

84: How to Maximize Your Credit Card Points with Devon Gimbel



Full Episode Transcript

With Your Host

Bonnie Koo, MD

84: How to Maximize Your Credit Card Points with Devon Gimbel

Welcome to *The Wealthy Mom MD Podcast*, a podcast for women physicians who want to learn how to live a wealthy life. In this podcast you will learn how to make money work for you, how you can have more of it, and learn the tools to empower you to live a life on purpose. Get ready to up-level your money and your life. I'm your host, Dr. Bonnie Koo.

Hey everyone, welcome to episode 84. So this is going to be a super fun episode, at least it was for me. And so this episode, the meat of it is actually going to be a recording of a call that we did inside of my program, Money For Women Physicians.

So as you probably know, there is a weekly live call. And usually I'm coaching people on the call on whatever is coming up for them money wise. But occasionally I will have some special guests. We don't do this very frequently, but if there's someone or some topic that I think would be super valuable for the people inside the program, I have them come on.

And so my really good friend and colleague, Dr. Devon Gimbel is a magician when it comes to maximizing credit card points for travel. And not just any kind of travel, we're talking like luxury travel. Because as you know, I like to fly in style when possible.

I am not about maximizing points just to fly or to book low cost hotels. Now there's nothing wrong with that, it's just what I prefer. But you can do that with points, meaning you can use points to fly in style on an economy budget. And so I am all for that but I wasn't always like that. And it took me a long time to come around.

In fact, I remember when I was a dermatology resident and I had a really good friend who was really into points and she was traveling all the time to Europe, to South America. And I remember thinking how is she doing this on a resident's salary? Now, I just assumed that maybe she came from money or something like that. But what I've learned over the years is she just really understood how to use points.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Now, the points game has changed, it's always evolving. And many years ago it was really easy to get several credit cards and take advantage of some amazing sign-on bonuses where if you spend a certain amount of money in three months or six months, you'll get something like \$100,000 bonus points, which can really jumpstart your points accumulation journey.

It's a little bit harder now, but it's still possible to get some amazing sign-on bonuses. So what you're going to listen to is a recording from Money For Women Physicians, and we ended just before the Q&A part. And then I'm going to come back on and actually tell you about how I just booked an amazing, very expensive trip for, I think, \$5 on points. So here we go.

Bonnie: So Devon and I have become good friends over the years. And she talks about her credit card points and how she gets these amazing deals a lot. And then I think finally I was like, "Okay, teach me something." Because I always collected points but I learned through her I was not maximizing them.

So I thought it'd be really fun for us to talk about this, basically how to fly first class on an economy budget, basically. And so the way we're going to do this is we're going to do sort of interview style, Devon and I. Well, Devon, why don't you introduce yourself in case people don't know who you are?

Devon: Yeah, absolutely. So as Bonnie mentioned, my name is Devon and I am a double board certified physician, so I'm boarded in anatomic pathology as well as dermatopathology. So I'm technically very qualified in diagnosing disorders and diseases of the skin. Which is what I was doing in my doctor day job for many years until around two years ago, when I actually started transitioning into coaching. Which is what I now do full time.

I am a one on one coach for women physicians, and do a lot of the same work that Bonnie does. Talking about our lives, how do we make our lives

84: How to Maximize Your Credit Card Points with Devon Gimbel

wealthier, both financially, monetarily as well as experientially. And that kind of ties into why we wanted to talk about this particular topic today, which may seem a little bit kind of off center from a lot of other financial type talks and financial type ideas, but it's really just a world of extreme fun. And I think it also really ties in with this idea about how can we live the wealthiest lives possible?

Bonnie: Tell us how you even got into credit card points. Like why did you get into it? What piqued your interest?

Devon: Yeah, I'll tell you the story. So I have been a lifelong lover of travel and specifically international travel, meaning very long flights away from wherever I have been based in the United States.

So to give you an idea of what that looked like for me, in undergrad I spent a summer living in Kenya. When I was in residency, I did a couple of research projects that took me to Vietnam. And I'm talking about over the course of like four days. I would fly to Vietnam on a Saturday, it would take two days to get there, I'd spend three or four days there. Fly right back and come back to my rotations on Monday morning.

I've spent time in several different places in Africa, India, all over the place. And the entire time, my 20s and early 30s, that I was doing this travel, it was, of course, all in economy coach. I was your very typical poor, very poor medical student and resident. And so when I was taking all of these trips, it was very much just what's the cheapest way I can get myself there?

And so I have spent hundreds of hours squished in all manner of economy and coach international seats for 10, 15 hours at a time. And when I finished residency and fellowship, you know, we have this idea that we're going to become attendings, we're going to have so much more money, we're going to be able to do amazing things. And while it is true that I was definitely making more money as a new attending than I was, as a resident or fellow, I also had really high expenses.

