What is Southwest Airlines elite status worth in 2023?

(Courtesy of Nick Ewen, The Points Guy)

Editor's note: This is a recurring post, regularly updated with new information.

Airline elite status benefits can make your travel experience more seamless and enjoyable. But if you're new to the points and miles hobby, you may wonder just how valuable these perks can be. Is it worth devoting yourself to earning status with a specific airline?

I'll continue to answer this question by quantifying the value you can get from the major U.S. airlines' elite status programs. This particular analysis will go through the Southwest Rapid Rewards program in depth to try and answer a simple question: Is it worth pursuing Southwest elite status in 2023?

Be sure to check out other airlines for a full breakdown of their elite benefits:

- <u>American AAdvantage</u>.
- Delta SkyMiles.
- United MileagePlus.
- Alaska Airlines Mileage Plan.

Methodology

Before diving into the Rapid Rewards program, I want to remind you that my valuations below represent a singular way to identify what elite status is worth to a potential traveler. You should adjust any assumptions I make to fit your travel situation. For example, if you rarely fly with a companion, you'll value the <u>Southwest Companion Pass</u> less than a family or group traveler.

It's also important to note that my analysis is based on earning status and traveling a comparable amount in 2023. So, adjust our valuations accordingly to fit your own travel needs and how often you expect to use each of these benefits.

This brings me to the third part of this analysis: the underlying assumptions I'm making. To really hit a value for benefits, I have to assume a certain amount of flying and a corresponding amount of spending. Southwest awards elite status a bit differently than most other airlines — instead of earning status by miles flown, you'll earn Tier Qualifying Points (TQPs). Here's how:

- Wanna Get Away fares: 6 TQPs per dollar spent on base fares (excluding taxes and fees).
- Wanna Get Away Plus: 8 TQPs per dollar spent.
- Anytime fares: 10 TQPs per dollar spent.
- Business Select fares: 12 TQPs per dollar spent.

This analysis assumes that you earn 20% more TQPs than the minimum required for the given level. I'll then assume that you spend an average of 7 cents per TQP, which is what you'd average across the year

if 10% of your purchases are Business Select tickets, 10% are Anytime fares and the remaining 80% are Wanna Get Away.

You should always modify these details based on how much you plan to travel in 2023 and the types of Southwest tickets you most frequently purchase.

Three final pieces of information: First, since you'll earn bonus points as an elite member with Southwest, I'm using <u>TPG's most recent valuations</u> to calculate their value (1.5 cents apiece). Second, I'm rounding all numbers to the nearest \$5 to make the calculations easier.

Finally, it's worth noting that Southwest occasionally runs promotions to help qualify for elite status — like the <u>current offer through May 31</u> for double TQPs on paid tickets, TQPs on award tickets and bonus TQPs based on credit card spending. However, this analysis is based on the standard qualification criteria.

Southwest elite status tiers

Southwest Airlines has one of the simplest status charts, offering only two elite tiers and the Companion Pass. Here's a quick overview:

	A-List	A-List Preferred	Companion Pass*
Qualifications	35,000 TQPs or 25 flights.	70,000 TQPs or 50 flights.	135,000 CPQPs or 100 flights.
Elite mileage bonus	25%.	100%.	N/A.
Priority check-in, security and boarding	\checkmark	\checkmark	\checkmark
Free checked bags	2 bags.	2 bags.	2 bags.
Complimentary same-day flight changes (confirmed and standby)	\checkmark	\checkmark	\checkmark
A-List boarding pass at the time of booking	\checkmark	\checkmark	\checkmark

	A-List	A-List Preferred	Companion Pass*
Same-day standby	\checkmark	\checkmark	\checkmark
Dedicated phone line	\checkmark	\checkmark	\checkmark
Free inflight Wi-Fi		\checkmark	\checkmark

*NOTE: The perks detailed under the Companion Pass (and highlighted below) **only** apply if you earn the pass by also reaching A-List Preferred status.

A-List: \$710

A-List status will make your airport experience smoother.

The lowest tier in Southwest's program is A-List, which requires 25 qualifying one-way flights or 35,000 TQPs in a calendar year. For this analysis, I'll base my numbers on earning 42,000 TQPs at 7 cents per TQP (total spending of \$2,940).

