



# Reducing Computer and Communication Expenses

The monthly bills for Internet access, cable television, and phone service add up quickly. When you are on a tight budget it can be difficult to keep up.

Fortunately, there are many creative ways you can reduce your communications and computing expenses. This handout lists some ideas to investigate.

## The Keys to Keeping Expenses Low

The first key to reducing your expenses is to look at your services as a whole and **identify overlaps**. Can you cover the loss of a landline phone by using your cellphone and Internet access? Can you and your family cover your entertainment needs without cable TV? This can help you prioritize the aspects of these services that matter the most to you. For example, you might use internet access primarily to search for work and keep in touch with your family.

On a similar note, it is critical to **avoid feeling deprived**. If you resent losing phone or Internet access too much, you will either get grumpy or you will splurge on other things, neither of which is advisable in tight times. One way to avoid feeling deprived is to **fill the gaps** with other services and activities that are more affordable.

Another strategy for avoiding deprivation is to **challenge yourself** by treating your new circumstances less like a hassle and more like a game. Admittedly, this can be difficult, but when it works it is incredibly effective. Challenging yourself to stay away from web-surfing for a week or two can give you the confidence that you need to reduce your Internet plan, and it will identify what aspects of the service matter the most to you.

## Landline Phones

Landline phones are a reliable fixture in most homes, but with the advent of cellphones and the Internet you may not actually need one in your home. Here are some strategies for reducing or eliminating landline service.

### Reducing Existing Landline Charges

You may be paying for features on your landline that you don't need or use. For example, if you are paying extra for a voicemail service you might consider putting a simple answering machine in your home. If you get regular calls from the same few people, you may not need Caller ID.

### Phones over the Internet (VoIP)

Some people are moving from traditional landlines to phone service over the Internet (generally known as VoIP).

- Some VoIP providers such as Vonage sell packages that can replace your landline for a fixed cost every month. Depending on your needs this can cost significantly less than a landline.

- You can also find "a la carte" deals, which can sell you phone service for a small monthly fee plus minutes. For example, Unlimitel sells a phone number for \$3.50/month plus 1.1 cents per minute for calls to major Canadian cities. However, setting up these services requires both technical knowhow and upfront costs of about \$100.
- There are also services like Skype which allow you to phone others from your computer. Skype calls between computers are free, calls to a landline cost a fee.
- People find VoIP attractive because it tends to cost less than a landline, because many VoIP providers can transfer your existing phone number to their service, and because it is featureful (for example, Caller ID tends to be included in the price). However, voice quality is variable, and VoIP depends heavily on having a good internet connection. If your Internet service goes down you lose your phone service as well. In addition, most residential internet plans limit transmission speed and the amount of usage you are allowed per month. Using VoIP requires that you purchase enough Internet capacity to handle it.

## **Cellphones**

Some people choose to forgo landlines entirely and depend on their cellphones instead. Depending on your phone plan and usage, this may be an option for you.

## **Using Email**

One radical option is to eliminate phone service completely. If the people you ordinarily phone all use e-mail, then you might consider entirely doing without a phone system.

The advantage to this approach is a lack of interruption: you avoid phone calls from telemarketers and calls late at night. However, eliminating your phone can also make it harder for employers and family members to contact you, and many businesses still treat phone service as the standard communications mechanism. Still, eliminating phone service (and replacing it with a cheaper voicemail service) can be done.

## **Cable TV**

Cable television is a common target when budgets get tighter. Certainly cable is expensive and used mostly for entertainment, but as cable gets bundled with other services it gets more difficult to eliminate.

### **Eliminating cable**

As a society, we lament the amount of time we spend watching TV. Certainly, many people eliminate cable TV and never miss it, but in doing so it becomes especially important to fill the gaps with other leisure activities. Here are some ideas:

- You can shift some of your leisure time to surfing the Internet, but keep in mind that the Internet can be even more of a time sink than TV.

- You can rent DVDs of movies and popular TV shows, or borrow them from the public library.
- You can take up hobbies that are relaxing but keep you occupied: knitting, cooking, gardening, woodworking, writing, painting, and many more. If you choose hobbies that have lower material costs you can save money.
- You can attend some of the many free talks and events that take place around the city. The library hosts many interesting talks that are open to the public, as do the Perimeter Institute, CIGI and the universities.
- You can get involved with a volunteer or community organization.
- Radio broadcasts and podcasts can be entertaining. They are especially good when doing chores because they leave your eyes and hands free to do other things.
- You can catch up on your reading.
- You can spend more time doing leisure activities with your children (who might be taking the loss of cable much harder than you).

## **Reducing cable costs**

You might be paying for extra channels and services that you can do without. It is worth tracking what channels and shows you and your family watch the most. You may find that basic cable is enough, especially if supplemented with DVDs or other entertainment resources in the previous section.

## **Home Internet**

Twenty years ago nobody had broadband internet. Now we consider ourselves deprived without it. Certainly, internet access offers the potential to fill the role played by other services. But internet access can still get expensive, and it is worth evaluating the roles it plays in your house.

