

Credit Cards & Travel Hacking

DJ Strouse
Dec 6, 2016

25c puddings



100 American miles (~\$2)



~~\$3100~~ in pudding
~\$2300



1.2mil+ American miles (~\$24k)



WENDY'S OLD FASHIONED HAMBURGERS
GLASGOW DELAWARE

#195 OUT
99 MD COKE 127.71

TOTL 127.71
VOUC 127.71

THANK YOU

JUAN N

0129 18:51 #02 DEC.31'05 REG0001



WENDY'S OLD FASHIONED HAMBURGERS
GLASGOW DELAWARE

128 medium
cokes
@ ~\$165

#196 OUT
29 MD COKE 37.41

TOTL 37.41
VOUC 37.41

THANK YOU

JUAN N

0130 18:53 #02 DEC.31'05 REG0001

WENDY'S OLD FASHIONED HAMBURGERS
GLASGOW DELAWARE

256 medium
cokes
@ ~\$330

#125	IN
50 MD COKE	64.50
78 MD COKE	100.62
TOTL	165.12
CASH	170.00
CHNG	4.88

THANK YOU
NATALIE

0132 15:46 #05 NOV.02'05 REG0001



256 coupons to cut

**4 domestic RTs
@ ~\$82 each**



That's nice, but what's the point?



2 nights @
Park Hyatt Tokyo





3 nights @
Rome Cavalieri

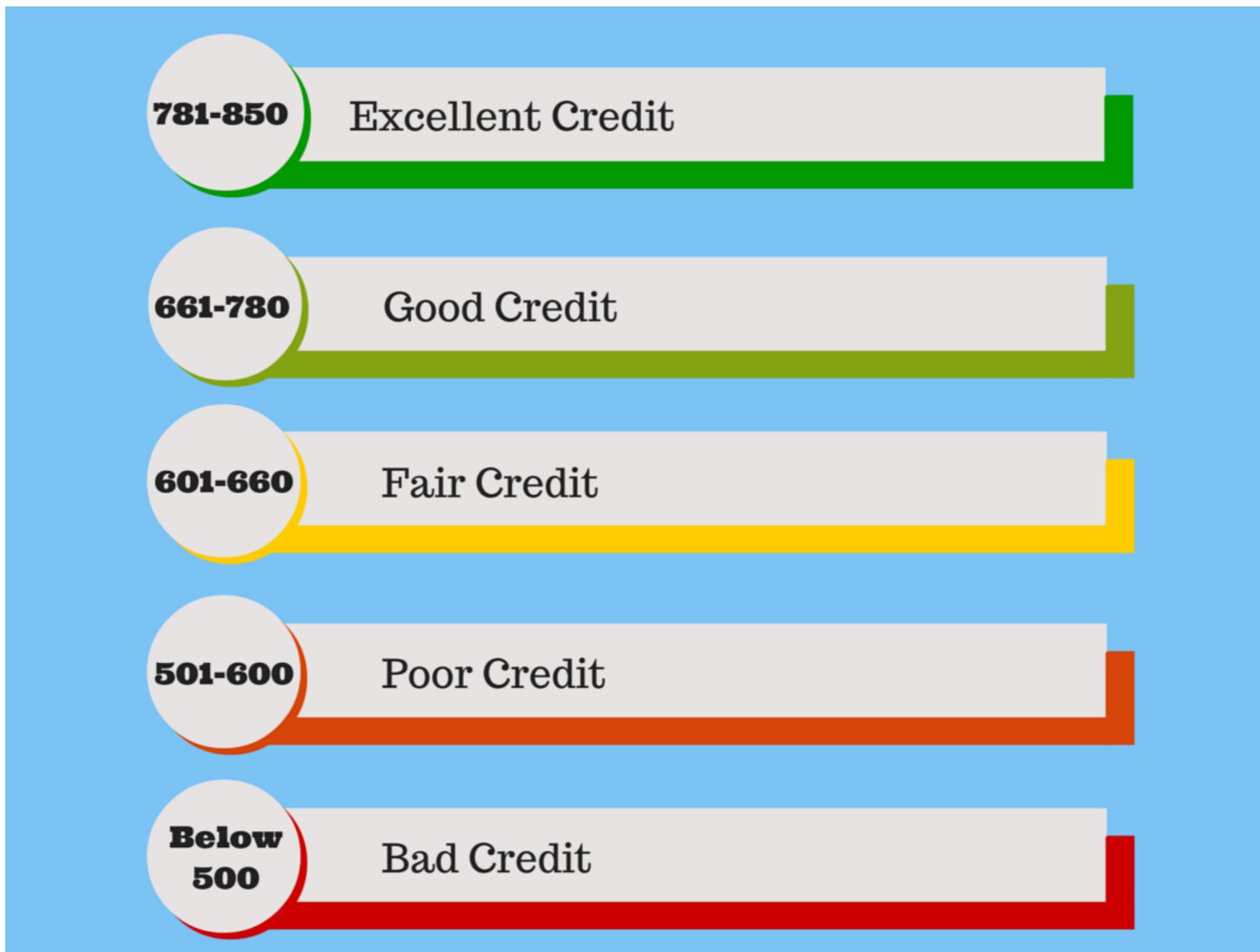


**2 Lufthansa
business class
SFO-TXL**

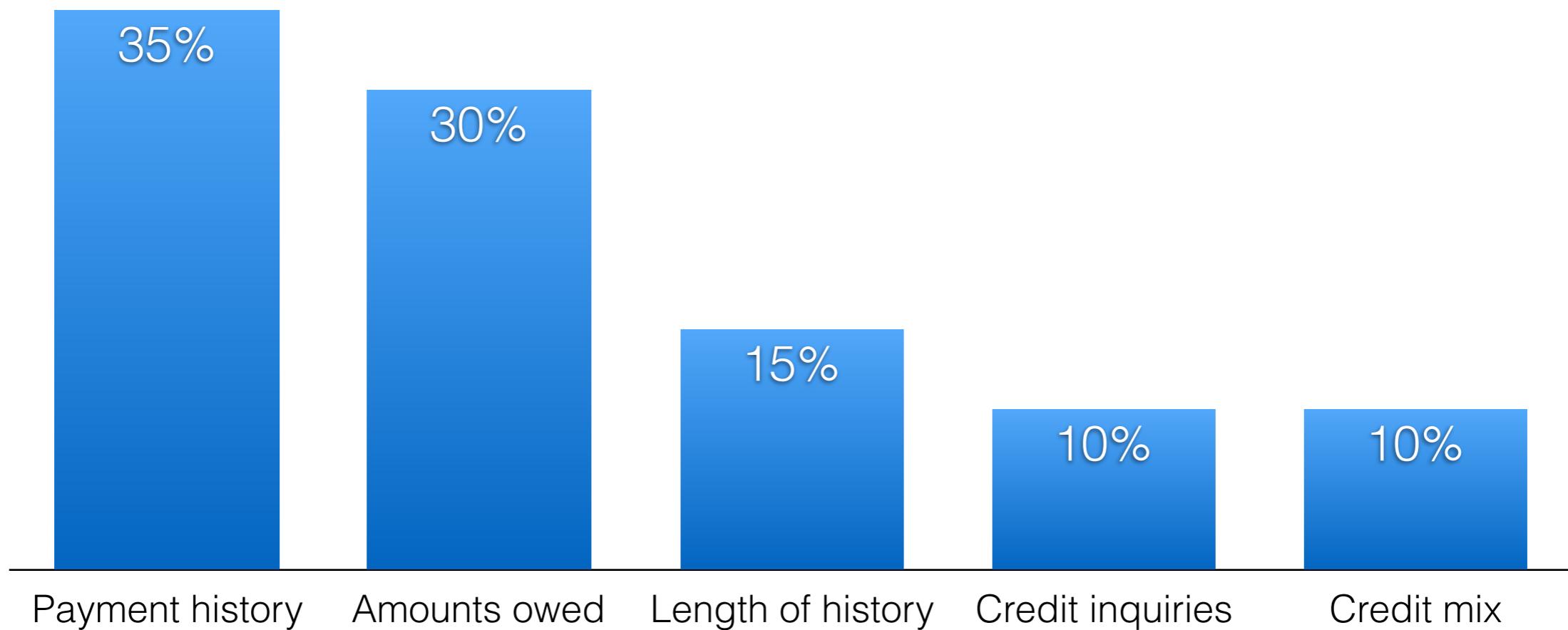
Overview

- Credit scores: what helps and hurts your credit
- Credit cards: basic types & specific good ones
- Points: how & when to use them

