

# **Family Guide to Almost Free Travel**

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## Family Travel, Almost Free

Hi! I am a SAHM, that's stay-at-home mom for those of you without kids. I used to work as a tax professional, so I have a fairly good grasp on numbers and finance in general. In order to help my friends and relatives learn more about miles and points, I decided to create a website [www.milesforfamily.com](http://www.milesforfamily.com)

We are just an average family with two kids and a very average income. Our money is tight and travel is difficult to afford sometimes. I do have a serious case of wanderlust, though. Additionally, my family lives in Europe, so bringing my parents for a visit occasionally is a priority, but expensive.

The way we have been able to afford travel is by signing up for various credit cards with bonuses up front. This activity does require excellent credit, though. It is not for those who are planning to buy a house in the next few years. I also hate to admit it, but it is helpful to have a somewhat OCD personality, which I happen to possess! Attention to detail is necessary to keep track of the minimum spending requirements and make sure you make payments on time.

It is also essential to pay everything off in full because the interest on the cards will negate any miles or points you acquire. Admittedly, there are a lot of very good sites that focus on free travel. I do have a difficult time relating sometimes, though. As I said, we are just an average family. We don't chase status with airlines or fly first class.

I also don't value frequent flyer miles at more than one cent a piece, about half of what most in this hobby do. That is because valuation decreases the more people you have to find free award seats for. To me, cash is always king when I am not spending toward a particular bonus. But that's the thing, you can do both. They are not mutually exclusive. Even if switching credit cards constantly isn't your thing, my e-book will focus on ways that families can optimize their limited credit card spending potential.

Because of my hobby, my husband and I have been able to go to Hawaii almost free twice, visit my family in Europe and bring my parents here for free as well. We were able to stay in nice hotels at no cost on quite a few occasions. In the last year alone, we have earned almost a million miles and points in various programs, just by signing up for different cards. Our credit scores are still in "excellent" range.

I am constantly working on putting those points to good use and share them with friends and family. Also, aside from taking anniversary trips, we don't travel without our kids. So, it does present a challenge of finding award seats for everyone. But I love a good challenge!

## Miles of Our Lives

I guess you can say I had something to prove with this book. There is still this stereotype concerning stay-at-home moms, which I absolutely loathe. You know: a lazy simpleton, obsessed with baby stuff, watching soap operas all day.

Most stay-at-home moms I know are the opposite of those things I described. They are intelligent, capable and creative. I would like to think I fall into that category somewhat.

My biggest fear is readers will find this book, sign up for a bunch of cards, and will get into a financial mess as a result. It would be completely devastating to me. So please, if you have a problem with paying bills in full each month, don't apply for any new credit cards!

My hope is that I help equip each reader with the tools to optimize their limited credit card spending potential, so they can afford travel and save money in general. This book is not just about credit card bonuses, but long-term financial strategies. Keep in mind, I am not a financial planner, so the information here is my opinion only and may not work for you.

When I moved here from the former Soviet Union, I had no clue about credit, period. I had to learn quickly. In the beginning, my husband was in charge of finances. In the first 4 months of our marriage, he was late on credit card payments twice. So it was decided (by me) that I would take over. It was just as well, because a) I am a control freak and b) I am a control freak.

I remember wanting to go to Hawaii, but it was completely out of our reach financially. My husband and I each had 25,000 miles from flying to see my family in Europe. However, the flight to Hawaii required 35,000 miles per award ticket. One day, I saw an offer online to sign up for a credit card that would give us just enough for that redemption. Could it really be that easy?

