

Spendworth Group.

THE FREE HANDBOOK

Points & Miles 101

How banks turn your everyday swipes into \$187 billion a year, why they'll happily hand you \$1,000 to sign up — and how ordinary people flip that math and travel on the bank's dime.



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Read this first

This handbook explains how the credit card rewards game actually works — from the inside of the machine, not from a blog trying to sell you a card. By the last page you'll understand why banks pay people to swipe, why the sign-up bonus is the single most valuable object in personal finance, and why the difference between winning and losing this game is **information and sequence**, not income.

Two things make this different from the internet's endless card content. First, **I don't sell cards**. There are no affiliate links in these pages; no bank pays me a commission for anything I write. Second, I'll show you the industry's own math — what your swipes are worth to a bank, and exactly how they plan to make their money back on you.

THE ONE RULE

Rewards only exist for people who pay their card in full, every month, automatically. A single month of interest at ~22% can erase a year of points. If paying in full isn't your reality yet, fix that first — this game will still be here when you're ready, and this handbook will still be free.

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Educational information only — not financial, credit, legal, or tax advice. Figures are U.S. industry averages; sources are listed on the back page.

The Machine Behind Every Swipe

You've been playing this game your whole adult life. Nobody told you the score.

Buy \$100 of groceries with a credit card and the store doesn't receive \$100. Two to three dollars quietly disappear before the money lands — sliced off by a piece of financial plumbing most people never see. The industry calls it a **swipe fee**, and it has three parts:

WHO TAKES A CUT	WHAT IT'S CALLED	TYPICAL SHARE OF \$100
The bank that issued your card (Chase, Amex, Citi...)	Interchange	\$1.80 – \$2.60
The network (Visa, Mastercard...)	Assessment fee	\$0.13 – \$0.15
The payment processor	Processing markup	\$0.10 – \$0.50
Skimmed off before the store is paid		≈ \$2 – \$3

Illustrative \$100 rewards-card purchase; U.S. effective-rate averages, 2025–26 published schedules. Sources: back page.

Interchange — the bank's slice — is by far the biggest piece. Multiply it across every card transaction in America and you get one of the largest revenue streams in banking:

\$187B

Card fees U.S. merchants paid in 2024 — a record, up from \$172B in 2023

\$111B

Of that, from Visa & Mastercard **credit** cards alone

≈2.2%

Average interchange on a typical rewards credit card

That \$187 billion doesn't come from "the banks." It comes from prices — swipe fees are baked into nearly everything you buy, whether you pay by card or cash. You're funding this machine either way. The only question is whether any of it flows back to you.

Here's the part almost nobody knows: **not all cards cost the merchant the same**. Each network publishes rate tables hundreds of lines long, but the pattern is simple — the fancier the card, the bigger the fee:

NETWORK	PUBLISHED INTERCHANGE RANGE	TYPICAL EFFECTIVE RATE
Visa	1.4% – 3.15% + 5–10¢	≈ 1.8 – 2.3%
Mastercard	1.15% – 3.15% + 5–10¢	≈ 1.8 – 2.3%
Discover	1.56% – 2.40% + 10¢	≈ 1.9 – 2.4%
American Express	Priced separately, runs highest	≈ 2.6 – 3.0%

2026 published network schedules and processor weighted averages (in-person vs. online). Sources: back page.

A premium rewards card can cost a merchant nearly **double** what a basic card costs on the same purchase. Why would networks dare charge more? Because the bank passes a piece of that premium back to the cardholder — as points, miles, and cash back.

THE TAKEAWAY

Your points are not a gift. They are a **revenue share** — your cut of the fee your card generated. When you swipe a 1% card (or a debit card) on spending a better card would have covered, you're not being frugal. You're declining your share and leaving it with the bank.

This is also why banks fight so hard to be the card you reach for by default. Every wallet is a small auction: whichever card you pull out, that bank collects the toll on everything you buy for years. An "average" American household running \$2,000 a month through cards generates roughly **\$500+ a year in interchange** — before interest, before annual fees, before anything else.

Banks don't advertise during football games because credit cards are fun. They do it because your swipe habit, compounded over a decade, is worth thousands of dollars — and they'd like it, please.

Which raises the real question: if getting you swiping is worth that much... what would a bank pay to *acquire* you?

Why a Bank Will Hand You \$1,000

Banks are not charities, and they are not confused. The welcome bonus is one of the most carefully priced bets in finance.

