to two years or even less.

Assuming you have one of Canada's [best cash-back](#) or [rewards cards](#) in your arsenal, how long could it take you to hit \$1,000? Let's take a look an average budget with some of the best cash-back rates and see.

## The average budget

First, let's start with a hypothetical budget.

I'm going to use data from Statistics Canada's latest "household spending" survey, as well as current prices and average budgets for Canadians. Again, these numbers are completely hypothetical. Your budget could be similar, or you could spend more (or less) each month. Either way, an average budget will help us understand just how much credit card rewards we might be able to earn.

Finally, for the sake of space, I'm going to highlight only those expenses that can earn bonus amounts on rewards cards (groceries, restaurants, fuel, utilities, and entertainment) and lump all other expenses into one category (health care and personal care, for instance). I won't include expenses that typically don't earn cash back or include fees that would stop you for using your credit card, such as mortgage payments, rent, or car loans.

Here's our hypothetical budget.

Expenses	Yearly Amount	Monthly Amount	Spent
----------	---------------	----------------	-------

Groceries	\$10,000	\$833
Restaurants	\$6,000	\$500
Fuel	\$4,000	\$333
Utilities	\$2,800	\$233
Entertainment	\$5,000	\$416
Other	\$20,000	\$1,666
<b>Total</b>	<b>\$47,800</b>	<b>\$3,981</b>

## The earnings

Similar to what we did above, let's take a look at some of [Canada's top credit card earn rates](#). These will involve looking at numerous credit cards (if you want to earn significant cash back, you'll need more than one card), but I will list only the highest earn rate on a no-fee credit card.

Here's the earn rates.

Spending category	Earn rate
Groceries	3%
Restaurants	3%
Fuel	2%
Utilities	2%
Entertainment	2%
Other	2%

Again, I'm only looking at [cards with no annual fee](#). Cards with annual fees will have larger earn rates (some up to 4% or 5%), but the annual fee will offset the earnings. For simplicity, let's stick with [no-fee cards](#) with the understanding that you could earn far more cash back with cards that charge annual fees.

## How long will it take to earn \$1,000?

So, let's bring this all together and see how much you can earn per year with some of [Canada's top credit cards](#).

Spending Category	Monthly Spending	Earn rate	Monthly Earnings	Yearly Earnings
Groceries	\$833	3%	\$24.99	\$299.88
Restaurants	\$500	3%	\$15	\$180
Fuel	\$333	2%	\$6.66	\$79.92
Utilities	\$233	2%	\$4.66	\$55.92
Entertainment	\$416	2%	\$8.32	\$99.84
Other	\$1,666	2%	\$33.32	\$399.84

---

Total	\$3,981	N/A	\$92.95	\$1,115.40
-------	---------	-----	---------	------------

That's not bad. In fact, that's excellent. If you're spending matches this budget, and you have a rewards card that earns at these rates, you can earn over \$1,000 in cash back within a year.

## How do I earn \$1,000 in cash back within a year?

Take a look at some of [Canada's best rewards and cash-back cards](#). If you can get a card that matches these rates, then you know you're earning the most you can, at least for a [no-fee card](#). If you want to earn more cash back, consider a card with an annual fee. As long as you spend enough to outweigh the fee, you could earn more than \$1,000 within a year.

### CATEGORY

1. Personal Finance

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

### PP NOTIFY USER

1. kduncombe
2. sporrello

### Category

1. Personal Finance

### Date

2025/08/05

### Date Created

2022/03/10

### Author

sporrello

default watermark