

How to Earn A Lifetime of Travel Rewards



By Jason Steele

MyBankTracker's Credit Card Expert

It was the worst \$3,000 I'd ever spent in my life. Shortly after getting married, I bought airline tickets for my wife and I to visit Israel, where she grew up. I'll start by saying we enjoyed the trip a lot. But, to get there, we spent 15 hours in the air - each way. And we spent much of that time wondering how it was possible to spend so much money while being so uncomfortable and being treated so poorly. The airline made us stand in endless lines to check in. And the cabin crew treated us with indifference or even hostility when we dared to request something as simple as cup of water or a pillow.



I suppose we could've forgotten about it if it had been a once in a lifetime time trip. But we had hoped to visit her family overseas every couple of years. We just couldn't spend so much money every year or two, and then have to endure this treatment. On

top of that, we had dreams of traveling to other places with our future children. That dream was beginning to seem hopelessly out of reach.

Is There Another Way?

It's often said that necessity is the mother of invention. If so, our need to find affordable (and comfortable) travel options explains a lot. It's how I went from a casual collector of points and miles to a full blown award travel geek over the next ten years. Today, we have three children who travel with us all over the U.S. and across the world. We still fly in economy class within the continental United States. But after that first long trip together, we never leave the country in coach.



We now book all our overseas trips in international business or first class. With that, we usually get outstanding service - and seats that turn into beds. How can we afford this? We buy every airline ticket with points and miles. Plus, nearly all our hotel stays are award nights.

Thanks to awards, we never have to pay cash for airfare or hotels (except for occasional taxes and fees). And we consume tens of thousands of dollars a year in travel services.

The goal of this book is to summarize what I've learned since I bought that disastrous \$3,000 ticket. I want to help you avoid mistakes like the one I made by learning how award travel works. Soon, you too will be able to start traveling in luxury for next to nothing.

Award Travel Basics

There are several ways to travel for free. You may have an employer pay you for travel. You may get a job at a destination to pay your way. Or you could be hosted as a travel journalist.

But as many ways as there are to travel for free, it often seems too good to be true to those who haven't done it yet. When people hear that my family and I travel for free, many assume that we're perpetrating some kind of scam. You may have even heard of "travel hacking." I'm not a fan of the term as it implies that I might be doing something illegal, which is never the case.

My path to free travel is legal and, with practice, fairly easy to do. I simply leverage points and miles offered by airlines, hotels, and credit card issuers.

Most Americans belong to one or more airline frequent flyer programs. Many also belong to hotel guest programs and credit card or retail reward programs. But most people keep these relationships casual at best.

However, if you take the time to seriously partake in these programs to earn the most valuable travel rewards, you become what I like to call an award travel enthusiast. This has become a hobby for a growing number of people.

Due to its rising popularity, there are hundreds of thousands of blog posts out there you can use to delve into the minutia of award travel. As much information as there is, it all basically comes down to learning two vital skills. **One, you need to earn as many points and miles as possible. Two, you need to spend your rewards as efficiently as possible.**

We've all heard of athletes and celebrities who earn millions - only to lose it all to overspending and bankruptcy. In that same vein, I've met many people who earned millions of points and miles - only to redeem them in inefficient ways. For example, they end up in economy when they could have had a seat in business class for fewer miles!

That's why being mindful about how you spend your rewards is just as important as earning rewards. Keep reading, as I'll explain more how to do this in the coming chapters.

Chapter 1: Earning the Most Rewards



Rewards from Paid Travel

The traditional way to get airline miles and hotel points is through paid tickets. To do this, all you have to do is add your frequent flyer number or hotel rewards number to your reservation.

It used to be that airlines would award one frequent flyer mile per mile traveled. However, this custom is quickly fading. Instead, airlines are starting to offer rewards based on the amount paid for your ticket. (There are pros and cons to this change, which I'll discuss in more detail later.)

Earning miles from paid travel can be fantastic, especially when someone else is paying, like your employer. If you're a frequent business traveler, then you have the opportunity to earn large quantities of points and miles from your job.

