



Choosing a Wireless Plan

A Consumer Action Training Curriculum

Course Purpose: To educate people about how to choose the best wireless plan and avoid potential pitfalls.

Course Objectives: By the end of the course, participants will:

- Know how to look at different cell phone plans and choose the one that is right for them.
- Understand words used by the cellular industry, such as roaming, coverage, etc.
- Understand the differences in prepaid and monthly wireless plans.
- Know how to choose a phone to go with their chosen plan.
- Understand how wireless companies bill for services.
- Know how to avoid becoming the victim of identity theft or fraud by protecting cell phone numbers and records.

Participants' folders: Each folder contains Consumer Action's Choosing a Wireless Plan brochure, "Choosing a Wireless Plan," a copy of the "Choosing a Wireless Plan" PowerPoint slides in handout form, and a copy of the activities, sample wireless billing statement and quiz (all attached at the end of this lesson plan).

For the trainers: The "Choosing a Wireless Service Provider Backgrounder Guide," "Choosing a Wireless Plan" Training Curriculum, the "Choosing a Wireless Plan" PowerPoint slides and activity and quiz answer sheets (attached).

Seminar duration: Two hours

Training Outline:

Suggested Time Allotment

10 minutes

15 minutes

10 minutes

25 minutes

15 minutes

15 minutes

5 minutes

15 minutes

10 minutes

Topic

Welcome and seminar overview

Group introductions

About wireless phone service

Comparing cellular plans

Break

How much will wireless service cost?

Choosing a wireless phone

Activities and quiz

Wrap up and questions

Training Design and Lesson Plan:

Welcome (10 minutes)

Welcome participants. Hand out folders.

Review the topics you will cover:

- Wireless phone service and how it works
- How to compare cellular plans
- Deciphering “wireless speak.” (What is roaming? What is a coverage area?)
- Avoiding common contract mistakes, fees and optional services you don’t want (such as cell phone insurance, high roaming, long distance, etc.).
- How much will it all cost?

Group Introductions (15 minutes)

Ask participants to introduce themselves and say what they hope to get out of the seminar.

Write down participants’ expectations on the easel pad. This activity will serve as a brief icebreaker to help workshop participants get to know each other and feel more comfortable, and to give you an idea of what participants are expecting from the seminar.

TIP: Save the easel pad page for the final wrap-up and evaluation at the end of the training, so that you can revisit it and ask for feedback on how participants feel about the seminar.

About Wireless Phone Service (10 minutes)

Ask participants what they already know about choosing a wireless plan. Ask them to share experiences about choosing and using wireless phone plans. Write their responses on the easel pad.

Refer to the backgrounder guide to give a simple description of what wireless is and how it all works.

Possible questions to generate responses:

- Why do I have to sign a contract for most cell plans?
- What is roaming?
- What is a coverage area and how do I find out about it?
- How can cell companies offer free long distance? Do I get free long distance with all plans?

Comparing Cellular Plans (25 minutes)

Direct participants to the “Choosing a Wireless Plan” brochure in their folders. Ask the class to respond to the following questions:

Q. What kinds of cell phone plans are available?

There are local, regional, nationwide and international calling plans.

- Local calling plans typically allow users to make calls within a metropolitan area or portions of a state without incurring long distance or roaming charges. (*TIP: Roaming—making calls outside of your carrier’s network—can result in higher per-minute charges with some cell phone plans.*)
- Regional calling plans typically allow users to make calls within a state or group of states without incurring any long distance or roaming charges.
- National calling plans, sometimes called “nationwide plans,” usually allow users to make calls within the U.S. without incurring any long distance or roaming charges. (*TIP: Be sure to clarify all plan details with your carrier in advance.*)
- International calling plans may provide better deals on calls to other countries. There are also regional and local prepaid plans and some that offer overseas calling that might be good options for people (teens or seniors, for example) who don’t use a cell phone much or who are trying to control costs.

When comparing calling plans, ask the following important questions.

