



## Reuters Money

# Funeral planning: How to avoid paying beyond the grave

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No one likes to think about the time when they will shuffle off this mortal coil. That's why getting our parents or even our selves to do [estate planning](#) can be such a monstrous task. If you think that's a hard sell, imagine thinking about paying for your own funeral — before you die.

When a salesperson came knocking on his door, John Hammond didn't think it was a hard sell at all. The O'Connor Mortuary rep came to his house in Laguna Hills, California home and

outlined all the costs for funeral prepayment for Hammond and his wife.

After talking about it, the Hammonds realized it made a lot of sense. "We thought that by paying in advance for our funeral, it wouldn't put a burden on our children," he says. It also wouldn't put a burden on the remaining partner to either pay for it or plan for it. Even better, the costs would be fixed so there would be no need to worry about escalating fees.

What's more, says Hammond, the sales rep got them to think about questions they hadn't even begun to ponder. "If we were in another country or another state, we carry a document with us that tells people what we want, who has authority over us [if we died]," says Hammond. "We think that's worth paying for." The cost for this peace of mind set him back between \$7,000 and \$8,000. O'Connor Mortuary even gave him payment options: He could spread it across six months or pay it over five or six years.

Most people, Hammond included, don't typically think about planning in advance to cover the cost of their own funeral. "If you look at life from birth, every segment of our life is planned," says Neil O'Connor, owner of O'Connor Mortuary. "This is one area where it's so taboo in our society and it's also one thing that is guaranteed that will happen, so why not plan for it?"

But the demographic of those who are thinking about it have changed over the last 18 months.

Before it was people 65 and over — now it's 45 and older. "The Baby Boomers that I work with, they have already had experience with their own parents, and they are much more concerned that their kids are not in the same position," says Jonathan Blumenthal, a senior vice president at [Peak Capital Investment Services](#) in Dallas. "The generation before really didn't do much about it."

When you prepay, a mortuary can either choose to put money into a trust at a bank, or work with insurance companies that offer funeral/cremation insurance. [When the death occurs](#), the funeral home contacts the bank or the insurance company and the money is released to the mortuary. The prepayment plan is transferable to other states, says O'Connor, who estimates about 20 percent of the 1,000 families he serves annually prepay.

It can be a real savings. The cost of most funerals double every 10-15 years, says O'Connor. The average funeral cost is about \$7000 today but your loved ones can plan on paying \$14,000 in 2021.

If the idea of planning for your own funeral and paying for it in advance appeals to you, you'll want to take into account the following tips:

### Know what you want

Take the time to really think through what kind of funeral you think you want. "People can have their funerals anywhere, not necessarily a church or funeral house," says Erika Dillman, author of "[The Party of Your Life](#)." There are also green burials, where you can be buried in a shroud or a biodegradable casket.

### Research prepayment options

Aside from working directly with a mortuary, you can also set up a Totten Trust. It is payable upon death so you get the money right away.

### Shop around

Compare different funeral homes and cemeteries. "No one place is right for everybody," says Blumenthal.