

Making free money off Credit Cards

by [Luke Smith](#)

While I've done a video on this topic before ([PeerTube](#), [YouTube](#)), some people asked me for more information, so here it is.

Aren't you glad to be an AMERICAN?



In America, people are so **notoriously dumb** with credit and money that credit card companies can *literally give out free money by the hundreds* to attract new customers. For brainlets who don't bother to understand the basics of credit and debt and the fact that you apparently have to pay back the money you spend, this is like a fly trap. For non-retarded people it is what it is: *free money*.

Exploiting introductory offers

Many credit cards have introductory offers like this: "If you spend \$500 on this card in the first 3 months, you'll get a free credit of \$200." That would be a cool offer in the first place, but since there are *so many* cards that have offers like this, a pattern emerges:

1. Open a card with an introductory offer, for example: "Get a \$200 credit when you spend \$500 in 3 months."
2. Use it for your normal daily life until you spend that \$500.
3. Get/redeem/spend the credit/cashback/points on that card. Literally free money.
4. Disable the card and lock it away unless it has some other extremely good offer.
5. Rinse and repeat, this time with a new card and new offer.

Every year I go through a couple cards like this, making a couple hundred or a thousand dollars back. If you do the math, it can be like living with a permanent 20-25% off coupon that you use on literally everything. Individual cards will have even more perks to pump-and-dump for extra cash back.

Cards to churn

Here's a brief list of some cards whose introductory offers I've taken advantage of. This is just an example list, there are many more.

Card Name (Bank)	Bonus	Other card info
Freedom Flex (Chase)	\$200 after spending \$500	Also get 5% cashback on groceries for the first year. 5% on rotating categories normally.
Freedom Unlimited	\$200 after spending	

(Chase)	\$500	
Quicksilver (Capital One)	\$150 after spending \$500	
Cash Wise (Wells Fargo)	\$150 after spending \$500	
Travel Rewards Visa (Bank of America)	25,000 points (\$250) after spending \$1000.	The points are best redeemed for "travel expenses," which is basically everything from gas to groceries.
Cash Rewards (Bank of America)	\$200 after spending \$1000	
Wells Fargo Propel	20,000 points (\$200) after spending \$1000.	3% cash back from restaurants, gas and travel

Note that the link to the Chase card (actually probably the most useful one) is a referral link. If you apply for the card at that link, I get a \$100 credit. Nice. Unfortunately I can only get it 5 times a year, or else I could get filthy rich recommending credit cards on the internet. Either way, you can "donate" to me by free by clicking it, and you can get \$200 yourself with the bonus.

That's it! That's all you need to know, to take advantage of this, but the rest of this page is just details that people ask about. Read on for more!

How credit card companies try to mitigate this

As I said, introductory offers exist primarily to get dim-witted people who don't know how credit works into using cards unwisely or at least normal people into switching to a different company. They know that high-agency people can exploit this system, so there are some rules they put in place to mitigate the extent to which you can take advantage of their offers.

Chase, for example, will not approve anyone for a credit card who has gotten five other cards in the past two years. Wells Fargo will not allow you too open cards with introductory offers without a 18 month gap in between. Those are the main ones; other banks like Bank of America don't bother preventing it at all, but it's possible that they will start something like this soon.

Cautionary note for credit brainlets

I suppose it goes without saying that credit cards are not magical money devices and everyone who has a credit card should only spend what they have the account that autopays their card or even better, do what I do and **never let my head hit the pillow before paying off all debts**. This might sound like a condescending thing to say, but obviously some people out there don't understand how credit cards work and are going into debt for no good reason. I know everyone who follows me is smart of course, but I say this rhetorically.

When I did a video on this I was surprised to learn that there are *also* people that resist and detest credit cards but *still* don't understand them. Some people have this strange idea that merely possessing a credit cards causes debt to occur in some cultic fashion outside of your control. And for people who can't know better, maybe it's better for them to think of credit cards as essentially magical objects if it means they aren't misusing them. For everyone else, credit cards are easy to use and exploit and benefit from.

