

Negotiate your way to major savings

Haggling isn't hard, it just takes a little courage and know-how. Finance pro Nicole Lapin teaches you why it pays to speak up.

NEGOTIATION IS one of the best financial skills you can have. Trust me, I've haggled my way out of some tight spots. When I set out to start my business, for example, I was between health plans and got a stomach virus that sent me to the ER. It was a \$2,000 not-covered nightmare. I panicked. And then I negotiated my butt off—because no matter how official-looking your paper bill is, that doesn't mean it's set in stone. So start talking! You have nothing to lose but a little time.

Former CNN anchor Nicole Lapin is the author of the financial best-seller *Rich Bitch* and one of the stars of the new CW show *Hatched*.



1 MASTER YOUR MEDICAL BILLS

Step one: Always ask for an itemized hospital bill to see exactly what the charges are. In my case, I was on the hook for an \$800 X-ray that I never had. (Eighty percent of medical bills contain errors, so you'd be foolish not to check for bogus charges.) That still left me owing \$1,200, but I kept talking until it was \$600. Hospitals know they might not recover the full amount, so when you push back, they'll consider taking what they can get. But first go to healthcarebluebook.com to find suggested fair prices for treatments in your area—that knowledge will help you plead your case. Then speak honestly with the billing department, asking for reductions or a payment plan with manageable increments. If they think they have a better chance of collecting 75 percent than 100 percent, they'll likely work with you. And call *before* the bill is due: It's easier to haggle a bill that's not late.

2 CONQUER INTEREST AND DEBT

Who says you can't negotiate credit card rates? You can and should—especially if your interest rate is higher than average. Call and remind them of your punctuality and how loyal you've been, then hint that you're thinking of closing your card due to high interest. Some places will lower the rate to keep you. But what if one of your bills—credit, medical, or otherwise—ends up in collection? For starters, don't ignore the agency's letters and calls. Roughly 77 million Americans have at least one debt in collection. That means lots of people get these calls all the time—and they live through it. Is talking to a collector uncomfortable? Yes. But even if you have poor credit, you have rights. If, for example, you ask them not to call you at work or after 9 p.m., they should respect that. If you can swing it, ask for a reduced bill in exchange for paying cash.

3 BRING DOWN MONTHLY COSTS

I've had a lot of success negotiating my major bills (cable, phone, even utilities), but it takes persistence. That means haggling with your cell phone and cable/Internet providers twice a year so you have a shot at locking in a lower rate before any rate hikes take place. Your best bet is to call and get a human on the line; it's harder for someone to say no to you voice-to-voice. Remind your provider that you've been a good customer but that your friends have better rates elsewhere so you're thinking of canceling. Ask, "Is there anything you can do for me?" As for your utility bills, no, you won't get a lower rate for keeping the lights on, but some companies offer a discount if you let them cycle your central air off for brief periods during high-demand times, or install a more efficient thermostat. If you get refusals, well, you're no worse off—and you've learned that it's not painful to try.