

Creating the Budget, Exercise 13, Cell Phone Bill

Just about everyone owns a cell phone and most of the time the parents are paying for it. So you need to call three cell phone carriers for pricing plans now that you can afford it.

Look for a plan that incorporates these elements: for example, the cell phone plan is \$121 every month based on 1,400 minutes for \$60, 20MB of data for \$20, unlimited texting for \$30 and taxes at 10% or \$11. Keep in mind about overcharges for minutes used and exceeding data limits. For example, a plan may state that exceeding the data limit for every 1GB he will assess an additional \$15 for the billing cycle.

Next you need to shop for a new phone and determine the cost to lease or buy. Buying means that you will own the phone outright with an ongoing monthly payment until you reach a zero balance and leasing means you will always have a monthly payment but you will get a new version of the phone you own as soon as it comes out.

In order to gauge the cost, ask a parent or guardian to show you their current cell phone statement. When you choose a phone plan it will just be for an individual account. Use the grid below to compare the cost for the phone.

You will need to ask the customer service representative the estimated taxes on the phone service. You may also consider insurance as an option which may be monthly or upfront. Ask how the plan works before you consider it. Also don't forget a case!

Carrier	Minutes	GB	Texting	Taxes	Overages	Lease/Rent	Service Charge
Verizon	1,400	20GB	Unlimited	10%	\$5/GB	\$32/month	\$50