84: How to Maximize Your Credit Card Points with Devon Gimbel

I had a lot of student loans, my husband and I had bought a home, we had our first child. So it's not like all of the money that we were making was now just disposable income for me to go gallivanting around the world. And so about three years into being an attending is when I really started learning about all things just financial health.

I got really educated for myself around how to manage our finances, the difference between different kinds of investments. And sort of as a corollary to that I started reading about this idea of travel hacking, which is how can you actually fly and travel in a business class, first class sort of experience without having to pay tens of thousands of dollars.

And so this, for me, just became a really, really fun hobby to allow me to travel in a really wonderful, really comfortable way, to be able to share those travel experiences with my family, who maybe would never get to have those otherwise. And at the same time, not actually be spending tens of thousands of dollars a year on travel because I had all these other areas in my life and financial priorities where I actually wanted to put that money.

And so that's how I really got started in this about six years ago. And since then, like I said, it's just become so much fun. I know, we're going to talk a little bit about ways that I've personally used points, the types of trips I've planned that if I didn't have access to credit card points and airline miles, I don't know that I would have been having those experiences, certainly at this point in my life when I'm 40 years old. And again, I still have normal people expenses that a lot of my money is actually going to.

Bonnie: And so I was someone that also, I'd been collecting points for a long time but Devon soon taught me that I was not using them the most efficiently. So let's talk about why should someone bother to do this? I feel like I know the answer, but how do you explain it when— When you find out someone is not using points, I know you get very passionate about this.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Devon: I do, probably more so than makes sense. But I think the reason I'm so passionate about it is because I see it as such this untapped resource. And I actually think physicians are in the perfect position to really leverage the money they're already spending.

So that's one of the big points that I want to make. It's not about spending money you don't have or spending money that you aren't currently spending. The way that I think points can best be utilized is we're all spending money all the time. We all have expenses, we're all buying groceries, we may be purchasing Netflix, you know, streaming services. We may be paying tuition bills for our children to attend certain schools.

Whatever the case may be, we're all spending money all the time. So why not leverage the money that you're already spending and just get a lot of free or highly discounted, amazing travel out of it. And so the first thing I always encourage people to do is just say, "Hey, what are you spending monthly that could be put on a credit card if you wanted to?" Because I know a lot of people still want to use debit cards or just direct transfer to pay bills from their bank account.

But if you wanted to put all of your current expenses that you have right now, how much of those could actually be put on credit cards? And that will give you a good idea of just where you could even be starting with leveraging this hobby.

Bonnie: Okay, so that seems to be tip number one, if they're not already putting things on credit card. I can't even remember the last time I wasn't using a credit card to pay for things. There's very few things I don't use a credit card for, like when I pay my monthly rent or things that require an ACH transfer. Although I don't pay taxes with it. I know you do.

Devon: You do, yeah.

Bonnie: In my mind I'm like, but there's a fee involved, blah. But I know you have figured out a way to maximize it that it's worth paying those extra

84: How to Maximize Your Credit Card Points with Devon Gimbel

fees. And so number one would be if you're not already using your credit card for most of your expenses, just looking at how you're paying for things and could it be moved to a credit card? So these are for people who are doing that already.

Would step to be— Well, some of the folks listening may not even have the right card. So do you want to talk about that a little bit?

Devon: Yeah, absolutely.

Bonnie: Or cards.

Devon: Yes, I was actually really curious about how many credit cards people even have and why. Because I think we all tend to have a really good reason for the number of cards that we currently have. And what I mean by that is when I go back to the year 2016, which is when I started getting really interested in this, I had one credit card.

So, like I said, I was an attending at that point. I had been out of training for a number of years and I had a single credit card because I had always been raised to believe that credit card “debt” is bad, even if it's paid off in full on a monthly basis. That credit cards are a way that you can become financially irresponsible.

And I think also too, just being part of the generation where when we were kids, teenagers, we weren't nearly as digital as we are now. So actually cash was a more normal part, I think, of our everyday lives, certainly in our teens and 20s than it is now. And so when I started this I only had one card and I used it sparingly because I was taught credit cards for emergencies. Like this is what you use when basically you don't have enough cash to get yourself out of a really bad spot.

And so the first credit card that I got, I didn't even honestly really know that it was a points credit card. My husband had applied for it when I was in fellowship and he was in residency. And we just charged our regular

84: How to Maximize Your Credit Card Points with Devon Gimbel

residency level expenses to it for three years before I even knew that I had points, that I could do anything with those points. And before I started making the mistakes about using those points in a not great way, and then figuring out how I could use them much better.

So wherever people are in the beginning, I would say just start with one card. You do not need to become crazy like me and have 17 credit cards right off the bat. You may never want that many, and that's totally fine. But you can start with one card. And there is no one right card or one best card.

