

2025 US DOMESTIC REWARD REPORT

Travel boom drives sharp increase in US airline reward prices

by *IdeaWorksCompany*



2025 US Domestic Reward Report

Contents

General Commentary and Analysis	4
Travel boom drives sharp increase in US airline reward prices	4
Reward Payback Reveals Drop in Value	7
Reward Value of a Mile/Point Focuses on Partner Accrual	9
Notable Features Found During the Survey Process.....	10
Becoming a Better Loyalty Retailer.....	14
Graph: Overall Economy Reward Availability	17
Graph: 3+ Flights Offered for Economy Reward Travel	18
Graph: Average Economy Reward Prices.....	19
Graph: Overall Economy Reward Price by Month.....	20
Graph: Reward Payback	21
Graph: Basic Economy Accrual.....	22
Graph: Economy Reward Payback for Member Types	23
Graph: Reward Value of a Mile/Point	24
Graph: Average Fares Observed	25
Graph: Average Miles/Points Required per Nonstop Mile Flown.....	26
Alaska – Mileage Plan.....	28
American – AAdvantage.....	33
Delta – SkyMiles	38
JetBlue – TrueBlue.....	43
Southwest – Rapid Rewards	48
United – MileagePlus	54
Notes on the Methods Used.....	59
The Survey Measures Low-Priced Everyday Reward Availability.....	59
Airline Data Section Notes	60

Issued 25 February 2025 by IdeaWorksCompany.com LLC
Shorewood, Wisconsin, USA
IdeaWorksCompany.com

About Jay Sorensen, Writer of the Report

Jay Sorensen's research and reports have made him a leading authority on frequent flyer programs and the ancillary revenue movement. He is a regular keynote speaker at ancillary revenue and airline retail conferences and has testified to the US



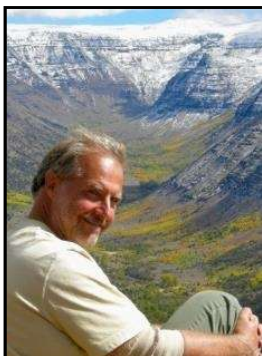
Jay with sons Anton and Aleksei at Artist Point in Yellowstone National Park.

Congress on ancillary revenue issues. His published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing.

Mr. Sorensen has 41 years experience in product, partnership, and marketing

development in the airline business and travel industry. As president of the IdeaWorksCompany consulting firm, he has helped boost airline revenue, started loyalty programs and co-branded credit cards, developed products in the service sector, and helped start an airline and other travel companies. His career includes 13 years at Midwest Airlines where he was responsible for marketing, sales, customer service, product development, operations, planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

About Eric Lucas, Editor of the Report



Eric Lucas is an international journalist whose work has appeared in Michelin travel guides, Alaska Airlines *Beyond Magazine*, *American Essence*, *Epoch Times*, *Westways* and many other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books. Eric has followed and written about the travel industry for more than 35 years. He lives on San Juan Island, Washington, where he grows organic garlic, apples, beans, corn and hay.

Eric, at his favorite summer retreat, Steens Mountain, Oregon.

Disclosure to Readers of this Report: IdeaWorksCompany.com LLC makes every effort to ensure the quality of the information in this report. Before relying on the information, you should obtain any appropriate professional advice relevant to your particular circumstances. IdeaWorksCompany cannot guarantee, and assumes no legal liability or responsibility for, the accuracy, currency or completeness of the information.

Terms of Use for this Report: You may not disseminate any portion of the report to the public through digital means, including mail lists or digital bulletin boards, without the prior consent of IdeaWorksCompany. You have been provided a single code to download this copy from the IdeaWorksCompany online store. This copy is registered to an individual purchaser. Noted at the bottom of each page are the following details: 1) buyer's name, 2) email address, and 3) transaction ID. You may store the document as a file on your servers.

Except as expressly permitted in this Terms of Use, the report may not be reproduced, transmitted, or distributed to anyone outside the purchasing company without permission from IdeaWorksCompany. You may not commingle any portion of the report with any other information and shall not edit, modify, or alter any portion.

IdeaWorksCompany provides the report and services “as is” and without any warranty, or condition, express, implied or statutory. IdeaWorksCompany specifically disclaims any implied warranty of title, merchantability, fitness for a particular purpose, and non-infringement. In no event shall IdeaWorksCompany be liable for lost profits or any special, incidental, or consequential damages arising out of or in connection with the report (however arising, including negligence).

