

NEWS FROM

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Money Tips for College Students: How to Make It, Use It and Save It

How to avoid a big cell phone bill

A majority of high school and college students have cell phones — and sometimes a huge bill that goes with it. A cell phone is convenient and nice to have in the event of an emergency. But you can quickly get in over your head. Here are a few tips to help ease the cell phone pain.

- Use your cell phone wisely. Fees, taxes, surcharges, activation fees, overage and roaming charges all add up. Get the bottom-line cost in writing for your first bill, with an itemized calculation of all costs, including taxes, activation fees and cost of the phone itself.
- Get a prepaid phone. Then you'll know exactly what you're spending and you won't go over your minutes.
- Read the contract. A cell phone contract is legally binding and is usually written to favor the company's bottom line, not yours. Make sure to read the fine print of any contract, but pay close attention to the one called "Terms and Conditions," which outlines what you are agreeing to abide by when you sign.
- Look for a two-year contract commitment and pay attention to contract termination fees and a *free trial* period. You can review the service agreements of many cell phone companies on the Internet. Check them out and compare before you decide.
- A phone upgrade fee may be charged when you buy a new phone from your existing carrier. Many retail outlets don't tell you about this fee, so ask. If you don't want to pay the phone upgrade fee, you can switch to another carrier, but you'll have to pay an early termination fee.
- Don't rely on oral promises about your contract or your bill. Get any promises or agreements in writing and file them with your signed contract in case of a dispute.

It's handy to have a cell phone, but not if you're going broke. Be conservative with your money by watching your minutes, tailoring your plan to your needs and reviewing any charges you haven't anticipated.

These tips are brought to you by KHEAA–Alabama, which has helped thousands of students pay for college. For more information about student financial aid and college planning, visit www.alstudentaid.com; write KHEAA–Alabama, 100 North Union Street, Suite 390, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.