

## TYPES OF FREQUENT FLYER MILES

Most people collect frequent flyer miles with the goal of redeeming them for amazing travel experiences. However, many people are unaware that not all miles are created equal.

“What?” you say, “but I get double miles every time I shop!”

Okay, but how much are the miles you’re earning really worth to begin with? This is a detail some frequent flyer programs leave off, assuming you won’t notice the disparity until it’s too late.

It’s important to know the differences in value of different kinds of miles so that you can make a smart decision on which miles to collect so you can get the most out of your future flight redemptions.

Read this before you decide which type of frequent flyer miles you want to earn.

The three basic categories of FF miles are:

- Fixed Value Miles (points)
- Single Airline Miles (points)
- Flexible Points

**Fixed Value Miles/Points** – These are points that can be redeemed at a fixed value for airfare, hotel and other travel services. One example of this type of point would be Capital One points.

The value of these points is usually 1 penny per point. So if you want to buy a plane ticket that costs \$1,250.00 USD you will need to use 125,000 points. It’s very straightforward and easy to understand.

The pro of these points is that you can use them without blackout dates and you will earn FF miles on whatever airline you travel on because the company that issued you the points (Cap. One) is actually buying that ticket for you.

The con (which I consider to be pretty bad for anyone who is trying to fly international First or Business class) is you get a terrible value per point. I mean, 125,000 FF miles (used as fixed value miles) will only get you a Coach seat on an International flight.

However, if you used 125,000 miles from one of the two categories below, you would get a First Class International flight from the US to Europe or Asia!

**Single Airline Miles/Points** – These are the same points you get when you fly on any given airline. They are associated with one airline and, as a general rule cannot be transferred to any other program.

For example, American Airlines FF miles cannot be transferred to another airline program. They are, and forever will be, American Airlines FF miles.

They can, however, be redeemed for awards via American Airlines on American Airlines and its partner airlines, which includes all the members of the OneWorld Alliance. This gives you a lot of options if you understand how airline alliances work.

These points can be leveraged for amazing awards. Just last year, my girlfriend and I flew in [First Class from Los Angeles to Tokyo for 125,000 miles and \\$52.50 each](#). If we had purchased those tickets they would have cost over \$10,000 each!

As you can see, these miles are much more valuable than “fixed value” miles. One would need 1,000,000 “fixed value” FF miles to take the same trip we took for only 125,000 American Airlines FF miles.

**Flexible Points** – Even better than single airline FF miles, flexible points can be transferred to multiple airline and/or hotel programs, and are by far the most valuable points to collect.

The three points programs that have flexible points are:

Starwood Preferred Guest  
Chase Ultimate Rewards  
AMEX Membership Rewards

To illustrate why these flexible points are the best, I will use an example from the Starwood Preferred Guest Program. Although, SPG is a hotel chain, they have partnerships with over 30 airline programs and you can transfer your Starpoints to any of [these 30+ airlines](#) and then redeem them for flights with that specific airline or any of its partners.

Many of the transfer partners have 1:1 transfer ratios and Starwood even gives you a bonus of 5k miles when you transfer in chunks of 20k. So 20k Starpoints when transferred to American Airlines becomes 25k American Airlines FF miles. Great bonus, right?

However, the real beauty of these points is that you can keep them as Starpoints until you are ready to make a redemption and then you can transfer them to the airline partner that has the best award redemption for the particular flight you want to take

Of course, you can always use them to stay at Starwood hotels, which have some great values, especially when you use points + cash.