

The **FED** guide to saving

Bank-fee switcheroos, jacked-up bills, insane consumer outrage proves that you can



Mad money? Nope. Take back what's yours and get happy.

PLUSH STUDIOS/GETTY IMAGES.

Mad as hell. That's how I felt when I discovered that Verizon Fios had overcharged my husband and me for phone and Internet service for five months in a row, to the tune of almost \$200.

An hour on the phone with customer service got me nowhere, but as luck would have it, my phone rang the next day with an automated call from Verizon, wanting to know if I was a satisfied customer. Ha! They invited me to email in my thoughts, and I was only too glad to do so. Perhaps it was my enraged, 10-paragraph-long note that got me to Renee, a customer service goddess. She unraveled months of tangled billing errors and credited all the necessary refunds to our account. We even ended up adding a deluxe cable package complete with DVR for \$20 less per month than we were originally paying for phone and Internet alone. And just in time for the new season of *Dexter*!

Everywhere you turn these days, it seems like the businesses we depend on for basic services, health care, and banking are finding ways to tack on fees or make errors in their own favor. Just ask Daniel DeVirgilio, an Ohio man who received a cable bill for over \$16 million in March 2011, or the Atlanta residents who were hit with grossly inflated water bills of up to \$3,000. But consumers are fighting back: 650,000 angry Americans protested—and defeated—new bank fees last October. When Bank of America, Wells Fargo, and Chase Bank repealed their plans for new debit-card charges, we were all reminded that speaking up *does* pay off. (But that

UP woman's money

health-care costs... enough! Recent fight back—and win big. By Virginia Sole-Smith

doesn't mean the battle's over. Banks are still upping fees on everything from new checking accounts to paper statements.) Stay on guard and follow the advice of these financial experts and REDBOOK readers, who went from seeing red to seeing green.

SAY NO TO HIGH BILLS

FIND OUT WHAT YOUR FRIENDS PAY. "Most people don't realize this, but you absolutely can call your wireless provider, car insurance company, and any other regular biller to try to negotiate a better rate. Nothing is set in stone. Whenever I talk to coworkers, I'm amazed to find out we're paying different amounts, often for the exact same package!



You can say, 'My friend is getting what I get, but she's only paying X. What can you do?' That way, you're negotiating with a well-researched bargaining chip." —BARB CHANG, *head of product at Intuit Personal Finance Group*

GET THE PROMOTIONAL RATE. "I call my phone company periodically to find out if they're offering any new discounts. I recently snagged a great deal on a premium Internet connection, plus a \$5 monthly discount, just because I asked!" —CATHERINE LENARD, *author of Divine Riches*

THREATEN TO CANCEL. "These days, cable is a luxury for my family. I called our cable company, asked to speak to a supervisor, and explained that we were

cutting every nonessential expense we could and that I needed to switch to a cheaper package. At first he declined my plea, saying I wasn't eligible for lower rates because they were only for new customers. But when I told him I'd have to cancel the entire service, he not only gave me the deal, he extended the introductory price indefinitely."

—HEATHER DEMERITTE, 31, *Scottsdale, AZ*

SLASH MEDICAL COSTS

PAY IN FULL. "Last winter, I crashed into a tree while skiing and separated my shoulder. When I checked out of the hospital, I asked if they'd cut me a deal on my \$300 bill if I paid it that day. They knocked off 10 percent!"

—DENISE WINSTON, *personal finance expert at moneystarthere.com, Bakersfield, CA*



USE YOUR FLEXIBLE SPENDING ACCOUNT, ALREADY.

"Not nearly enough employees use flexible spending accounts (FSAs), which let you

sock away as much pre-tax income as your employer allows for out-of-pocket medical expenses. It's like having a 40-percent-off coupon every time you see a doctor or fill a prescription—yet only one in five employees takes advantage! Since FSA dollars are currently 'use it or lose it,' people worry they won't be able to spend it all. Go to savesmartspendhealthy.com for a list of items that are FSA-eligible. In about 10 minutes, you'll surely find 20 things you can use those valuable FSA dollars on." —MANISHA THAKOR, *chartered financial analyst and spokesperson for WageWorks, a provider of FSA accounts* ▶



REDBOOK's money expert, Beth Kobliner, is the author of *Get a Financial Life* and is on the President's Advisory Council on Financial Capability.

One-up your savings strategies

Beth applauds your cost-cutting moves—and does them one better.

- **46 percent of adults bring their lunch from home**, a 2011 Harris poll finds. One-up: Rope four coworkers into a lunch-sharing deal in which each member feeds the entire group once a week. Cap the cost of prep at \$20, and say hello to a new, yummy, and fun lunch hour. Make extra portions of a dinner you're already cooking for your family, and you'll be set!
- **44 percent say they'll protect their money by never investing in the stock market**, finds a new survey by Prudential. One-up: Invest—the smart way. The stock market can substantially grow your money, so don't be afraid of it. Stay diversified with low-fee mutual funds. That way, if one company tanks, you won't lose too much.
- **21 percent of people now skip buying their morning coffee as an everyday way to save**, according to Harris. One-up: Try piggymojo.com

with your husband or a friend to find even more stealthy savings ideas. Each time your savings buddy passes up a latte, a taxi ride, or an iTunes download, Piggymojo will send you a text message about the "impulse save," challenging you to match your pal's frugal ways.