That is how my miles and points addiction started. My very first credit card sign-up bonus was through US Bank Northwest Airlines Visa, before the Delta takeover. The card gave 10,000 miles after our 1st purchase and had a \$99 annual fee, not waived. I would never sign up for something paltry like that now, but that was the best offer available at the time. And, as a result, it got us to Maui in 2004. My very first miles redemption! That trip confirmed two things for me:

- 1) Experiences matter more than things. We drive our cars until the wheels fall off, and I buy some of my clothes at Goodwill. Though I'll be honest, I hate the smell inside that place! Yet, we go on fabulous cruises and vacation in Europe.
- 2) You don't have to spend a lot to have amazing travel memories. Our Hawaii trip cost us only \$1,000 for everything (lodging, car rental and food) for a whole week for 2 people, since we only paid \$5 in

taxes and that \$99 annual fee on each of the cards. We enjoyed the same sights as the folks vacationing in fancy resorts.

Something else I learned on that trip is when it comes to miles and points, it doesn't have to be all or nothing. Sometimes it makes sense to pay cash vs. spending your miles and points. Our cottage rental in Maui was only \$70 per night and was very nice. I much preferred it to a cookie-cutter hotel room I would have booked with points.

Many times one hears how Hawaii is one of the best places to make a Hyatt program redemption. That's because you can get a \$400 room for "only" 22,000 Gold passport points, though some of the properties now have gone up to 25,000 points. And you hear the word "free" used a lot. But is it really? If you get those points by transferring from Chase Ultimate Rewards through your Chase Sapphire Preferred card sign-up bonus, you just paid \$220 per night. You could have redeemed those points for that amount in statement credit.

Or worse yet, you have just foregone a \$275 room at another hotel. That is because you can redeem Ultimate Rewards and get a 20 percent discount on travel. Doesn't seem so free now, does it? Instead, you can get a condo rental for much less on [www.vrbo.com](http://www.vrbo.com), which makes more sense for a family anyway.

Of course, if you really want to stay in that Hyatt, there is nothing wrong with that either. Go for it! That's what miles and points are for. They are YOUR miles and points, do what YOU want with them. There is a certain appeal in getting something you normally would not be able to afford.

My advice is: Don't get so hung up on getting everything for "free" when you travel. Most of it isn't anyway. You have an opportunity cost involved. According to Wikipedia, "Opportunity cost of a choice is the value of the best alternative forgone, in a situation in which a choice needs to be made between several mutually exclusive alternatives given limited resources." The goal is to get the most out of every credit card sign-up bonus, even if you have to pay for some of your travel expenses out-of-pocket.

## **Debt free by 33. It Rhymes!**

I really think that collecting miles and points and pure finance are closely intertwined. After all, you may get free airline tickets from sign-up bonuses, but you will still need money for some expenses. That money has to come from somewhere. You could jeopardize your family finances if you carry the rest of expenses on a credit card with interest. So you would get into a financial mess as a result of that "free" vacation.

I truly believe debt is evil. My family does all we can to avoid it by choosing to live simply so we can invest in experiences. For example, instead of living in an expensive city such as New York, we chose to live in an area with a low cost of living. This gave us the advantage of being near family and building our house at a reasonable price. This way, we don't have to work ourselves to death just to afford basic things.

It is a matter of personal preference, so I'm not saying everyone should move to our rural town in the middle of nowhere. For one thing, there are very few jobs. There is a reason the cost of living is so low. And I so do love New York City!

I'm also not saying it is wrong somehow to spend money on material things. A few years back, we bought an almost brand-new Ford Mustang for my husband, not the best choice for a family car! But he drives a lot for work and it's enjoyable to him. Plus, we will keep it for at least 10 years or longer.

So in my book, it was money well spent, even though probably not the most practical purchase. But we did pay cash for it and that's my point. Just like with this hobby, it's OK to enjoy things, but be aware of what you are giving up. If you have to work overtime to afford a new gadget or a car, your opportunity cost is your time with your loved ones. And time is the most precious commodity of all.

Not too long ago, we took our savings and paid off our mortgage completely. The interest was low at 2.75 APR, but I just wanted to get it over with. I don't like to gamble with the market, and the CD rates were paltry. So as of now, we are completely debt free.

