

Hidden Funeral Costs Can Add to Your Loss

WHEN HER MOTHER WAS DYING IN PENNSYLVANIA,

Leslie Scalzo planned the funeral and signed a contract with a funeral home from her home in South Carolina. Although her mother died within weeks, Scalzo says the funeral home raised the price for cremation based on a “cost-of-living clause” in the contract. It was several years ago, but Scalzo remembers the price increased by at least \$250. Worn down by stress and from having to travel, she just paid the extra cost.

Dealing with the death of a loved one is difficult enough—something most don’t want to think about in advance. But then, at a time when numerous issues need to be addressed, funeral arrangements can be daunting. Grieving consumers can be vulnerable to sales pressure, made worse by the fact that many funeral providers don’t generally make their pricing information easy to get.

The national median price of a funeral with burial and viewing was \$7,848 in 2021, according to the National Funeral Directors Association. The cost of a funeral with cremation was \$6,971. There are about 18,800 funeral homes in the U.S. Most of them are independent, with some large companies accruing a significant market share. Although there are some federal requirements, for the most part, funeral homes are regulated by states.

Pushing for More Transparency

A federal regulation requires funeral homes to provide itemized price lists to consumers. But the homes are not currently required to post their prices online. Federal authorities are looking to change that.

“I have heard many friends express frustration and confusion when trying to navigate the difficult process of tending to a loved one’s final arrangements,” says Scalzo, 69, of Longs, S.C., who has seen funeral directors trying to “upsell” friends more expensive coffins.

Scalzo is among nearly 800 people who have responded to a Federal Trade Commission request for comments on proposed updates to its 40-year-old Funeral Rule, including requiring online price disclosure.

Consumers are frustrated by the lack of transparency about funeral prices and services, says Theresa Murray, a consumer advocate at U.S. Public Interest Research Group in Washington, D.C.

“It’s been 25 years since we’ve had the internet,” Murray says. “It just blows your mind that funeral homes would not have this information easily accessible, especially when they already have to provide it in writing when you walk in. Grieving families have a right to get straightforward information and not be dealing with a funeral home that’s playing games with them.”

Ann Baddour, the director of Fair Financial Service Project in Texas, says a recent search of funeral homes in Austin, Texas, found that only one of the 15 homes surveyed posts a price list online.

“Requiring online posting and an upfront listing of basic rights would benefit consumers greatly and support fair competition,” Baddour says.

How to Protect Yourself

What can consumers do to ensure a fair price?

Advocates recommend making arrangements in advance with funeral homes that provide itemized prices. But don’t pay ahead of time because your plans and circumstances may change, and state regulators may not be able to help if there are problems.

“The sale of pre-need contracts whereby the customer can prepay the cost of a funeral package in advance, sparing the family those costs, is a problem,” says Alice Faryna, a doctor in Columbus, Ohio. “For years, there was no way to ensure that these contracts were properly executed.”

That was the case for Diane Chamberlain. When her Aunt Lorraine died at age 95 in Madison, S.D., Chamberlain knew the funeral and burial costs would be covered. Decades earlier, her aunt had signed a \$22,000 certificate of deposit over to the funeral home, expecting that the entire town would turn out for a lavish affair.

But after years in assisted living, and all of her friends gone and family dispersed, there was no wake or funeral service. Chamberlain, a certified financial planner with LPL Financial in Spearfish, S.D., was never given an itemized receipt of the funeral costs. She was suspicious. “That’s a lot of money. The funeral home was the beneficiary. She wanted it prepaid, but they sat on that money all those years,” Chamberlain says.