But what I tend to recommend to people is pick a card that gives you what's called transferable points, which means that you can take the points you earn on that credit card and you can transfer it to a number of different airlines or a number of different hotels, because that just maximizes how you can use those points.

And I think two of the most powerful transferable points currencies in the credit card world are Chase points and American Express points. And so like I said, you really can't go wrong. A very sort of basic strong introductory card where if you wanted to kind of play this points game, but you didn't want to have loads and loads of different credit cards, I think two of the most reasonable cards that you can start with if you want to stick with American Express is the Amex gold card.

It's a great personal card, it gives you four times bonus points on anything that you spend at supermarkets. So all that grocery spend, you actually get four times bonus points on. You also get bonus points on dining. So a lot of us when we can't do a lot of travel, especially the last year and a half, we're spending money on eating, you know, having food delivery services. It's great to get bonus points for that. It's a relatively low fee annual card, so you're not going to be spending \$600 to \$700 a year just to maintain that one card.

84: How to Maximize Your Credit Card Points with Devon Gimbel

And then on the Chase side, a great sort of solid mid-level, entry level credit card that you can get in order to earn these types of points is called the Chase Sapphire Preferred card. And that's usually one of those two is where I tell people who want to just begin in this hobby.

Start with one of those, just put all of your spend on one of those. And then as you learn more about how you want to leverage those points, if you want to add on different credit cards at that point, great. You can always do that. But you do not have to start complicated whatsoever.

Bonnie: Do you want to add, I'm just curious what you say about this, like when you sign up for one of these cards to try to make sure you get like a high bonus sign on.

Devon: Yeah, absolutely.

Bonnie: Sign on bonus points, do you want to talk about that a little bit?

Devon: Yes, so you can even just do a Google search and you can see what Bonnie and I are talking about. So pretty much every credit card will have what is called a bonus offer for a new member. So the first time you sign up for a credit card, they want to incentivize people to sign up for these cards and so they will oftentimes offer you what's called a bonus if you meet a certain spend requirement in a certain amount of time.

So just to give you more examples, like those two cards that I just mentioned to you all, I actually looked this up earlier this morning because I was curious what the bonuses are right now. For the Amex gold card if you signed up right now, as long as you spend \$4,000 total over your first three months of having the card, you get a bonus of 60,000 American Express membership rewards points just for that spend.

So that doesn't even count any bonus points you're getting for shopping at supermarkets or putting any charges for dining or restaurant eating. So you

84: How to Maximize Your Credit Card Points with Devon Gimbel

get 60,000 membership points just for signing up for the card and meeting that initial spend requirement.

Signing up for cards can be one of the fastest ways to really increase kind of your number of credit card points. And that's why it's a really popular way and why you do sometimes find people who have 10, 15, 20 credit cards, it's usually because they're trying to leverage getting that really nice, big sign on bonus, because you can stretch those points really far away.

And I think a valid question people usually have is like, okay, so I get 60,000 bonus points for signing up for this card. What is that really going to do for me? If I need a million points to go somewhere, 60,000, okay, is that really that big a deal? But as Bonnie and I will talk about in a little bit, even 60,000 points can be leveraged for some amazing travel experiences.

And then obviously, if this is the card that you're using for your usual daily regular spend, over a couple of months or over a year you're going to accrue a tremendous number of points. And then you can really start getting creative about how you want to use those points.

Bonnie: Yeah, I think that's such a great introduction that you gave. I love that you gave examples of two cards that don't have a super high annual fee. So I have the American Express Gold Card and I got the 60K bonus, actually Devon messaged me and told me to do it.

I think my first card that I remember, I don't even know when I first got into it, was a Chase Sapphire Reserve, which is not the Preferred. The Reserve does have a high annual fee, it's like 600 bucks. I have the American Express Platinum personal card.

So for both of these cards I actually got 100K sign on bonus. You can still get that with Amex Platinum, the Chase Sapphire Reserve, they don't give 100K anymore. And then I have an Amex Business Platinum, I think you told me to get that too.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Devon: Yes I did.

Bonnie: And I think that was a 100K sign on bonus. So you can see, I have like hundreds of thousands of points now, but it wasn't until very recently that I knew how to use them properly. And so I love what you said, Devon, how you're like, "Okay, 100,000 points, 60, but what does that get you?" Because I'm sure people are like, "Okay, what does that actually mean? Is that one flight, two flights, whatever?"

Devon: Right, It's like okay, do I get to fly a one hour domestic flight in first class, which is nothing to get super excited about, or is this actually going to get me something really amazing?

