



Defining the Global Rewards Economy

**Formalizing a Multi-Trillion-
Dollar System**

By Brad Harvey, Founder & Chairman, Project Loyalty

The Market Hiding in Plain Sight

Global consumer spending exceeds **\$60 trillion annually**. In developed markets, the majority of that spending is connected in some way to a loyalty program — airlines, hotels, grocery chains, quick-service restaurants, big box retail.

\$60T in annual consumer spend

Global consumer spending is the foundation of the loyalty economy.

\$1.8T in rewards issuance

Conservative upper estimate of structured rewards issued globally each year.

\$5T in outstanding liabilities

Estimated upper bound of global loyalty liabilities recorded as deferred revenue.

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A CLEAR DEFINITION

A Clear Definition

We define the **Global Rewards Economy** as:

The structured issuance, storage, and circulation of consumer incentive value across interoperable financial infrastructure.

That definition is intentionally precise. Each word carries structural weight.

Issuance

Rewards are created through defined earn rates, thresholds, and behavioral incentives tied to transaction activity.

Storage

Once issued, rewards remain as deferred value and obligations, often held for extended periods before redemption.

Circulation

Rewards move through redemption, conversion, and ecosystem transfer, increasingly across digital environments.

Why This Is a Distinct Market

Markets are not defined by branding language; they are defined by structural characteristics. The Global Rewards Economy meets every conventional criterion used to classify a market.

Defined Asset Class

Rewards function as a recognizable store of value with issuance, ownership, and redemption mechanics.

Measurable Scale

The system operates at material volume, with activity large enough to track, price, and analyze.

Structured Issuance

Value is created through defined rules, thresholds, and incentives rather than informal discretion.

Liability Recognition

Outstanding rewards create obligations that must be accounted for, managed, and settled.

i If it meets every structural criterion of a market — it is a market.





THE LIQUIDITY THRESHOLD

The Liquidity Threshold

Earlier in this series, we introduced the concept of the **Loyalty Liquidity Gap** — the portion of issued value that remains dormant, expires, or fails to circulate efficiently. A significant percentage of rewards do not redeem in a meaningful timeframe.

\$1T+

Issued Annually

Hundreds of...

Unredeemed

Structurally, the threshold is the point at which dormant value stops behaving like a static liability and starts behaving like a usable asset. When rewards are easy to move, combine, and spend, circulation improves — and the system becomes more efficient without requiring more issuance.

Key insight: Liquidity increases economic velocity. It does not change the amount issued — it changes how much of that value actually reaches the market.

THE INFRASTRUCTURE MOMENT

The Infrastructure Moment

No major asset class operates without shared infrastructure. The Global Rewards Economy, despite rivaling these systems in scale, remains largely siloed.

Banking Rails

Banking works because settlement rails are shared across institutions; loyalty remains managed in isolated ledgers.

Payment Networks

Payments scale on interoperable networks and clearing systems; loyalty lacks the equivalent connective layer.

Capital Markets

Capital markets rely on exchanges, custodians, and standardized settlement; loyalty has no shared market infrastructure.

Infrastructure precedes expansion. Settlement rails precede liquidity. Loyalty is simply late to that evolution.





ENTERPRISE IMPLICATIONS

Enterprise Implications

For CFOs and boards, recognizing the Global Rewards Economy as a distinct market reframes the conversation entirely.

The Old Question

How do we optimize rewards marketing spend?

The New Question

How do we manage our position in a structured economic system?

The Old Metric

Redemption rate and breakage

The New Metric

Value velocity and liability efficiency

i Key strategic insight: The enterprise opportunity is to treat rewards as an economic layer to govern, not a marketing cost to minimize.

THE CONSUMER DIMENSION

The Consumer Dimension

Consumers have already modernized their expectations. They expect portability in payments. They expect real-time clarity in banking. They expect seamless digital integration across services.

Portability

Value moves with them across platforms and partners.

Real-Time Clarity

Balances, expiration, and redemption options are immediately visible.

Seamless Integration

Rewards work naturally within existing digital behavior.

Transparent Value

Transferability and terms are easy to understand and act on.