Our savings are low at the moment, but if a financial hardship occurs, like the loss of a job, it wouldn't be as devastating to my family. We both could get minimum wage jobs and get by, if needed. That's a nice feeling!

## Why Sign-up Bonuses are for Lazy People

When I tell folks how I sign up for credit card bonuses in order to get free miles and points, usually there are 2 reactions. The person from the first group just changes the subject and I don't ever bring it up again. No sense in trying to convince someone who simply isn't interested.

The person from the second group, on the other hand, is interested, but tells me how it's simply too time consuming and complicated. They usually marvel at how I find the energy to deal with it all. The thing is, I do it precisely because I am lazy and don't like time-consuming tasks.

Let's take a look at CITI Thank You Preferred card. Recently, it had a sign-up bonus that would give \$300 in gift cards to Walmart if you fulfill minimum spending requirements. Since the most you can usually save on those is 3 percent, that's an equivalent of \$291. The maximum time it would take for you to sign up for the card is 15 minutes tops, then maybe 10 minutes to activate it when it arrives, if you have to call the customer support center.

If you don't have a CITI account, another 15 minutes to get an account set up and link to your bank. In case you don't already have a spreadsheet, that might add another 30 minutes tops. Now you are all set and ready to go. Just use the card for your everyday expenses like you would any other card. Keeping track of your purchases, to make sure they add up to qualify to get the bonus, should not take more than 15 minutes.

The big day comes and you are ready to claim your prize. That will be another 5 minutes at most to get the card redeemed at Citi Thank You center online. That's it! Take your \$300 gift card to Walmart and buy groceries you need for your family. How much time was spent on all of this? 90 minutes at most, and that included 30 minutes on a spreadsheet.

And you don't even need to cancel this particular card. But even if you did, it would take 2 minutes via secure message system. How much of a return do you get per hour for all of your efforts? \$194! Can you tell me of any job that pays that much, other than being a doctor? And you don't even have to go to school for 8 years. Plus, here is the best part. You don't owe taxes on the money, according to the IRS.

The most ironic thing about people who think bonuses are too much work is that they are diligent couponers who go out of their way to save 10 cents on a gallon of gas. They are the best candidates for this hobby because they are responsible and frugal with their money. They pay their credit card bills on time and in full every month.

Yet, unfortunately, they are not willing to go out of their comfort zone in order to afford travel or just get extra cash. So they stick to coupons and hunting for cheapest gas instead. Once a year, they make a camping trip with their kids, because that's all they can afford. Not that there is anything wrong with that!

I hate coupons and rarely watch the price of gas. I guess I have been spoiled by making \$194 or more per hour! So, maybe next time I am talking to a relative, who is financially responsible but short on cash and can't afford travel, I should say this: "How would you like to make close to \$200 per hour?"



## How One Sign-up Bonus Paid for 7 tickets from Florida to Calgary

Full disclosure: The flights were one way and in economy. But still, not bad, right? Such is a tale of 100,000 miles British Airways Visa bonus. If I had to pick my most lucrative credit card sign-up bonus ever, this would be it. I would like to highlight it and show you what is possible with miles.

Four years ago, Chase came up with 100,000 BA Visa after just \$2,000 spent. I really had no use for the miles at the time and we just had a new baby, but the offer seemed too good to pass up. Indeed it was. Well, then they offered a couple of promotions to add an authorized user to get an extra 5,000 miles and so forth, and before I knew it, we had 125,000 miles without ever getting on their planes. I got a similar offer in my name later, though not quite as good. The miles just sat there and sat there. I honestly was not sure when we would use them.

Well, a few years ago, my sister-in-law talked me into going to Canada. I really hesitated, since we had a toddler and a 4-year-old, but in the end agreed. I had no hope of finding 7 award tickets together (my in-laws were coming too), but still checked my BA account. Well, we did find 7 seats both ways on American Airlines, who is a partner. I have redeemed my AA miles for several tickets, because it was 12,500 miles apiece, instead of 17,500 on British Airways.

