

# Money **1st**



## Dodge the Hype and Nab the Best *Card Rewards*

### 1 Stick With the Simple Formulas

**The pitch:** Junk mail is back. Nearly 1.1 billion credit card offers went out in the second quarter of 2010, up from 419 million a year earlier. Eight out of 10 were for rewards cards—but a countless number of those pitches aren't as good as they seem. Several issuers, for example, are touting 5% cash back in different spending categories throughout the year. The problem? Complicated rules, like having to sign up every quarter (miss the deadline, miss out on the reward). And the perks may stop accruing once you hit low quarterly spending caps. Another annoying piece of fine print: having to collect cash back in increments of \$50, which delays your payout.

**Best move:** "Aim for cards that offer simplicity and automation," says Curtis Arnold of CardRatings.com. Two straightforward rewards programs that have served cardholders well for years are Blue Cash by American Express (1.25% cash back after you spend \$6,500 a year; 5% back at gas stations, groceries, and drugstores after that threshold; 800-223-2670) and Fidelity Investment Rewards (2% cash back into your Fidelity account; 866-598-4971).

### 2 Make Sure You Can Spend Those Miles

**The pitch:** Airline cards dominate the promotions, and some deals seem sweet: Citi AAdvantage, for example, doles out 30,000 bonus miles on American for opening the card and charging \$750 in four months. But with free flights often tough to book, extra miles alone are nothing to get excited about.

**Best move:** Sign up for a travel card that makes redemption easy. Venture, from Capital One (\$59 annual fee, waived first year; 800-410-0020), awards a generous two miles for every dollar you spend, and you can use your miles as cash. One mile equals 1¢. Spend \$20,000 a year, and you'll end up with \$400 to put toward any flight.

### 3 Don't Limit Your Choices

**The pitch:** A slew of cards are touting customization as a way to maximize rewards. Don't be fooled: Most offers to "build your own card" are just filtering systems to get you to choose from a bank's existing stock.

**Best move:** Instead of limiting yourself to one issuer, visit [billshrink.com](http://billshrink.com). Enter factors like your credit range, how much you spend each month, and what types of rewards you prefer (miles vs. cash, say), and the site comes up with the options that best suit your needs. —ISMAT SARAH MANGLA