	Benefit details	Value
25% mileage bonus	42,000 base points equal an extra 10,500 points over a year.	\$160.
Priority Boarding	Automatically have a boarding position reserved 36 hours before a flight, giving you a better shot at your preferred seat.	\$250.
Priority check-in and security	Separate priority check-in and Fly-By Priority security lanes (where available).	\$150.
Free same-day standby	Standby on an earlier flight at no charge on flights between the same cities before your originally scheduled departure time and on the same date of travel.	\$50.

	Benefit details	Value
Free same-day confirmed changes.	Confirm a change free of charge if a seat is available on another flight on the same day.	\$75.
Dedicated phone line	A priority phone line for elite members is a nice perk when major weather or cancellation/delay events hit.	\$25.
Total:		\$710.

A-List Preferred: \$2,860

As an A-List Preferred Member, you'll enjoy complimentary Wi-Fi on board, now available on all of Southwest's planes.

The second tier in Southwest's program is A-List Preferred, which requires 50 qualifying one-way flights or 70,000 TQPs in a calendar year. For this analysis, I'll base my numbers on earning 84,000 TQPs for 7 cents per TQP (a total spend of \$5,880).

	Benefit details	Value
100% mileage bonus	84,000 base points equal an extra 84,000 points over a year.	\$1,260.
Priority Boarding	Automatically assigned a boarding position 36 hours before departure; prioritized over A-List members.	\$600.
Priority check-in and security	Same benefit as A-List, more frequent utilization.	\$300.
Free same-day standby	Same benefit as A-List, more frequent utilization.	\$100.

	Benefit details	Value
Free same-day confirmed changes	Same benefit as A-List, more frequent utilization.	\$150.
Free inflight Wi-Fi	It costs \$8 a day for passengers.	\$400.
Dedicated phone line	Same benefit as A-List, more frequent utilization.	\$50.
Total:		\$2,860.

Companion Pass with flying and partner activity: \$4,135

The Companion Pass is one of the world's most valuable travel perks.

The next tier in the Southwest program isn't an elite status tier but is still worth valuing: the <u>Companion</u> <u>Pass</u>, one of the most <u>lucrative and rewarding benefits in the travel industry</u>.

It gives you a <u>buy one, get one free on all Southwest flights</u>, including paid and award tickets. You'll earn it by taking 100 qualifying one-way flights or earning 135,000 Companion Pass-qualifying points in a calendar year, though Southwest cobranded credit card members get a 10,000-point boost toward a Companion Pass every year, giving them a headstart on qualification.

These differ slightly from the Tier Qualifying Points identified above, generally earned only through flying. However, you can earn points toward the Companion Pass in a variety of additional ways:

- Flying on Southwest.
- Doing business with travel partners like hotels and car rental agencies.
- Dining through the Rapid Rewards Dining program.
- Opening and/or using a Southwest credit card (like the <u>Southwest Rapid Rewards Premier Credit</u> <u>Card</u>), including sign-up bonuses.

I'll assume you hold a Southwest cobranded credit card and earn 135,000 additional points for this analysis. However, for this first part, I'll assume that your points originate from flying and spending equally with partners. This earns 62,500 points and 62,500 TQPs from flying (a total spend of \$4,375), along with 62,500 points from partner activity. This will give you A-List status (and the benefits it confers) plus the Companion Pass perk.

	Benefit details	Value
Companion Pass	Depends entirely on how frequently you can bring your designated companion on a flight. This valuation is based on bringing a companion along on 12 round-trip flights at a value of \$250 apiece, although you should adjust it if you plan to utilize it more (or less) frequently.	\$3,000.
25% mileage bonus	Earn 62,500 points on flights annually and take home 15,625 bonus points as an A-List member.	\$235.
Priority Boarding	Your A-List status gives you priority boarding (outlined above), although, with 62,500 base points, you'll be able to utilize it roughly 50% more frequently.	\$375.
Priority check- in and security	Same benefit, more frequent utilization.	\$225.
Free same-day standby	Same benefit, more frequent utilization.	\$100.
Free same-day confirmed changes	Same benefit, more frequent utilization.	\$150.
Dedicated phone line	Same benefit, more frequent utilization.	\$50.
Total:		\$4,135.

Companion Pass through flying alone: \$8,250

Use your Companion Pass to bring a friend on your next Southwest trip.

For this final part of the analysis, I'll assume that you earn the Companion Pass solely through flying and hit the qualification threshold exactly, spending the same 7 cents per point. In other words, you'd earn 135,000 base points (including 135,000 TQPs) by spending \$9,450 on Southwest flights. This unlocks both the Companion Pass *and* A-List Preferred status — with roughly 60% more travel than a "regular" A-List Preferred member.