Open a rewards card today and you'll routinely see offers like "\$750 after \$4,000 in spend" or "100,000 points after three months." To a normal person this looks like a bank giving away money — which should make you suspicious, because banks are famously bad at giving away money.

In industry language, that bonus is a **customer acquisition cost**. Issuers budget it the way Netflix budgets free trials:

\$200–500

Typical all-in cost to acquire one ordinary cardholder

\$1,000+

Acquisition cost for premium travel-card customers

\$1,350+

What JPMorgan reportedly spent per customer launching the Sapphire Reserve

When Chase launched its flagship premium card in 2016, demand was so hot they ran out of the metal to make it. The launch reportedly cost \$200–300 million in bonuses and perks. Wall Street asked JPMorgan's CEO about the expense, and Jamie Dimon called the card "so successful that it cost us \$200 million" — money he fully expected back, with a return.

Expected back *from where?* From you. A bank that pays \$1,000 to acquire you has a model — refreshed constantly by some of the best data scientists money can buy — projecting what the average new cardholder is worth over the following years. The bonus gets approved only because that number is comfortably bigger.

HOLD THIS THOUGHT

A \$1,000 welcome bonus is not generosity, and it's not a trick. It's a **price** — the going market rate for the next five years of your swipes, your annual fees, and (they hope) your interest. The next page shows that model's math on a real, average customer.

Meet Alex — the customer the model is priced on

Alex sees a great offer: **\$1,000 bonus** on a card with a \$95 annual fee. Alex signs up, hits the spend, collects the bonus, and feels like a winner. Then life happens — exactly the way the bank's model predicts. Alex keeps the card as the everyday default, earning a basic 1% on most purchases while the bank collects ~2.2% interchange. And in year three, like roughly **half of American cardholders**, Alex starts carrying a balance — the national average of about \$6,500, at the average ~22% APR.

THE BANK'S FIVE-YEAR LEDGER ON ALEX

BANK COLLECTS

Interchange on \$2,000/mo of swipes, minus the 1% rewards Alex earns	+ \$1,440
Annual fee, \$95 × 5 years	+ \$475
Interest: ~\$6,500 average revolving balance at ~22% APR, years 3–5	+ \$4,290
Welcome bonus paid to Alex	– \$1,000
Bank's profit on its "\$1,000 giveaway"	+ \$5,205

Illustrative math using U.S. averages: ~2.2% rewards-card interchange; 49% of cardholders revolving; ~\$6,500 average balance; ~22% APR on interest-accruing accounts. Sources: back page.

Read that again: Alex "got" \$1,000 for free — and paid the bank more than **\$5,200** for the privilege. The model doesn't need every customer to be Alex. It needs the *average* customer to be Alex, and America obliges:

\$160B

Interest charged to U.S. cardholders
in 2024 alone

≈49%

Of cardholders carry a balance
month to month

\$1.2T

Total U.S. credit card debt
outstanding

The bonus is bait, priced against the average person's worst habits. Which means something interesting: **if you refuse to be average, the math runs backwards.**

The Flip: Same Game, Other Side of the Table

Nothing about the offer changes. The only thing that changes is who read the rules.

Now run the exact same card, the exact same \$1,000 offer, past **Pat**. Pat pays in full on autopay — always has. Pat hits the bonus with planned, organic spending (groceries, insurance, the phone bill — money that was leaving anyway). Pat keeps the card while its perks outweigh its fee, then downgrades to the free version and moves everyday spending to cards that earn 2–5× on it. And Pat redeems the bonus points by transferring them to an airline — getting roughly **\$1,800 of flights**, not \$1,000 of statement credit.

THE BANK'S FIVE-YEAR LEDGER ON PAT

BANK COLLECTS

Interchange on Pat's tuned spending, minus rewards paid out	+ \$55
Annual fee — year one only, then downgraded	+ \$95
Interest and late fees — Pat autopays in full	\$0
Welcome bonus paid to Pat	– \$1,000
Bank's five-year result on Pat	– \$850

ALEX'S FIVE YEARS

– **\$5,205**

Paid to the bank, mostly in interest — for one \$1,000 bonus

PAT'S FIVE YEARS

+ **\$2,500ish**

Bonus redeemed at ~\$1,800 + ongoing rewards – one \$95 fee

Same offer. Same bank. A **\$7,700 swing** between two ordinary people — and the difference wasn't income, luck, or a secret handshake. It was information and sequence. The industry knows players like Pat exist; the models literally budget for them. Banks are fine losing money on the few Pats because the many Alexes pay for everyone.

