

How to get your credit cards working for you...

An interview with a credit card points wizard



Cut up those credit cards! Stay out of debt! Only pay cash! Isn't that is what we've heard for many of years now? Although that might be good advice for a few of us, there are definitely some advantages to be had when someone wisely uses their credit card. From increased protection, to helping build credit history, to helping pay for your dream vacation, the benefits of using credit are too large to be ignored.

Recently I had the opportunity to sit down with an old high school friend to discuss his new venture. Ryan Martin was one of the smartest people in my high school and is one of my oldest friends. After we would (somewhat) tear it up on the basketball court, he would then help me with my Chemistry homework, and after graduation he earned nearly a full ride to UVA before attaining his J.D. from Tulane's law school.

Not thrilled with the lawyer life, he dove into the credit card rewards world and was able to plan his \$15,000 honeymoon while only coming out of pocket a couple of grand. The lightbulb went off, and recently he transitioned from being a lawyer to consulting people full time on how to best build and utilize their credit card rewards points. Below is my interview with Ryan, a true points wizard...

1. What is Points Wizard?

A: Points Wizard is a consulting company that works with clients who want to maximize their travel points and miles and achieve their travel goals. In particular, we advise clients on the best way to obtain

travel points and miles and also review their points portfolios to help them redeem their points for maximum value.

2. So you consider yourself a Points Wizard? What exactly makes you an expert in this field?

A: Hard work and determination. It began with a love story. I wanted to plan a dream honeymoon, but like many people, I could not afford it out of pocket. So I began researching credit cards that offered points and miles to help cover some of the cost as well as valuations of various travel points and miles currencies. What started out as simple research really became a hobby as I enjoyed solving the puzzle of how to make this trip virtually free. My efforts and research paid off as I was able to plan a trip valued at over \$26,000 for only \$2000 out of pocket. I also have started freelance writing for travel blogs regarding points and miles travel. Most importantly, I learned a set of skills that will help me travel for free going forward. Not just cheap travel either. I am talking business class international flights and weekend getaways for virtually nothing out of pocket.

3. What prompted you to start Points Wizard?

A: Well, like yourself, I firmly believe that we should make sure that our money is working for us. I also have heard countless times that many people would love to travel, but simply cannot afford it. After hearing these things, I realized that I could really use my knowledge of credit card points and travel reward programs to help people not only use the money they are already going to spend wisely, but also achieve travel dreams they previously thought were unattainable. With this goal to help people in mind, Points Wizard was born.

4. So in particular, what services do you offer?

- a) Educate clients on the value of credit cards and using credit cards for everyday spending
- b) Review client spending and goals (be they travel or cash back), and advise them on which credit cards and points they should use to reach their goals efficiently
- c) Advise people on how to value various points and miles currencies to make sure they are redeeming these points for optimal value
- d) Offer full service planning on how to go on specific trips without breaking the bank, including itinerary development and strategies for both obtaining and redeeming points for this specific goal

5. So without giving away too many secrets, what are some suggestions you recommend individuals do to get started in points and miles?

a) You should consider your alternatives before using debit cards or cash. The reason is cash and debit is pure spending, but you get nothing in return for such spend. In contrast, using certain credit cards will allow your money to work for you as you will get something in return as an incentive to using the cards, such as cash back or travel points and miles.

b) Use the right card for the right spend. Many cards have what are called bonus categories which give extra points for spending on things such as restaurants, gas, phone services, etc. In light of this, one card may not always be the best card to use on all spending, so it is important to use the right card for the right situation.

c) Don't put all your eggs in one basket. It is important to diversify your points and miles to keep your options open when it comes to redeeming points.

6. Speaking of redemption of points and miles, what tips do you recommend.

A: Well I always say that collecting points are easy, but redeeming them is the harder part of the equation because there are lots of nuanced rules and strategies that you need to know in order to maximize the value of points. This is an area where I truly specialize and can help clients so that they do not leave any "money" on the table. That being said, I recommend that before redeeming any points, research the various partners of airlines and hotels to make sure you are using the least amount of miles or points to get where you want to go. The other thing to always check is the valuation of the points for a given redemption to make sure you getting decent value. As a general rule, if you are getting less than 1 cent per point, you should seriously consider whether to go forward with such a redemption as you might as well use cash back at that point.

7. Speaking of cash back, you seem to value points and miles credit cards over cash back cards. Why is that?

A: Well, it is because cash back cards have a fixed return on investment. You are getting whatever percentage back for a certain purchase in actual currency, which would equate to 1 cent per point if points were used. In contrast, if you do a good redemption of points and miles for travel, you can very easily get much higher returns per point. Thus, if you want to maximize your return, points and miles are usually the way to go. That being said, everyone's personal situation and goals are different, so for people who do not value travel as much as cash, cash back cards may be better. That is something I definitely look into when consulting with clients.

8. So your services seem to include advising people about credit card usage. For people concerned with potential credit card debt, should they get involved with points and miles?

A: Well of course I would never want anyone to go into debt in order to obtain travel points. In fact, if you cannot afford to pay off your monthly balance in full each month, the cost to you in interest will far

outweigh the return in points and miles and will damage your credit score. So for those individuals, I would not recommend getting heavily involved in travel rewards. However, if you can pay off your balance, the rewards are tremendous. There is a definite myth that credit cards always cause debt and should be avoided. This is simply not true. With responsible spending and budget, credit cards will not only give you rewards in return but can also help increase your credit score, which of course is pivotal for making many large purchases in life, such as cars and homes.

9. Awesome. So where can people go to inquire about your services.

You can reach Points Wizard and inquire about our services via our website, www.pointswizardtravel.com or by phone at 504-402-8878. Also, please be sure to follow our Facebook Page, where I will be offering weekly tips to all followers who want to learn about the world of points and miles (it would be nice if we can put this contact info on the screen for visual marketing).

The views and opinions expressed are those of Points Wizard. Points Wizard's views are not necessarily those of MML Investors Services, LLC or its subsidiaries. Points Wizard is not a subsidiary or affiliate of MML Investors Services, LLC or its affiliated companies.

William Franks is a registered representative of and offers securities through MML Investors Services, LLC. Member SIPC (www.SIPC.org). 1050 Crown Pointe Pkwy, Suite 1800, Atlanta, GA 30338. 770-551-3400.

CRN201906-230688