## **Alternative Internet Sources**

If you use your Internet connection mostly for e-mail and light web-surfing, you might find that you can eliminate your Internet service entirely. Here are some strategies:

- If you are considering eliminating internet, avoid using e-mail addresses associated with the provider (e.g. addresses ending in @sympatico.ca). Using a more generic address (for example, one provided by a web service like Yahoo! or GMail) lets you keep getting e-mail even if you change internet providers or drop internet access completely.
- If you have a device that is capable of wireless access (some laptops, cellphones and PDAs can do this) then you might use the wireless offered at public libraries and other meeting places. (But be careful! Wireless access at coffee shops is convenient, but the cost of regular coffees adds up quickly.) If you choose to use such wireless access then be sure that your computer has an effective firewall installed.
- Dialup access is slow and ties up your phone line, but it might be enough for lightweight Internet access at home. This can be supplemented with Internet in public places.

- You can book computer time at public libraries. Other organizations in the area also offer bookable free Internet. For example, the Working Centre offers computers primarily for job searching purposes. Most places limit the amount of time you can book computers to an hour or two per day. One secret to using such bookable time effectively is to avoid reading websites while you have the computer booked. Instead, save as much material as you can to a USB key and then read that material on your home computer. You can also compose e-mail messages (and responses to messages) at home, and then send them when you have access.
- If you use public internet terminals, be sure not to let the web browser remember your login information.

## Avoiding Overcharges

If you keep a broadband internet connection at home, be aware that you probably are limited in the amount of internet traffic you are allowed to have per month. Keep a close eye on the amount of Internet used by your connection (this is called your **bandwidth**). If you exceed this limit you may receive a heavy surcharge on your bill at the end of the month.

You want to make sure you (or the other people living in your house) are staying within your limits. Remember that pictures use up more bandwidth than text, audio uses up more bandwidth than pictures, and video uses up more bandwidth than audio.

If you have wireless access enabled at home, then you need to be particularly careful, because unscrupulous people can use your Internet connection to download huge files. Somebody accessing your wireless network is no big deal; getting a big overusage charge because a neighbour used your wireless to download 17 movies is. For this reason you should consider securing your wireless network with WPA (or preferably WPA2) protection, using a really long and random password. Avoid WEP encryption, as it is easily broken.

## Cellphones

Cellphones are a conundrum. On the one hand they can be very convenient. On the other they cost a lot of money (especially in Canada). You may well find that you have to cut back on cellphone usage in order to get by.

### Cellphone Plans

If you have a cellphone plan that allows free incoming calls but charges for outgoing ones, you can make "outgoing" calls to people on landlines by calling them and asking them to call you back immediately.

"Pay-as-you-go" phone plans can be attractive, but only if your phone is for very occasional usage. Otherwise the per-minute charges add up quickly - but if money gets too tight it is easy to cut yourself off by simply avoiding the purchase of minutes.

## **Pagers and Voicemail**

Some cheaper alternatives to cellphones are pagers and voicemail. The Working Centre offers a community voicemail service free of charge, and pager service can cost less than the corresponding cellphone.

These services are attractive if you mostly receive incoming calls, or if you need a stable phone number because you move a lot. Access to a convenient way of making outgoing calls - perhaps where you work or volunteer - is a great asset as well. Public telephones have become expensive and are disappearing from the landscape.

You may find it cheaper overall to use a pager or voicemail in conjunction with a cellphone that has low monthly charges. You can give out your voicemail or pager number for incoming calls, and only resort to the cellphone when you have no other options.

## **Using Landlines**

An alternative to keeping your cellphone is to keep a landline telephone instead, or to turn to some of the alternatives like VoIP listed above. You may find that it is cheaper to phone home and check your voicemail messages remotely than it is to maintain a separate cellphone.

## **Newspapers**

A newspaper is not an electronic form of communication, but it is an expense to consider. You may be able to access the newspaper at the library, at employment centres, or elsewhere. If you primarily use the newspaper for classified or employment ads, you can find similar resources online. The Record publishes its classified section on the Internet, and sites like Kijiji (at <http://kitchener.kijiji.ca>) and Craigslist (at <http://kitchener.craigslist.org>) offer similar services.

## **False Economy: Traps to Avoid**

In an attempt to cut expenses, people sometimes resort to techniques that end up costing them more money or get them in trouble. Here are a few dos and don'ts:

- Avoid using illegal copies of software on your computer. While this can avoid licensing fees, illegal copies of software from the Internet often harbour viruses. Furthermore illegal copies of Windows do not qualify for security updates, which leave your computer far more vulnerable to computer threats.
- Don't skimp on a firewall/router box for your home network. In addition to letting multiple computers access your Internet connection, these boxes protect your computers from a lot of the worms, viruses and exploits on the Internet.
- Don't steal other people's wireless access. Your neighbours may be running insecure or unsecured wireless networks. If you abuse these networks by downloading a lot of material from them, they may receive overusage charges.
- Do make sure that people can still contact you. If you use e-mail as your primary communications mechanism, be sure you can check your e-mail regularly.
- If you have Windows at home, do make sure you are running antivirus software. If the antivirus that came with your computer has expired, there are some alternatives that do not cost money: ClamWin, AVG and Avast being three examples.