But for those of us who must pay for our own travel, earning rewards this way is nice, but won't work as fast. The occasional vacation simply won't lead to a large amount of points and miles. This is in part because most people vacation less than business travelers travel. But it's also because we all look for the lowest prices we can find on airline tickets and reservations. And those low-price tickets only offer minimal rewards.

To make it worse, paying for travel is a very inefficient way of collecting travel rewards. To illustrate this, I sometimes ask people a simple question. "What's the most difficult way to earn frequent flyer miles?" The answer: step on an airplane.

Think about it this way. A commercial airliner travels at about 500 miles per hour. If you were earning one frequent flyer mile per mile traveled, then you would have to spend hundreds of hours in the air to earn enough miles for one round-trip ticket to Europe in business class.

Let's look at the flip side. If you were earning miles based on price of ticket instead of miles flown, it's even worse. Since you'll probably want to buy discount tickets, you'll earn even fewer rewards.

When it comes to earning rewards for paid trips, business travelers have it best. But if that's not you, you should **still collect whatever rewards you can from paid trips.**

Earning Credit Card Rewards

The second (and perhaps easiest) way to earn travel rewards is through credit cards. For decades, banks and travel providers have had a symbiotic relationship that

benefits everyone. It even benefits us award travel enthusiasts. Airlines and hotels work with credit card issuers to offer vast quantities of points and miles to consumers. The bottom lines of the travel industry get bolstered. Banks offer the rewards to attract new customers. Customers set up their spending so they can capitalize on these rewards. Everyone wins.



So how does it work? **Simply find a credit card that offers travel rewards that benefit you for the spending you already do.** That way you can use your normal household spending to help you earn travel rewards.

A Word of Caution On Credit Card Use and Award Travel

Credit cards may offer an incredible opportunity to earn travel rewards - but they aren't for everyone.

About half of American credit card users carry a balance from month to month. This subjects them to high interest charges. And if the balance is carried over for too many months, serious debt can form. Paying interest on credit card debt is a quick way to negate any rewards benefits you may be earning. (Not to mention the fact that it's a quick way to derail your finances.)

If you think you may struggle to pay off your balance each month - or if you're already struggling with debt - using a credit card to earn travel rewards isn't going to be worth it. Instead, focus on other opportunities that will help you more, such as [finding a balance transfer credit card to lower your interest.](#)

Rewards cards are great for anyone who pays their balance in full every month. But the higher interest rates they carry can seriously hurt anyone who doesn't pay off their balances each month.

On top of that, it can be hard to keep track of more than one credit card account. But maintaining several accounts is something many do to maximize their rewards. This is something else to consider if you're thinking of using this method.

On the other hand, if you pay off your balances each month and can manage more than one card at the same time, using credit cards to earn rewards could work for you. Bonus: keeping multiple accounts open with low or no balance can also boost your credit score. That's two great wins at once!

Ways to Earn Credit Card Rewards

There are two ways to earn credit card rewards. First, many credit cards offer generous sign-up bonuses. These bonuses can give you a huge boost in rewards from the beginning. For example, you might see a bonus of 50,000 miles, with some even going as high as 100,000 or more.

Sign-up bonuses often come with a spending requirement that has to be fulfilled within the first few months of opening the card. This requirement can be high (to the

tune of several thousand dollars). But if you put your normal monthly spending on that card, you may be able to meet the requirement on time. Just make sure you pay that balance off by the end of the billing cycle each month.

Needless to say, this is a way to earn an amazing amount of travel rewards in a short period of time. Some people repeat this throughout the year, something called credit card churning.

Credit card churning can be dangerous when not kept in check. Plus, some banks are starting to catch on. For example, American Express is going so far as to deny bonuses for any credit card you've already had. For me, I'm not a big fan of churning. Instead, I prefer to wait for **the best sign-up bonuses to become available**.

The conventional way to earn travel rewards from credit cards is to use them for as much of your everyday spending as possible. This can work even better if you use them in the most efficient combinations. Most credit cards offer one point or mile per dollar spent on most purchases. But almost all cards have bonus categories that can feature as much as five points per dollar spent on specific kinds of purchases.