Bonnie: Yeah. So we talked about how people can get started if they don't have one, which cards. And then the cards I've mentioned, they cost 500 or 600 bucks a year but I get all of it back, so to me it they're free. So we can talk about that later if people have questions about it. But I would say if you want to get started and not have a huge annual fee, the two cards she mentioned, the Chase Sapphire Preferred and the Amex Gold are good cards. They're like, what 100 bucks a year, I think?

Devon: Yeah, exactly. I think the Amex Gold is like 95 a year and right now the Chase Sapphire Preferred is also 95 years. So I think that's really reasonable compared to some of the premium cards, which again, I have. I have all of them, I have the middle ones and I have the premium ones. And it's because I know how to get enough value that for me it does offset that really high annual fee of some of the more premium cards, but that does not have to be a place where people start.

Bonnie: Yeah. Okay, so should we talk about how not to use points before we talk about how to use them?

Devon: Let's do that, yeah.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Bonnie: Why don't I give an example of how I used to use points and then you can say why—

Devon: And I have an example too.

Bonnie: Yeah, and then you can tell you could tell us why that's not. Okay, so I first started using Chase Sapphire and I had so many freaking points. I remember it was so fun to see the points rack up because it's not just like dollar per dollar. You get a point per dollar, so some of you might be thinking like, "Oh, that's going to take a while." But because there's certain categories where you get triple or quadruple points, and so I think travel and dining are like triple points on Chase, so those rack up pretty quickly depending on what trips you take.

So the way I used to use points was I would log directly into the chase.com travel portal and I would book through the portal and pay with my points. So I remember thinking this was really good. But then when I told you, you were like, "Eh."

Devon: When I had a heart attack.

Bonnie: Yeah, you had a heart attack. So it was four years ago, yeah, because Jack's four, my four year old. So we went to Paris for my baby moon and I remember being so proud of myself because I booked round trip flights and our hotel using points on the Chase portal. So the trip was free and there's like some fees you paid, and we had to pay for food while we were there. But the travel and the hotel was on points.

Devon: Bonnie, do you remember— I have two questions because I'm dying to know. Do you remember, one, how many points you spent? And, two, were the flights economy or were they business class?

Bonnie: They were not business class. I don't even remember the airline because it was so long. It was like economy plus.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Devon: Okay.

Bonnie: It was like that level. So yeah, it wasn't business. I don't remember how many points, it was four years ago, so I don't remember.

Devon: Yeah. So I'll share with you one of my worst points redemption stories, and it's something sort of similar. Like I mentioned, my husband had actually applied for the Chase Sapphire Preferred. Again, this was years ago when I was in fellowship. So this was like 2011, there was no Chase Sapphire Reserve card, that one has only been around for a few years.

So this was the card that we had that, again, I was still paying mostly in cash so he would pay a lot of his expenses when he was out and about doing things with credit cards. I wasn't really using the credit card that much.

So we had three years' worth of accrued points. And again, it was the same thing you're saying. You'd log on, you'd see the number going up, we were residents' fellows, I'm like, "Holy cow, we're rich. We've got hundreds of thousands of Chase points, this is amazing. We're going to take this incredible trip."

And in 2014, so this was three years' worth of our Chase points, everything. We had not spent a single point up until those three years. My husband and I, we live in the Chicago area, and we were taking a trip to Marrakesh for the week. So we wanted to fly from Chicago to Morocco.

And again, I think this was a couple months after we'd bought a house, we didn't have you know, tens of thousands of dollars lying around to take this amazing trip. And so we were like, "Great, we're going to use these points, this is what they're for."

And this is before I knew anything, so I did exactly what you did, I went through the Chase travel portal, which is essentially like an Expedia search

84: How to Maximize Your Credit Card Points with Devon Gimbel

engine. And when you use your Chase points, even through the Chase travel portal, they have a fixed value, which means that each one of your points will get you like one cent per point. With the Chase Sapphire Reserved it's a little bit higher, it's like 1.5 cents per points.

But it's fixed, so that means that we found flights in economy. So economy, like plain old coach class from Chicago through Spain to Morocco, for two people round trip. And I distinctly remember it was around \$2,500 cash total for those two economy tickets. Because the number of points that we spent to offset that and not actually have any out of pocket expense for those two very long Economy Class flights, was our entire Chase points balance, which was 250,000 Chase points.

And I thought we were getting the deal of the century. I was like, "This is amazing. We just got two round trip, international economy class plane tickets. Didn't have to spend anything out of pocket. Phenomenal."

Now, in reality, that is phenomenal, right? Like I tell people, the best use of points is the use that makes you happy. And at that point, going on a trip that we otherwise would not have had the money to go on, that was an amazing use of points.

But what I know now, and I'll give you all some examples a little bit later in the call, of what you can actually do with 250,000 Chase points is orders of magnitude higher than just having the equivalent of a \$2,500 round trip or two round trip coach flights.