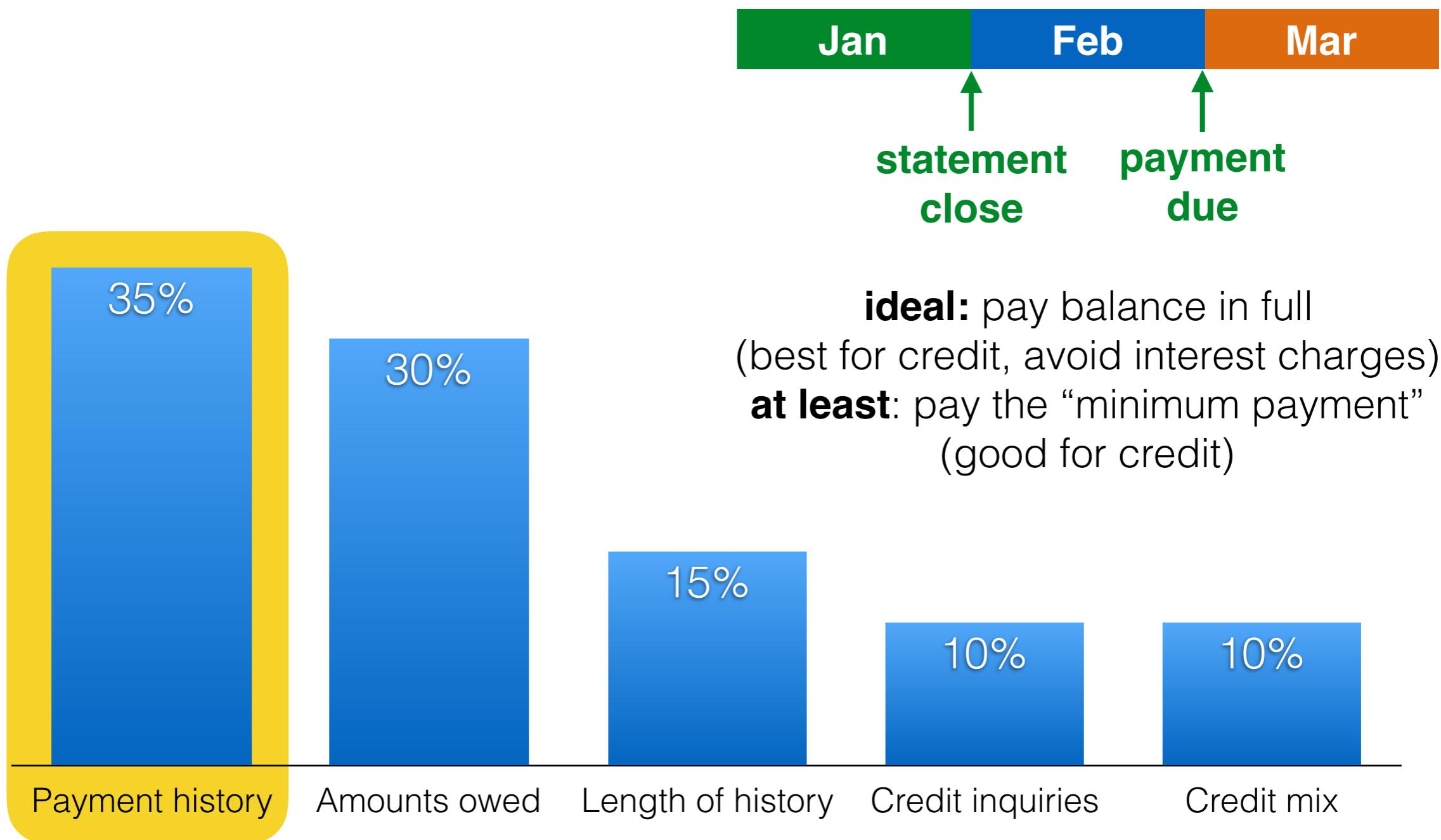
FICO credit scores



FICO credit score factors

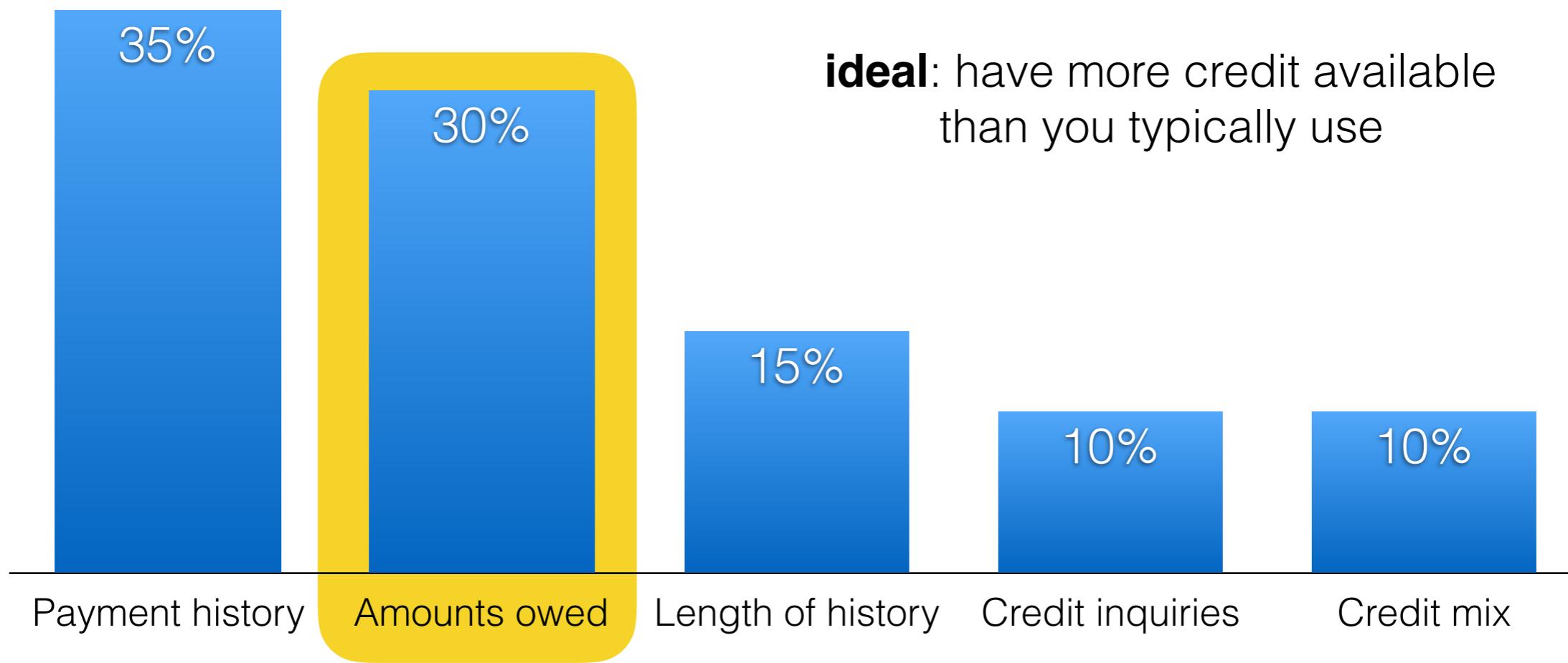


FICO credit score factors



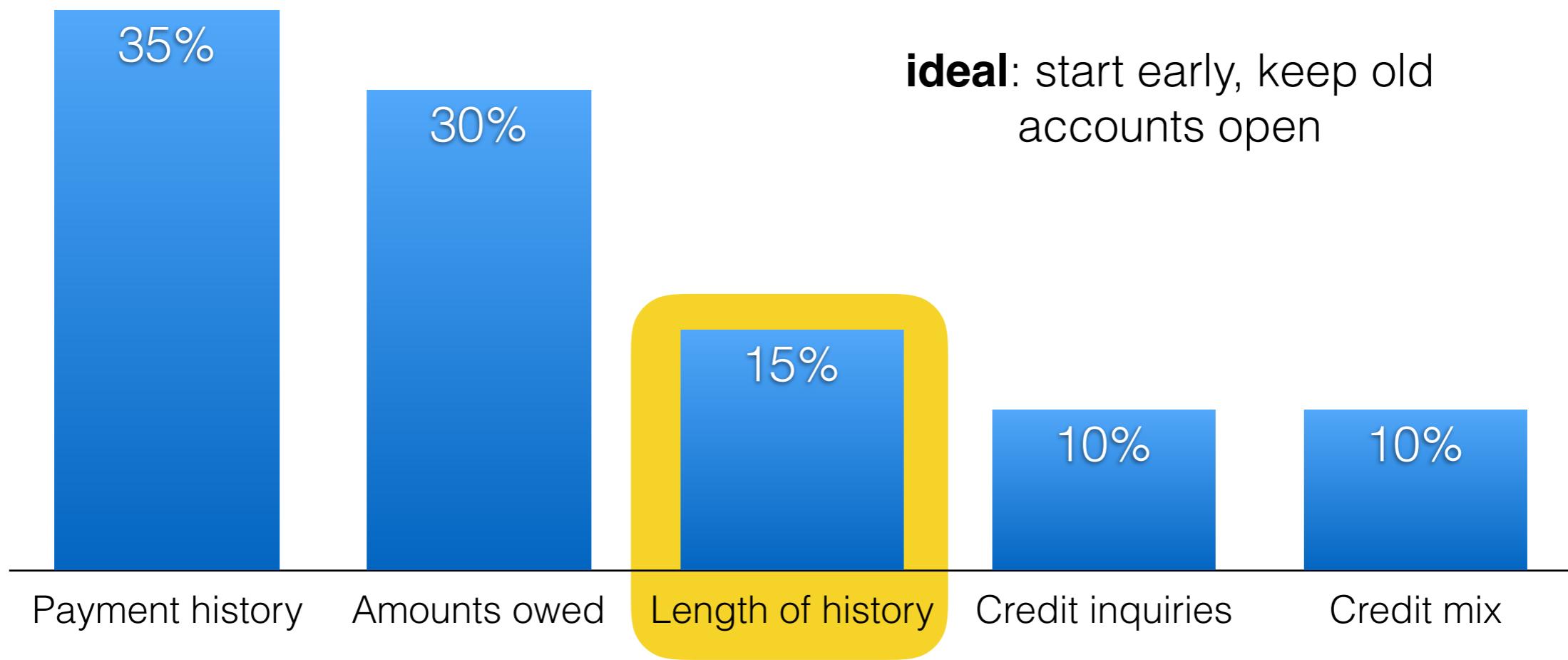
FICO credit score factors

credit utilization ratio = $\frac{\text{amounts owed}}{\text{available credit}}$

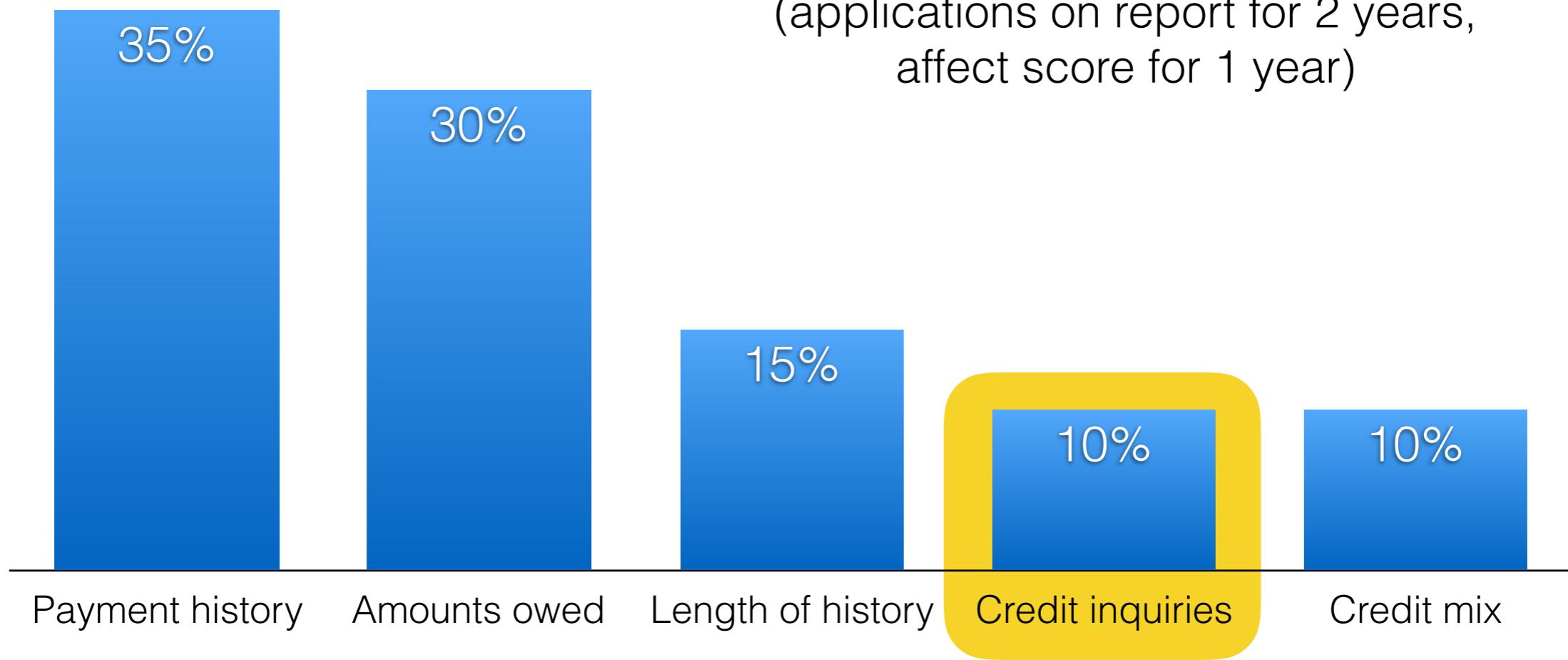


FICO credit score factors

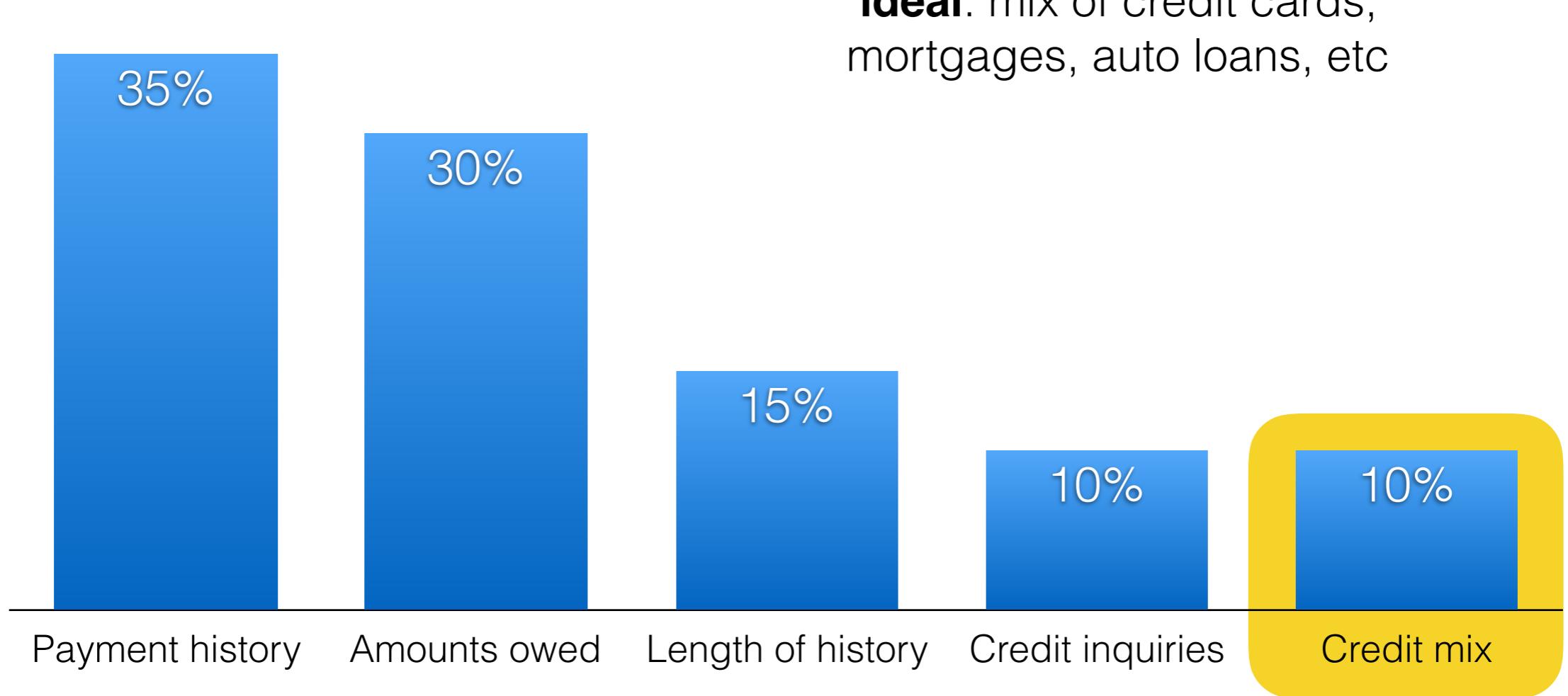
average, oldest, and newest
account age are all included



FICO credit score factors



FICO credit score factors



FICO key takeaways

- pay your balances off in full every month (or at the very least, don't miss payments)
- have more credit available than you typically use, and keep your credit utilization ratio low (aim for <30%, 1-10% ideal)
- start early!

FICO myths

~~The more cards you have, the worse your score.~~

New card inquiries cause a small, short-term drop in your score, but long-term responsible use *helps* your score (e.g. avg account age, utilization ratio).

~~Keeping old credit cards open hurts your score.~~

Actually, unused cards lower your credit utilization ratio and so often *help* your score.

