

Transcript Season 1: Episode 14 – Paying Bills

Podcast Opener:

Adulting – Thinking of all the things adults have to do can be intimidating. Maybe you are realizing just how much you don't know about living on your own. If this sounds familiar, join us today to learn the skill you need and take some of the stress out of being an adult.

This is Grown Up U, an adulting podcast to help you navigate the twists and turns of adult life. Listen and get life skills you didn't learn in school.

Podcast Script:

Pamela Luker: Telephone, electricity, water, rent mortgage. What do all these have in common? They are bills that you probably see each month.

Hello, I'm Pamela Luker, the Family and Consumer Sciences agent for Pope County with the University of Arkansas, Division of Agriculture, Cooperative Extension Services. And today I'm back again with Rachel Chaney, the Yell County Family and Consumer Sciences agent.

During this podcast, we'll take a look at four steps in managing your bills, and we'll share some tips for making this process easier.

So, to get us started, I am going to ask Rachel to talk about the first step.

Rachel Chaney: All right. So, the first step is find out how much you owe each month. You need to figure out what bills need to be paid and how much you owe. You should know when the bills are due and have a plan for how you're going to pay for it that month.

A bill tracker can help you with this. Now this could be a calendar or a spreadsheet. Whatever system you find that works for you to figuring this all out, that's your decision. I will say for myself, I like to use a spreadsheet each month.

On the spreadsheet, I put the name of the bill, the due date, and the minimum amount due. Then I have a column for how much I actually paid. That may be different because for a credit card, I want to pay more of that balance off.

And then when I paid it and I also put on there transaction completed. So that means that it went through the bank, and everything is done. And then I have a section for notes.

After I get paid, I go in and I check the spreadsheet to make sure that I have enough money for bills and then to see how much I have left over for other things like groceries, eating out and the fun stuff. I find that I do better when I use the system instead of trying to just remember off the top of my head.

Pam, what tips do you have for paying your bills on time?

Pamela Luker: So first, you need to prioritize your bills over any other expenses. So missed payments for things like rent or mortgage, credit cards, and utilities. A lot of those come with risks and some repercussions if you do not pay them on time.

So, you could be evicted, you could be foreclosed on. You may have to pay a late fee and those can certainly add up. Maybe that late fee puts you over your credit card limit, which let's hope that you don't have that problem. But I mean, that's fee after fee and a lot of times those are about \$35 each, so your credit card payment may even just be \$25-\$30. But you may get a late fee that's even more than what your bill was to begin with.

So, think about those things. For example, utilities, if you pay those late or miss a payment, you may have those turned off. So, make sure that you're paying those bills on time.

If you're having trouble remembering to pay them on time, you could set up auto pay. I know that has helped me. And to be honest, the older I get, the harder it is for me to remember because it seems like the days go by so fast now. So, make sure to maybe use service like auto pay.

And whenever you do that, one thing I like to do is if they have an option to set a reminder, either remind text or email saying that you have a payment coming up in a couple of days, you might want to use that option. I know I use that so I can remind myself. Okay, I know that's coming out.

Maybe set up a reminder on your phone to pay certain bills. So, let's say that you have your credit card payment due on the 15th of the month. You might want to set up the reminder for the 13th that says pay this bill. Or even if you let's say it's not due till the 17th, but you know you get paid on the 15th, go ahead and set up a reminder for the 15th. So you can pay whenever you get paid, because that's the same money. There's no reason to wait.

Next, we want to talk about saving money by lowering your bill payment. So, Rachel, how are we going to do that?

Rachel Chaney: Well, I think it's something we got to figure out. It's important to save money. You know, you always want to have a rainy day fund for unexpected expenses. So try to save money when you can.

After you've figured up how much you owe in bills and how much you need to pay. And of course, hopefully once you subtract that from your paycheck, hopefully you'll have money left over.

And of course, you want to do the fun stuff, but we also want to try to save too. So, depending on your bills, there might be ways that you can save money.

I highly recommend you keep track of what you're spending each month on bills as well as other things. Also, keep track on your usage of the things that you're paying for. And what I mean by that is, for example, I used to pay a big cable package, and then I also paid for streaming services. Well, I realized I was using the streaming services more than I was using that cable package. There were some months I wasn't using it at all. So, one way I found to save money is I went lower on my cable package. I went to a more basic cable because that's all I really needed. And I have, you know, good internet.

So, looking at ways that you can save. Another thing is speaking of streaming services, seems like there's a new one every day. And of course, I'm tempted to sign up for all of them, so maybe I don't need to sign up for all of them. That's a way to save. Or maybe there's one I just don't use at all, and its \$10 a month or whatever. That can add up. It may seem like a small amount but think about that over a year's time. If you're not using it, you're just kind of throwing money at something like that. You want to figure out your needs and your wants. Prioritize your bills from the most important to the least important and look at ways to save.