	Benefit details	Value
Companion Pass	Under this scenario, you're traveling twice as much in the example above, but you may not have a companion for all of them. This valuation is based on taking 16 round-trip flights, but your utilization may differ.	\$4,000.
100% mileage bonus	Take home 135,000 bonus points based on the assumed flying above.	\$2,025.
Priority Boarding	Same benefit, more frequent utilization.	\$900.
Priority check-in and security	Same benefit, more frequent utilization.	\$450.
Free same-day standby	Same benefit, more frequent utilization.	\$200.
Free inflight Wi- Fi	Same benefit, more frequent utilization.	\$600.
Dedicated phone line	Same benefit, more frequent utilization.	\$75.

	Benefit details	Value
Total:		\$8,250.

As you can see, the combination of the Companion Pass with A-List Preferred status is a potent one, delivering over \$8,00 in value.

What if I'm starting from scratch?

You may have many flights at the back of the plane until you reach the qualification threshold for A-List status.

As I mentioned initially, these numbers are based on the benefits you'd enjoy by spending a full year with the given status. However, if you're starting from scratch, the calculations become a bit more complicated, since you won't start to enjoy any benefits until you hit the 35,000-point mark and earn A-List status.

To help modify the analysis for those individuals, I've taken the above valuations and converted them to a value per Tier Qualifying Point, excluding the combination Companion Pass category:

- A-List: \$710/42,000 TQPs = 1.69 cents per TQP.
- A-List Preferred: \$2,860/84,000 TQPs = 3.4 cents per TQP.
- Companion Pass (solely travel): \$8,250/135,000 TQPs = 6.11 cents per TQP.

For example, say you plan to earn 80,000 TQPs this year and start from scratch. At this rate, you'd get no benefits from the first 35,000 points, then enjoy A-List benefits for the next 35,000 points (at a rate of 1.69 cents per TQP) and then enjoy A-List Preferred benefits for the final 10,000 points (at a rate of 3.4 cents per TQP).

If you start from scratch and estimate that you'll earn 80,000 TQPs in 2023, you'll get \$931.50 worth of perks from the Rapid Rewards program.

Is it worth pursuing Southwest elite status?

Given these values, is it worth pursuing elite status (or the next tier of elite status) with Southwest? Like any analysis we undertake here at TPG, there isn't an easy answer to this, as it depends entirely on your situation. However, here are a few over-arching questions that can help you arrive at a decision:

How much will you travel in the future?

If you earned Southwest elite status in 2022, it's valid through Dec. 31, 2023. However, it's critical to think about how much you'll be traveling beyond that date. If you push hard to earn A-List Preferred this year, the valuable perks outlined above only apply when you travel after you qualify and into 2024.

What's the incremental value of one tier over another?

Many of you may wind up within striking distance of the next tier, so consider whether the benefits are worth pushing for it. There's no sense in going out of your way for perks that don't matter to you.

How well does Southwest's route map match your typical travel patterns?

There's no point in pursuing elite status with an airline if you can't feasibly fly it regularly. Consider Southwest's service from your home airport(s) and how easy it is to get to your desired destination(s).

How sensitive are you to price and convenience?

This hobby has many tradeoffs, and one of the most common is deciding whether to use your preferred airline or hotel chain when it's not the most convenient or cheapest. Would you book a one-stop Southwest flight if Delta had a cheaper nonstop option? If the answer is no, it may not be worth going out of your way to earn status with Southwest (or elite status with any airline, for that matter).

These questions are also difficult to answer, as many factors come into play. Nevertheless, it's a worthwhile exercise to evaluate your situation as you determine if Southwest elite status is for you.

Bottom line

Southwest is an interesting case study in loyalty, as some travelers won't even consider flying on another airline, whereas others would rather take Greyhound than set foot on a Southwest plane (that's only a mild exaggeration). Even though the Rapid Rewards program is revenue-based, the overall value proposition of flying Southwest, especially its "fun" atmosphere, is <u>appealing to many</u>.

When you add valuable perks like the <u>Companion Pass</u> and the carrier's <u>no-fee change policy</u>, it's easy to see why Southwest has such loyal fans. If you're considering pursuing elite status with Southwest this year, I hope this analysis has helped you come to a decision.