

Churning the Chase Reserve for \$15,305 per Hour

Last year, I shared a post that [laid out the history of my credit card rewards](#). I'm talking about signing up for a new credit card just for the free money. Back in June, I shared about signing up for the Chase Sapphire Preferred card, and at the time it was offering a 45,000 point bonus (with the first year annual fee of \$95 waived).

In order to get the 45,000 points, I had to spend \$4,000 on the card in the first three months as a new cardholder (this accounted for 40,000 of the bonus points). Then if I added an authorized user I would get an additional 5,000 bonus points (no cost to add an authorized user). The cash value for 45,000 points is \$450...just for signing up and spending what we were already going to spend.

We ended up opening a second one in my wife's name and this time she added me as an authorized user. That was another \$450.

This was really the perfect card for us, based on where a lot of our discretionary spending goes. It came with two points on all spending for dining and travel, and one point for every dollar spent on everything else. Over the past 16 months, we have received about \$2,000 in cash back from cashing in our points.

*****Just a reminder, Freedom Fighters: **do not be the sucker who EVER carries a balance on this or any other credit card.** These cards only reward those who use them wisely and pay off any balance every month, of money they were going to spend anyway. You will eat up rewards and more by paying interest on carried debt!*****

My Next Move

Recently I found out about the new [Chase Sapphire Reserve Card](#), which is really just a better more lucrative rewards card when compared to its predecessor the Sapphire Preferred.

The initial sign up bonus is 100,000 points or \$1,000 in cash (as long as you spend \$4,000 in first three months). And Chase really upped the ante by rewarding three

points for every dollar spent on dining and travel. You still only get one point for all other spending. You also get an annual statement credit of \$300 for travel-related expenses.

So, what's the catch?

Well, it comes with a \$450 annual fee. But take a step back and put this into perspective: with the \$300 annual statement credit that's really only \$150 net per year, or \$55 more than the Sapphire Preferred (\$95 annual fee).

Over the past 12 months, we have spent approximately \$24,000 on dining and travel and should continue at this pace for the indefinite future.

Based on the 3X points for these categories, that is 24,000 points, or \$240 per year if redeemed for cash (compare this to the 2X points we were receiving with the prior card). So, even with the additional \$55 annual fee, we still come out ahead by \$185 (in year two and beyond). Due to the signup bonus, we will end up netting \$1,090 in the first year, just for signing up for the card and replacing the spending we were doing previously on the Sapphire Preferred card.

Here is the math:

\$1,000 sign up bonus (100,000 points redeemed for cash)

\$300 statement credit (on travel-related expenses like airfare, hotels, Uber, etc.)

\$240 in extra points due to 3X point structure

Less \$450 annual fee (unfortunately not waived in the first year)

Net Cash Benefit = \$1,090

As soon as we hit the spending minimum we will be applying for the same card in my wife's name. This should happen sometime in late November. That will be another \$1,090 in free money for a total of **\$2,180** just for switching out the card we currently using. The question is whether we keep either of them open. We will for sure close one before the annual fee renews, but we will likely keep one open due to the more lucrative point structure pointed out above.

*****Another reminder: be organized and set up some kind of system to remind

yourself of deadlines for optimal rewards reaping. I use Boomerang, a Gmail plugin, that allows me to send a reminder email to the future me to cancel or downgrade the card before we are hit with another annual fee. Personally, I only churn one card at a time, but for those that are more ambitious, I recommend Excel.*****

The question is whether we will add an authorized user on the card we decide to keep. Why is this even a thought? The Reserve card charges \$75 for an authorized user, whereas the Preferred does not. That said, there is still room in the additional \$240 benefit in additional points to cover that \$75 and still add incremental benefit.

Why the \$75 fee for an authorized user, you may ask. Chase charges this \$75 fee for the access to over 900 airport lounges that comes with the card (the \$450 only covers one person). So, essentially you are paying for the additional card user to have access to the lounges. Hmm...do you want your travel partner to lounge with you, or not? I know I do!

Besides lounge access, there is another benefit that comes with the card, worth \$100, and that is up to \$100 application fee credit for Global Entry or TSA Pre-check. This is something my wife and I had considered doing in the past but weren't sure it was worth the cost.