If it's electricity, try to turn off lights when you leave the room. There are things you can do with your utilities to save money and maybe cut down the costs there. But also, when you're keeping track that way, you can kind of know what to expect for the year. My gas is not going to be as much in the summer because it's just a gas heater, whereas right now when I'm using heat, it will be a little higher. So, I need to kind of keep that in mind when I'm preparing for what I'm going to pay that month. Same with electricity. When I'm using the AC, it's going to be a lot higher than when I'm using it.

And then, of course, you also want to try to pay down the debt you have, like loans and credit cards. Getting those payments out of the way and getting that paid off is more money that you have in your pocket for the bills and things that are maybe the most important to you or that fun stuff.

So, the next step is to check in on your bills, right Pam?

Pamela Luker: Yeah, you need to check on them. So don't just pay your bills and then forget all about them. Make sure that you go and check and make sure that bill went through.

So, if you're paying online, make sure you go through all the steps to pay that bill online and then keep documentation of what you paid, when you paid it, and if they give you any kind of confirmation number. Make sure that payment posted out of your account. For example, if you have a landlord, you give them a check beginning of the month. They may not cash it till the end of the month, and you want to make sure that you don't accidentally spend the money that was set aside for that bill. So go ahead and check. Maybe have a little system to check off, highlight, or however you do it in your check register. Just to show that, yes, this has already been taken out of my account.

And one thing I learned; I learned the hard way on this one because I had a bill that I had set up on auto pay. I thought I was doing good. I saw it come out of my bank account every month, so I knew it was getting paid. Well, I got a phone call one day and they informed me I hadn't paid, and I knew I had. I had the proof, and I didn't know what they were talking about.

Well, come to find out, yeah, I was paying them. They were posting it to someone else's account. I wasn't checking the actual account because I had it on auto pay and I saw it coming out of my bank account and I thought everything was all good.

Well, guess what? It was not, so make sure you check on that from start to finish. That way something like that doesn't sneak up on you. I know that's a rare occurrence, but it does happen, so make sure that you're following through.

So, you know, Rachel, what if someone struggling to pay their bills? Do you just ignore them and hope you can catch them up or what?

Rachel Chaney: If you're struggling to pay is not recommended to ignore because it can become a big thing like Pam talked about. You get those \$35 dollars late fees and different stuff, it can really add up. It's best to pay your bills on time and get them paid.

But when you're struggling, some things to consider is to contact the company and let them know what's going on. You want to clearly explain why you're struggling to make the payment and see what options they have.

For instance, with the cable letting them know, hey, this is too expensive. This package, I need to lower it or cancel part of the service because I just can't afford it. They may have things that can help you out, or they have programs that can help with financial hardship or whatever situation you have going on at the time. So, it's important just to talk with them and let them know. And I can't guarantee that they're going to have a fix, but it doesn't hurt to ask.

The other thing to think about is change your due date. Some companies will let you change your due date. I know I had an electric company that let me pick my due date. Now something to think about with this is, once you change that due date, it may be set for life. So, you want to check to make sure what the restrictions are, things that they have with that due date. I know I had one when I changed it, they told me I couldn't change it again for a year. So, for one year it had to stay at that due date.

For me, the 1st or the 15th is the hardest time because rent is due, so I've moved some bills to later in a month and that worked to help alleviate some of that stress. But you want to make sure that's the best option for you.

And then the other option is split payments. Take those large monthly payments and split them. If you're like me, you're getting paid twice a month, you could split them between

the two paychecks. But the main thing with that is you want to make sure you pay the full amount by the due date.

Remember find out how much you owe, pay your bills on time, save money by lowering those bill payments when you can, and then check in on your bills.

And for more tips and resources for managing your bills, check out www.consumerfinance.gov or the UAEX Money blog. They have some worksheets and other information that could be helpful to you.

This concludes our Paying Bills podcast. This is all I have. Pam, do you have anything you want to add?

Pamela Luker: No, but thank you for the tips, Rachel. Hopefully, they'll help people out there who haven't learned these things. I know whenever I was younger, I wish someone would have shared some of this with me.

Rachel Chaney: Same here, Pam. I'm right there with you. I hope these steps will be helpful to you. And maybe you won't make the mistakes that we've made with paying your bills. Because being an adult that's just part of it. Paying bills every month. So be sure to follow these steps.

If you have any tips for how to pay your bills, be sure to let us know on social media. We have a Facebook and Instagram page. You can go to @UADAGrownUpU and that's how you can find us.

And then also be sure to check out our website. You can go to <https://www.uaex.uada.edu/> and search Grown Up U. You will find all the episodes that we have previously recorded, as well as new ones.

And we just want to say thanks again for listening to this and we'll see you next time. Have a good one!

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