

## [A Simple Way to Save Thousands of Dollars on Your Monthly Bills](#)

**Scott A. T.:** Broadcasting from One Dallas Tower, welcome to the Financial Rock Star Show. I'm your host Scott Alan Turner ready to help you get out of debt, save more money, and retire early. Just now realized I don't even have my headphones on, can't really hear what I'm saying. In the studio with me is producer Katie who can swing a hammer. Some people can't. On the show today, today ... On the show today, today ... Yes. A simple way to save thousands on ... I can't even ... This is going awesome today. What is the title of the show? A simple way to save thousands of dollars on your monthly bills. I'm going to be answering your questions about money, business, and life. If you have a question you would like answered that was completely stuttered through and messed up on the show, I'd be glad to do that to you, too. All you've got to do is go to goaskscott.com. You can leave me a voicemail, send me an email as well.

All right. Let's not try to mess up the rest of this segment. One simple thing you can do to save money is to ask for a discount. Just ask. Way back in show number one I gave you the scripts to use for how to save money on stuff. What about services? Your cell phone, utilities, banking, credit cards, cable ... It is not much different. I've got a few word for word scripts you can use to get some potential big savings. If you haven't phoned your service providers in the last twelve months, it's time to go to the bathroom, get a cup of coffee, be prepared to wait on hold for a really long time. Block out sixty minutes, prepare to listen to terrible on hold music. I play guitar while I'm on hold or surf Facebook. Just make sure you get in a good place before you make the phone call.

First you want to figure out all the bills that you have each month. Figure out every one of those, every bill. You want to look for comparable deals so you can have that in your arsenal prior to making the call. For example, let's say you're with Time Warner for your cable. Maybe you have a competing offer from Directv. Sprint versus Verizon. Go to the company you're currently with and visit their web page, see if they've got any deals or promos going. Usually you'll find them on their home page. Next, get your dialing fingers ready and start on dialing. Here's your script. These will be in the show notes so you don't have to take notes if you're out running for a jog.

Say, "Hey, I've been a customer for X years," however many they've been. "I want to make sure I'm getting the best deal on my service." I did this years ago with my website hosting provider I used for my old company, saved me \$400 a month. A month. Five minute phone call, however long it was, \$400 a month. Then, as we talked about in episode one, just be quiet. Let the rep do the talking. See what they come back with. If the answer is nothing, then you step it up a notch, bring up your game. Say, "Hey, I see on your website you've got a special for X, Y, and Z. What about that?" No results then? You go get the big gun. You say, "Somebody else is going to take care of me if you're not going to do it." That is your weapon of mass destruction. Say, "So and so," whoever the competing company is, "They're advertising X dollars for their service." Say it's a hundred bucks or whatever it is, or fifty bucks. \$100 for service, that's too much. Say it's \$50 for their service, "Can you match their offer or give me something better?"

Companies pay a lot of money to get new customers. Some estimates put it at ten times more money to get a new customer than to keep an existing one. That's because of all the marketing and advertising. Some companies will price match just to keep you from leaving, so that's what you can try first. Then you want to check for any prepayment discounts. Sometimes you can find if you pay in advance, sign up for six to twelve month plans, you can get a discount. You don't want to do this with your alarm service, though. We talked about that in a previous episode. That's usually not a good deal, but alarm services look for \$15 to \$20 range month to month where you can cancel your contract. If you're with some other type of service that you actually like, that might not be such a bad offer to get that extended plan with a discount if you're going to be with them for a while. Example would be HVAC yearly maintenance service plans.

If you are afraid of asking, try this. Go to the ATM today, withdraw \$100 and light it in a fire. What? You don't want to? That's what you're doing already if you're too afraid to call up and just ask the question. Next, ask for a membership discounts if you're a member of an organization like AAA, AARP, or a warehouse club, Sam's or COSTCO. You might get special discounts available to you. Check with the customer service reps. Say, "Do you offer discounts for seniors," for example. Next, try to get something. If you can't get a discount, at least get something. I was denied a discount from Verizon when I tried negotiating a new package term for our cable and internet when we had cable. I did get a one month free of a DVR rental machine, so that was something. I got something.