- What is the basic monthly charge?
- How many anytime minutes are included?
- How many free night and weekend minutes are included?
- What is the per-minute airtime rate if included minutes are exceeded?
- What is the long distance charge?
- Are there roaming charges when you are outside your local area? If so, how much per minute?
- What are the hours during the day for peak versus off-peak minutes?
- What is the charge for text messages?
- What are the charges for Internet access if the phone has it?
- How long is the initial contract period?
- Can you make changes to the plan during the contract period?
- What is the cost of terminating my service before the end of the contract period?

Family Plans

Family plans (or shared plans) may be a less expensive way to add multiple phones and services to one account. Family plans allow the users to share plan minutes. The alternative—paying individual monthly fees—can cost considerably more. However, some users find it hard to control the use of shared minutes.

Here are some common features of family plans:

- Two or more cell phones share one bucket of minutes. (*TIP: A bucket of minutes is an industry term for an allotment, usually monthly, of cell phone time.*) Typically, cell phone plans offer buckets of 250, 500, 700 or 1,000 minutes per month.

- With some plans the unused minutes roll over to the next month. In this case, you might be able to choose a plan with fewer monthly minutes—and a lower cost.
- Remember that outgoing and incoming calls, including toll-free calls, use your bucket of minutes.
- Buy enough minutes to cover your usual calling pattern, because going over your minutes will cost more—40¢ per minute or more.
- If you buy too large a bucket you may pay for minutes you don't use.
- Each user has a separate phone number.
- For each user, you pay a monthly fee that is added to the cost of the overall calling plan.
- Typically, members of the plan have unlimited free minutes when talking to each other.
- In many cases, family plans (like most cell phone plans) allow free calls between subscribers of the same company.

Consumer Reports magazine has done several articles on comparing cell phone companies. You can find this information online at www.consumerreports.org for a fee, or visit your local library for back issues.

Comparison Sites

Some of the comparison web sites that can help make this task easier include Point.com (www.point.com), My Rate Plan (www.myrateplan.com), Let's Talk (www.letstalk.com) and Wirefly (www.wirefly.com). Be aware that these companies also sell wireless products and services, but they offer articles, tips and advice for free.

Ask the class these questions:

Are all cell phone minutes the same?

No—the minutes in your calling bucket may differ. Some may be used anytime, while some may be used only in specified time periods, such as “peak” (weekday, daytime) hours or “off-peak” (night, evening, and weekend) hours. Many plans provide unlimited calling during off-peak hours. Be sure to confirm when off-peak hours begin and end. Most carriers begin their off-peak times at 9 p.m., but some begin earlier.

What is free mobile-to-mobile?

Usually this means calls between customers of the same plan. Many carriers offer plans that don't charge for these calls. If you use the same carrier as your friends and family, look for a calling plan with free mobile-to-mobile minutes. These plans, best for heavy users, allow you to chat for free with other customers, whether they are family, friends or even people you don't know well. Your calling plan will recognize these calls automatically and you will not be charged for the calls if they are free with your plan.

How can I estimate my average monthly usage?

If you're already a wireless customer, check your past bills for your average monthly usage. If you are a landline customer, estimate how many minutes you talked on your phone each month. Remember that cell phones charge for both incoming and outgoing calls, so you will need to consider how many calls you will receive as well as make.

How can I control incoming calls?

You can control incoming calls by limiting the number of people you give your cell phone number to. Most cell phones have a caller ID feature included, so you can choose not to answer a call if you don't recognize the incoming number. If a call is coming in from someone in your address book, it will also show that person's name—or whatever nickname you used in the address book.

Q. Do U.S. cell phones work overseas?

Usually you have to take specific actions to use your phone overseas, even if you have the kind of phone that works outside the U.S. If you make international calls from the U.S., compare carriers' international long distance rates and capabilities. Ask about international calling plans that might save you money.

Break (15 minutes)

Ask the group to take a break and to reconvene promptly in 15 minutes.

How Much Will Wireless Service Cost? (15 minutes)

Reading a wireless bill can be like trying to decipher a secret code if you don't know what you're looking at.