And so that was not only my very first points redemption, but to date my very worst points redemption. Because it was after that, that I really started learning how to use these points in a better way. So it was an amazing trip, and I loved taking it. And I love that now 250,000 Chase points for me gets me, I mean, at least 5, 8, \$10,000 worth of value, not just \$2,500 worth of value.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Bonnie: Okay, so the lesson here is if you have one of the Chase cards, Chase Sapphire Reserve or the Preferred, I also— So for those of you who have a business, like many of you are practice owners or partners so you can get like business cards.

So for my business I have an Amex Business Platinum, and then I have a Chase, it's called Ink I think. There's like three types of Ink, I forget which one I have. And I just combine all my Chase points into one account, all my Amex points, it's just like an account.

So it sounds like what not to do is to book directly through the Chase portal. And would you say the same goes for American Express to don't use their portal as well?

Devon: Yeah, that's exactly what I would say. The only caveat, the only exception to that is if there's a particular flight or a particular hotel that you want to stay at and you have no flexibility. Where you're like, "It has to be these dates," or you're booking on really short term, and so your only option to book that flight or that hotel is going directly through the portal, then it's like I said, the best use of points is the one that makes you happy.

But if you have any flexibility whatsoever, you never want to use your points going straight through the portals because you get the lowest amount of value using them that way.

Bonnie: Okay. So how should we actually use our points?

Devon: Yes, this is the fun part, right? So we know what not to do with them, how do we actually use them? And the way, this is why I love things like the Chase points and the Amex points so much is because they are transferable. So you actually transfer your Chase points to one of their partners.

So for instance, United Airlines is a partner of Chase. Hyatt Hotels is a partner of Chase. So if you have 100,000, Chase points you can literally

84: How to Maximize Your Credit Card Points with Devon Gimbel

just electronically transfer them into your United frequent flyer account or into your Hyatt, they're equivalent. It's a hotel, so it's not a frequent flyer, but their equivalent of a frequent member account, and those are all free to join.

And that's where you really start getting out sized value. Because oftentimes, when you use your points through a hotel, or through an airline, they don't have that fixed value per point, like they do if you leave them in Chase or in Amex.

And so what you really want to start doing is looking at, "Okay, where's a place I want to fly? Or what's an airline that I really want to fly? And where are the places, where are the ways that I can use for instance, 100,000 Chase points, to get much higher than just a straight \$1,000 value out of them, if I were to leave them in Chase and book through the portal?

And this is where, again, there's so many different options that we're not going to go through them today, you can always start Googling this stuff and you will find just, I mean, a plethora of things. But just to give you all an idea, in general, most one way business class flights, again, I fly from Chicago in the United States. And so when I'm thinking about flying over to Europe or I'm thinking about flying to Africa, I always booked my flights one way, because it means that you can book a flight on a different carrier on your way over then your way back, it gives you a lot more flexibility.

And I tend to think about any business class flight, one way flight that prices out between like 60,000 points and 100,000 points. That is what you can expect. And if you were to just run a Google flight search, look and see, what would it cost you if you wanted to fly those same, you know, wherever you're starting from to wherever you're going?

So for me, like Chicago to Paris, what would that cost me just in cash, if I was going to buy a one way flight for one person? Thousands of dollars,

84: How to Maximize Your Credit Card Points with Devon Gimbel

usually, multiple thousands of dollars. But that's where I'm saying this is where the value comes in.

If you can spend 75,000 credit card points transferred to an airline to get a flight that would otherwise cost you 4, 5, \$6,000. That is where you're getting enormous value out of these points. So much higher than if you were trying to book that same flight, even with your points, through the Chase or through the Amex portal.

Bonnie: Okay, why don't you give your example because I know you just booked some trips recently. So you just booked a trip to Paris.

Devon: I've booked multiple trips, which I constantly text you about because it's usually on the heels of finding some amazing deal that I want to share with people. So yeah, I want to give you all just real life examples. So these are not theoreticals, these are literally trips that I booked for myself or for my family very recently, actually. Probably all within the last two or three months.

So I was just bouncing around on United's website as I do, just randomly looking at flights and seeing what was available for points because sort of how I spend my fun time is just travel perusing. And so I was looking, this is the amazing thing about United, so even though your points may be transferred to United, United has what are called partners. And it means that you can book flights on any of their partners, even with United points.

So United Partners with Turkish Airlines, Ethiopian Airlines, Lufthansa, Swiss, Austrian Airlines, all sorts of different airlines. So you can actually book international business and first class tickets on those airlines through the United website using your United points. This is why I love the transferable points, because you can just use them in so many different ways.

So I was bouncing around looking at flights. And my husband and I, our anniversary is in the end of March. And I found on United's website that

84: How to Maximize Your Credit Card Points with Devon Gimbel

there were one way tickets from Chicago to Paris, right over the dates of our anniversary on Swiss Airlines. Which is an amazing International business class airline, for it was I think for that flight it was about 65,000 points per person.