As for a free messaging for a month, a free upgrade to faster service or internet example, free extra data for cell phones, free trials, HBO if you have cable, anything. Just get something. Get something for free. You've been on hold for thirty minutes. You're going to get something out of it. That can be your line when you're on the phone. Say, "Hey, I've been on hold for thirty minutes. Give me something. Give me something." Also ask for retroactive pricing. Once you get a deal, see if the savings can be applied retroactively. That means applied to past bills. If your new pricing can be applied to the last month's bill, the last few month's bills, sometimes a provider they're willing to give you credit and back the credit up and apply that discount retroactively. Is that a \$5 word Katie, retroactive? Maybe. Maybe. It means from the past, or to the past. Back to the future.

What about your credit card rates? If you've got credit cards and you're not making your payments in full each month, carrying a balance, a lot of credit card companies they're willing to work with you to keep you as a customer. They know you have options. If you keep getting the low or no interest offers in the mail when you're paying eighteen to twenty-nine percent, time to make a phone call. If you've been paying on time, you've been paying the minimums or hopefully more than the minimums ... We want to get out of debt. Call up your credit card issuer and say, "So and so has this zero percent balance transfer for twelve months. What can you do for me?" See if you can get your interest rate lowered.

If you have bad credit, big balance, maybe they can't offer you something, but you at least have to ask. Make a note. In sixty days, call them back again. If you've recorded some one time payments, keep asking up until the day that the debt is paid off. If you have the option to transfer to a zero percent card, that might be the option that you have to take to save the interest charges. Just make sure that's the part of your get out of debt plan, you're not just kicking the can down the road without addressing any underlying spending issues.

Give those scripts a try. They're in the show notes on the website. You won't have to rewind this to copy them down word for word. I've used these to save money. Best part is, it's recurring savings that you can get over and over and over again month after month. You've just got to ask. Now on to your questions.

Terri asks how to save without eating tuna everyday for lunch.

**Terri:** Thanks so much, Scott, for being willing to share your financial expertise with us behind the eight ball. If there was one thing that I would love for you to address, it would be how you are able to save without having to set your thermostat to fifty-five degrees or eating tuna everyday for lunch.

**Scott A. T.:** It's my pleasure, Terri, to be able to share. I'm glad to help you out, and it's very rewarding for me. Truth be told, and I think I've mentioned this before, I brought my lunch to work every day for the nine years I worked a corporate job. Probably ten to twenty times I went out for lunch over those years. I can remember that because I didn't go out very often. That was a lifestyle choice I made. My dad always brought his lunch to work. We only had a diner in our home town when I was growing up. My mom worked there. Going out for lunch was just not

something we did growing up, so I didn't have that experience like you would have today where there's just, no matter what size town you live in, there's a restaurant on every corner so it's easy to go grab something.

Once I hit corporate life, I also liked working a lot, so I preferred eating at my desk. On top of that, I brought food into work that I cooked at home. The stuff I liked to cook when I was single was good ole comfort food, the food you would want to eat and look forward to eating. Tuna, or as I like to call it to get on Katie's nerves, tuna fish ... Now she's giving me the stink eye. She hates that. I know tuna is a fish. My mom always called it a tuna fish sandwich. That's what it is to me. I could care less if it's redundant. I brought tuna fish sandwiches to work sometimes. I'm not a big tuna fan. Peanut butter and jelly, love it. I could eat that every day. I do eat peanut butter every day. Let me give you a quick example here.

One of my favorite recipes that I would eat out of my own box, elbow macaronis, two bucks. Couple pounds of ground beef \$7, \$8, green peppers and onions maybe a couple bucks, couple cans of tomato sauce \$2. That's \$14 to make a giant pot of goulash as my dad taught me how to make, and I could eat it for six days straight for lunch and not get bored because it was good. I enjoyed it. That's roughly two bucks a day for lunch, if that. You compare that to spending eight bucks a day for lunch, I mean, that adds up over the years.

Every morning, afternoon for my snack, Grape Nuts cereal. That stuff is loaded with calories. I'd eat about five or six boxes of cereal a week, always the generic brands. Fancy cooking, eating out, they were just not important to me when I was single, so I didn't spend much on those things except cakes because I loved to bake. Flour and sugar are cheap, baking chocolate not so much. Gadgets, never cared for them or spent much money on them. Still don't. Travel, didn't do it when I was single. All my money went to cars and rent. A lot of money on rent. Those two things were my big expenses. I lived alone a lot so I paid big bucks to live in nice neighborhoods, not really knowing about saving or living frugally or anything like that.