The truth is, British Airways just went through a change in the program, where it was more expensive for us to get the flights we needed. This redemption was not spectacular; we only got 1.38 cents per mile after taxes. Since I value a mile at 1 cent, anything over that is fine by me.

Why am I telling you this? Remember how in the beginning I said that we ended up with 125,000 miles after just a 1 card sign-up? That one bonus covered tickets that were running \$250 apiece, or \$1,750 total. The card had an annual fee of \$95, so technically, we got \$1,655 from one card! These are the flights we would have paid for, if we had to. This offer still comes back now and again, though the spending requirement to get the 100,000 miles is \$20,000 instead of \$2,000. Yes, this was my best sign-up bonus ever!

## **Beginner's guide**

If you are an average family, you are probably putting no more than \$24,000 on credit cards each year. That amount is not enough for even one roundtrip ticket on most US airlines.

However, if you put your limited spending toward signing up for new cards continuously throughout the year, you could potentially get enough miles and points to pay for a trip to Europe for a family of 4 and have some points leftover. In the last year alone, I have acquired close to a million miles and points, all through our regular spending of just \$24,000 per year.

First things first. This hobby is not for you if the following applies:

- 1) You are currently in debt and have a hard time managing it.
- 2) You tend to overspend when dealing with credit cards.
- 3) You have a mortgage or a major loan coming up in 2 years. That's when the credit inquiries fall off and the lenders don't see them anymore.
- 4) You have had bankruptcy or short sale in the last few years.

None of those things apply to you? Perfect! In that case, the information below is for you.

### **Understanding your Credit Score and Sign-up Bonuses**

While your score will probably go down somewhat with each application, it's usually a small amount, between 5-10 points. Younger people may see a bigger dip in their credit score since they have a shorter credit history. The score normally recovers after 3 months, though no guarantees. As long as it stays above the 700 mark, your credit is still in the "Good" category.

Here are the factors that affect your credit, in the order of significance:

- 1) Payment history: 35 %
- 2) Amount used: 30 %
- 3) Length: 15 %
- 4) New credit: 10%

5) Mix: 10 % (variety of accounts like mortgage and other type of loans).

The biggest ones are "Payment history" (paying your bills on time and lack of delinquency) and "Amount used" (percentage you put on your credit cards each month relative to your available credit, also referred to as utilization). So to put it in simple terms, as long as you don't max out your cards and pay your bills on time each month, your credit score should be fairly healthy. That makes you a good candidate for this hobby.

The factors that are affected by new credit applications are "Length" (length of your credit history, which goes down with each application) and "New credit" (inquiries from the banks when they check your score). Keep in mind, when you get a new card, you in turn will have more available credit. That can decrease your utilization and actually increase your score. Sounds crazy, but it happens fairly often. I got 6 cards in the last year alone, and my official FICO score is currently 780, which falls into "Excellent" category.

You should keep your new card open for at least 6 months. Some issuers, like Chase, state in the terms they will take the points back if you don't keep your card open at least that long. So, it's better to be on the safe side. The cards with no annual fees don't need to be closed, period. Keeping no annual fee cards open helps to increase your credit length history. Those with annual fees will need to be evaluated individually. Some are worth keeping, especially if they provide a perk, like a hotel night upon renewal. Most cards can be cancelled through secure message in your online profile, so no need to call.

Both husband and wife can apply for a credit card in their individual name so they can double-dip on rewards. For example, one of the best offers currently is Barclaycard Arrival that gives \$440 off travel expenses after meeting minimum spending requirements. A husband and a wife could each get one and knock \$880 off their vacation bill.

Some bonuses can be received multiple times, some only once. With a bank like Chase, it's usually one per card/per lifetime. That's why it's very important to get the very best offer. However, if the card changes, you can usually apply for it again.