Other advantages of having multiple cards

It's actually nice to have a number of rewards cards from different companies. I will occasionally check the bank or card's web interface and there will often be additional perks especially for points-based cards. It can often mean 10% in addition to everything else from buying from a hardware store or grocery store. There are many niche businesses and I don't recommend into getting roped into buying something you wouldn't be buying anyway, but I keep tabs on if there is anything familiar.

Similarly, it's nice to have "rotating category" cards that offer say, 5% on a certain *type* of buy for a period of several months. The [Chase card](#) I mentioned above, for example is giving 5% cash back on every purchase made on PayPal as I write this in Q4 of 2020 (it looks like they do PayPal every year or so). I've actually been deliberately making all purchases I would be making anyway over PayPal, just so I can maximize earnings. I'm even going to be paying bills in advance with PayPal so when they are actually due next year, they'll be paid, and I'll have the extra cash back.

Common questions about exploiting introductory offers

A lot of people hear this and think, "sounds too good to be true." Makes sense, but **we live in a complex world which again is primarily targeted to the unwise**. I've been doing this for years and have made back a lot of lot of money and even increased by credit score.

Let's talk about some of the concerns people new to credit card churning might have:

"But what about muh credit score?"

I'm not entirely sure why people think this, but there's this idea that somehow you're scamming or defrauding credit card companies by doing this. You aren't. You're just obeying their terms of service. You're certainly not neglecting payment or proving yourself a bad investment for a loan, which is what a credit score is actually about.

Opening new credit, including credit cards, will mean an inquiry on your account and for a time being, you'll be marked as "looking for credit." This will decrease your credit score by a small amount; it's normal. But over time, **having lots of credit which you have paid off is good for your credit score**. That's, like, what a credit score is. Having more credit cards and properly paid off is a great plus on your account.

"B...but that's unethical!"

You gotta be an extreme simp to see these companies massively ripping off retards and nickel-and-diming people and say something stupid like, "I mean is this really ethical?" You're an idiot. You don't deserve free money. Why use your principles to defend people who obviously don't share them?

A lot of these companies even charge people *to have checking accounts*. Just in case you don't know how banks work, they make money loaning out their reserves. They are already making money off of every account. Charging you extra so they can make money off you is just more icing on the cake for them. There are many banks who are less skills who simply don't do this because it's totally unnecessary.

People who think this, do you go to the grocery store and chide people who get free samples as unethical? It quite literally is the same thing except for the store never makes money off people who just take samples. A bank whose offer you exploit still might make a lot of money loaning out money you put in a checking account there or even on the credit card transaction fees they charge merchants. And if they didn't, who cares?

"Do I need a checking account?"

If you get a bonus from a Chase card, do you need a Chase checking account to redeem your bonus or points? **Usually not.**

Every credit card company I've used allows you to set up automatic payments from another bank. So you shouldn't have to worry about paying your bills.

If you get an account credit, that will appear as a negative number on your card and you will be able to spend it without paying it off. If you get points, it might be that you need a checking account to redeem it as cash, but you can also usually redeem previous purchases or sometimes receive your bonus in the form of a bunch of gift cards.

This is an important question because some companies like Chase or Bank of America will *charge you* several dollars a month to have a checking account open, which I find utterly ridiculous. In both cases, you can waive the fee if you have either direct deposit into the account or if you just have a certain amount of money in the account (I think it's \$1,500 in the case of Chase). It's no problem for me to transfer that amount from my savings into the account and let it sit there, but if you don't have the money, watch out.

The Bright Side of Checking Accounts

Since those companies charge for checking accounts, they also will put out incentives of free money for people who don't know how to waive them. I actually recently started an account at Chase and they were offering \$200 free dollars if I set up direct deposit on a new checking account. [It's still around.](#) Great, free money. Thanks suckers!

Just be wary of the terms. In Chase's case, you have to keep the account open for 6 months or they'll deduct \$200 back, but again, if you're putting in the minimum account requirement and can keep it there for that time, you get that free vacation money.

Three important notes on Credit Cards

The psychology of spending

One aspect of human psychology is that people are more likely to be okay with spending or wasting money if they're using credit or debit cards rather than paper money. It makes sense. If you have to part with a physical object to spend something, it can hurt. It doesn't hurt as much to use a card.