Review the charges that people will typically see on their bills and go over red flags to watch out for. *(Let the class know that you will be going over a sample bill later in the training.)*

- In many cases, your first bill will be higher than normal due to the activation fee, prorating of monthly charges and advance payment of the upcoming month's charges.
- Pro-rating of charges can also increase your bill when you change calling plans or add new features to your account during the billing month.
- Ask for an estimate of your first and ongoing bills when you sign on.
- Check to make sure that you did not exceed your monthly allotment of minutes, which can result in higher charges.
- Each month the bottom line of the bill will be higher than your calling plan amount due to taxes and surcharges. In some states, these charges add up to 20% to the bill.

- In addition, you may be using services that result in extra charges, such as directory assistance, or exceeding your plan’s allotted minutes.
- Check your carrier’s web site or call customer service for costs.

Keep track of your cell phone minutes

Ask your carrier how you can track your minutes. Some carriers allow you to check your balance on your phone or on your carrier’s web site or by calling a toll-free number. Many phones have “call timers” that you can set each month to keep track of your minutes. This can help you avoid paying for costly additional minutes, also called “overage” charges.

Data services

Unlike voice service, data service is usually billed per kilobyte. Check with your wireless carrier on how many kilobytes are needed to perform common activities, such as downloading photos, checking e-mail, or reading news headlines. Although Instant Messaging may be “free” on your computer, it will use kilobytes on your wireless device.

TIP: Some companies offer free incoming or outgoing messaging while others charge somewhere in the range of 5 cents per message, especially prepaid plans.

Report billing mistakes immediately

- If you discover unauthorized charges or other errors on your bill, contact your carrier immediately to report the problem.
- Keep a note of the date you called the carrier, to whom you spoke, and what you were told.
- Ask if it is possible to get e-mail confirmation of the conversation. Having this information will be helpful in case the problem is not resolved to your satisfaction.

Choosing a Wireless Phone (5 minutes)

Cell phones come in several varieties. Make sure the phone you buy is user-friendly and capable of delivering the services you want.

- There are “flip up” and “candy bar” style phones as well as personal digital assistants (PDAs) and combination PDA-cell phones (smart phones). The flip up phones can be compact, with comfortable keypads and larger screens.
- A retractable antenna may improve reception.
- Look for a phone where you can set the ringer volume and switch it to “vibrate” when a ringing phone is not appropriate.
- A separate volume control is easier than having to use the keypad to adjust the volume.
- For driving (or in places where laws restrict cell phone handset use while driving) you might want a phone with hands-free features such as one touch redial, voice

activated dialing and a good headset with a comfortable earpiece. (Some states and municipalities prohibit cell phone use even with hands-free features.)

Review with the class these important questions to ask when choosing a phone:

Q. Is there a catch if I accept a free phone from my new carrier?

Free or discounted phones typically come with one- or two-year service contracts. If you don't want a contract, you might have to pay full price for a phone or choose a prepaid wireless plan. Many prepaid wireless plans come with heavily discounted phones.

Q. Can I automatically block my teenage daughter from buying ring tones and other expensive options that are charged to our cell phone bill?

Teens sometimes surprise their parents by purchasing optional services that are billed directly to their wireless account, such as musical ring tones and games. Ask your carrier if it offers "parental controls" for its phones. These allow you to limit the content your child can buy using his or her phone.

Q. Should I look for a rebate offer when I buy a new phone?

Many wireless carriers often offer rebates on new phones and this can be a way to get a better price for a new phone. However, you may be charged sales tax on the full price of the phone. Make sure you submit the required paperwork by the offer expiration date. Always save a copy for your records.

Q. Should I buy phone replacement insurance?

During the sales process, you may be asked if you want to pay more for optional services, such as insurance to replace your phone if it's lost or damaged.