For an award travel enthusiast like myself, this can mean **carrying several credit cards at one time**. That way I can maximize the rewards I earn for all my purchases. And when I make a purchase, I'm mindful about which card I choose. I always go for the one that will offer the most rewards for that purchase category.

For example, I use my Chase Sapphire Reserve card for all travel and dining purchases. This card offers three points per dollar spent in on travel and dining. I use my Chase Ink Business Cash card at office supply stores and for telephone, television, and Internet services. It offers an incredible 5x points for these charges.

Finally, my American Express EveryDay Preferred card offers 3x points at supermarkets, 2x points on gas, and 1x elsewhere. But what's great about this card is that it offers a 50% points bonus during each statement period in which I make 30 or more transactions. So I'm really earning 4.5x, 3x and 1.5x, respectively.

When I use these three cards strategically, I get big results. I'm able to earn an average of more than one point or mile per dollar spent - all on things I would have purchased anyway. And since I always pay my statement balances in full, I never incur interest charges.

Airline Credit Cards



When you think of travel reward cards, you probably imagine cards offered by airlines and hotels. But these aren't the only type of travel rewards cards - and they're not always the best, either.

What makes airline credit card special is that they can offer perks that others can't, like free checked bags or priority services. But their drawback is that you can only redeem the rewards with a specific airline or hotel.

Airline and hotel programs are also notorious for drastically limiting the availability of flights or hotel rooms offered as awards. And they're known to increase the number of points or miles needed for rewards unexpectedly. These sudden changes to frequent flyer and hotel loyalty programs is known as devaluation - and it's a major con for using these cards.

Cards That Offer Transfers of Points to Miles

Award travel enthusiasts generally shy away from earning most of their credit card rewards from a single airline or hotel program. It simply doesn't pay to focus only on one when different rewards cards can be maximized at different times and places. Therefore, we like to turn to a special type of credit card for our travel rewards:

Award travel enthusiasts prefer credit cards that offer points that can be converted to airline miles or hotel points with multiple different programs.

Currently, there are four major [rewards programs](#) that allow this:

- **Chase Ultimate Rewards.** This program offers nine airline partners and three hotel partners.
- **American Express Membership Rewards.** This program offers 18 airline transfer partners and three hotel partners.
- **Citi ThankYou Rewards.** This program offers 15 airline partners.
- **Marriott Bonvoy program.** Although this is a hotel rewards program, you can transfer points to miles with more than 40 different airline programs.

The benefit of these programs is that they let you transfer your points. That way you can find the frequent flyer or hotel rewards programs that will offer you the best award and price for what you're looking for.

For example, most award travelers would rather have 100,000 American Express Membership Rewards points than 100,000 Delta SkyMiles. Why? Because **Membership Rewards points can be transferred to Delta SkyMiles.** (They can also be transferred to other airline programs like Air Canada, British Airways, JetBlue or Hawaiian.) If Delta isn't making the award seats you need available at a reasonable price, then you can transfer your points to miles in one of these other programs.

Additionally, these programs allow you to top off your existing balances of points and miles with airline and hotels. That way you can have enough for a desired award.

Other Ways to Earn Points and Miles

Beyond earning travel rewards from credit cards and from paid travel, there's another way to earn travel rewards. This one is a catch-all for many different tactics.

What is it? **Promotions.**

Airlines, hotels, and credit card issuers all offer promotions to help you earn rewards. And you can earn a tremendous amount of rewards for little effort with many of these promotions.

It can be as simple as signing up for an email list, participating in a contest, or viewing an advertisement. These quick actions could help you earn a few hundreds points or miles. And they only take seconds to perform.

You can also earn more through larger promotions. You could buy 2-3 flights over three months, stay at a hotel a certain number of times, or use a particular rental car company. These actions could earn you thousands of extra points or miles. I'm always on the lookout for these type of promotions so I can earn travel rewards for little or no money.

Another common way to earn travel rewards is through dining and shopping programs. More and more airlines and hotels are partnering up with retailers to offer these rewards.

With dining programs, you may have to register your credit card in advance. After you do, you can earn rewards by paying with that card when you eat at participating restaurants. With shopping programs, you may need to make purchases through a special online portal. But when you do, you can earn points or miles for shopping at certain online retailers through that portal.