Distribution of this report is protected by the Economic Espionage Act of 1996 of the United States and the data protection laws of Europe.

Updates to the 2025 US Domestic Reward Report: This is Version 1.0 of the *2025 US Domestic Reward Report* by IdeaWorksCompany. Subsequent updates will include corrections, if any, to the data presented. These will be sent to the email address associated with the purchase of this publication. Please address corrections and questions to: Jay@IdeaWorksCompany.com.



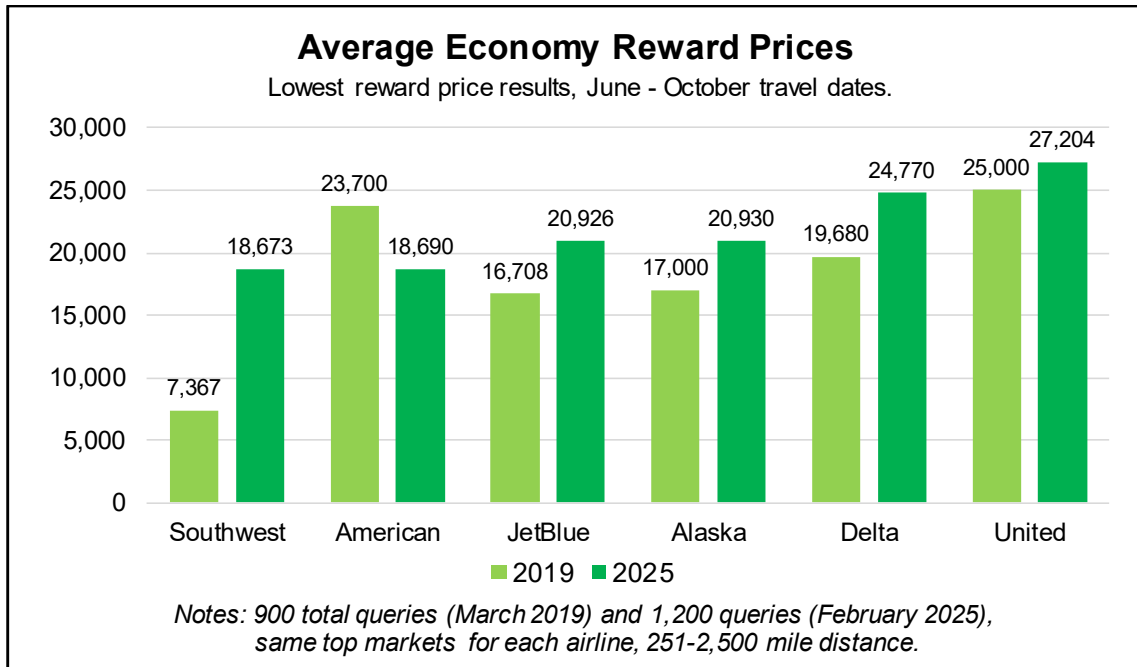
General Commentary and Analysis

Travel boom drives sharp increase in US airline reward prices

The **2025 US Domestic Reward Report** by IdeaWorksCompany answers the question, “How costly is points redemption for the most popular basic reward type offered by top US airlines?” This year’s survey assesses six US airlines and repeats the methods used 6 years ago before the pandemic. Key overall findings include:

- **Reward prices** have increased significantly since 2019 and, moreover, by nearly 12 points above the rate of inflation for the same period.
- **Reward payback** for 2025, which measures the reward value provided per dollar spent on base fares, dropped overall by about half from 2019.
- **Basic economy** fares continue to disrupt the value provided by frequent flyer programs through policies which reduce or eliminate mileage/points accrual for 4 of the 6 airlines in this survey.

The graph below displays the average economy reward price for each carrier for 2019 and 2025.



Back in 2019, basic economy was not yet carved out as an exception for mileage/point accumulation. For the 2025 results, the big drops for Alaska, Delta, and JetBlue can be explained by the lower accrual rate implemented for basic economy. Why didn't Reward Payback drop significantly for American and United in 2025? The answer is provided by the higher fares revealed by the queries for 2025.

The average fare query result for American in 2019 was \$170 with an accrual rate of 5X. For 2025, the average fare query result was \$302 with an accrual rate of 2X. Spending more has resulted in lower payback for members buying the lowest fares. The 2019 and 2025 Reward Payback results for American and United don't display a dramatic change, but in real dollars, the change is dramatic.

