

DENVERPOST.com

Breaking the frequent-flier piggy bank

Frequent fliers like to hoard their miles, but it's a gamble. With the industry in turmoil, it might be a case of use 'em or lose 'em.

By Kelly Yamanouchi
Denver Post Staff Writer

-- Selected excerpts from the article --

Article Published: Sunday, February 27, 2005

Are my frequent-flier miles at risk?

As one airline after another falls into financial difficulty, people who hoard those reward miles for later-life travel are having to ask themselves that hard question.

Many fear their miles will become worthless, but even the largest stakeholders don't agree on what's best to do about it.

Most experts say it's wise to stop collecting them and start spending them. Their reasoning: Airlines are struggling, fares have dropped and it seems harder to redeem miles

....

Frequent-flier experts also point to the falling value of miles as a reason to use them now.

The buying power of frequent-flier miles has fallen 33 percent since 1994, based on values for American, Continental, Delta and United, according to an analysis by Jay Sorensen, president of business consulting firm IdeaWorks.

In 1994, many airlines offered free flights for accruing 20,000 miles, but that has since increased to 25,000, Sorensen said. Meanwhile, domestic airfares have fallen, further lowering the value of each frequent-flier mile redeemed.

....