If your favorite restaurants or stores are on the list of partners, it can be easy to rack up more rewards.

I'd delve into more of these random opportunities, but there are too many to mention. Besides, they're always changing. Keep an eye out for opportunities like this and especially with your favorite brands. Then you can bolster your supply of points and miles faster than you might have thought.

Chapter 2: Spending Your Rewards

Determining the Value of Your Points and Miles

No matter how you earn your travel rewards, they will only be as valuable as what you can redeem them for.

Most airline, hotel, and credit card rewards programs offer a variety of ways to redeem. But the redemption option you choose could dramatically alter the value returned.

For example, most programs will let you redeem points or miles at a value of one cent each (or less). This is very low. Examples of these inferior award options include car rentals, merchandise, and gift cards. Hotel programs also offer low-value redemptions like this. They could include plane tickets, car rentals, and credits towards dining and spa treatments at their properties.

But the biggest mistake that I see is when people redeem their credit card points directly for travel reservations.

For example, if you call American Express to redeem your Membership Rewards points for ticket to Europe, they will happily oblige. They'll direct you to their travel agency, which will offer you one cent per point. You may end up spending 150,000 points for a \$1,500 round-trip economy ticket to Paris. That would be an unfortunate waste of points. Instead, you could transfer your points to another program. For example, Air Canada's Aeroplan offers round-trip business class tickets to Paris for just 110,000 miles. That's less miles for a better ticket. And you don't even have to fly Air Canada. You could redeem with its partners such as United, Lufthansa, Swiss, and Austrian.

Choosing the Best Options for Spending Your Rewards

To help you decide how best to spend your points and miles, you need to place a value on them.

For example, you might find that the business class ticket to Paris is worth around \$4,000 to \$5,000. Based on that, the Membership Rewards points in the previous example would return about 4.5 cents in value. When you look at it that way, it's clear that transferring the points to miles would be worth much more than redeeming them for one cent each.

Once you start making these calculations, you'll end up with an approximate value for each point and mile you earn. If you find awards that offer good value from your miles, like the business class trip to Paris, then you spend them. But if you find a great

deal on an airline ticket or hotel room, then you might pay cash and save your points and miles for a better opportunity.

And, if it's a toss-up between paying cash and using rewards, I tend to use my rewards and save my money. My belief is that cash is always more valuable and that I'll be able to earn more rewards soon.

Finding Award Availability

Have you ever had trouble finding a particularly item on the shelves of stores? As a kid, my mother taught me to ask the salespeople to look in the back to see if there were any others. Likewise, finding a valuable frequent flyer award can be difficult and you may have to look everywhere to find it.

When trying to redeem their airline miles, most people start with the airline's web site. This can end in frustration and disappointment at the lack of award seats available at the lowest mileage levels.

Sadly, you'll never have a full picture of your options by just relying on what the airline shows online. This is because most frequent flyer programs offer award flights through a dozen or more of its partners. These partner award flights might never be available online. In general, airline websites are often limited in the options they display.

A few years ago I was trying to book a trip to Japan with miles. But American Airlines was only displaying flights that cost twice the miles of its lowest mileage awards. I knew that their website wasn't showing options from its partners though (such as Japan Airlines). I could have called the airline to ask about redeeming for a ticket with Japan Airlines. But then I'd be relying on someone else to search for the best flight for me.

Instead, I searched British Airways' website. I knew that they were a partner of Japan Airlines and would show Japan Airlines' award flights. Once I found the Japan Airlines awards flight I was looking for, I called American Airlines. I was able to book my awards flight that way and get the best deal for me. Besides that, I got to fly business class luxury.

If that sounds like too much work, you could use websites such as [ExpertFlyer](#), [KVS](#), and [Award Nexus](#) instead.

For less experienced award travelers, these kind of tricks and tools can be daunting. Even for highly experienced award travelers like myself, they can be time-consuming and frustrating. As a result, there are now several people who offer award booking services to help.

These people are kind of like travel agents. But instead of dollars, they use points and miles to make your reservations. You may have to pay \$100 to \$300 for them to book your award (depending on the number of people you are traveling with). But this fee can be well worth it if they find valuable award seats that are too time consuming for you to uncover. And, in most cases, you only pay when they find awards that meet your needs.