### **Tools and Tracking Information**

1) Create a spreadsheet so you can keep track of the dates when you applied for the new cards as well as minimum spending requirements. When the terms say you have to spend \$1,000 in 3 months, the clock starts on the day of your application, not when you receive the card. You can also sign up for a free account on [www.cardwatchdog.com](http://www.cardwatchdog.com) that will track it for you.

2) Sign up for an account on [www.mint.com](http://www.mint.com). It is an excellent, free site to keep track of your credit cards as well as checking, savings accounts and CDs. I use it myself and really like it. It's essential to check your credit cards occasionally, especially if you have 30 of them, like I do.

3) Sign up for [www.creditkarma.com](http://www.creditkarma.com) account, as well as [www.creditsesame.com](http://www.creditsesame.com). The first one tracks Transunion credit agency and the second one Experian. I will say that I found Creditkarma to be more accurate. But both are good (and free) tools to estimate your credit score and see changes in your credit history.

I recommend you don't apply for any cards if your score is not around 750 on both. That way, you have a good buffer in case of an unexpected dip.

4) Once a year, you are allowed to access your credit report for free from all 3 credit agencies. You can make sure everything is correct and all your accounts report in good standing. You can access it by going to [www.annualcreditreport.com](http://www.annualcreditreport.com).

5) Sign up for [www.awardwallet.com](http://www.awardwallet.com) account to keep track of your miles and points balances. Your miles expire when there is no activity for a certain amount of time, usually 18 months. You can avoid it by making a small purchase through airline shopping portal or redeeming miles for a magazine subscription.

6) Even if your credit application is denied, not all is lost. You can call that bank's reconsideration number and try to reverse it by speaking to a credit analyst. I have been successful almost every time I called. Sometimes you can get an approval by shifting the credit from another card that you have with that particular bank.

7) Check [www.evreward.com](http://www.evreward.com), which compares different shopping portal payouts. Always make sure you get miles, points or cash back when making purchases.

8) Probably obvious, but always collect miles and points by signing up for loyalty programs. Even if it's a small amount now, someday it can make a difference between getting an award ticket and not getting it.

## **Effects of Credit Application on a Younger Person**

Since starting the whole “miles and points” game, I had to pay attention to my score and that of my husband's. The official stance is that credit scores usually go down about 5 points per application. In our case, it was more like 10 to 12 points. Most likely, it was due to my average age of accounts going down with each new card. This is one of several factors affecting a person's credit rating.

Let's say, you had just one card over 10 years. When you add another credit card, your average age is slashed in half. The more cards you add, the lower your AAoA (average age of accounts) will be. Mine is down to just 4 years, even though my credit history is 15 years old (I am in my thirties). When my mother-in-law applied for 2 credit cards in a row, her credit score did not go down at all. Why? Because she is close to 70, and her AAoA is barely affected by added cards.

When you start playing this game, it is important to go slow, especially if you are a young or young(ish) person, like myself. Perhaps, start with just one card and monitor your score changes by signing up for free credit services, referenced in the earlier chapter. This is a very lucrative hobby, but you have to be very careful!

## **Value of Miles and Points for an Average Family**

This overview is only my personal opinion. So, please, take it as such. Your value may differ from mine significantly and that is perfectly fine. I truly believe that in the world of miles and points, it's no "one size fits all," or even most, for that matter. Keep in mind, I am evaluating from a perspective of a middle-class family of 4, who travel occasionally and have no business expenses.

In this chapter, I hope to make it easier to evaluate each sign-up bonus. When a card gives \$400, there is no need to discuss it any further. \$400 will purchase the same airline ticket for you as it will for me. The same cannot be said for miles and points.