There are [a lot of other benefits](#) I am not listing, but that you can see here: [click this link](#).

There you have it, my latest credit card sign up.

UPDATE (December 2016): Since writing this (yes, there is a delay in what I write and when it gets published), I have since cashed in 116,942 points for \$1,169.42 in cash (see screenshot below):



Thank you Dominic,
Your direct deposit request was received.

Your card account ending in: 9459



We expect your deposit to be applied to your bank account by 12/12/16.

Here's your order confirmation:

Order date: 12/09/16
Order #: C24995125
Total Rewards Used: 116,942 Points

Rewards Type	Rewards Redeemed	Cash Amount Deposited	Deposited into Account ending in
Direct Deposit	116,942 Points	\$1,169.42	8803

Ready to earn more?

Be sure to keep using your Chase Sapphire ReserveSM card to earn 3 points per \$1 spent on travel purchases and dining at restaurants.*



For questions, please call the phone number on the back of your Chase Sapphire Reserve card or [check your rewards status](#) now.

In addition to this cash redemption, I have also received \$600 in statement credits. You may remember that I said this card came with an annual \$300/year statement credit. One of the advantages of signing up for this card at the end of the year is that you can get one for 2016 and one for 2017 before you're ever charged another annual fee:

Transaction	Amount	Points
12/28 TRAVEL CREDIT \$300/YEAR	-\$198.71	Statement Credit
12/28 TRAVEL CREDIT \$300/YEAR	-\$101.29	Statement Credit
10/21 TRAVEL CREDIT \$300/YEAR	-\$300.00	Statement Credit

I got my Chase Sapphire Reserve card back in October and then we applied for one in my wife's name in November. We have since hit the \$4,000 spending requirement for an additional 100,000 point bonus and have also earned another \$600 in statement credits. You will see in the screenshot below that we currently have 5,522 points, with another 102,618 coming through on the next statement. We have a transaction pending that will get us the additional \$177 to hit our second \$300 statement credit for this card.

Your Points

Available now




5,522^{PTS}



Earning on next statement ?

102,618^{PTS}

[Review more activity](#)

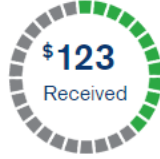
Ways to Use Your Points ?

- 
Travel **\$82.83**
This amount reflects points are worth 50% more when you redeem for travel.
[Redeem for travel](#)
- 
Gift Cards **\$55.22**
[Redeem for gift cards](#)
- 
Cash Back **\$55.22**
[Redeem for cash back](#)

- 
Amazon.com Shop with Points
[Shop at Amazon.com](#)
- 
Transfer to Travel Partners
[Transfer your points](#)

Your Activity

\$300 Annual Travel Credit ?



\$123
Received

Keep Earning

- 3 Points per \$1 on Travel
- 3 Points per \$1 on Dining
- 1 Point per \$1 on All Other Purchases

[Review more activity](#)

Transaction	Amount	Points
12/29 TRAVEL CREDIT \$300/YEAR	-\$106.00	Statement Credit
12/18 TRAVEL CREDIT \$300/YEAR	-\$17.57	Statement Credit
12/01 TRAVEL CREDIT \$300/YEAR	-\$300.00	Statement Credit
Show more		

*When everything is said and done **we will have cashed out \$3,450.82** when you consider \$1,200 worth of statement credits between the two cards, \$1,169.42 that I've already redeemed, and the pending value of my wife's points of \$1,081.40. All of this for about five minutes of our time per credit card application.*

After deducting the \$450 annual fee (\$900 for both cards) we made a cool \$2,550.82. That is an effective hourly rate of ~\$15,305 or \$32.8M per year. Yeah, I'd take \$32,000,000 this year!

Keep in mind that if you are willing direct a bit more effort than this you could do even better, by using the points to actually pay for travel-related expenses. The points are worth 50% more when used to book travel through Chase.

Are you leaving free money on the table? I don't care how much money I make, signing up for a credit card for this type of bonus is totally worth the five minutes it takes to get approved. It's the smart way to spend what I was going to spend anyway. How about you - any genius credit cards hacks you do? Share in the comments.

-Gen Y Finance Guy



Gen Y Finance Guy

Hey, I'm Dom - the man behind the cartoon. You'll notice that I sign off as "Gen Y

Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)