



**F**irst, be aware that you or your family will be responsible for paying the funeral bill. No charity will bail you out if you go into debt for a funeral. Take a realistic look at your budget, *before* calling a funeral home. Decide what you can comfortably afford—without sacrificing money you need for daily living. Keep that amount in mind as you make the arrangements.

## Choose an affordable plan

A “typical” funeral can cost \$10,000 or more; some families spend tens of thousands of dollars. But a heartfelt, meaningful memorial need not bankrupt your family if you make economical choices. Consider these affordable options:

■ **Direct cremation.** The body is cremated shortly after death, without embalming, viewing or visitation. Often an inexpensive alternative container is used, rather than a casket. The ashes may be kept, buried or scattered, eliminating the need for an expensive burial vault or full-size plot. The cost could be as low as \$800.

■ **Direct (immediate) burial.** By eliminating embalming, viewing, and visitation, the family can save thousands of dollars over a full-service funeral. Using an alternative container or plain casket can save thousands more. The burial vault, cemetery plot, and interment fees would be the most expensive component; expect to pay \$2,500 or more.

■ **Whole body donation.** Donating your body to a local medical school for research is often free, or involves a minimal charge to transport the body. The donor must complete the necessary paperwork ahead of time; the family cannot do so after death. Some medical conditions could disqualify a donor,

be sure to check. Cremated remains are usually returned to the family within two years.

■ **Home funeral.** All but nine states allow the family to complete the entire funeral process by themselves without hiring a funeral home. This includes everything from filing paperwork to caring for and transporting the body. (All states allow the family to keep the person at home if death occurred there, to prepare the body, and to hold a private vigil before calling the funeral home for removal.) The cost for this type of funeral would be minimal, and many find this a meaningful way to say good-bye to a loved one. The book, *Final Rights: Reclaiming the American Way of Death*, has more details.

## Comparison shop

Prices can vary dramatically among funeral homes for the very same items and services. If your local Funeral Consumers Alliance has conducted a price survey, check for an affordable provider for your chosen arrangement. Or look online or in the phone book, and call several funeral homes to get their prices. Spending some time comparing prices could save you thousands of dollars.

## Set aside resources

If you can, set aside money for your own funeral ahead of time, and spare your grieving family the need to make financial sacrifices after your death.

■ **Savings.** By saving even a few dollars a week, you can accumulate a nice sum to cover your final arrangements. Upon your death, however, the funds will be held up for months while your Will is probated. Your family could ask if the funeral home is willing to defer some of the charges until probate is completed. To

avoid such delay, you could set up a joint account with a trusted family member “with rights of survivorship.” That person can withdraw the money after your death to pay for your arrangements.

■ **Payable on death account.** This special type of bank account ensures that the funds you set aside for your funeral will be released immediately after your death to the beneficiary you name, without the delay of probate. Unlike a joint account, the beneficiary cannot touch the money while you are alive. These accounts are FDIC-insured, and you can withdraw money any time.

■ **Insurance.** *Life insurance* provides a lump-sum amount to your designated beneficiaries after your death. It is meant to cover the general financial needs of the survivors. Insurance money will be disbursed soon after your death, avoiding the probate process.

**Note—we caution against buying the following kinds of insurance because you will usually pay as much, or more, in premiums than the policy will pay out to cover your funeral.**

*Burial insurance* is a life insurance policy intended to cover death-related expenses; in some states it can be sold by funeral homes. *Pre-need insurance* is a whole-life policy covering the predetermined cost of a funeral, and is sold by the funeral provider. In some states, you must name the funeral home as the beneficiary; other states forbid it.

■ **Prepaying at funeral home.** When you prepay the cost of your funeral, the funeral director places the money into an interest-bearing trust account or insurance policy. After your death, the funds are paid directly to the funeral provider acting as trustee.

An *irrevocable* trust or insurance policy can't be changed or dissolved without the permission of the trustee, though you can usually name a new trustee or funeral home if you change your mind or move. A *revocable* one can be cashed out or cancelled at any time. We don't recommend prepaying a funeral, except in certain circumstances, such as qualifying for Medicaid. See our brochure, "Should You Prepay Your Funeral" for more details.

## Pay cash

Most families will use cash, check or credit card to pay for all or part of the funeral expenses. Most funeral homes today expect payment in full up front. Sometimes you can pay a portion using an installment plan negotiated with the funeral home. But do not disclose your finances or budget to the funeral director, and don't be coerced into purchasing products and services you don't need or want.

## Get help

- **Employer.** Some companies have survivor benefits available for the family of the deceased. Also, some unions may offer benefits to help cover or defray funeral costs.
- **Veterans' benefits.** All eligible veterans are entitled to burial in a national cemetery, with no charge for the gravesite, headstone, vault and interment. The family is responsible for all other charges. The VA makes additional burial allowance payments in cases of death during active duty, from service-related injuries, in a VA facility, or when veteran was receiving a VA pension or disability. Veterans' spouses and dependents are also entitled to some burial benefits. See our brochure, "Veterans' Funeral

and Burial Benefits," for more information.

- **Victims' assistance.** Some states help families of accident or homicide victims with funeral expenses through their Victim Compensation Program. For example, New York State will pay up to \$6,000 for the funeral of a homicide victim. Check the policy in your state.
- **Other government agencies.** Surviving spouses of Social Security recipients can receive a lump-sum death payment of \$255. In addition, some states, or county Social Services Departments, may help with the funeral costs of an indigent person, or those receiving Medicaid, Supplemental Security Income (SSI) or Social Security Disability (SSD) benefits. The amount is usually minimal, barely covering a cremation or direct burial.
- **Fund-raising.** Churches, businesses, clubs, and other groups sometimes help raise money to defray the costs for funerals for those in need. In some communities it is customary to hold special events, car washes or bake sales to help families with these expenses. You could also try crowd-funding websites like GoFundMe and Indiegogo, which allow individuals to set up pages to request donations.
- **Borrowing.** *We believe that no one should go into debt to bury or cremate a loved one, and strongly advise against taking out a loan.* Most ordinary lenders are reluctant to finance funerals. But some special loan companies offer their services through funeral homes. If your credit is good, you can borrow up to \$10,000 with interest rates of about 15%. But borrowing money to pay for funeral costs should be a *last* resort only, after *all* other avenues have been exhausted.



# How to Pay for a Funeral

## Or Other Final Arrangements

### Funeral Consumers Alliance™

*Dedicated to protecting a consumer's right to choose a meaningful, dignified, and affordable funeral*