3 basic types of cards

- **Cashback cards**
 - earn cashback on every purchase
 - statement credit or transfer to bank account
 - main advantage: simplicity, cash can be used for anything
- **Airline/hotel rewards cards**
 - earn airline miles or hotel points on every purchase
 - main advantages: high signup bonuses, special perks with associated airline/hotel
- **Flexible rewards cards**
 - earn flexible points which can be transferred to a variety of airline mile or hotel points programs
 - main advantages: high signup bonuses, flexibility, devaluation protection

3 basic reasons to sign up

- **Earning on spend**
 - earning on general spend
 - earning on bonus categories (e.g. restaurants, travel, groceries, gas, taxis/Uber)
- **Signup bonus**
 - one-time bonus for spending amount X in the first Y months (e.g. \$3k in the first 3 months, sometimes just 1st purchase)
 - good example: 50k+ miles or 2 nights at expensive hotel
- **Card perks**
 - airline examples: lounge access, food/drink discounts, free checked baggage, priority boarding/check-in
 - hotel examples: elite status, potential room upgrades, lounge access, free breakfast, 4th night free, annual free night, spa credit
 - others: Global Entry fee waiver, Boingo wifi, rental car upgrades, Amex offers

All miles are not created equal

Starwood	2.3 (cents/mile)
Chase	1.9
Amex	1.8
Citibank	1.7
Alaska	1.7
United	1.6
American	1.6
Hyatt	1.4
British Airways	1.2
Delta	1.2
Southwest	1.2
Marriott	0.8
IHG	0.6
Hilton	0.4

flexible

airlines

hotels

More myths

~~You should never pay annual fees.~~

You should consider whether a card's fee is justified by its earning on spend, signup bonus, and other perks.

~~You should cancel a card you don't want right after you get the signup bonus.~~

You should wait at least until the next annual fee is due as to not spoil your relationship with the bank.

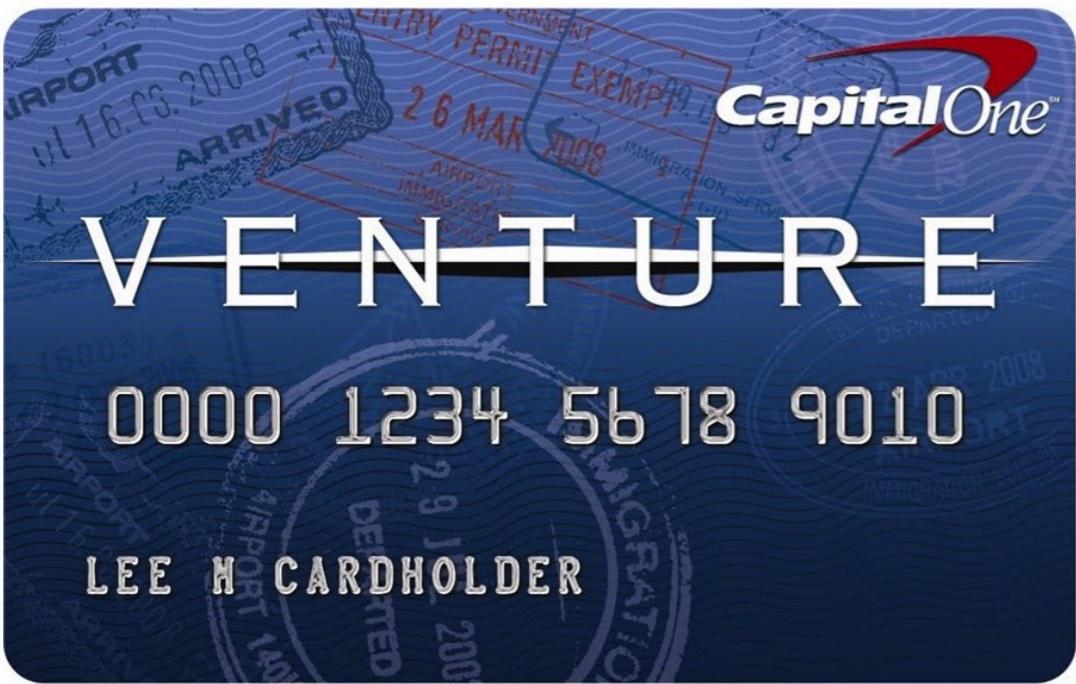
Questions to ask yourself

- Do you prefer a completely hands-off approach? Or are you willing to do some legwork?
- Where do you fly and on what airlines? Are you interested in business/first class travel?
- Where do you tend to need hotels? Do you want high-end properties or just a bed?
- What do you spend most of your money on?
- Do you travel internationally frequently?

Mergers & acquisitions

- **SPG & Marriott:** 3 Marriott points = 1 SPG point
- **Alaska & Virgin America:** coming end of Dec?
- **IHG & Kimpton:** coming 2017?

Best cashback cards



CapitalOne Venture

2% everywhere

(as credit for travel purchases, no min)

best signup: \$400 after \$3k in 3m

fee: \$0 1st year, \$59 after

Citi Double Cash

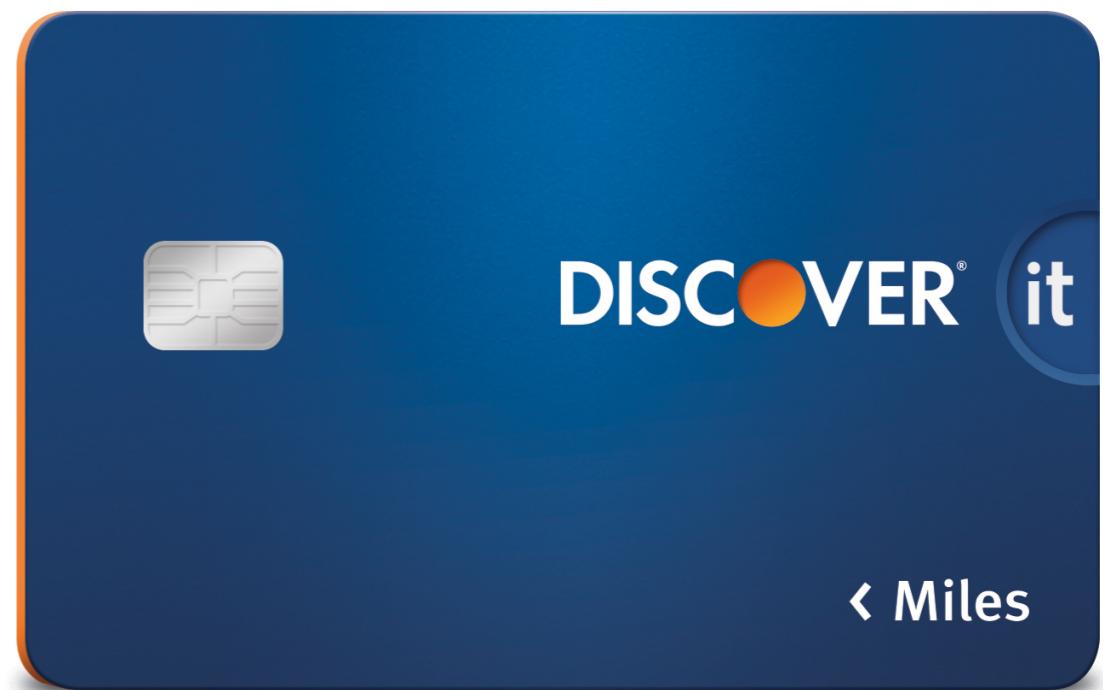
2% everywhere

(as statement credit or check, \$25 min)

best signup: none

fee: none

Best cashback cards



Discover It

5% in quarterly bonus categories
(e.g. restaurants, Amazon, gas), 1% else
(as statement credit or check, no min)