- ❗ In most financial interactions, transferability and transparency are now baseline expectations. Loyalty remains the exception.





SCALE IN CONTEXT

Scale in Context

To appreciate the magnitude of this system, consider that annual rewards issuance rivals or exceeds the size of major global industries. Outstanding stored value rivals the GDP of developed economies.

\$1T+

Annual Issuance

Rewards distributed each year have reached industrial scale.

Hundreds of...

Dormant Value

Stored balances remain significant across global programs.

Trillions

Balance Sheet Liability

Outstanding obligations now rival major financial exposures.

Yet the Global Rewards Economy operates without the shared infrastructure, regulatory clarity, or settlement standards that define every other system at this scale.

Scale without infrastructure is not a feature. It is a structural risk.

THE STRATEGIC CHOICE

The Next Decade: Two Paths

The coming decade presents two plausible structural trajectories for the Global Rewards Economy. The choice between them is not merely strategic — it is systemic.

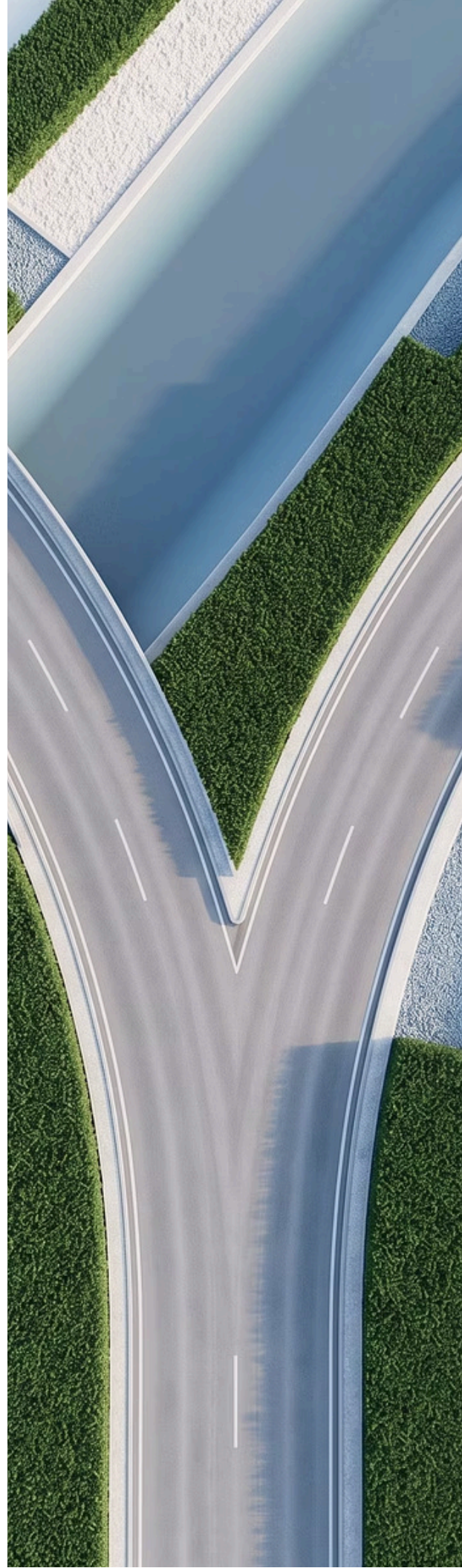
**Path 1:
Proactive
Modernization**

Brands lead infrastructure evolution, capture first-mover advantage, and participate in value velocity expansion.

**Path 2:
Reactive
Defense**

Brands defend breakage economics until consumer expectations force structural change, ceding ground to more agile competitors.

i The question is not whether this transition happens. It is whether your organization leads it or responds to it.





THE FINAL FRAME

Once markets are named, they tend to mature.

There is already a multi-trillion-dollar system of structured consumer value operating globally. It influences purchasing behavior, shapes corporate balance sheets, generates float, creates liability exposure, and affects consumer trust at scale.

Loyalty is already too large to remain under-architected

Infrastructure evolution is not optional at this scale

It is inevitable — the only question is timing.

The Global Rewards Economy exists. It has always existed. Now it has a name.

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