JetBlue did not post a meaningful average fare increase for 2025, and when compounded with a reduced 6X to 2X accrual rate, the drop is big. The story is similar for Alaska, but with an even larger fall. Delta is the most dramatic, because it completely prohibits accrual for basic economy travel. With the exception of 2 queries, all Delta results are based upon basic economy fares. This explains the presence of a tiny payback, rather than a complete zero result.

The image shows a Delta booking path pop-up box titled "Want More Flexibility and Seat Selection? Consider Main Cabin". It compares two fare options: Basic Economy and Main Cabin. The Basic Economy fare is \$104, and the Main Cabin fare is \$139. The Main Cabin fare is \$35 more than the Basic Economy fare. The Main Cabin fare offers more flexibility and seat selection, including the ability to select and change seats, cancel for full eCredit with no change fees, board before Basic Economy, and be eligible to purchase upgrades and accrue miles. The Basic Economy fare has several restrictions, including that seats are assigned after check-in, it is non-changeable, it is last to board, it is ineligible for upgrades, it does not earn miles or credit toward SkyMiles Medallion Status, and it is ineligible for Delta Sky Club access. At the bottom, there is a red button labeled "MOVE TO MAIN" and a checkbox labeled "Accept Restrictions" with the text "Continue with Basic" next to it. There is also a link for "Terms and Conditions".

Basic Economy	Main Cabin
<ul style="list-style-type: none">✗ Seat(s) assigned after check-in, not together¹✗ Non-changeable, cancel for a fee²✗ Last to board³✗ Ineligible for upgrades⁴✗ No miles earned; no credit toward SkyMiles Medallion Status⁵✗ Ineligible for Delta Sky Club access	<ul style="list-style-type: none">✓ Select & change seats✓ Cancel for full eCredit, no change fees✓ Board before Basic Economy✓ Eligible to purchase upgrades✓ Accrue miles & earn toward future Medallion status
\$104	\$139

Starting at just \$ 35 more, add freedom to choose seats and earn miles in Main Cabin.

✓ Terms and Conditions

Accept Restrictions | Continue with Basic

MOVE TO MAIN

This Delta booking path pop-up box is designed to encourage a buy-up to Main Cabin and to deter those who hope for loyalty benefits when purchasing Basic Economy.

Kudos are due United which applies the same accrual policy for all of its fares. Southwest does not offer a basic economy fare, but uses distinct point multipliers for each of its four fare types from Wanna Get Away to Business Select. Higher reward payback is most beneficial for members focusing on flight-based accrual to build their account balances.

This report reveals that American and Southwest have clearly decided to create better reward value for members. This is not to say these are best programs overall, as there are many features to consider, such as mileage accrual, partner rewards, and elite status. But in the category of domestic economy flight rewards, AAdvantage and Rapid Rewards certainly dominate the top slots described in this report:

- Best Traditional Economy Reward Availability: American.
- Lowest Average Economy Reward Prices: Southwest.
- Highest Reward Payback: Southwest.
- Highest Reward Value of a Mile/Point: American.
- Highest Reward Payback for an Elite Tier: Southwest.
- Lowest Miles/Points Required per Nonstop Mile Flown: JetBlue.

Perhaps it is what these two programs do best. It is an admirable achievement as air travel rewards routinely represent 90+ percent of reward activity. But their websites don't focus 90 percent of real estate and effort to perfectly and easily define this.