Your entire goal in this game is to be Pat. And to defend itself from too many Pats, the industry has quietly built fences — application rules, lifetime clauses, clawbacks. Those fences are where beginners get hurt; they're Chapter Six.

A Point Is Not a Penny

The second skill of the game: the same 100,000 points can be worth \$1,000 — or \$3,000. The bank picks the low number for you.

Every rewards program has a default redemption — usually a statement credit or a "shop with points" button — and the default is almost always the worst deal in the program. That's not an accident. Points the bank buys back cheaply are points it never really paid out.

HOW YOU REDEEM 100,000 POINTS	REAL-WORLD VALUE	PER POINT
Amazon / "shop with points" checkout	≈ \$700–800	0.7–0.8¢
Statement credit / cash back	\$1,000	1.0¢
Bank's own travel portal	\$1,000–1,500	1.0–1.5¢
Transferred to airline & hotel partners, well	\$1,800–3,000+	1.8–3.0¢+

Typical ranges for major transferable-points programs; individual redemptions vary widely.

The gap comes from **transferable points** — the currencies of the four big bank ecosystems, which can move to a dozen-plus airline and hotel programs each. Airlines price award seats in ways that occasionally have almost nothing to do with cash prices, and a well-aimed transfer catches those moments: the \$4,000 business-class seat for 75,000 points, the \$900 hotel night for 30,000.

THE TAKEAWAY

Earning points is the easy half of the game. **Redeeming them is where the value actually lives** — and it's a moving target: transfer partners change, award charts devalue, sweet spots open and close monthly. This is most of why two people with identical cards can get wildly different results.

None of this means points are always right. Cash back is simple, guaranteed, and never devalues — for plenty of people it's the correct answer. Which brings us to the five setups.

The Five Setups That Cover Almost Everyone

You don't need 12 cards or a spreadsheet. Nearly everyone's best answer is one of five shapes.

SETUP 01

The Simple 2%

For people who want zero effort and zero annual fees.

One flat-rate card earning 2% cash back on everything. No categories, no points to learn, nothing to remember. Most people currently earn closer to 1% — moving everything to a flat 2% card doubles their return with literally no ongoing effort.

If you spend heavily on groceries, dining, or travel, one of the setups below beats this — you're leaving money on the table for simplicity you may not need.

SETUP 02

The Cash-Back Duo

For households with big grocery and dining bills who want cash, not points.

A category card earning 3–6% on groceries and dining, plus a flat 2% card for everything else. One rule to remember — food on card A, everything else on card B — and a household's blended return typically lands at 2.5–3.5%.

Category cards often carry fees or caps. Whether the fee pays for itself depends on your real grocery spend — a five-minute calculation worth doing before you apply.

SETUP 03

The Travel Starter

For people who want their first taste of free flights without going deep.

One mid-tier card earning transferable points, plus its no-fee sibling in the same program so every dollar feeds one balance. A single well-timed sign-up bonus in this setup is routinely worth a round-trip international ticket on its own.

Points only beat cash if you redeem them well. If you'd rather never think about transfer partners, take the Cash-Back Duo and be happy.

SETUP 04

The Points Ecosystem Trio

For frequent travelers ready to treat points as a second currency.

A premium travel card for travel spend, perks, and lounge access; a strong everyday earner for groceries or dining in the same ecosystem; a no-fee flat-rate card as the catch-all. Every purchase earns 2–5× into one transferable balance, and the premium card's credits offset most of its fee. Done right, this reliably funds business-class flights and hotel stays that would cost thousands in cash.

The fees are real, and credits only count if you'd genuinely use them. This setup rewards people who travel several times a year — and punishes people who don't.

SETUP 05

The Business Owner Stack

For anyone with business spend — a side hustle counts.

A business card matched to your biggest expense (ads, shipping, inventory, travel) plus a personal transferable-points card for redemptions. Business spend is the most under-monetized money in the rewards world: it's large, it's concentrated, and business cards carry some of the biggest bonuses available. Owners routinely earn five or six figures of points a year on money they were spending anyway.

Keep business and personal spend cleanly separated — and never let rewards tempt you into carrying a balance. Interest outruns every bonus ever printed.

THE HONEST PART

Naming your setup is genuinely the easy 20%. The 80% that decides your results is **which specific cards fill it, in which order, timed how, against which issuer's rules** — using your real spending, your credit profile, and the offers available this month. That's the part that changes constantly, and it's the part the next chapter should make you appropriately nervous about.

The Landmines

Remember: the banks budget for a few winners, but they've also built fences to keep the number small. Every fence is invisible until you hit it.

