

Locking in Future Services for Your Deathcare Firm

Building Stability Through Better Pre-need Trust Oversight

by Michael Faherty

THE INHERENT UNPREDICTABILITY OF AT-NEED REVENUE is a reality funeral homes must plan for. Demographic shifts, mortality patterns, and local competition are some of the factors that can influence this variability, creating ongoing pressure to maintain revenue for long-term stability.

A pre-need program is a truly forward-thinking approach; it generates revenue and creates future business visibility, especially when well-managed. Industry analysis supports its growing role: across the United States and Canada, pre-need contracts account for roughly 35% of annual at-need case volume, meaning that for every 100 at-need calls, about 35 services performed in a given year originate from

Reframing Trust Administration

Trust administration is often viewed primarily as a compliance task, with a focus on documentation, reporting, and regulatory requirements. While this work is necessary, it is easy to overlook the broader impact administration has on pre-need trust performance. Trust administration shapes how effectively a firm tracks contracts, maintains records, manages funding, and reports

reporting can quickly introduce complexity into operations. This can, in turn, place additional stress on staff, inviting delays and errors. Instituting standard practices for managing the many demands of a pre-need program will go a long way in relieving this burden. When workflows are clear and repeatable, the organization will operate at a higher standard.

More importantly, an efficient system for managing a firm's pre-need program will free up valuable time for directors to focus on their primary objective: supporting families while navigating loss. When less time is spent on administrative tasks, professionals can provide better service to those grieving and commit more effort to boosting sales performance.

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pre-need arrangements. Survey data further underscores this trend, with a majority of funeral directors reporting that 20–40% of their business is driven by pre-need sales.

If pre-need represents a significant portion of a firm's future services, the trust function that supports it must be treated as a strategic priority. Every contract, funding decision, and record tied to the trust impacts its ability to meet future obligations and support operations. A strong foundation grounded in principles of structure, reporting, and oversight is essential for lasting success. Understanding how to strengthen that foundation is key to building a more stable pre-need program.

results to leadership and stakeholders. When these processes lack structure and consistency, it can lead to errors, delays, and limited visibility, which increases risk.

Adopting a more holistic view of trust administration requires shifting how trustees and administrators are positioned in the organization. Rather than serving solely as recordkeepers, they become partners in growth. Moving the conversation beyond paperwork to building a stronger operating model will strengthen accountability and decision-making.

Structure Drives Scale

As a firm's pre-need program grows, the increase in contracts, transactions, and

Reporting as a Tool for Growth

At its most basic level, reporting is intended to satisfy compliance requirements; however, its real value lies beyond that. When reporting is used as a tool for insight, it can reveal trends in contract volume, highlight funding patterns, and track transfer performance over time. It can also uncover operational bottlenecks that might otherwise go unnoticed, such as reconciliation issues or data gaps.

That insight becomes even more valuable when applied to forecasting. With a clearer understanding of performance, firms can project future obligations and revenue with greater accuracy and identify where risk may be building. With this approach, firms can scale their pre-need programs with greater confidence, making decisions based on reliable information rather than assumptions.

A Healthy Mix of Revenue

While pre-need contracts for many firms

can account for up to 40% of revenue, industry experts suggest aiming for 50% to maintain stability and support growth. This benchmark is not intended as a practical goal; it reflects the level of activity needed to sustain a firm's financial health.

A 50% pre-need-to-at-need ratio means having one pre-need contract for every two at-need calls. Each pre-need contract represents a future service the firm can reasonably expect to perform, creating a more predictable pipeline of business. Without this level of activity, firms may struggle to replace today's at-need calls with future cases, putting long-term revenue at risk.

Industry consultants often point to a 60% baseline for pre-need sales as a reasonable goal for building future business. Larger consolidators take this a step further,

with pre-need portfolios that can total several times their annual revenue. Service Corporation International (SCI) operates at approximately this level, with a pre-need-to-at-need ratio near 60% based on reported contract sales and services performed. These higher benchmarks illustrate how a more developed pre-need strategy can support greater financial stability over time.

Key Takeaways

Strong trust administration can result in cleaner, more reliable data, faster reconciliation, and more accessible reporting. When systems are well organized and processes are consistent, compliance becomes easier to manage, and sales teams are more confident. This level of clarity also limits

disruptions in daily operations, allowing staff to focus less on resolving issues and more on supporting families.

Pre-need trust administration is a core part of how a business grows and sustains itself over time. When treated not as a routine obligation but as strategic infrastructure, it helps firms maintain control over risk, strengthens visibility, and supports more predictable financial outcomes as the business evolves. 



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