



STUDENT ADVOCATES FOR FINANCIAL EDUCATION

CELL PHONE PLANS

Amidst cellular advertisements are appealing items like more minutes for less money, increased and better coverage, free service options, and phone alternatives. How does one pick the best cell phone for their lifestyle with so many companies promising similar services? Below are tips to help you purchase a cell phone plan to fit your lifestyle.

SHOPPING TIPS

Checklist for Savings

- **Know how much you plan to use the phone:** monitor your phone use and patterns for several months before purchasing a plan, it provides a good estimate of how many minutes to purchase.
- **Know where you plan to use the phone:** get maps from cellular providers and pinpoint the areas you will be using the phone to ensure you find a plan suited to your living and travel needs.
- **Do not sign the dotted line:** look for providers that do not require a lengthy contract. If you do need to commit to a contract, make sure it matches your needs and you have the freedom to up and down grade your plan as needed without extra charges.
- **Waive activation fee:** ask the provider to waive the activation fee. Don't be afraid to speak up, but know that sometimes, the fee is not negotiable.
- **Keep your existing phone:** don't upgrade your phone just because a your provider offers a free phone. This is a tactic to get you to sign up for a new contract.
- **Let your contract expire:** as a month by month consumer, you have more leverage to change plans or providers .

SHOP



WISELY

REMEMBER... Make sure that you can change your plan at any time without extra charges. Breaking a contract generally costs \$150-\$200, so be sure your contract fits your needs accurately. It is up to you, the customer, to keep an eye out for better plans offered by your existing provider. Service providers often do not inform customers of these additional savings.

Find a Plan that Fits

- **Basic Plan:** most limited plan. Basic plans offer services on a single phone from 300 up to 6,000 minutes, with prices beginning at \$40 going up to \$200 per month. Over usage of minutes will cost from \$.20—\$.45 per minute. Watch for extra charges for text, picture, video, instant messaging and Web access.
- **Select or Premium Plans:** single phone plans that bundle text, picture, video, instant messaging, and may also include web access. Available minutes range from 450 up to 6,000 with the cost ranging from \$60 up to \$240 per month. Using more than the allowed time costs from \$.20—\$.45 per minute.
- **Family Plan:** allows the whole family to use a shared amount of minutes with one monthly bill. A monthly fee is charged for extra cell phones up to 5 lines. Minutes range from 500-6,000 and can cost anywhere from \$40 to \$460 a month, depending on the number of lines used. Overtime use will be charged around \$.20—\$.45 per minute.
- **Local, or Regional Plan:** Most carriers now include long distance and roaming, but you may save some \$\$\$ if you use your phone primarily for local calls. Be sure find out what long distance and roaming will cost.
- **Prepaid Plan:** for those who do not want a monthly commitment, only use the phone for emergencies, or wish to try out a cell phone. Cost is dependent on what one wants to spend and how many minutes are needed for use and vary widely among providers.