If you can trim areas in your life that aren't important, you'll free up some cash for what is. It starts with just looking at where your money goes. I found early on a lot of my money was going to groceries because of where I shopped. I didn't comparison shop. I didn't buy store brands. Went to the fancy grocery store. Found out pretty quick, "Hey, if I go to the cheapo store across the street I cut my grocery bill in half." Little cuts, as you learn about money, they will slowly add up to thousands and thousands and thousands in savings. Then you don't have to eat tuna, or if you do it's because you want to not because you have to. Thanks, Terri, for the question.

What are the best credit cards going right now? Well, crooks stole Katie's credit card for the third time in six months, which I have mentioned a couple times. They like to do these little test charges of a few bucks before buying the big stuff. What did they buy on hers? Chick Fila chicken and biscuit. Hopefully they got one of those chicken and biscuits. Those were invented by the devil because they're so good. We're moving away from our long time friends at Capital One who can't seem to protect our cards and we're switching to the Citi Double Cash Card, two percent. You save with one percent on purchases and one percent as you pay for those purchases in full or over time. You have to pay your balance off in full each month to get the benefit. That is the key.

Another great card is the Fidelity Rewards Card. That's two percent back on every single charge. No games, gimmicks, annual fees, no limits on what you can earn back. I had one of those cards way, way back when when I was single. It deposits money into a fidelity brokerage account, or a fidelity IRA, 529 college savings plan. It's a bit of a forced savings. Are we even going to call it that? I don't know if you can call it savings when you're spending money on your credit card because you typically spend more on your credit card than you would if you were spending cash.

If you're in that camp of unmanned credit card debt, this is not for you. If you're in that other half of the world where you use credit cards and pay them off every month, then you can get some free bonus investments here with your fidelity card. It's a Visa card. COSTCO has moved from Amex to Visa. Makes it even better for you. Now, why don't we move to the Fidelity card? Well, I like to be able to use our rewards for whatever I want. I don't want them going into an investment account.

Now, I didn't mention anywhere interest rates on these cards. Why is that? Well, the only reason to use a credit card is to buy stuff you already have the cash to pay for. Pay off the balance in full each month and get the rewards. That's it. It's all about discipline. It only works if you have a spending plan in place. Follow it and avoid debt. Credit cards aren't used to build wealth, they are used to rack up debt. When you can't pay off the debt you lose. If you can pay off the debt, you win.

Avoid spending what you already have, i.e. cash in your bank account, to pay off the bills, and you avoid most problems. If you can't, don't use credit cards. If you want to see what credit card is best for you, check [creditcardtuneup.com](http://creditcardtuneup.com). I'll still be hanging on to my Capital One card. It's the best for overseas travel because they have no foreign transaction fees. But it's going in the drawer for everyday purchases. Back to your questions.

Jeff from Canada,

**Jeff:** "Are the management expense ratio and management fees taken off the total investment or the capital gains of an investment? In my case, .15% each for the fund I am in." I was just looking up that, the US total market index ETF through Vanguard Canada. A brief background on fees, some mutual fund expenses, you're not paying those directly. They're taken out indirectly by reducing your return as an investor. Now, management fees typically comprise your sales charges, some transaction fees, account fees, fund expenses. You've got twelve B1 fees, there's pretty much a junk fee. It's for marketing. You see your fund in a magazine. That's where the twelve B1 fee is going to, and operating fees.

**Scott A. T.:** To differentiate that from the management expense ratio, that is taking into consideration the transaction costs for the buying and the selling. Now, when you're looking at a fund in the prospectus, as it's called, figuring out the returns on it, you might see the management fee and the management expense ratio, the MER. It should show you both, but you're only paying the management expense ratio. For this fund that you're in, the reason Vanguard is showing both of them is because they're making it very clear that you're in something good. The transaction fees are low. It's .15% for the management fee and .15% for the MER. Typically the MER is going to be a little bit higher because it's including these other transaction fees. In your fund that's not the case. You're just paying .15%, that's it. You're not paying it two times.

