

## THE MONEY MARATHON: SOME TIPS TO AVOID PAYING FULL PRICE

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In the last few months, I have had several incidents where I was able to see firsthand the benefit of waiting for prices to come down, and or negotiating for a price reduction. Here are some examples.

My favorite business periodical that I read every day (particularly the editorials) has a price of \$450 per year, about \$1.25 a day. I decided that I could save considerable money on the subscription by going to the library to read it every few days rather than paying a subscription price. My favorite weekly investment periodical, which gives me detailed information on up to 1700 stocks every quarter, was a similar situation. Again, I thought I could save about \$500 per year by going to the library to read this weekly. Although I like the library a lot, it was slightly inconvenient to go there rather than have these come to my office and home and read them at my convenience, but I decided the inconvenience was worth the savings.

Interestingly enough, several months after I cancelled my subscriptions, both periodicals, owned by different companies, came back to me offering the same subscriptions that I had before for one third the retail price. In both cases, with the new lower price, I re-subscribed.

In a similar situation, when I purchased my new hybrid car in 2009, I was given free satellite radio for a number of months. Since the radio had CNBC with non-stop business and financial news, I grew to like it and subscribed after the free period. Although I enjoyed it, I later decided that it was more expensive than it was worth to me, and so I called planning to cancel. When I indicated to them that I enjoyed the service, but I was cancelling because the monthly price was not worth it to me, the representative for the company quickly started negotiating. Basically, they offered me the service for half price for a limited time which I thought was worth it. When it came due again, I again called and was prepared to cancel if they reverted to the old, higher rate, and sure enough, rather than lose me; they agreed to keep the same rate.

Have you ever had a late charge on a bill or credit card that was caused by an unusual set of circumstances, like the bill went to the wrong address delaying your receipt or even your own one time mistake because of an oversight? I have. In those cases, if this is a onetime event, I have found that you can call the company, explain the issue and in many cases they will waive the penalty fee. The logic from the standpoint of the company is that a one-time penalty charge for a good customer is worth waiving

to create customer goodwill. Recognize that this won't work and shouldn't be tried for perpetual tardiness. But it can work in explaining an unusual circumstance or onetime error.

My point in these examples is not that you should call every supplier of bills and negotiate, but rather that when you decide a particular product or service is more expensive than you can justify, or there is an explainable set of circumstances, possibly it would be worth your while to give them a call, explain your situation and then listen to see what happens. You might be pleasantly surprised, saving you significant dollars.

Remember every investor's situation is unique and it is important to review your specific situation with a financial professional.

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