best signup: 1st year cashback doubled,
\$50 if referred (email me!)
fee: none

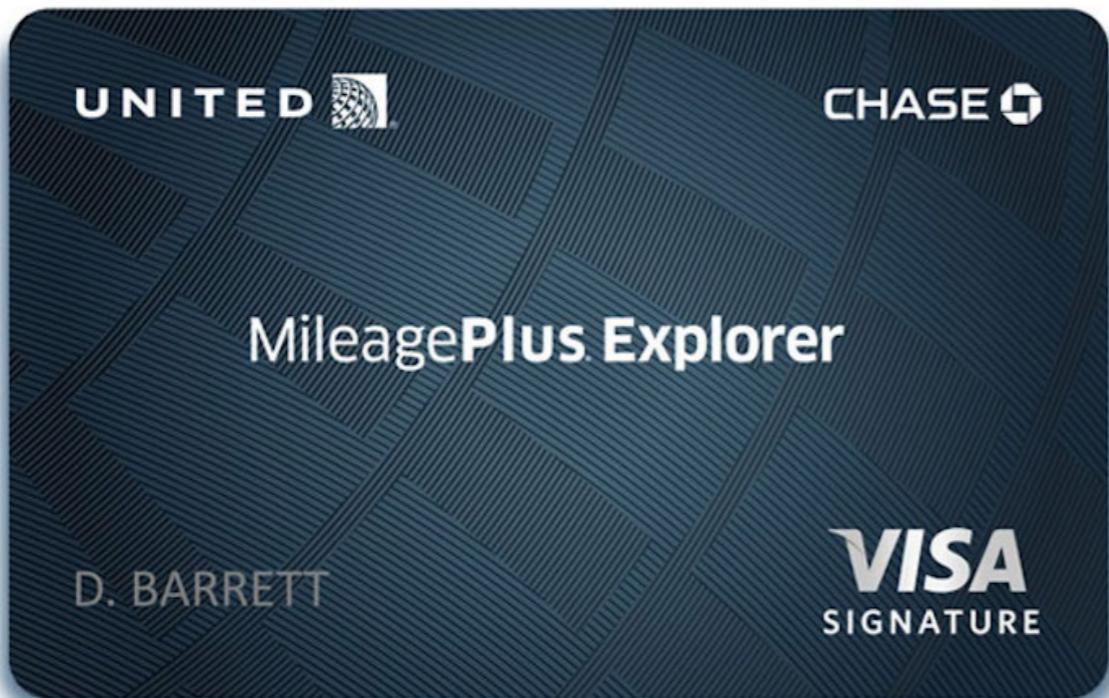
Discover It Miles

1.5% everywhere
(as travel credit or check, no min)
perks: annual \$30 in-flight wifi
best signup: 1st year cashback doubled
fee: none

More cashback cards

- **Barclaycard Arrival+:** \$525 after \$3k
- **Amex Blue Cash Preferred:** 6% groceries
- **CapitalOne Quicksilver:** \$15 in Uber credits for every 9 rides (~\$1.67 per ride), 1.5% back everywhere

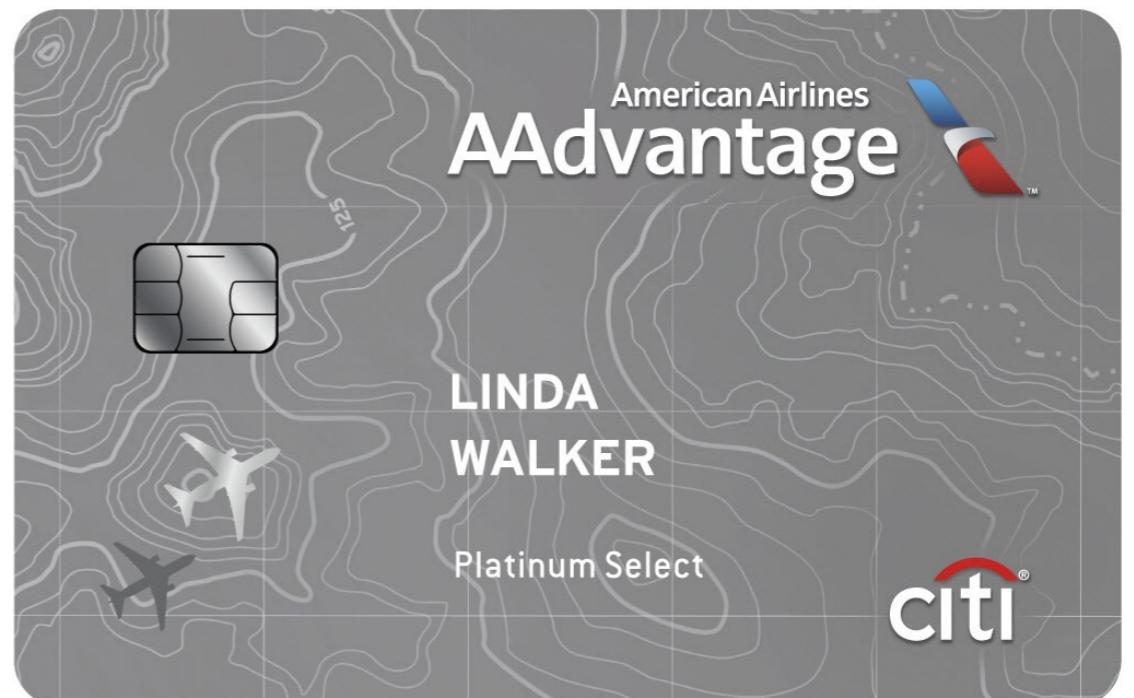
Best airline cards



Chase United MileagePlus Explorer

2mi/\$1 on United, 1mi else
perks: 1 free bag, priority boarding,
2 lounge passes per year
best signup: 70k for \$3k in 3m,
\$50 after 1st purchase
fee: \$0 1st year, \$95

example business OW to Europe for 70k,
usage: economy domestic RT for 25k



Citi AAdvantage Platinum Select

2mi/\$1 on AA, 1mi else
perks: 1 free bag, priority boarding,
25% off in-flight purchases
best signup: 50k for \$3k in 3m
fee: \$0 1st year, \$95 after

business OW to Tokyo for 60k

A photograph showing the interior of an airplane cabin in business class. The seats are arranged in a staggered layout, each featuring a large, light-colored wooden tray table. The headrests and side panels of the seats are dark grey or black. Overhead bins are visible above the seats. The floor is a dark grey carpet. In the bottom left corner of the image, white text is overlaid.

**AA
business
class**

Best airline cards



Chase British Airways

3mi/\$1 on BA, 1mi else

perks: none

best signup: 50k for \$2k in 3m,
extra 25k at \$10k & \$20k in 1st year

fee: \$95

example
usage:

economy OW <650mi
on AA for 7.5k



Chase Southwest Rapid Rewards Premier

2mi/\$1 on Southwest, 1mi else

perks: 6k annual bonus,

companion pass at 110k miles in a year

best signup: 50k for \$2k in 3m

fee: \$99

50k worth ~\$750 in flights
(at 1.5 cents/mile)

More airline cards

- **BoA Alaska Airlines:** 30k+\$100 after \$1k
- **Chase United Club:** United lounge access
- **Citi AAdvantage Executive:** AA lounge access
- **Amex Gold Delta business/personal:** up to 50k bonus
- **Amex Platinum Delta business/personal:** up to 70k bonus
- **Barclaycard Lufthansa Premier:** 50k for \$5k in 3m
- **BoA Virgin Atlantic:** 75k for \$12k in 6m
- **Chase Southwest Plus:** another 50k for companion pass

Best hotel cards



Chase Hyatt

3p/\$1 on Hyatt, 2p dining+, 1p else
perks: Platinum status (bonus points+),
annual free night at category 1-4
best signup: 2 free nights for \$1k in 3m,
extra 5k for authorized user, \$50 credit
fee: \$0 1st year, \$75 after

example 2 nights @ Park Hyatt Tokyo
usage: (nightly rate: \$700-\$1k+)



Citi Hilton Reserve

10p/\$1 on Hilton, 5p flights+, 1p else
perks: Gold status (bonus points+)
best signup: 2 weekend nights
for \$2.5k in 3m
fee: \$95

2 nights @ Conrad Maldives Rangali Island
(nightly rate: \$1.3k-\$1.6k+)



Park Hyatt Tokyo





**Conrad Maldives
Rangali Island**



**Conrad Maldives
Rangali Island**

Best hotel cards



Chase IHG

5p/\$1 on IHG, 2p dining+, 1p else
perks: Platinum status (point bonus+),
annual free night anywhere
best signup: 80k for \$1k in 3m
fee: \$0 1st year, \$49 after

example *InterContinental Danang: 50k*
usage: (*nightly rate: ~\$400-500*)