Now, to give a little example, let's say you have \$10,000 invested. You pay \$15 a year for that out of your fund. It comes out automatically. That's .15%. If your investment drops to \$900, you lose money, you're going to pay slightly less than that, pay \$13.50, again .15% of that total balance. If the fund goes up to \$11,000, it was a good year, you pay \$16 that year. Again, .15% times \$11,000. Your fees, they're paid on the investment balance, they're not paid on the gains. It's just whatever your total balance is is taken off the top. The fund goes up, the fund goes down, the fund stays flat, you pay the fee. This is why people who manage and sell actively manage funds, love high fees. They get paid win or lose. You win, they get paid. You lose, they got paid. I am clearly in the wrong business.

Why do fees matter? Let's say I have a \$100,000 invested in an active fund that charges me 1.5% per year, ten times more than what you're paying. 1.5%, that's typical of what you might find in your 401K. Now I'm paying \$1,500 a year every year. That's a good chunk of change. Win or lose, I am paying that money. That's why we like funds with low fees like the one Jeff is in. Thanks, Jeff, for the question. Quick break back in 42.96 seconds. You're listening to Scott Alan Turner. Sorry, no Star Trek this week.

Hi, folks. Scott Alan Turner here. Now, for those of you that are my long time listeners, you know I'm not one of those guys on the radio who promotes every product that shows up on their desk. You're never going to hear me trying to get you to buy crochet needles because I don't sew, or recommending a pool cleaning service from someone that's never cleaned my pool, if I had a pool. No. I have a name to uphold to you, my Rock Star Listeners. If I were, if I were to recommend something to you, I would tell you about milk. It's delicious. It's nutritious.

I have milk every day in the form of yogurt that I make myself from milk. If I'm feeling like a bowl of Cheerios I don't add water or soda. I add milk. Once a week I'll have a bowl of Ben and Jerry's ice cream, which is made with, you guessed it, cream, which is form of milk. Next time you're buying groceries and you're at the checkout counter, when they ring up the milk, tell them Scott Alan Turner sent you. If you see a black and white cow out in a field, stop and give it a little pat on the head and say, "Thanks for the milk, buddy." No, better not do that. You might get arrested for trespassing.

Angela thinks she is paying too much in 403B fees. She writes,

**Angela:** "I enjoy your podcast after I scope over the guitar. I think it hurts my ears because it is so loud." I do appreciate that feedback. I'm getting the production service to check out the sound levels. We don't want to blow out anyone's eardrums unless we're trying to blow them out, which could happen occasionally. Not with the intro. Continues, "Long story short, because of listening to the financial advice from you, last November I decided to be proactive and contact TransAmerica to ask what our 403B fees are. I wanted to email them because I wanted their response in writing." Angela goes on to walk me through her trials in that process. For time sake I'm not going to relay all those details.

She continues, "I need to contact someone about this based on my terrible experience with customer service. I feel I need to go higher up. I'm pretty sure monkeys are reading the emails at TransAmerica. What would you do? I found out the fee we pay to them each year to provide this terrible service is \$85 regardless of how much or how little is in our account. Of course, we also pay the Vanguard and Fidelity fees for the accounts I choose. Is this a good price or are we being ripped off as well as mistreated? What I was really trying to get from TransAmerica is if they mark up the fees charged by Vanguard. For example, if Vanguard charges .17% for their total stock market index fund, am I paying .17% or are they marking that up, or are there other hidden fees of which I'm not even aware? I will not be taking the money out for twenty-five or so years. Do you have any advice for those of us who are stuck with terrible 403B providers like TransAmerica? I work for a hospital."

**Scott A. T.:** Here's a quote which summarizes this up perfectly. "403B retirement plans reside in the dankest, foulest smelling cellars of the financial world." I like that quote. 403B programs are a national disgrace. The organizations that sell these products into schools, nonprofits like your hospital, they receive huge kickbacks from the insurance companies and the financial firms managing the programs. There are a couple good ones which I'll get to in a second, but most, the vast majority of them are not. I did some digging around for Angela and as an example I was looking at the Vanguard 2025 target date fund. From Vanguard that fund has an expense ratio of .15%, super low. That's very good. If you had a hundred grand in it, you would pay \$150 a year in fees.