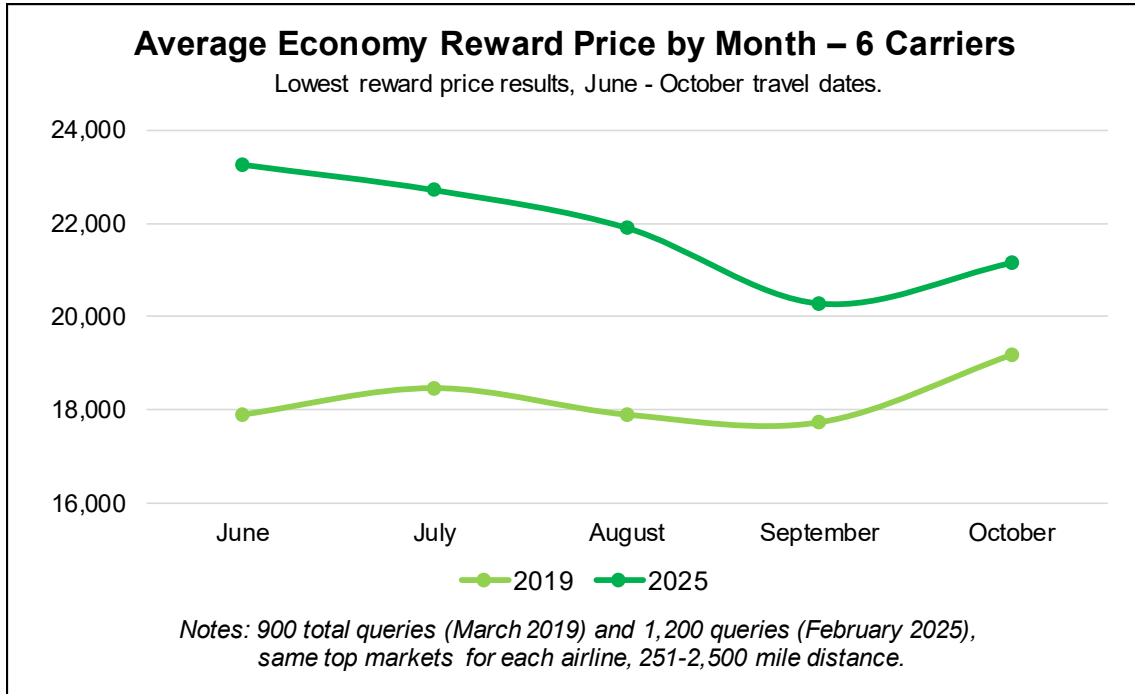
There is substantial variation in the results associated with the airlines in this report. This reveals a competitive industry, which might surprise cynics. There is wide variation regarding the benefits provided by each carrier's lowest fare. On Southwest, their Wanna Get Away fare includes two checked bags, the ability to make changes, and good points accrual. Basic economy on Delta does not permit changes and has zero mileage accrual.

Each carrier has a different policy for basic economy accrual and this has a huge impact on the value equation of FFP participation. To the consumer, this feels chaotic. Confused consumers are never good for business. Airlines should consider how they are benefitting from this lack of consistency.

Focus, focus, focus is a mantra recommended by IdeaWorks to its clients. It's a difficult objective to achieve because today's world is built on "more." Savvy marketers know this mantra creates strength for their programs. The stuff that's unimportant and little-used must be removed. The "store" must be rebuilt to ensure members have easy access to the features they most desire. Your members will thank you for it with more loyalty and more revenue.

Graph: Overall Economy Reward Price by Month

This graph presents the collated results for all airlines for each month of the survey period.



Alaska – Mileage Plan

Overview of Reward Availability		
Reward rankings:	Economy: #4 (total availability is 78%) Reflects availability of 25,000-mile (or less) rewards.	City Pairs Queried
Reward level queried:	Coach reward in economy class. No Main Cabin Lowest fares were observed.	251 - 2,500 Miles (10 total) SEA ANC LAX SEA SEA SFO SFO LAX LAS SEA SAN SEA SJC SEA SNA SEA LAX PDX SFO PDX
Summary of reward structure:	<ul style="list-style-type: none"> • Main Cabin Lowest rewards are subject to availability, and not offered on every flight. Refundability status not found. • Main Cabin Refundable rewards, which offer last seat availability on every flight. • First Class Lowest rewards are subject to availability, and not offered on every flight. Refundability status not found. • First Class Refundable rewards, which offer last seat availability on every flight. • Mileage Plan uses variable pricing for travel rewards. The program publishes a mileage chart, which is superfluous since reward pricing is dynamic. 	
Alliance:	Oneworld. Alaska completed its merger with Hawaiian Airlines in 2024.	
Date queries made:	February 2025	
Pay with miles/points and cash:	Money & Miles Awards was canceled August 2024.	
Key non-air redemption opportunities:	Miles may be redeemed for hotel and rental accommodations through Stays with Alaska Vacations, Avis and Budget car rental, and “Extras” rewards. This category was under development during research for this report.	
Average Reward Price: (US markets)	2025: 20,930 miles 2024: 18,020 miles 2019: 17,000 miles 2018: 18,214 miles	
Observations:	Starting January 1, 2025, earn 1 EQM for every mile flown on award travel, including travel on Global Partners.	