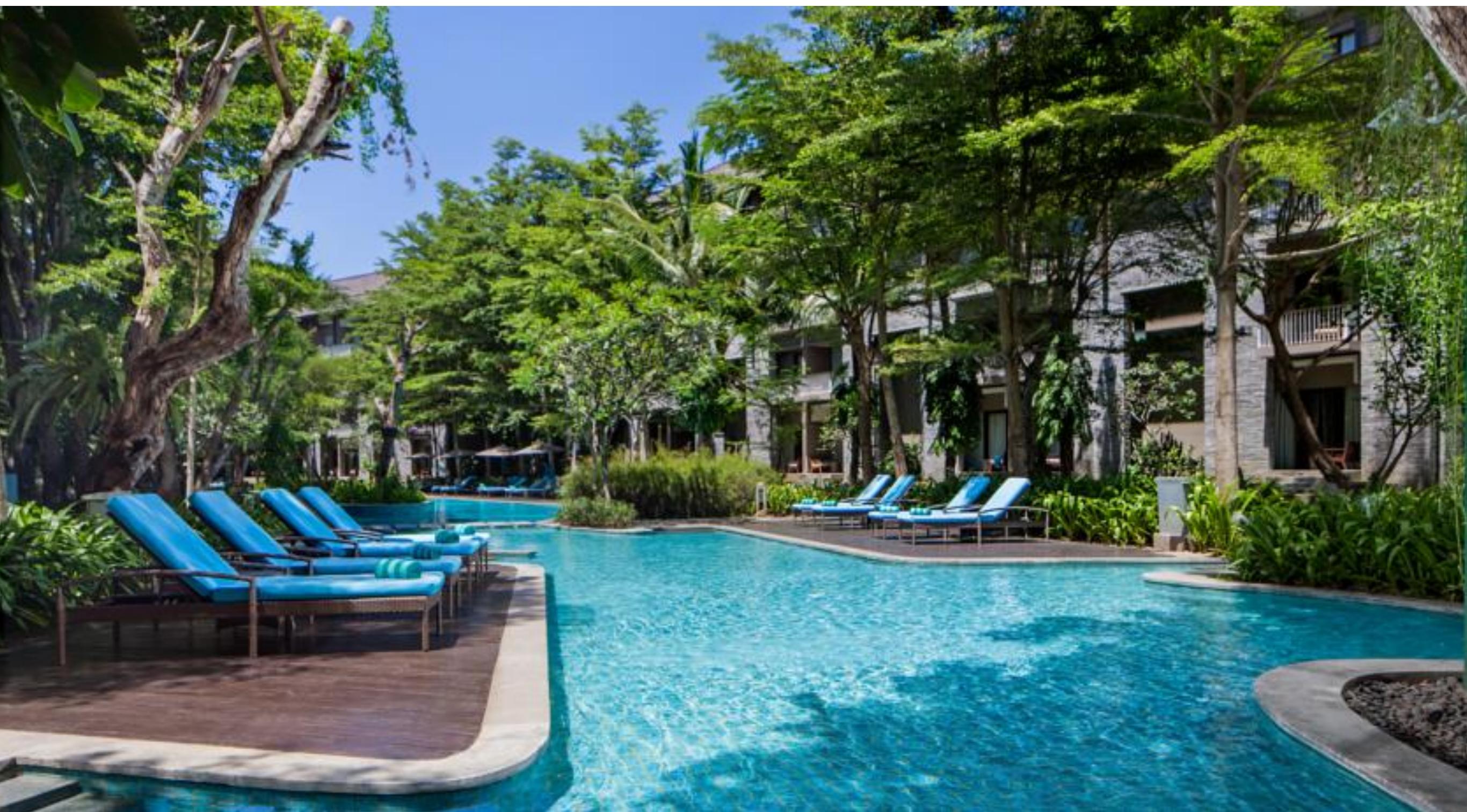
Chase Marriott

5p/\$1 on Marriott, 2p dining+, 1p else
perks: Silver status (point bonus+),
annual free night at category 1-5
best signup: 80k for \$3k in 3m,
fee: \$85

"Nights and Flights package" for 235k:
132k United + 5 night stay Courtyard Bali



Intercontinental Danang Sun Peninsula



**Courtyard Bali
Nusa Dua**

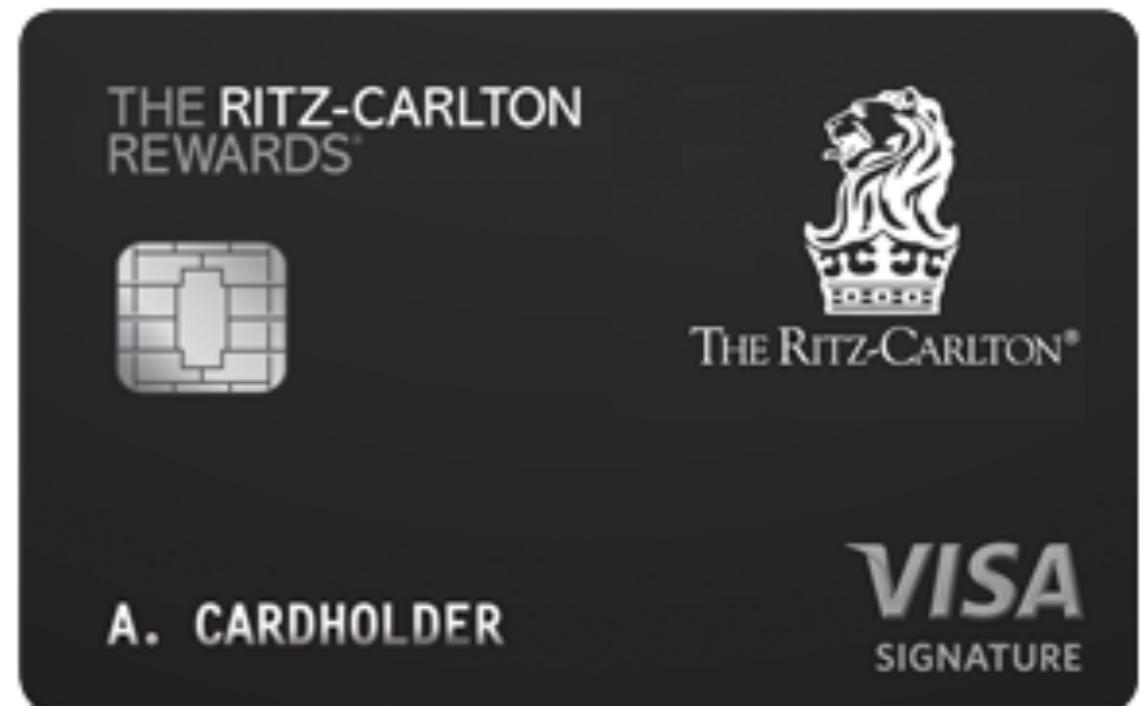
Best hotel cards



Chase Fairmont

5p/\$1 on Fairmont, 2p airlines, 1p else
perks: Premier status (guaranteed suite/
room upgrades, \$50 dining/spa credit,
3rd night free), free night after \$12k
best signup: 2 free nights for \$3k in 3m
fee: \$0 1st year, \$95 after

example 2 nights @ Fairmont Mayakoba
usage: (nightly rate: \$600-900)



Chase Ritz Carlton

5p/\$1 on Ritz/Marriott, 2p dining+, 1p else
perks: 3 club level upgrades, Gold status first
year (free breakfast, upgrades, etc), \$300 airline
credit, \$100 discount on 2+ domestic tix.
best signup: 3 free Tier 1-4 nights + 10k points
fee: \$450

3 nights @ Ritz Carlton Half Moon Bay
(nightly rate: \$800+)



Fairmont Mayakoba



Ritz Carlton Half Moon Bay

More hotel cards

- **other Amex/Citi Hilton cards:** 50k-80k signup
- **Barclaycard Wyndham:** 2-3 free nights anywhere
- **US Bank Club Carlson:** 85k after \$2.5k in 3m

The 4 flexible point programs

Starwood Preferred Guest (2.2-2.7 cents)

best partners: AA, Alaska, Singapore, Korean, SPG
20k SPG = 25k partner miles (25% bonus)

Chase Ultimate Rewards (1.7-2.1 cents)

best partners: United, Hyatt, BA, Singapore, Korean

Amex Membership Rewards (1.7-1.9 cents)

best partners: BA, Air Canada, Air France, Singapore

Citibank ThankYou Points (1.6-1.7 cents)

best partners: Singapore, Air France, 1.6c towards AA*

Best flexible points cards



Chase Sapphire Reserve

3p/\$1 on dining/travel, 1p else
perks: \$300 travel credit, car rental
insurance, points worth 1.5c towards
travel, Priority Pass, Global Entry credit
best signup: 100k for \$4k in 3m
fee: \$450

example 4 nights @ Park Hyatt Maldives:
usage: 50k (nightly rate: \$1k+)



Chase Freedom

5p/\$1 on quarterly bonus categories
(e.g. restaurants, Amazon, gas), 1p else
perks: points transferable w premium card
best signup: 20k for \$500 in 3m,
extra 2.5k for authorized user
fee: none

3 nights @ Grand Hyatt Santiago:
24k (nightly rate: \$300+)

Park Hyatt Maldives



Best flexible points cards



Chase Freedom Unlimited

1.5p/\$1 everywhere

best signup: 15k for \$500 in 3m +

2.5k for authorized user

fee: none

example 2 nights @ Grand Hyatt Santiago:
usage: 16k (nightly rate: \$300+)