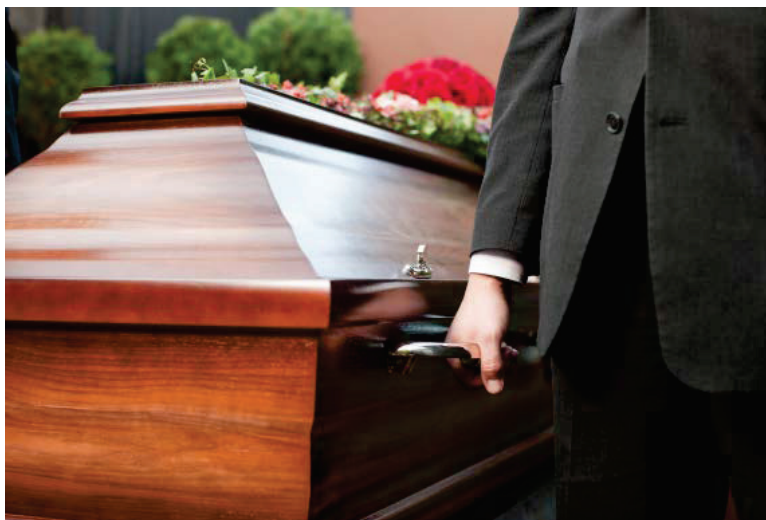
Advocates offer additional advice to avoid unnecessary funeral expenses.

BY
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When planning for a funeral, Overton G. Ganong, president of the Funeral Consumer Alliance of South Carolina, says it's best to visit three to five funeral homes and request copies of their general price lists, which they are required to provide.

Ganong also advises selecting immediate burial or direct cremation, eliminating the costs of embalming, visitation, viewing and a funeral service, which generally aren't required by law. If desired, a service can be arranged separately at a place and time of your choosing. If seeking a funeral service with the body present, decline embalming, which isn't required by law, Ganong says. Opt instead for refrigeration and a closed-casket ceremony.

Ganong says you don't have to purchase the casket from the business handling the burial. You can buy one from a third-party seller, which can be less expensive.



You can also rent a casket for the service and bury the body in a plain wood or cardboard container.

Ganong says to select the least-expensive outer burial container, which is a vault or grave liner required by a cemetery, and never buy a "sealer casket" with a waterproof gasket between the lid and body of the box.

A revision to the FTC's Funeral Rule could help clarify what services are needed for the post-life disposal of a body. Embalming, for instance.

"Many people think embalming is legally required if you're going to view the body. That is not true in any U.S. state. It's also not true that embalming is required as a condition of being buried in the ground. These are funeral home policies, not laws," says Jason Slocum, the former director of the Funeral Consumers Alliance.

Cemeteries, Slocum told ProPublica, a non-profit news organization, are less regulated than funeral

homes. He says cemetery regulation "is so poor, I consider it an unregulated industry."

"They don't have to give out a printed price list. They don't have to let you pick a la carte," Slocum told ProPublica.

The Funeral Industry's View

Funeral industry officials say more rules are unnecessary. They say funerals are like weddings. Families want to be able to choose services and goods according to their wishes and traditions. This requires a discussion, not a price list.

The National Funeral Directors Association is asking the FTC to be less "rigid" about when a price list must be furnished because it maintains consumers may be looking for different information to help them make decisions.

"A person making a funeral arrangement faces up to 124 decisions, which must be made in a short period of time," says Lacyn Barton, general manager for Woody Funeral Homes and Nelson Funeral Homes in Richmond, Va. "Making informed decisions goes far beyond using just an online price resource."

Both funeral home groups are under the corporate umbrella of Service Corporation International, which operates 1,900 funeral homes in 44 U.S. states.

"Planning a funeral, and understanding the cost and value of a funeral, requires guidance that can best be provided by a trained professional at a state licensed funeral establishment," says Barton.

A Step in the Right Direction

Advocates for greater transparency in funeral home services and pricing say revisions to the Funeral Rule may not go far enough. But at the very least, a renewed effort to clarify funeral pricing, especially online, is a step toward greater consumer protection.

Scalzo says she's learned a few things about funeral arrangements over the years since her mother's death. "The funeral industry is undergoing change as the public is paring down on what is being purchased," she says. "Some families are opting for no service, and cremations are much more prevalent than years ago."

She adds: "When a situation arises that a loved one's demise is imminent, it may be prudent to make preliminary arrangements as much as possible without pre-paying. Pick a funeral home you want to deal with. Get their itemized price list and a list of information that is required to be provided. Narrow down what services you will need ... and not need." **K**