- New phones come with warranties, so if the device breaks down within the warranty period, you should be able to get it repaired at little or no cost.
- Phone replacement insurance plans cost between \$4-6 per month.
- Consider a replacement plan only if your phone is very expensive or if you often lose your possessions.
- Always read the fine print—some plans don't replace phones if you caused the physical damage.
- Most plans have deductibles you must pay before getting a new phone (sometimes the same amount you paid for your phone) and you might get a refurbished phone instead of a new one.
- If you received a free or low cost phone when you entered a contract, the price to replace it might be surprisingly high.

Activities (15 minutes)

There are three class activities attached to this training. Depending on how much time you have, you can do one or all of them with the class:

- Choosing Wireless Service (Activity) — You can break the class into groups for this activity.
- Wireless Plan Quiz
- Laura Fish's Wireless Bill (Activity) — You can break the class into groups for this activity.

Wrap Up and Questions (10 minutes)

Review participants' expectations from the beginning of the training.

Questions to generate discussion:

- *Was enough time spent on the topics for you to gain a thorough understanding?*
- *Which topics were the most interesting, or valuable, to you in your work or in your daily life?*

Thank the class for their attendance. Let them know that they can find many free multilingual educational brochures and other publications on the Consumer Action web site at www.consumer-action.org.

Choosing Wireless Service (Activity)

Marilyn and Charlie

Marilyn and Charlie have been dating since they graduated from high school three years ago. Their colleges are 25 miles apart and they often talk for about 250 hours per month and text message each other several times daily. Lately they've been talking a lot about how high their cell phone bills are.

What advice would you give to Marilyn and Charlie on ways to reduce their mobile phone bills and to select the best phone service? Could they save money without switching plans?

Ruby

Ruby wants to get a cell phone for emergencies. She plans to keep the cell phone in the car in case she gets stranded.

What can you advise Ruby about purchasing wireless service? Is keeping a cell phone in the car helpful? Can you think of reasons why her plan might not work?

Anna

Anna is a junior in high school. When her mom got the latest cell phone bill for the family plan, Anna's minutes exceeded the plan allowance by 450 minutes. The bill was a whopping \$150 more than they anticipated. Her mom threatened to take away Anna's phone, but Anna argues that she likes to send text messages and sends photos to her friends.

Suggest ways Anna can prevent overage charges without giving up the phone. What can Anna and her mom do to avoid this situation in the future?

Wireless Plan Quiz

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Take the following quiz to see how much you know about wireless cell phone plans. Check “True” or “False” to answer the statements below.

1. You should shop carefully for a wireless that suits your needs. True False
2. There are added charges for features such as text messaging and sending photos.
 True False
3. It is worth paying between \$4-\$6 per month for cell phone replacement insurance.
 True False
4. Regional calling plans typically allow users to make calls between states without incurring any long distance or roaming charges. True False
5. All cell phone minutes are the same kind on wireless plans. True False
6. All wireless phone plans offer free “mobile-to-mobile” service. True False
7. Nationwide/national calling plans allow users to make calls within the U.S. without incurring any long distance or roaming charges. True False
8. You can safeguard the information on your phone by using your phone’s security features. True False
9. It is a good idea to ask your carrier how to track your minutes to avoid paying overage charges. True False
10. If your phone is stolen, your carrier might request a police report. True False
11. If your phone has a SIM card (Subscriber Identity Module) in your cell phone, you should discard it before disposing your cell phone. True False
12. It’s okay to throw away your cell phone with the rest of your trash.
 True False

For the answers, see page 2 of the quiz.