REFUSE TO PAY—THE RIGHT WAY. “When I booked an appointment with a new orthopedist, I was told that if I arrived late, I would not be seen, but would still get stuck with the copay. The day of my appointment, I got there on time but I had to wait for almost an hour.



Afterward, they asked for my copay, and I told them that if the doctor could charge patients for being late, I wasn't going to pay for being kept waiting. They didn't argue at all! Sure, it was only \$10, but I strutted out of that office like I was John Travolta in *Saturday Night Fever*.” —TRICIA DORAN, 40, Londonderry, NH

CONTEST YOUR BILL. “Research shows that eight out of 10 medical bills contain errors—hospitals are notorious for trying to double-charge you. They'll list one fee for 'room and board' and then another for amenities like the toilet paper, toothbrushes, and shampoo used during your stay, even though all of that should be covered in your room cost. Ask to see the itemized bill, which is more detailed than the summary they'll initially send you. If you aren't sure what some charges mean, ask your doctor to go over it with you to confirm which services were actually performed.” —REBECCA WOODCOCK, cofounder of *CakeHealth.com*, a site that manages health-care expenses



DON'T GIVE UP. “My family was dependent on health insurance through COBRA after I was laid off. They terminated our coverage because of a billing mix-up—they thought a check I'd sent was short, though I'd called to confirm the amount with a rep before sending in the money. After months of writing letters to appeal, I finally convinced a supervisor to pull the tape of that first phone call with their rep. When they listened to it, they realized I was right and reinstated us.” —GRACIELA TISCAREÑO-SATO, 44, Hayward, CA

SAVE BIG ON BANKING

TAKE YOUR MONEY AND RUN. “I was a Bank of America customer for 20 years, until last November when they announced that they were planning to charge customers \$5 every month they used their debit card. I decided to move all of my family's money to a local community bank. Not only are there no debit-card or ATM fees, but they offer the same online tools and phone service as a bigger bank. They even have free cookies!” —MARIAN SOLE, 58, Kinderhook, NY

BE YOUR OWN ADVOCATE. “When my bank deposited my paycheck into someone else's account, it took me a month to get the money back. It was clear that



my measly \$300 meant nothing to them—at one point, the branch manager had the nerve to offer to loan me the cash at 21.99 percent interest!

As soon as the money hit my account, I cashed out and switched to a credit union.” —ALLISAN LOOMAN, 27, Orem, UT

RAISE HELL IN PERSON. “If you want to fight a banking fee you feel is unfair, walk into a branch and speak with someone in person. It's very easy to get stuck on hold or 'accidentally' disconnected if you call to complain, but it's very hard to say 'no' to an irate customer who is three feet in front of you and not going anywhere.” —CASEY BOND, editor of *gobankingrates.com*

TRY A CREDIT UNION. “I switched from a national bank to a credit union and I couldn't be happier. I'm earning around 2 percent interest with my checking account. You won't be able to find a rate like that at a big bank right now. Making the leap isn't as difficult as you'd think; it's just a little time-consuming to redirect paychecks and online bill-pay. If you have a mortgage at your old bank, you can take it with you, but make sure the fees are worth it.” —ELLE KAPLAN, 35, CEO of *Lexion Capital Management*

Earn more, too!

Yes, times are tough. But no, that doesn't mean you shouldn't earn what you deserve. Here's how.

● **Ask now.** “To avoid turnover as the economy improves, employers are looking for ways to hang on to top talent. But keep in mind that timing is everything. Be sensitive not only to your boss's mood, but also to your company's fiscal health and budget cycle, so you don't end up making your pitch when business is slow or after the yearly budget has been set. And studies show that Wednesdays are the least stressful day of the week to approach your boss with a big request.” —FARNOOSH TORABI, CONTRIBUTOR TO YAHOO! FINANCE

● **Be the exception.** “My company had a freeze on raises, but I knew I was one of the top salespeople in our department, so I thought, *Freeze, schmeeze!* I sat down with my boss and explained why I thought I deserved it. I showed her how valuable I was to the company, and she went for it. I didn't get as much as I wanted, but it was a lot better than nothing.” —KELLY SHERMAN, 45, NEW YORK CITY

● **Get your foot in the door, then renegotiate.** “It's hard enough to land a job these days, so when I was hired as an IT consultant on a contract basis, I accepted the position at a lower salary than my skill set was worth. After I wowed them on the first project, they asked to keep me for another year. That's when I said I'd be happy to accept if I got a 17 percent raise. I shared emails from the company's top managers complimenting me on the work I did, and explained that I needed to be fairly compensated. They agreed!” —SHARI MCGUIRE, 43, MAPLE GROVE, MN



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