



POINTS 101

# BEGINNER'S GUIDE TO POINTS AND MILES

## Overview

Credit card companies offer welcome bonuses in the form of points or cash rewards to new users who meet specific spending requirements. These welcome offers provide an excellent opportunity to accumulate points quickly, which can then be redeemed for travel. By following a few simple rules, you can maintain a high credit score (or even enhance it) and travel more often for less money.



## The Basics

1. Sign Up for a Credit Card: Choose a card that offers both a welcome bonus and transferable points.
2. Hit the Minimum Spend: Use your card for everyday purchases without altering your budget.
3. Wait 90 Days, Then Repeat: Protect your credit score by spacing out your applications.
4. Spend Your Points and Travel the World: Earning points is the easy part; deciding where to go and how to use them is the fun challenge!



## The Best Beginner Card

If you're just starting, the Chase Sapphire Preferred® Card is an excellent choice. It's the only flexible points card that allows transfers to Hyatt, a hotel chain where your points can hold the most value. Plus, it's simple to use and a great introduction to the world of travel rewards.

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## Understanding Credit Scores

One of the biggest concerns people have when considering this strategy is the potential impact on their credit score. However, understanding how credit scores work can alleviate these concerns.

Credit card applications have a minor effect on your credit score. By following best practices—like setting up auto-pay, paying on time, retaining your oldest accounts, and spacing out applications—you can maintain or even improve your credit score.



## Annual Fees: When They're Worth It

Don't be afraid of annual fees. Think of it like this: If you were offered the chance to lend someone \$100 and receive \$600 or more back after three months, would you accept?

Many top credit cards with the best bonuses come with an annual fee, but the benefits often far outweigh the initial cost. These cards also can offer perks like complimentary night certificates at high-end hotels, airport lounge access, and hotel status.



## Meeting the Minimum Spend

A minimum spend is the amount you need to charge on a credit card within a certain time frame to qualify for the welcome bonus. This requirement can usually be met by paying for your everyday expenses like groceries, gas, and utilities using your credit card instead of a debit card. Planning your card applications around large upcoming expenses can also help you meet these minimums without stress.

## The 5/24 Rule

Chase, one of the most popular issuers of travel rewards cards, has a rule known as 5/24. This means if you've opened five or more personal credit cards from any bank in the past 24 months, you won't qualify for a new Chase card. Since Chase offers some of the best travel rewards cards, it's essential to plan your applications carefully to avoid disqualifying yourself from these valuable cards



## The Power of Player 2

If you have a partner or spouse, you can maximize your points by having them sign up for their own cards. This strategy allows both of you to earn multiple welcome offers, essentially doubling your points. You can also refer your partner to credit cards, earning referral bonuses in addition to the welcome offer points.





## **Business Cards: Not Just for Businesses**

Many people are surprised to learn that they can qualify for a business credit card, even without owning a traditional business. Whether you're selling items on Facebook Marketplace, offering piano lessons, or babysitting, if you have any side hustle that generates income, you can apply for a business card.

Business cards can be a valuable addition to your strategy, especially if you've hit the 5/24 limit on personal cards.

## **Staying Organized**

Managing multiple cards might sound daunting, but with the right tools, it's manageable and even enjoyable. Apps like Travel Freely help you track your card sign-ups, 5/24 status, annual fees, and minimum spend deadlines, without needing sensitive information like your card numbers. For a more comprehensive overview of your financial transactions, platforms like Monarch Money allow you to monitor charges and expenses, making it easier to stay on top of everything.

## IS THIS FOR YOU?



This strategy is only for those committed to treating their credit card like a debit card—paying off the balance in full every month. If you're paying interest, you're not really getting a free vacation, so always stay within your budget! Maintaining a credit score of 700 or higher is the goal so you can continue to be approved for new cards and bonuses.

By following these strategies, you can afford to take your family on vacations anywhere in the world. With careful planning and smart use of credit card rewards, your dream trips are within reach. Ready to start your journey?

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