Okay, that's one way. I found us flights coming back the other way on a different airline, on KLM, which is an airline through Amsterdam, which is also amazing. And I found flights for us for a total, for two people for business class, for a total of 98,000 points, which is ridiculous.

And so I just want to give you an idea of what this actually looks like is that our total out of pocket cost for two people to fly business class round trip from Chicago to Paris, and these are not bad flights. It's not like we've got a 30 hour layover somewhere or we're routing through nine different cities. This is like a normal type of flight. For both of us, those two flights cost me \$248,500 points.

If I was to pay cash for those exact flights, like if I went to Google Flights and I booked out the flights over that we have on Swiss Airlines, the flights home that we have on KLM, for two people those tickets would price out at \$20,400. That's a lot of money. That may be a trip, honestly, that my husband I, for an anniversary, we may take once every, I don't know, five years or 10 years.

\$20,000 is still a lot of money for me to outlay for flights for a four day trip. But 250,000 points, that's nothing. That's literally signing up for two credit cards, you can get that amount of points in six months or less.

And the way that I always look at this is what is the overall value? What is the value of cents per point that I get with that redemption? And so spending 248,000 credit card points to get over \$20,000 of value out of these airline tickets, it's an overall value of eight cents per point.

Which is ridiculous, because like I said, if I was to book those same exact flights through the Chase portal, I would need almost a million points to do

84: How to Maximize Your Credit Card Points with Devon Gimbel

that. Because through the Chase portal you get a fixed value of one and a half cents per points. So it's like the same exact Chase points, do you want to spend 250,000 or do you want to spend a million for the same exact points? That is the power of transferring your points to these different airlines.

Bonnie: Yeah, that's such a powerful example. I think what comes up for me, and maybe other people have this question too, is you have to be looking for these deals, right? So if you think of, I think it's safe to say most of us are like pretty busy. We're not like Devon and just looking at united.com.

Devon: You don't do this for fun.

Bonnie: Maybe we're scrolling Facebook and Instagram for fun, although it's probably a better use of our time for scroll united.com for fun. But for a new person, I mean, I still consider myself pretty new. I started subscribing to the points guy newsletter, which I thought was a good thing for me to do. But how do we get started without having to like peruse all these different websites?

Devon: Yeah, and it's similar to when I was suggesting what's the credit cards you get started with. There's no one right answer, which also means you cannot do it wrong. And so what I tell people is, okay, where are you literally, like geographically in the world. What's the airport, especially the international airport that you have closest access to one and what are the airlines that fly through there?

Because if you're like me, I live outside of O'Hare, which is an incredible airport. But it's really a hub for United and American Airlines. There are some Delta flights that come through, but it's the vast minority. And so for me, I probably wouldn't start with like, "Oh, let me find great Delta flights." It's just not relevant for me. But if you live outside of Atlanta, which is a huge Delta hub, maybe Delta is where you want to start.

84: How to Maximize Your Credit Card Points with Devon Gimbel

So what I tell people is think about the dream trip that you want to take. Is there a place that you would love to visit if you didn't have to pay tens of thousands of dollars out of pocket to do it? Is there a place you want to go? Is there a hotel you want to stay at? Is there a flight that you want to take?

Start there because you don't even have to pay attention to all the other destinations, all the other hotels, all the other flights in the meantime. So start with just what would be amazing for me. I've talked to people who are like, "I'm dying to go to Bora Bora. I'm dying to go to the Maldives, it's a place I would never ever, ever be able to spend actual cash, outlay money for. But if I could do it on points, that's what I want to do."

And that just simplifies it. Because then all you do is look at what's the hotel you want to stay at, what's the credit card that you want to get and put all your spend on in order to facilitate doing that?

And so that's something where there's so many resources, so many groups on Facebook where you can just go and ask a simple question like that. Like, "Hey, I'm dying to go to Paris. What airline should I be focusing on?" And then just learn how to search for flights on that one airline. You don't have to learn how to search flights on 27 different airlines.

So it's really about knowing just what is the one thing I want to focus on learning how to do? Like what's the trip I want to take or the one way I want to use these points, and then learning that one method of finding things.

And it's actually very simple when you're not trying to learn all of the sweet spots for all of these different airlines from all of these different cities. It doesn't matter, focus on your city. Focus on where you're flying out of and that will actually kind of eliminate a lot of extraneous options for you up front.

Bonnie: Yeah, so just want to kind of quickly summarize. So what you're saying is— Because I think it's really easy to get overwhelmed by this and think this sounds really— These are my limiting beliefs about points until

84: How to Maximize Your Credit Card Points with Devon Gimbel

Devon was like, “We need to fix this.” I was like, “This sounds really complicated. I can't keep track of this.” That's kind of what I was telling myself.