A single person with a flexible schedule will be able to derive a much greater value from a sign-up bonus of 50,000 miles on Delta than I would for my family of 4. When I say "value," that is what I would pay for it. Also, I assume that the purchase is made speculatively. If you have a specific redemption in mind and can book it fairly soon, that changes the game considerably. So, without further ado:

### **Flexible points (transfer to miles, hotel points or can be redeemed for gift cards)**

1) SPG point (Amex program) - 1.5 cents each. Flexible points that transfer to miles and can be redeemed for hotels. You get a 25 percent bonus on each 20,000 mile transfer. If you are interested in SPG category 1 and 2 hotels, which run 2,000 and 3,000 points per night on weekends, you can potentially get an amazing value from your redemption.

2) Ultimate Rewards point (Chase program) - 1.25 cents each. There are two reasons for this: Southwest Rapid Rewards transfer and the possibility to get 1.25 cents from each point toward travel redemption. So 1.25 cents per point will be the floor as long as they have that option.

3) Membership Rewards point (Amex program)- 1.10 cents. I value British Airways Avios mile (a transfer partner) at around 1 cent. The points transfer on 1:1 basis. However, since Amex often runs transfer bonuses, I would be willing to pay a little more for a Membership Rewards point.

Keep in mind, this only applies to a speculative purchase, since you can derive huge value from Avios. The award chart is distance based and some flights start at only 4,500 miles each way. An example: New York-Toronto and Miami- Nassau by redeeming on their partner American Airlines.

### **Airline miles**

1) Most traditional airline miles - Around 1 cent each. I would be willing to pay a little more for AAdvantage. I wouldn't pay 1 cent for a Delta Skymile, but probably 0.8 cents.

2) Southwest Rapid Rewards point- 1.20 cents each, since you will get 1.43 cents on "Wanna get away" fare per each point after March 31st, 2014 (currently it is 1.67 cents).

## Hotel points

First, be very careful when buying or hoarding hotel points. It is the most vulnerable type of currency in this hobby. Rates sometimes can go up overnight, with no prior notice. I usually book 2 or 3 rooms because we travel with my in-laws, so my valuation is influenced by that fact. However, my husband and I go on short trips by ourselves occasionally.

1) Hyatt Gold Passport point - 0.70 cents each. Their high-end properties go for 30,000 points and cost \$800, but I won't be staying there any time soon. I am mostly interested in hotels close by or cities I might be visiting in the near future. There is a nice Hyatt on the beach not too far from us that goes for 20,000 points. Checking [www.biddingfortravel.com](http://www.biddingfortravel.com) (tracks Priceline bids), I saw that some people were able to get it for \$140 per night including tax.

That is how I arrived at my 0.70 cents valuation (\$140 divided by 20,000 points). That's the thing with "amazing" hotel redemptions. The rack rate is not what you should base your value on, but rather the lowest Priceline bid.

2) IHG point - 0.5 cents each. My value would be lower if it wasn't for their PointBreaks program where you can get certain hotels for only 5,000 points per night. Most IHG properties on the beach in Florida go for 35,000 points, a significant amount. If the PointBreaks program is discontinued, my value will drop as well.

3) Marriott point - 0.4 cents. Most Marriotts I am interested in run 20,000-30,000 points per night. There are quite a few in the USA that cost 10,000 points, so it could be a good deal, even if you needed 2 rooms. It would be an equivalent of paying \$80 per night.

4) Club Carlson point - 0.25 cents. I don't have their co-branded Visa, which gives a second redemption night free. Otherwise, my value would be a bit higher. As it stands, the properties I like run at 38,000-50,000 points per night.

5) Hilton HHonors point - 0.25 cents each. Hotels I like in Florida cost around 40,000 points and I would be willing to pay no more than \$100 for them.

There are other programs, but I wanted to round up all the usual suspects and hopefully provide a helpful guideline.

## Which Credit Card Bonus to Pick?

Everyone has a different amount in mind when signing up for a new bonus. I try to aim for a value of at least \$300-\$400 per card up front. That's when it gets a bit complicated, since everyone assigns a different value to miles and points.