Amex Platinum

1p/\$1 everywhere

perks: \$200 airline credit, lounge access (Centurion, Delta, etc), Hilton Gold, FHR hotel perks, Global Entry fee, Boingo plan, Amex offers

best signup: 75k-100k for \$3-5k

fee: \$450

<650mi AA flights for 7.5k (14=105k),
or JFK-FRA Singapore Suites OW for 57k



Centurion Lounge Las Vegas



Centurion Lounge Dallas

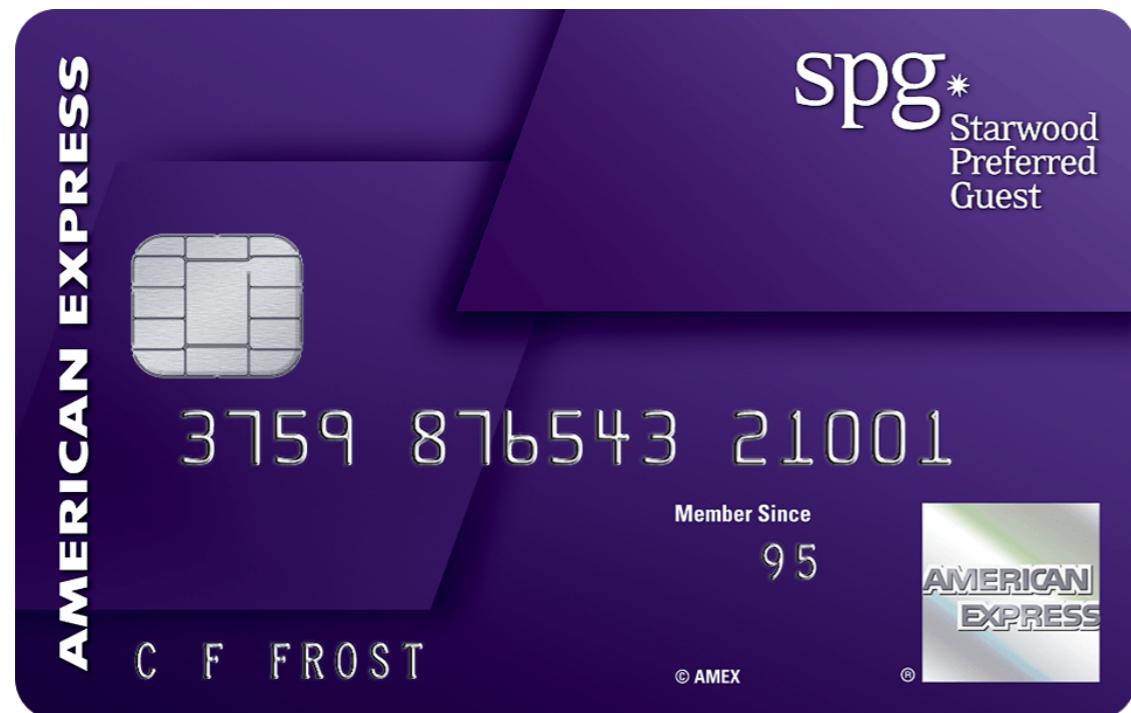


Centurion Lounge Laguardia



**Centurion Lounge
San Francisco**

Best flexible points cards



Amex Starwood Preferred Guest (SPG)

2p/\$1 on Starwood hotels, 1p else
perks: unlimited Boingo wifi. Amex offers
best signup: 30k for \$5k in 3m
fee: \$0 1st year, \$95 after

example 5 nights @ Westin Georgetown:
usage: 48k (cash cost: \$1.5k-2k)

Amex Everyday Preferred

3p/\$1 on groceries, 2p gas, 1p else,
50% bonus after 30 transactions/month
perks: Amex offers
best signup: 30k for \$2k in 3m
fee: \$95

<650mi AA flights for 7.5k (4=30k),
or JFK-FRA Singapore Suites OW for ~57k

Singapore Suites



Singapore
Suites





**Singapore
Suites**

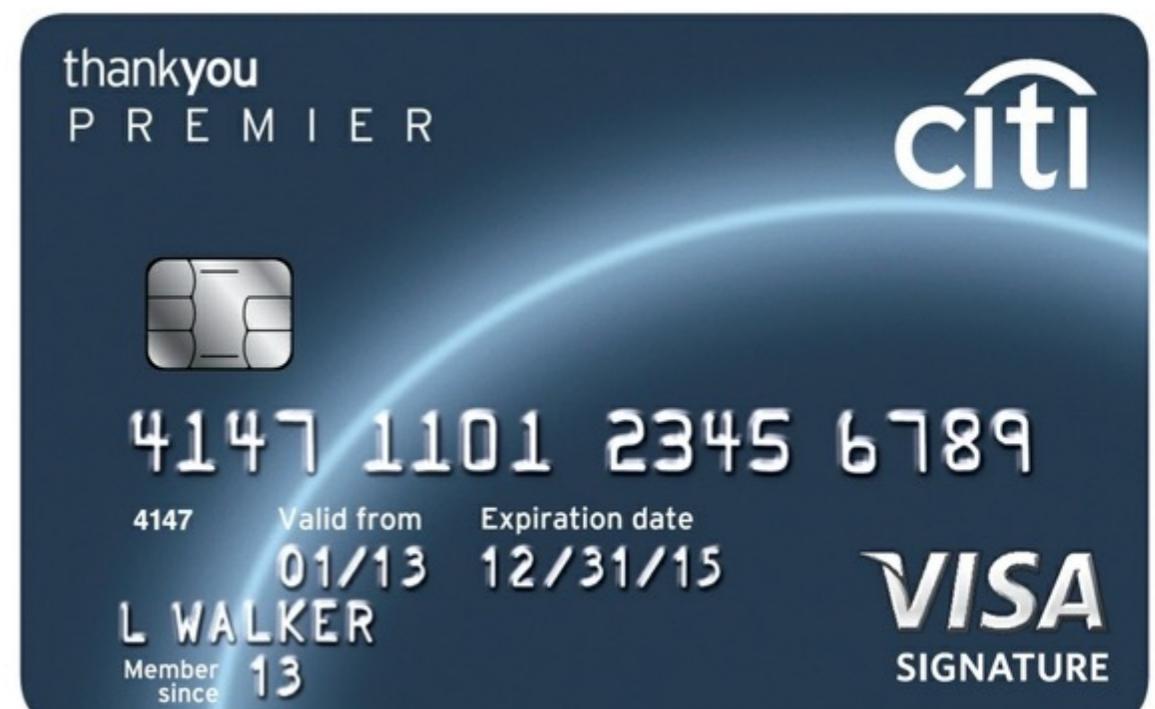
Best flexible points cards



Citi Prestige

3p/\$1 flights/hotels, 2p dining+, 1p else
perks: 4th night free at any hotel, \$250
airline credit, Priority Pass lounge access,
Global Entry fee waiver
best signup: 50k for \$3k in 3m
fee: \$450

example usage: JFK-Frankfurt Singapore
Suites Class: ~57k



Citi Premier

3p/\$1 on travel, 2p dining+, 1p else
best signup: 50k for \$3k in 3m
fee: \$0 1st year, \$95 after

NYC-Brussels RT in
Brussels business class ~37k
(transfer to Etihad miles)



**Brussels Airlines
business class**

More flexible point cards

- **Amex Gold Rewards:** 3p on flights, 50k signup
- **Chase Ink Preferred:** \$600 cell insurance, 80k signup
- **Chase Sapphire Preferred:** Reserve better, but 50k+

Some rules

- **Chase 5/24:** many of their best cards banned for those with 5+ new cards in the past 24 months
- **Amex once-in-a-lifetime:** signup bonuses can be earned once ever per card; no “churning”
- **Citi:** 1 application per 8 days, 2 per 65 days
- **Barclaycard:** 1 application per 6 months

Getting started



3 months

**if you've never had
a card before...**



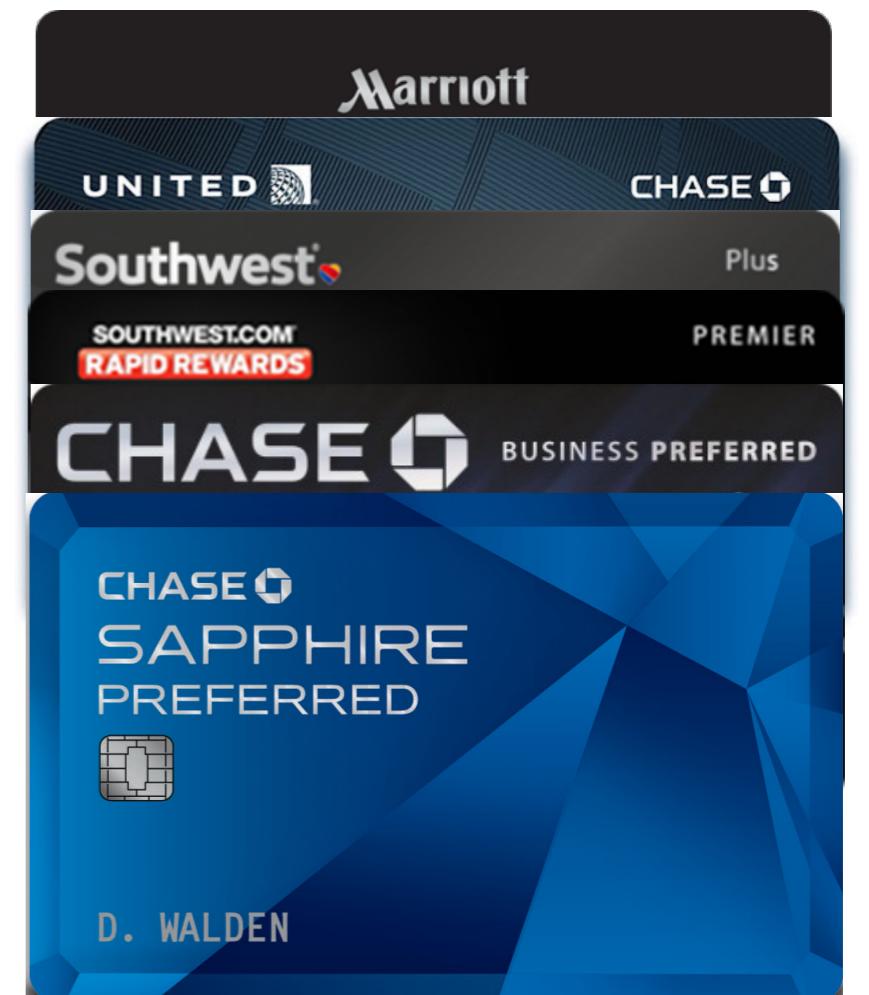
**if you have a limited
credit history...**