And when I decided to— Like I said, I remember I used to always book stuff through the Chase portal. I didn't really do so much Amex because I noticed that I could tell the redemption wasn't great. I knew that even before you and I became friends. But Chase seemed reasonable.

So I think the first— And this is what I still do, so I live just outside of New York City. So I actually have three amazing airports, I have Newark International, I've got LaGuardia, I've got JFK. Actually LaGuardia is actually closer to me than Newark, even though I live in New Jersey. But I mainly fly out of Newark because it's an international airport and it's a United— I don't know if it's a hub, but there's a lot of United flights, all the major airlines.

And so I've decided to focus on United, kind of like just focus on one airline. But all the airlines are available to me technically, but I just have to focus on one. And so what I've been doing is transferring my points, I forget which card. Do they both go to United or just one of them?

Devon: Any Chase points can transfer to United.

Bonnie: Yeah, so I just look up like the flights I want to do and then I'll transfer them. And the points transfer instantaneously, it's not like you have to wait a week or something. So I've been doing that. And I've been personally using points for our family personal travel, not for business because for business you can write off things. I don't usually use points for business. Do you do the same thing?

Devon: Yes, I tend not to use points for business unless it's for international travel. So for instance, I booked myself on a flight to South Africa for next year. And I actually did use points but they were all points that came from within my business account spending to begin with. So I wasn't using

84: How to Maximize Your Credit Card Points with Devon Gimbel

personally accrued points for a business expense. I was using business accrued points for a business expense.

Bonnie: Yeah, so focusing on maybe one card, accruing points on one card. And then focusing on maybe one airline or airline partner. So I personally do United because I fly United pretty much all— And I don't even think I fly that much, but I guess I flew enough and I have some kind of status now with United, which is kind of fun.

Devon: What you'll notice too, I think the ways that you can leverage this, I feel like if you're just a single person with only personal expenses, meaning you don't own a business, you don't run a business, this is a way— First of all, you can still accrue a ton of points.

This actually magnifies if you do own a business, because you can also get business credit cards for all of your business spend. And it can also magnify if you have a partner or a spouse or someone who you share your household with because what I would always recommend in that case is to never do what's called an authorized user.

That was also one of our preliminary mistakes many years ago where we were married and so the idea was okay, one of us gets a credit card, we add the spouse as the authorized user. It's a very common thing to do. It makes sense, unless you're trying to maximize the number of points that you're accruing as a household.

So as a rule, now, my husband and I, we are never authorized users on each other's credit cards. That actually counts as a credit card on your personal credit score, credit report, even if you're an authorized user on someone else's card. And so we are always solely primary card holders each.

And the benefit of that is that if you and your partner or your spouse or the person you share your household with, if you're both applying for these cards, that means you're both eligible for the sign up bonus. So this is the

84: How to Maximize Your Credit Card Points with Devon Gimbel

way where two people can both apply for the same card, they both get the initial sign on bonus. And now we're really talking, especially when it comes to pooling those points as a household and being able to book round trip flights for two people.

Or if you're like me and has a partner who actually doesn't really love traveling, you just steal all of their points. And then there's even more points for you for your own personal travel, because you can combine them across those household accounts.

Bonnie: Yeah, I'm so glad you brought this up. Because I used to do that, I would add Matt as an authorized user. And they charge extra fees for this.

Devon: Yes.

Bonnie: And so I've just been unwinding that. And I told Matt, you need to get your own cards and get your own bonuses.

Devon: Absolutely.

Bonnie: And I'm the one who travels more than he does and so I'll probably be stealing his points too. But that's a good point because then both people can both get like a 100K or a 60K sign on bonus.

Devon: Yes.

Bonnie: And yeah, and just maximize points. So yeah.

All right. So I hope you found that call super useful. I hope it's perhaps inspired you to get some credit cards. And so let me tell you the cards that I specifically have and let me tell you how I recently used the points, with all the knowledge I've learned from Devon, in booking an amazing trip.

84: How to Maximize Your Credit Card Points with Devon Gimbel

Okay, so here are the cards that I use personally for racking up travel points. So personally, I have a Chase Sapphire Reserve. I've had that for a long time and I was able to get it when they were still giving out a 100K sign on bonus, now it's a 60K sign on bonus. They no longer offer the 100K bonus. I also have an American Express Platinum Card. I also have an American Express Gold Card as well.

And we use them for specific things. We pretty much charge most things on our Chase Sapphire Reserve, we really love having Chase points because they transfer directly to United which is the airline that I generally fly from the New York City area airports. And for American Express, the Gold we use specifically for grocery shopping because I think you get 3 or 4X points.