Answers to the Cell Phone Quiz

page 2 of 2

1. True. There are local, regional, nationwide and international calling plans as well as family plans.
2. True. Some phones have added features that allow you to text message and/or take photos. Wireless plans usually charge additional fees to send text messages and pictures.
3. False. New phones come with warranties, so if the device breaks down within the warranty period, you should be able to get it repaired at little or no cost. Consider a replacement plan only if your phone is very expensive or if you often lose your possessions.
4. False. Many regional and local prepaid plans don't include calls to all other states.
5. False. Some minutes may be used anytime, while some minutes can be used only during specified time periods, such as "peak" (weekday, daytime) hours or "off-Peak" (night, evening, and weekend) hours. Many plans provide unlimited minutes during off-peak hours. Confirm when off-peak hours begin and end. Some carriers begin off-peak hours at 9 p.m. and some begin at 7 p.m. so check with your carrier. Also, some plans do not charge extra minutes on Sundays.
6. False. Not all plans offer free mobile-to-mobile service (free calls between customers of the same plan).
7. False. Nationwide or national calling plans do not always allow users to make calls within the U.S. without incurring long distance or roaming charges if the company doesn't have agreements with other companies to carry those calls.
8. True. Additionally, you can usually set up password to your address book to block snoops.
9. True. Always ask your carrier how you can track your minutes. Some carriers provide a web site or a toll-free number for you to check your minutes. Additionally, many phones have "call timers" that you can use to keep track of your minutes.
10. True. If your phone is lost or stolen, contact your carrier to suspend your phone service and report the lost phone immediately to the police. Get a police report number.
11. True. The SIM card (Subscriber Identity Module) contains phone data and should be erased before disposing your cell phone. Follow the manufacturer's instructions found in the owner's manual or on the manufacturer's web site to delete any personal information from the chip and the phone.
12. False. There are toxic materials in cell phones that can poison the environment if not disposed of properly. Ask your cell phone carrier to how to dispose of your old phone safely.

Laura Fish's Wireless Bill (Activity)

page 1 of 2

Look over the wireless phone bill attached and answer the following questions.

1. What type of wireless account does Laura Fish have with Vocal Wireless?
2. Are there other users on this account?
3. Is this account current? What is the charge for the late payment penalty?
4. What is Share Plan Allowance on this account? Are Laura and Herbert within their Share Plan Allowance? Which one of them uses their phone more frequently?
5. What is the monthly charge for Laura's calling plan? What other fees are added to Laura's account? How much are Laura's total charges?
6. If Laura or Herbert uses more minutes than their plan allows, how much will the charge be for additional usage?
7. What amount are Laura and Herbert being charged for night and weekend home airtime?
8. What is Herbert Fish's calling plan charge? What is the total current charge for his phone line?
9. What is the amount for account charges and credits? What is this charge for?
10. Did Laura use the call forwarding or call waiting features on her phone service on this bill?
11. Laura plans to Vocal Wireless for calls she notices are not hers or Herbert's. If Laura decides to send a letter, what Vocal Wireless mailing address she should use?
12. If Laura decides to call Vocal Wireless instead of writing, how much will the charge be for the call?
13. To avoid the late penalties, when should Laura send in her payment to Vocal Wireless? What is the total amount she owes on this bill?
14. In your opinion, is the Family Share Plan a good choice for the Fishes?

Laura Fish's Wireless Bill (Answers)

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1. Laura Fish has a Family Share Plan.
2. Herbert Fish.
3. Yes, the account is current. If the bill is paid late, the charge would be \$5 or 1.5% (which ever is higher), or an amount as permitted by law.
4. The share plan allowance is 700 minutes. The Laura and Herbert are within their allotted time. Laura uses more minutes than Herbert.
5. Laura's monthly charge is \$60.00. She is also charged \$1.71 for Vocal Wireless surcharges, Taxes, governmental surcharges and fees, \$3.09. The total charges come out to \$64.80.
6. Additional per minute charge is 45 cents during peak hours and 45 cents during off-peak hours.
7. No. As of 10/07/05 there are unlimited night and weekend home airtime minutes per month.
8. Herbert is being charged \$9.99. His total charges including surcharges an, fees and taxes is \$11.19.
9. The Fishes are being charged \$1.00 for account charges and credits. 25 cents for the state 911 surcharge and 75 cents for the county 911 surcharge.
10. No.
11. The address listed on the first page under "Contact Us."
12. Nothing.
13. The total amount due is \$76,99. Laura should sent the check out at least 7 days before the due date or send it online 2-3 days before the due date.
14. The Fishes appear to have a plan with too many minutes. According to this bill, they seem to waste minutes every month.