How about TransUnion? The exact same fund, the exact same fund, they are charging 1.62% in fees, more than ten times what Vanguard itself is charging. Plus they are taking eighty-five bucks on top of it. The same hundred grand costing \$1,700 a year. Now, if you're going to be around working for someplace for twenty, twenty-five years, you will very likely get to that level of retirement savings. But hold up, hold up. Those fees get paid every year off the top no matter how well or how bad the fund performs. I've got a new retirement calculator. No, not a retirement calculator, a compound interest calculator on the website. Link will be in the show notes. Now you don't have to go to the IRS website. You can just go to mine and plug in numbers.

Quick example. Ten grand at twenty-five years, 1.62% in fees costs you \$36,000 in fees and your investment ends up being worth seventy-two grand. That's just ten grand. If you started with ten grand and did nothing else. Ten grand, twenty-five years, .15% from Vanguard costs you \$4,000 in fees and it ends up being worth a hundred and five grand after the twenty-five years. That is a \$30,000 difference. That is huge. That's just starting with ten grand and never touching it. That is the power of fees that you've got to watch out for.

Now, Angela, you're going to have to double and triple check the TransUnion data. I pulled it from their website, from their prospectus. I'm not a hundred percent sure you have those high ratios. It sure does seem like it, though. What can you do about it? You're going to have to fight and you have to nag. You've got to fight back. You consider yourself lucky that you work for a hospital because you're probably going to have an easier time fighting for change than if you had to go up against a teacher's union. Here's what you got to do. You've got to lead the charge. You got to get the numbers. You got to get the printouts. You got to get these math calculations. Package it all up and show it to your coworkers. Say, "Hey, we're getting ripped off. We're getting fleeced."

You get enough angry people at the hospital, then you've got a movement on your hands. You're going to have to lobby for a better plan. You're going to have to write letters to the hospital CEO, the CFO, the HR department. You're going to have to collect signatures from your coworkers. You're going to have to get your coworkers to help you. You're not going to be able to do this by yourself. You're going to have to hold workshops explaining what is going on. You're going to have to become the 403B expert if you like it or not. If you like keeping your money, you'll have to step up and take charge. You can win by lobbying for change, but it's going to take time and persistence.

There was a gentleman who did this in the state of New Jersey going up against the teacher's union there. He was a teacher and he managed to get change from that. TIAA-CREF is a company, they are one of the very small number of 403B plan providers that don't rip you off with these massive hidden fees. Even Vanguard, they have their own 403B program. They cut out the TransUnion as the middle man. It is sad when you know you've got Vanguard as a good low fee option. Somebody comes in and says, "Hey, you're going to love this. We've got access to Vanguard funds now." In the back of your mind thinking, "Great! These are low fee." Then they come along and they jack up the price on you without you even knowing it. Again, I could be wrong, but knowing how bad 403Bs have historically been, you're probably getting ripped. Links to both those funds are going to be in the show notes.

Finally, if you are a disciplined saver you are better off investing in a Roth IRA yourself first if you're in one of those bad 403B plans. Then you come back, contribute to the 403B. Teachers, nonprofits, it is disgusting that organizations are taking advantage of you. You typically don't make a lot of money to begin with. Then they bilk you out of your retirement savings for decades. They're a bunch of thieves. Thanks, Angela, for the question. Fight the good fight.

Mike over in the Facebook community has a win. He says, "Talk about a double win. Our small family of three found about twenty-five valuable but unused items around the house taking up space. We posted them on eBay, selling mine for about six hundred bucks. We got the space back and made our vacation spending money." Nice work Mike and family. Real financial freedom can be achieved by you even if you're deep in debt, even if you're fifty-five or older. It takes time and consistency, focus and the right strategies. You can get to where you want to go in a few years. You can get to financial freedom. Ole Colonel Sanders, he was broke at age sixty-five. Where is KFC now? Well, they're everywhere. Chickens not bad, either.

On this show, educate, entertain, sometimes I'll bore you to tears. Sometimes I bore me to tears, but I'm committed to you and I hope you are committed to you, too. Those are the words. That's it for this episode. I'm your host, Scott Alan Turner. Rock Star Katie is my producer. All the links mentioned in the show are available in the show notes, scottalanturner.com. If you have a question you'd like answered by me, visit goaskscott.com. Until next time, thanks for listening.

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