01 Application-velocity rules

Several major issuers silently auto-reject you based on how many cards you've opened recently — across *all* banks, not just theirs. The thresholds are unpublished, differ by issuer, and change.

GET IT WRONG: one mistimed application can lock you out of an entire bank's cards — and their best bonuses — for up to two years.

02 Once-per-lifetime clauses

Some issuers pay each bonus only once per lifetime, or once per "family" of cards. Apply for the right card at the wrong moment — or in the wrong order within a family — and you burn the offer forever, even if a 40% bigger version appears next quarter.

GET IT WRONG: a permanently forfeited bonus, routinely worth \$500–1,500.

03 Clawbacks and shutdowns

Every issuer reserves the right to reverse bonuses and close accounts for what it considers gaming — and each bank draws that line differently. The lines are real, they're mostly unwritten, and forums are full of people who found them the hard way.

GET IT WRONG: points seized, accounts closed, sometimes a lifetime ban from that bank.

04 Timing and sequencing

Offers cycle between standard and elevated versions. Spend requirements overlap. Business and personal applications interact. The *same five cards* acquired in a different order can differ by thousands of dollars in captured bonuses.

GET IT WRONG: nothing breaks — you just quietly collect half of what your spending could have earned.

I'm deliberately not spelling out the current rules here — not to be precious about secrets, but because they change without notice, and a half-remembered rule from a PDF is exactly how people hit mine #2. What matters for now is simpler: **the order of your next three cards matters more than the choice of your next one** — and order is irreversible.

Seven Expensive Mistakes

Every one of these is common, avoidable, and quietly costs real money.

1 Carrying a balance to "build rewards"

At ~22% APR, interest erases a 2% rewards rate 11 times over. If you remember one number from this handbook, make it that one.

2 Redeeming points at the checkout button

"Shop with points" and gift-card redemptions often pay 0.7–0.8¢ per point — the bank recycling your rewards at a discount. The same points, transferred well, can be worth 2–3×.

3 Closing your oldest card

Age of accounts feeds your credit score. There's usually a way to keep the history without keeping the fee — downgrade, don't cancel.

4 Applying in whatever order the ads suggest

Chapter Six in one sentence: sequence is worth thousands, and it's set in stone the moment you click apply.

5 Chasing a bonus with spending you wouldn't have done

Manufactured "deals" to hit a \$4,000 requirement can cost more than the bonus pays. The spend requirement should disappear into bills you already had.

6 Taking card advice from affiliate sites

Most "best card" lists are rankings of commission rates, not of cards. If the reviewer gets paid when you apply, you're reading an ad with a font change.

7 Letting points sit for "someday"

Points are a currency that only inflates downward — programs devalue with no notice. Points you'll never redeem well were never rewards at all; they're a liability on the bank's books they hope you'll forget.

NOTICE THE PATTERN

None of these mistakes feel like mistakes while you're making them. That's the design. The game is legal, the rules are (mostly) published — but the defaults are all set against you.

The DIY Bill

You can absolutely learn all of this yourself. People do. Here's the honest invoice.

Everything in this game is learnable from public information — the same way tax law is. What the blogs don't mention is the meter running while you learn:

WHAT IT TAKES TO PLAY WELL ON YOUR OWN	REALISTIC TIME
Learning the fundamentals (ecosystems, transfer partners, valuations)	10 – 15 hrs
Matching cards to <i>your</i> actual spending, not a blogger's	8 – 12 hrs
Researching issuer rules & sequencing your applications safely	5 – 10 hrs
Learning redemptions well enough to beat 1¢/point reliably	10 – 20 hrs
Tracking elevated offers, devaluations & rule changes (2–4 hrs/mo)	25 – 50 hrs/yr
Year one, all-in	≈ 60 – 100+ hrs

Value your time at even \$25 an hour and year one costs **\$1,500–\$2,500 of you** — before counting the expensive part, which is the tuition. The landmines in Chapter Six don't grade on a curve: a burned once-per-lifetime bonus or a two-year issuer lockout costs more than every consulting fee on the next page combined, and no amount of later reading un-burns it.

And it doesn't finish. The card landscape moves monthly — offers cycle, credits change, partners devalue. The hobbyists who beat the banks are genuinely impressive people who have made this their hobby. The honest question isn't whether you *could* do this. It's whether you *want* a second hobby — or just the results.

THE MATH I'D WANT SHOWN TO ME

A typical household we work with uncovers **\$600–\$900/year in ongoing improvement plus four figures of first-year bonuses** — captured on purpose, in the right order, without the 100 hours. That's the entire pitch. If the numbers don't work for your situation, I'll tell you that on a free call, and you'll have gotten a free handbook out of me.