3 months

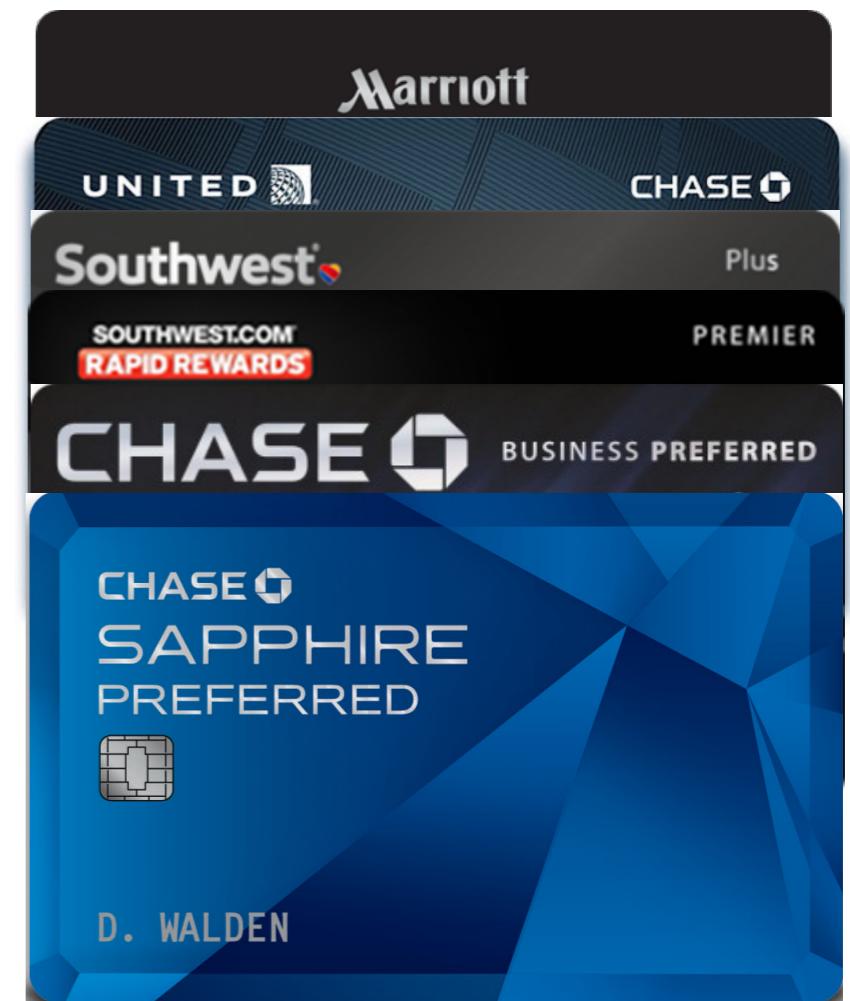
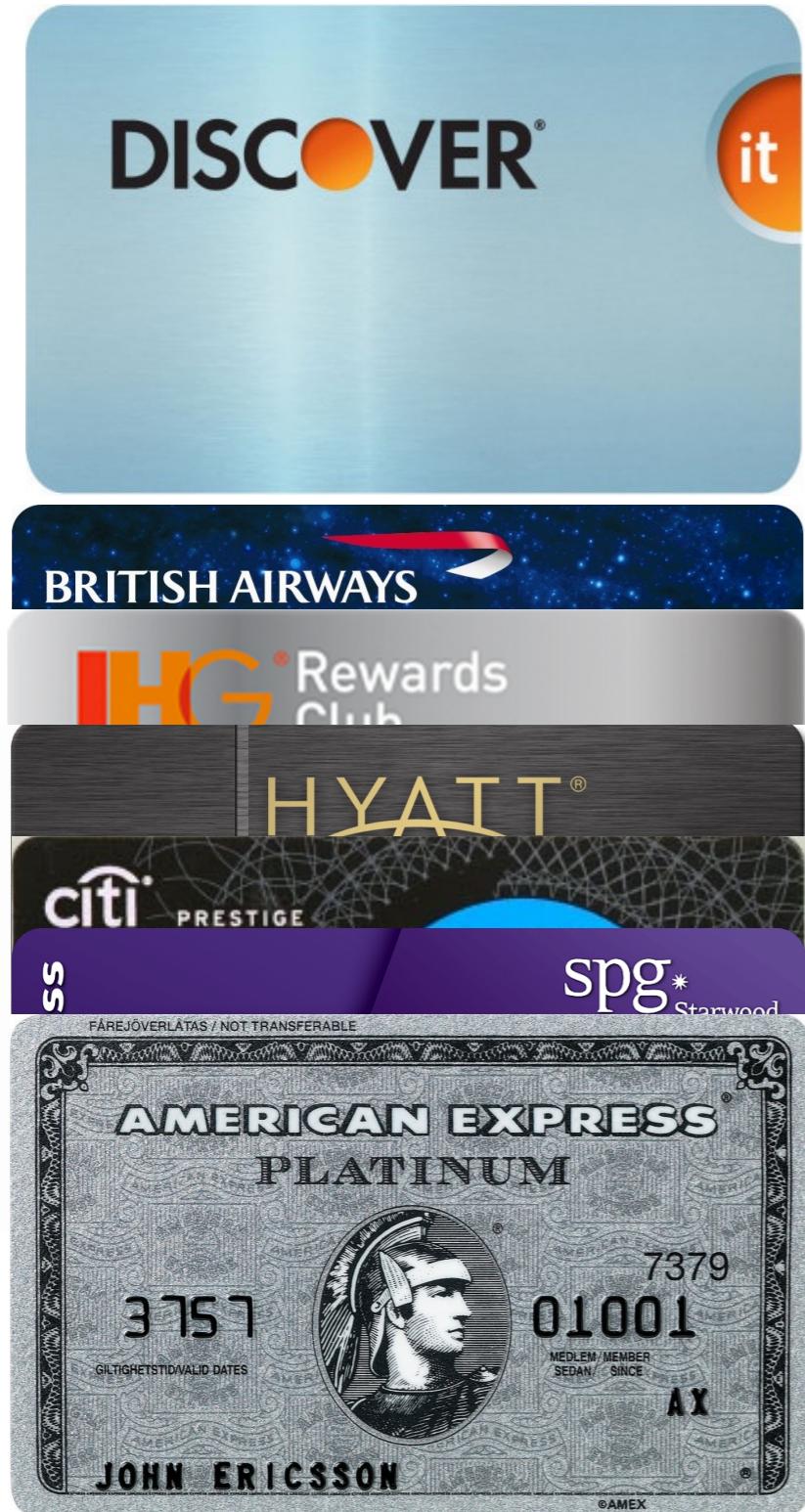
**if you have a more
extensive credit history...**

Getting started



**next: any other Chase cards
you want subject to 5/24**

Getting started



**then: non-5/24 Chase
and cards from other banks**

A note on sustainability



Useful resources

- **The Points Guy**: sold soul to Chase but prolific
- **One Mile at a Time**: best airline premium class reviews
- **View from the Wing**: best take on industry trends/news
- **Frequent Miler**: best list of current signup bonuses
- **Dan's Deals**: most detailed analyses and guides, also posts shopping deals
- **r/churning & FlyerTalk**: the 2 main discussion forums
- **Award Wallet**: app for tracking miles/points
- **Credit Sesame, Credit Karma, Discover**: free credit score/report checks
- **TriplIt**: travel itinerary organizer (or Google Trips?)
- **Google flights map search**: good for deciding what to do with fixed dates
- **The Flight Deal, Secret Flying, Airfare Watchdog, FlyerTalk**: flight deals
- **Me**: if only I spent this much time on my PhD...

Questions you might ask

- How do I know when to use miles/points vs. cash?
- How do I search for flight/hotel awards?
- Do miles/points expire?
- Can I book travel for friends/family?
- Elite status: is it worth it? How do I get it?
- How do I keep track of all of this?
- Can I get a business card?
- Can I get a signup bonus more than once?
- How many credit cards can I have?
- Why is this profitable for banks?