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GRIEF & AFTERCARE



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How to Help Consumers Make Informed Preneed Trust Choices

by Jack Hirsch

Preneed trusts are invaluable for ensuring long-term growth and stability for funeral homes while providing peace of mind for families. Despite their importance, preneed trusts remain widely misunderstood, often leaving consumers feeling uncertain and confused.

Research, including a 2024 study by the Foresight Companies, has consistently highlighted a significant gap in education about preneed trusts. Actual customer awareness of products and services is about 25%, whereas deathcare professionals believe it is around 58%. Consumers often report difficulty understanding the information provided and inadequate access to transparent, comprehensive resources. The disparities continue, as 35% of consumers say education was received at their most recent interaction with a deathcare professional, while 75% of professionals say education was offered. This disconnect highlights the need for improved communication and education about preneed options.

Employing accessible strategies to simplify complex concepts will help educate families as they navigate plans. Learning about preneed trusts can be overwhelming for families, and funeral professionals must ensure understanding so families can make confident, informed choices.

BACK TO THE BASICS

Three benefits form the foundation of effective communication about preneed trusts:

PRICE LOCKING AND INFLATION PROTECTION: Inflation is a principal concern for many families today, and rising costs can significantly influence their purchasing power. The promise of price locking is a compelling reason for families to consider a preneed trust; it shields them from inflation and economic fluctuations. Ensuring predictability by securing today's prices offers reassurance to consumers, reducing the stress that often accompanies end-of-life planning.

PEACE OF MIND FOR FAMILIES: Preneed trusts offer substantial emotional benefits. Foremost among these is the

security of knowing loved ones will not shoulder the financial burden during an already difficult time. Preneed planning also guarantees personal preferences are respected. It prevents confusion or disagreements among family members and lessens the responsibility of making important decisions during an emotionally challenging time.

TAX ADVANTAGES AND MEDICAID CONSIDERATIONS: Depending on the regulations in their state, preneed trusts may provide strategic financial advantages for families. For example, irrevocable trusts can protect assets while helping individuals qualify for Medicaid. In many cases, a preneed trust is exempt from taxes when designated for funeral expenses.

HOW TO COMMUNICATE TO CONSUMERS

Many consumers may find the intricacies of preneed planning overwhelming. The terminology used in preneed planning can be complex and even impenetrable to those unfamiliar with the industry; funeral directors must demystify its concepts by adopting clear and approachable language. For instance, using relatable examples that illustrate its purpose and function will help families better grasp its benefits without unnecessary jargon.

A common area of confusion is the distinction between preneed trusts and insurance. Many families are uncertain about which option best suits their needs. By presenting a comparison of the two, funeral professionals can highlight the strengths and limitations of each approach without families experiencing stress from information overload.

While clear and concise information can go a long way in guiding consumers, additional resources are critical to provide ongoing support. Questions invariably arise, and detailed guides, FAQs, video tutorials, and a user-friendly website with accessible purchase options allow families to explore their options independently and at their own pace. This approach will help consumers feel empowered to make an informed, thoughtful decision without any added pressure.



GUIDE CONSUMERS THROUGH THE DECISION-MAKING PROCESS

Guiding families through the preneed planning process requires empathy, transparency, and a thorough understanding of their needs. Anticipating common concerns, like overpaying or losing flexibility, is crucial to making families feel confident in their choices. Addressing questions openly, with clear explanations of costs, policies, and adjustment options, builds trust and alleviates hesitation.

Active listening is especially important when families discuss their personal preferences, as it provides valuable insight into what matters most to them. Attentiveness allows funeral professionals to ask meaningful follow-up questions and propose tailored solutions that align with a family's unique values and vision. As consumers increasingly embrace unique, meaningful celebrations of life, it is important to encourage families to share their preferences. Discussing personalization and modern service options will make consumers feel heard and valued.

As mentioned previously, cost is a common concern among families; every family's situation is unique, and funeral directors should approach budget discussions with sensitivity and care. Flexible payment plans and customized options ensure that services remain accessible.

Encouraging open dialogue is critical to helping families feel comfortable expressing their concerns and asking questions. This approach helps funeral directors better understand families' priorities and make recommendations that meet their needs while providing valuable support.

Technology is reshaping how families approach preneed planning; leveraging it is a powerful way to guide consumer understanding of preneed trusts. Increasingly, customers prefer viewing products, services, and pricing online rather than meeting in person or speaking on the phone. A well-designed, user-friendly website can be invaluable by providing

accessible information about preneed options and enabling users to initiate arrangements online. As more consumers rely on digital platforms for research and decision-making, maintaining an informative online presence is no longer optional—it's essential.

In addition to a helpful and informative online presence, virtual consultations offer a convenient solution for families seeking more personalized guidance in a digital space. These one-on-one sessions allow providers to explain options in detail, answer questions, and tailor plans to individual needs. Virtual consultations are particularly beneficial for individuals who face challenges attending in-person meetings. They offer a flexible and accessible alternative, and by incorporating simple scheduling tools and user-friendly video conferencing platforms, firms can create a seamless and supportive experience for all clients.

Effective communication is essential for building trust in the pre-need planning process. Simplifying complex concepts, addressing common concerns, and embracing technology empower families to make well-informed decisions comfortably and confidently. Adopting these strategies closes the education gap, strengthens client relationships, and positions funeral homes as reliable, compassionate partners in one of life's most important decisions.



Jack Hirsch is the president of FSI. FSI has helped operators grow their businesses while delivering undivided attention to families for more than 40 years through comprehensive solutions, scale, and simplicity.