As I mentioned earlier, one person with a flexible schedule can usually get much more out of a 50,000 miles bonus than I can with my family of 4. A single person can usually find one award seat on a flight with no problem, but it gets trickier the more people you have. I have given my opinion on the value of miles and points, though it's only an opinion. So let's look at three card offers, and assume you will only pick one to sign up for the next year or so. Keep in mind, offers change constantly, so it may not be accurate as of now.

1) Barclay's US Airways card with 40,000 miles bonus after 1st purchase and \$89 annual fee, not waived.

2) Chase Sapphire Preferred Visa with 40,000 points sign-up bonus after spending \$3,000 in 3 months, which can be converted to \$400 cash or \$500 toward travel. First year annual fee waived.

3) Chase IHG Mastercard with 80,000 hotel points sign-up bonus after spending \$1,000 in 3 months. First year annual fee waived.

I mentioned before that I value IHG points at 0.5 cents and airline miles at 1 cent. It seems the debate should be between number 2 and 3, with Chase Sapphire Preferred being the winner, since cash can be used for anything, unlike hotel points. Well, yes and no. You see, even though 40,000 miles are worth \$400 by my metric, and actually \$311 after deducting the annual fee, this card will be discontinued in a year or so. US Airways are merging with American Airlines and the card will not be issued anymore.

So I would argue, in this instance, it makes more sense to go with choice number 1, because the other cards will still be there later. By forgoing this card, you will have an opportunity cost of \$311. Maybe it's overcomplicating things, but I always try to look at the big picture. Even though I have no use for these miles now, I know I will use them in the future at some point, when they become AAdvantage miles. That said, I got all 3 cards!



## Why I Don't Follow a 91-day Churn Rule

The idea behind the "churn" is to get as many cards with bonuses as possible, all in 1 day, and repeat the cycle every 91 days. Since signing up for new cards is central to how I acquire miles and points for my family, I investigated it further. We don't have any business expenses and don't fly often, so it's crucial to get it right the first time we apply. There is a method to this madness for sure.

Some credit inquiries get combined if the cards are issued by the same bank and if applications are done in one day. The inquiries all fall off at the same time at a 2-year mark. Some banks look back only 6 months, so they will only see one set of applications if they are spaced 91 days apart.

There are 3 major credit agencies: Equifax, Experian and Transunion. The best bet is to spread the applications between all three of them. If the bank pulls a specific agency and sees too many inquiries, it looks bad on paper. They might assume you are looking to max out your cards, flee the country and settle down somewhere in Tahiti. Hmm, are you thinking what I'm thinking?

Banks pull different agencies depending on your location. The goal is to spread your inquiries between all 3, so not to have more than 10 pulls in 2 years at any given one. People go beyond that amount, but I'm not comfortable with that. If you have a major loan or mortgage coming up, you should stay away from any new credit cards for two years.

As I mentioned earlier, the inquiries fall off at a 2-year mark. You can find out which bank checks which agency on [www.creditboards.com](http://www.creditboards.com), choose section "credit pulls" and put in your data. Be aware, it may not be accurate as of now.

The 91-day churn schedule is supposed to greatly minimize your chance of denial. I think this technique has merit to it, but I still don't follow it. I simply apply when there is a good offer with \$300-\$400 in value, whether miles, cash or hotel points. However, your threshold may be different from mine. There are several reasons for me not following a set schedule:

- 1) There is no guarantee the inquiries will be combined. Citibank sometimes pulls different agencies for different cards. I don't want an extra pull for an inferior offer (like 50,000 Hilton points, which I value at \$125) to potentially cost me a good offer in the future.
- 2) Even if the inquiries are combined, the new card still shows up on your report and your average age of accounts is diluted. Even though it's a relatively small part of your credit score, I keep an eye on it since my history is shorter than some.
- 3) In the event of a credit card denial in the future, I may have to call the reconsideration line and try to reverse the decision. It looks weird to a credit analyst when they see 5 applications made all in one day

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