Why I Do This

Years ago I was in a long-distance relationship with the woman who's now my wife — and after one too many \$300 last-minute flights to see her, I realized the airlines were winning a game I didn't even know I was playing. So I learned it properly.

Those same flights started costing me almost nothing. Since then, my wife and I have earned more than **\$25,000 in credit card rewards** — flights and hotel stays around the world, paid for with points from spending we were doing anyway. Trips we never could have justified at full price.

Spendworth Group exists because good advice in this space is surprisingly hard to find. There's endless information out there — but most of it is either pushing an affiliate code or just plain wrong. You've now seen why: the machine is profitable enough to fund a lot of noise.

My only incentive is you. I sell no cards, earn no commissions, and take no kickbacks from any bank. You pay me a flat, published fee; I build you a plan around your real spending and goals. If I don't find you the value I promise, my two bigger packages are simply free — that guarantee is on the next page.

Landin Miyake

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The difference between winning and losing this game isn't income. It's information and sequence.

IF YOU WANT A GUIDE

Three ways to get your Points Path

Every engagement starts the same way: a free, no-pressure 15-minute call where we look at your spending and show you — in real numbers — what you're leaving on the table.

The Essentials

\$205 one-time

One-hour strategy call

- ✓ 1-hour one-on-one video call
- ✓ Review of your current cards
- ✓ Personalized recommendations, live
- ✓ Programs matched to your goals
- ✓ 7 days of follow-up email

For beginners who want expert direction, live

MOST POPULAR

Points Path

\$289 one-time

Your complete written strategy

- ✓ Everything in The Essentials
- ✓ Written step-by-step Points Path
- ✓ Sign-up bonuses properly sequenced
- ✓ Redemption playbook + client portal
- ✓ Second walkthrough call + 30 days Q&A

\$500 of value found — or it's free

Concierge

\$599 one-time

Your strategy, managed

- ✓ Everything in the Points Path
- ✓ 12 months of ongoing support
- ✓ Plan updates as offers change
- ✓ Redemption help when you book
- ✓ A pro in your corner all year

\$1,000 of value found — or it's free

Flat fees, published prices, no commissions from banks, no upsells on the call. The free 15-minute call exists so you can find out — before spending a dollar — whether your numbers make this worth it.

01

Survey + free 15-minute call

We look at how you spend and earn today, and show you the gap in real numbers. No obligation, no pitch.

02

Your personalized Points Path

Which cards, in what order, timed against the rules in Chapter Six — matched to your spending and goals.

03

The value stacks up

Bonuses landed on purpose, points redeemed at 2¢+, and a plan that survives the landscape changing.

YOU'VE READ THE 101

You're already spending the money. Start earning what it's worth.

The next step takes 15 minutes and costs nothing: a free call where we put your real numbers into everything you just read — and tell you honestly whether it's worth going further.

Book Your Free 15-Minute Call →

spendworthgroup.com/personal/#book · Contact@miyakeconsulting.com
Free 15-minute call · \$500 guarantee on the Points Path · \$1,000 on Concierge

Sources for figures cited: Nilson Report (2024 U.S. merchant processing fees, \$187.2B, via Merchants Payments Coalition, 2025); Helcim / The Motley Fool Money research (2026 effective processing-rate averages by network); published Visa, Mastercard & Discover interchange schedules (2026); Consumer Financial Protection Bureau, Consumer Credit Card Market Report 2025 (\$160B interest assessed 2024; average APRs); Federal Reserve data 2025–26 (share of cardholders revolving; average balances); PaymentsJournal / press reporting on Chase Sapphire Reserve launch economics (2016–17). Alex & Pat five-year ledgers are illustrative examples built from these averages, not guarantees of any outcome.

Disclaimer: Spendworth Group (formerly Miyake Credit Card Consulting) provides educational information and independent consulting on credit card rewards strategy. Nothing in this handbook constitutes financial, investment, credit, legal, or tax advice, and no outcome is guaranteed. Credit card rewards are only beneficial when balances are paid in full each month; carrying a balance at typical APRs will cost more than any rewards earned. We are not a credit repair organization and make no representations regarding credit scores. All figures are U.S. industry averages from the sources above, current as of mid-2026 and subject to change. © 2026 Spendworth Group · miyakeconsulting.com · [Privacy & Terms](https://miyakeconsulting.com/privacy): miyakeconsulting.com/legal/

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