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How to Reduce Your Monthly Bills

Taking a closer look at bills from your service providers can reveal hidden ways to trim expenses without cutting corners.

Most of us know we can save money by cutting back on spending. We can give up extras and luxuries, clip coupons, shop discount stores and take advantage of rewards programs. We can decide in each situation whether to spend, and if so, how much.

But it's easy to overlook the amount we pay in recurring expenses. The dreaded monthly bills may seem to be rigidly fixed and inflexible, but there are ways to cut many of them down to size.



Start by figuring out what you're paying now, suggests Attorney Leslie H. Tayne, founder of Tayne Law Group, P.C., in New York, and consumer and business expert concentrating in debt management, debt resolution and bankruptcy. "If you're not already tracking expenses, start now."

Shopping around might be time consuming, but it's the only accurate way to obtain prices and compare what you get for what you pay, says R. Joseph Ritter, Jr. CFP® president and founder of Zacchaeus Financial Counseling, Inc., in Hobe Sound, Florida, a non-profit organization serving low-income households and households in financial crisis. "This applies to cable television, cellphone packages, car insurance and many other ongoing services and recurring payments."

Blogs, books and websites that list prices and deals may provide some limited help, but remember they are "third-party sources," says Ritter. "They should not be trusted to accurately represent a company's position."

TRIM THE FAT

To get started, check your current bills and plans for redundant services, Tayne suggests. "For example, if you are paying for a cellphone, do you really need a land line as well? If you have a Netflix and Hulu account, do you think you can make do without cable?"

Are you paying monthly fees you could eliminate? Most people lease the modem that provides their cable-internet service, at a cost of up to \$100 a year, Komando says. "You can buy the same modem outright for \$100" and save that annual expense.

If you get overage alerts from your cellphone carrier, take a close look at how the phone is being used. When USA TODAY technology columnist Kim Komando checked her son's cellphone, she found the overages came from

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accessing YouTube on his cellular instead of sticking to WiFi. "It's set up by default that way," she explains. And all those Facebook notifications use cellular data that you could save if you turn off notifications and wait till you're on WiFi.

FIND ALTERNATIVES

Cable TV Service

"Last year my family and I personally 'cut the cord' and rid ourselves of cable TV," says Dennis Restauro of Baltimore, Maryland, who blogs about technology at Grounded Reason. "We were able to save over \$1,000 last year alone."

"A lot of folks are looking at cutting cable because the bills are so high," says Komando—especially when they look at the programming and realize they're paying for channels they don't watch. "Never before have we had so many options" to replace cable TV, she says.

HD antennas that pick up over-the-air broadcasts come in "various ranges" (maximum distance from transmitter) extending from as little as a couple of miles up to 30 miles from the transmission antennae, Komando says. Before you buy an antenna, she recommends checking TVfool or a similar service to find out which channels you could get, how far you are from transmitters, how strong their signals are, which direction to point your antenna and other helpful details.

Streaming gadgets such as Chromecast, AppleTV, Amazon FireTV and Roku connect your television to the Internet. Prices start at \$35. After your gadget is connected, you subscribe (at an additional charge) to services such as Netflix, Hulu, AmazonPrime, depending on what your gadget carries and what programming you want. Sorting out the options can be confusing, even to a tech expert like Komando, so she created and posted on her website a streaming media players comparison chart that she keeps updated and a new how to cut the cable guide kit is slated for release early this year [2015] at GetKim.com. You may not need a gadget if you have a smart TV. "The reason they're [called] 'smart' is that they are directly connected to the Internet," Komando explains.

If you already own a streaming device, your savings may "bring in an extra \$100 a month" without buying any new equipment, Restauro says. "Many streaming services also offer free trials" that can save even more. "Ridding yourself [of cable TV] is a great way to bring in an extra \$100 a month and my family and I don't miss it at all," he says.

"Look before you buy," Ritter cautions. "Hulu, Netflix, Amazon and others show you on their websites the television episodes and movies they offer." Make sure the options really are suitable replacements and cost less.

"Decide what is most important to you and your family," Tayne says. "Each family has different wants and needs. As yours grows you may find you need more G rated channels than sports channels," or other preferences could change. Reassess your priorities each time you're considering a change.

For cable TV alternatives, "Make a list of the programs you want and then go and look for that solution," advises Komando. For example, if you like first run movies, Amazon Prime, Amazon FireTV or AppleTV will be a better choice for you than Netflix.

Cellphone Service

Cellular service can add a whopping \$110 to your monthly bills, Komando says.

A no-contract phone could save a lot. It used to be your only choices were a low-cost bad phone or an expensive good phone, but today there are good options, Komando says. When you're shopping for cellphones and service," first figure out how many phones you need and how you and your family use them, Komando says. With that information, you'll be able to see which kind of plan you need, says Komando. Several easy to use cell- and smartphone comparison charts are available on her website.

Outline the pros and cons of each plan that interests you. Then you can make "a side-by-side comparison [that] will help you see the trade-offs for each program's savings," Tayne explains. "It will also help you ask the right questions." For example, is a cheaper plan's \$10 saving worth the risk of possibly exceeding your plan's data allowance?

Insurance Policies

You may love your current insurance agent(s), but if you need to lower your bills, contact other offices for quotes, Ritter suggests.

Tayne agrees. "This is one area where doing your homework really pays off." You may qualify for one of the many discounts insurance companies offer but don't advertise, she explains. For example, your auto insurance may offer a discount if you take a short online course or if you maintain good grades in school. You might save 5 to 15 percent in annual premiums by buying two or more policies from the same insurance company, such as auto and home insurance.

ASK FOR A BETTER DEAL

"Don't assume you already have the best deal," Ritter says. It pays to shop around because prices change and companies offer deals from time to time.

Try to negotiate a better rate with your current service providers, advises Komando. Find out if competitors are offering better rates. Then call your current company and "explain to them that their costs are too high and you need to start saving," even if that means switching to their competitor who is offering better rates.

Ask if they offer any discounts for veterans, seniors or educators, Tayne suggests. "You would be surprised what discounts you may be eligible for if you take the time to ask." Do they have a budget plan or a discount for automatic "paperless" payment?

READ THE FINE PRINT

Sometimes saving "is just a matter of switching providers," says Tayne. "More often than not you may discover that a different cable or cellphone provider will offer you the same package you have now for less, but it is important to always read the fine print to make sure you are aware of the terms or any locked-in-rate periods."

BOTTOM LINE

You have to invest the time and effort to make any saving strategy work. It takes homework, investigation and comparison shopping, but you can do it—and you'll be the one to reap the benefits.

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