I find that the antidote to this is actually in introductory offers. If I get a card that gives me a bonus for spending \$500 in 3 months, I treat that \$500 as my absolute budget no matter what. Bills included if possible.

Additionally, I started pasting sticky slips on the back of my cards where I keep track of the exact amount of money I use on each card so I know when I hit the required amount for the bonus. Each time I spend, I deduct that amount from the original number. This actually serves the double purpose of making the money-spending more real to me. I'm not just swiping my card, but subtracting the amount and can feel what I'm spending.

Don't use cards with annual fees.

Or at least if you do, be smart about it.

None of the cards [I recommended above](#) have any annual fees. So you can get them and not worry about canceling them. You can logically exploit the offers of cards with annual fees and cancel them afterwards to avoid paying the fee, but I don't do this myself.

Firstly, annual-fee cards are usually targeted to big spenders: their offers will be something more like "spend \$4000 in the first 3 months and get \$750." If you're making a big purchase, that might be worth it, but I personally am the kind of guy who feels guilty for spending too close to \$300 a month. I would definitely contemplate one of these if you know you're going to spend some massive amount of money though. Don't forget to cancel it later!

The bigger issue with annual-fee cards because they are used primarily for **social engineering and corporate sponsorships**. That might sound strange, for example, but some cards which cost several hundred dollars a year might give you a big free annual credit on their favorite airlines or on Uber or Lyft or Amazon or some other godless corporation. That makes them work for people who are loyal consoomers of their chosen affiliates, but for most people, getting the benefits of those cards requires you to *use the products they want*.

I've seen some cards that give you bonuses for using them 30 times a month or something else. Sure you can juke the system, but I feel like the incentives they put forth are too strong and will probably manipulate you into spending more than you usually do. The reason I recommend [the other cards I do](#) is because you can easily spend that much if you're an independent person without feeling like you have to spend more.

Minimizing Privacy Exposure

Now if you're someone principally concerned with privacy, there are ways for you to take advantage of these kinds of offers without exposing your daily purchases. Obviously opening a credit card does require some basic information, like who you are and where you live (other things your bank already knows). But you can minimize your exposure by using the money on the card for a single recurring payment credit.

For example, let's say you pay an electric bill every month. Many power companies/co-ops allow you to prepay or accumulate a credit, so if you open a spend-\$1,000-get-\$250 card, you can immediately prepay \$1,000, wait for your free \$250, then prepay that amount as well.

In that, you've got your free \$250 (and you can forget about paying bills for a year or so) and the only new thing the credit card company knows is your power supplier (which they could probably guess anyway from where you live). You could do the same with other recurring payments.

A lot of people I've talked to plan on using these offers to by over-the-table cryptocurrencies. That works too.

Additionally if you make a large purchase like a car that is going to have to be registered with "the system" anyway, it might be a good time to get one (or maybe more) of these cards.

The most important thing, however, is that *you* are the one ripping them off and never the reverse. Do not spend more or waste more because you feel richer because you have something that feels like a free money card.

"Daily drivers"

When not pumping-and-dumping a credit card for an introductory offer, there are also generally good cards that you can keep to maximize idle cash back. **Obviously the true red-pill is using cash**, but if you'd rather get bonuses from cards, here are some options I use with links:

- [5% on gas and purchases on military bases](#) (unfortunately USAA is very exclusive (you must have family in the military), but great for members)
- [5% on groceries](#) (only for first year, but there are multiple cards that do this can can be cycled (or get your wife to get it next year))
- [3% at restaurants and on travel expenses](#)
- [2% on everything else](#)

It should also go without saying that you should have fixed costs/bills set to charge credit cards just for the free cash back. I mean if you have \$250 dollars in bills a month and hook them up to a 2% cashback card, that's \$60 back a year. It adds up over the years.

Again:

"The NEET will work harder than the wagie to stay out of a job."
—Nullennial (YouTube comment)

"I'm Jewish and I find this video Jewisher"
—shiran (response to [my original video](#) on this)

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