Understanding Airline Alliances

The key to finding airline award space is to look at flights operated by their partners. Most major airlines are part of one of three major international airline alliances. These three alliances are SkyTeam, OneWorld, and the Star Alliance. If you have miles with an airline in an alliance, you should be able to redeem them for flights operated by another airline in the same alliance.

For example, I knew that Japan Airlines was a partner of American Airlines, since both are part of the OneWorld alliance. And since British Airways is also part of the

OneWorld alliance, I could use my miles to book awards found on the British Airways website.

Just keep in mind that there are exceptions to this. Some airlines don't offer all their award seats to their partners. Other airlines have partnerships with other carriers that aren't in their alliance.

For example, Alaska Airlines is not part of an alliance, yet it still partners with other carriers, such as American. That means you can redeem Alaska miles for some flights on American. Or you can use miles from American Airlines for some award flights operated by Alaska.



No, it's not simple. But these are the complex relationships award travel enthusiasts use to garner as much value as possible from their points and miles.

Tracking Your Rewards

Another important way to make sure that you get the most value from your rewards is to carefully track them.

While most Americans belong to some loyalty programs, award travelers might belong to dozens. This can make it nearly impossible to keep track of the account numbers, passwords, and balances for all these accounts. Thankfully, there are websites and mobile apps you can use to store and track all of this information.

I use a program called [AwardWallet](#), but there are others. One of the great features of AwardWallet is that allows me to track the accounts of my family members. As you start traveling for free, you can count on everyone in your family to ask for help managing their points and miles. Programs like this can help.

Other Tips and Tricks

With any hobby, those who are most successful at award travel accumulate a valuable collection of tips and tricks. And while many of these insights are only learned through experience, here are a few of my favorites:

Sharing Rewards Between Friends and Family

I always try to get the most value from my travel rewards by sharing points and miles with my family and friends. I enjoy using my rewards to book flights for people to visit me and I also volunteer to let people in my family use my miles when I can help them

save money. In return, there are times when I run out of points or miles and need to borrow some from others.

It's important to note on thing, though. The rules of most loyalty programs forbid you from selling or bartering rewards. But many programs allow you to book an award from your account in someone else's name as a gift. And, because you can do this, it never makes sense to pay a company to move your miles to someone else's account.

Finally, never buy or sell miles from others. Companies will cancel your reservations and confiscate your rewards if they find out.

Booking One-Way Flights

Another trick many people don't consider is to book one-way flights rather than round-trip. Doing so allows you to shop around for the best flights to meet your needs. (Because sometimes that might entail traveling with a different airline in each direction.)

Yes, there are times when it's cheaper to book a round-trip ticket with dollars. But that's never the case when using your points or miles.

Cash and Points Awards

Airlines and hotels occasionally allow you to redeem a lower amount of points if you also pay cash. While airlines generally don't offer much value for miles spent this way, it's worth considering in the case of hotels. In fact, hotels often treat these awards as paid rooms, enabling you to earn points and credit towards elite status.

Resources for Award Travel Enthusiasts

If you've gotten this far and are still excited about the opportunity to travel for free, great! You should know that you've just scratched the surface of this hobby.

I would encourage you to keep learning about award travel by [reading my column at MyBankTracker](#), but don't stop there. There are many resources out there to help.

For example, FlyerTalk is an enormous online forum where award travelers share their tips, tricks, and experiences. And there is no shortage of award travel blogs on the Internet. Also, be sure to look for local meetups and frequent traveler events. It's a great opportunity to meet your fellow hobbyists in person.

Conclusion

I can still remember the surge of excitement I felt when I realized all the ways I could earn travel rewards. I remember the realization that we would never have to spend thousands of dollars on travel again. (It's also great to know that we'll always be sitting in the front of the plane on long international flights.) Now it's your turn.

I hope I've been able to offer you a taste of the possibilities of award travel. If you learn to earn and spend rewards in the ways mentioned above, you'll find a world of travel opportunities in front of you. Your travel dreams might be closer to reality than you even knew!