

## PREPLANNING YOUR FUNERAL SAVES LOVED ONES STRESS AND MONEY

Planning our own funeral is a task few of us wish to tackle. Yet funerals can be a major expense for many families, and advance planning can save your estate money and your loved ones a lot of emotional stress.

Here are a few tips for preplanning a funeral so that you have the funeral that you (or the terminal person you are planning it for) desire at the best price.

The average cost for a funeral, according to the National Funeral Directors Association, is \$6,500. However, that does not include such things as the cemetery plot, the grave marker, and some miscellaneous expenses such as flowers. Choosing expensive options can easily push the cost of a funeral over \$10,000.

The surviving loved ones must make these decisions very quickly after death, at a time they are grieving. It is common for them to “prove their love” by buying an expensive casket and service, even though they may end up spending far more than the deceased would have chosen. That is why preplanning can help make this inevitable event far less stressful for your loved ones.

Preplanning does not mean simply telling your family what you want for your funeral. You need to actively shop and price. Otherwise, you may “want” a funeral that is far more expensive than you realize or that your estate can afford.

Start with a funeral home’s price list. Federal rules require all funeral homes to provide a specific, detailed price list for their goods and services. You do not have to select every item on the list, either.

Keep in mind that most states do not require the use of a funeral home for a service. You or your church may want to simply hold a memorial service without the body present, thus eliminating the need for embalming, an expensive casket, or attending funeral staff.

Shop around. The cost of funeral home services can vary widely. Caskets are a particular area where costs can be dramatically cut, without sacrificing the deceased's desires. The cost of caskets at a large Midwestern funeral home, for example, runs from a low of \$700 to a high of \$15,500. Third-party casket stores, including some online, have entered the market in recent years, selling caskets well below the cost of what many funeral homes charge. And the funeral home must use that casket without charging a handling fee.

Know what you are required by law to have and what is not required. Two examples are embalming and "grave liners." State laws typically do not require embalming, at least within two to three days of death. As for grave or vault liners, or what the funeral industry calls "outer burial containers," state laws again typically do not require it. But most cemeteries require some sort of liner so that the ground does not eventually settle over the grave, but that can be relatively inexpensive. Yet as with caskets, liner costs range widely, from less than \$1,000 to over \$8,000.

Consider cremation. It is generally less expensive than a "full service funeral" that includes a casket and burial, though this increasingly popular choice is certainly not for everyone.

To prepay or not. There are several ways to prefund a funeral, from paying the funeral home directly to buying a dedicated life insurance policy to establishing your own investment account for that purpose. Each has their pros and cons. But what is certain is that preplanning presents the opportunity to set aside money for the inevitable expenses, again potentially saving your loved ones money and stress. Look for financial help. Social Security pays its beneficiaries a small death benefit. Also, veterans are entitled to a free burial and grave marker in a national cemetery.

Ultimately, the issue of preplanning your funeral is not what you spend for it but whether what is spent buys the type of funeral and burial that you want and can afford. If you desire a lavish funeral with an expensive casket and a high-cost location within the cemetery, and you can afford it, that is fine. If you prefer cremation or a "party" without the traditional funeral, that is fine, too.

What you do not want is to force your surviving loved ones into "guessing" your wishes and making potentially expensive financial decisions under severe stress.

October 2004 – This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by local member Bill Rodau, MS, MBA, CFP® at *Creative Financial Services*, 262-820-0870, [www.cfsfeeonly.com](http://www.cfsfeeonly.com). The column is provided for your general information only and you should contact this planner or other professionals for specific advice regarding your unique situation.