

Ways to Control What You Will Spend on a Funeral

It doesn't matter whether a loved one dies suddenly or with warning – funeral costs can be daunting. According to the [National Funeral Directors Association](#), which bills itself as the world's leading funeral service association, the average cost of an adult funeral in 2010 stood at \$7,755, and that amount does not include the price of a gravesite, monuments or flowers – not even the cost of an obituary.

As with most money issues, planning almost always saves money. But particularly with the subject of death, planning can reduce or eliminate a huge source of worry, anguish and conflict among loved ones. So while death is never easy to talk about, it makes considerable financial and personal sense to talk about funeral issues with loved ones before anyone actually needs to. Here are some key questions to ask:

What do you and your loved ones really want? It makes sense to talk with your parents, your spouse or partner or your children about what your wishes and theirs are for your funeral. Of course, many people ask this question without any real warning and deservedly get an answer with a dismissive wave or a flippant remark. But this needs to be a real conversation. There is real value in talking about exact wishes and even more value in putting those thoughts on paper for formal inclusion with wills and powers of attorney (more on that below). There are many interlocking issues that come into play in this discussion – religion, relationships, and of course, money. Whether the discussion is face-to-face or within a family meeting, detailed discussion and note-taking is the first important step to making sure your wishes or the wishes of a loved one are recorded and followed.

Consider the alternatives: One of the biggest stories in the funeral industry in the last 25 years has been the growth in cremation as a more affordable and acceptable alternative to traditional burial. On average, cremation can cut the price of a traditional funeral by half or more. According to the Cremation Association of North America (CANA), in 1985, nearly 15 percent of deaths resulted in cremation, but by 2007, that number stood at 34.3 percent. By 2025, CANA expects cremations to reach more than half of all funeral services performed. Also, many individuals now consider donating their bodies to science for the study of disease or organ donation, often at little or no cost whatsoever. This allows friends and families to focus spending on a memorial or other financial needs. To investigate this option, the official terminology is “willed body program,” and many universities with medical schools have them.

Do a cost comparison: It is not the easiest decision, but if it is your funeral or the funeral for a loved one, it makes sense to plan ahead and to shop smart. A trusted funeral director will follow state guidelines on price lists and answer your questions thoughtfully. Keep in mind that many states do not require you to buy big-ticket items like coffins from the funeral director, and in some cases, expensive processes like embalming are not even required. It makes sense to visit the website of whatever state agency supervises funeral directors where you live to get an

overview of what you may or may not be required to pay for at a funeral home and other alternatives that might save you money. You will also have an outlet for any complaints should they arise. Another good resource is the [U.S. Federal Trade Commission's website](#) which describes the 1984 Funeral Rule that has defined disclosure, pricing and other consumer rights in the funeral industry for the past three decades.

Make funeral planning part of overall end-of-life planning: Whether death comes suddenly or after an extended disability or illness, adults *of any age* should have proper asset planning and documents in place designating their wishes for their estate, their families and yes, the way they want to say goodbye. It makes sense to consult an expert financial planning professional as well as tax and estate experts to coordinate both financial and end-of-life planning in a way that fits the individual. Commonly, that means having finances in place and a legally written will and specific health, financial and family directives exist to guide survivors through the funeral and beyond.

November 2010 — This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by Eric S. Korbitz, CPA, CFP® of Korbitz Financial Planning LLC, a local member of FPA.