Now, on the business side, the two cards I have are, I have another Chase Card, it's one of the Ink cards, I don't recall offhand which one it is. But I'm able to combine those Chase points with my Chase Sapphire Reserve points. And then I also have an American Express Business Platinum card as well. And that was a relatively recent addition, I was able to get a 100K sign on bonus for that.

So let me tell you about the trip that I booked that I was super excited. Now, before I learned all these things about points, I pretty much used points by booking directly on the Chase portal. Now, there's nothing wrong with doing that, so if you've been doing that don't feel bad. It's just not the best way to maximize points.

But if you've been following me for some time, you know that my motto is always to start simple and get fancy later. So if you're brand new to points, as Devon suggested, you just kind of pick one area, maybe just pick one card and just do all your spending on that one card. Not everyone is like Devon who has, I think she's got over a dozen cards.

So anyway, one of the best ways to use points is to transfer to specific travel partners. Not all travel partners like airlines or hotels will be worth it.

84: How to Maximize Your Credit Card Points with Devon Gimbel

But Hyatt is actually one of the best ways to use points because the average amount of points to reserve a room is actually on the lower end.

And so I just booked this about a week ago. And so I'm recording this between October and November of 2021 and I basically asked Devon for help in helping me find a trip to book during the winter holidays, specifically during Christmas week.

Now I had basically given up on the idea that I could find something reasonable. Now what's reasonable? I was willing to spend money because I knew it was the most expensive time of the year to travel. But I really wasn't willing to spend \$1,000 a night for a regular hotel that didn't include any food, does that make sense? But I was willing to spend a good amount of money.

Now, everything that I had found the flights were all marked up, double or triple what they usually cost. I looked into going to Hawaii, my favorite place in the world. And flying there was reasonable but staying there wasn't. Plus it's really far, which doesn't normally pose a problem to me, but I wanted to specifically bring my son who's four years old and possibly my mom. And so I decided that I want to fly something that was going to stay likely in the same time zone and be less than a five hour flight.

So long story short, I was able to find a Hyatt resort in the Bahamas for 20,000 points per night. So I booked five nights at Baha Mar, which is not that new, but it's relatively new, it's a high end luxury resort. My MO was to find something tropical with lots of great pools for my son. He's a great swimmer, it's a fun activity for the whole family. Plus it tires him out so he goes to bed at night very easily.

So I booked five nights there at 20,000 points, or 100,000 points total. And the way I was able to transfer points to Hyatt was I transferred it via Chase. So I logged onto chase.com. And I clicked on transfer to travel partners, clicked Hyatt. And I already had some Hyatt points so I just transferred the

84: How to Maximize Your Credit Card Points with Devon Gimbel

difference. And most of these point transfers are pretty instant, they're not always, but this one was. So as soon as I transferred it, it came into my Hyatt bank and I was able to book it.

I ended up paying cash for the flights because it wasn't going to be worth using points for my flights. Now just to give you an idea of how much money that I'm saving, because for many of you 20,000 points, that doesn't translate to money. And so Chase points are valued at 1.5 cents per point.

So if I used 100,000 points, that's about a value of \$1,500. So if I book something on the Chase portal, that's how they would value the amount of points that I used, 100,000 points would be \$1,500. So it's easy math.

But the cash price of this room on Hyatt, and I actually took screenshots of this, was actually a little more than \$7,500 to book it in cash. So I actually did this where I went online, there's an option to book just regular versus using points. So I picked the regular option just to see what the total was and it was over \$7,500 for those five nights because each night was close to \$1,000 and then when you add up all the taxes and fees and et cetera it was over \$7,500.

I got this for 100,000 points, which is the equivalent of \$1,500. But obviously I didn't pay for the points. I got these points accumulated by spending money that I normally would have. And I think I paid a fee of like 5 or \$10.

So basically, I got five nights at a luxury hotel for \$5. So that is the power of points. And this is right during the week of Christmas, I'm super excited. So start collecting points, apply for a credit card that gives you points. My picks are either the Chase Sapphire Reserve personally, or one of the Chase Ink business cards and or an American Express Platinum.

Now, if you are a physician who owns your own practice, you probably have a business credit card, are you spending everything on the credit card? The Amex platinum is a great card for high spend because it

84: How to Maximize Your Credit Card Points with Devon Gimbel

technically doesn't have a limit. So if you're buying really expensive equipment, the Amex might be a better card for you.

So I've been encouraging all my clients if they're already spending money, like we all spend money, so you might as well get points for this and be able to take some amazing trips for extremely low cost, including staying at really nice resorts or using the points to fly first class or business internationally. Have a great week.

Hey, if you're ready to create wealth, I want to invite you to join my program, Money For Women Physicians. You'll join a community of like-minded women physicians who are committed to creating wealth. Just head over to wealthymommd.com/money to learn more.