



## Bargain pine boxes. (funeral arrangements; Family Funeral Care)



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Funeral-home operators are offering discounted products and services for price-conscious consumers. Service Corporation International has opened a scaled-down funeral home format, Family Funeral Care, which offers a limited selection of caskets and no limousines on site. The funeral homes offer services at a 50% to 60% discount over traditional funeral homes.

Many families demand reasonably priced funeral arrangements, and providers are offering discounted products and services.

They say you can't take with you. But that doesn't mean you have to spend it all when you go. Americans are looking for ways to pay their respects to loved ones without blowing their inheritance or going into debt. In the past, that was difficult, since comparison shopping for funeral goods and services was virtually impossible. Now bereaved families can take advantage of prepaid and prearranged funerals, discount funeral homes, and even factory-direct casket stores.

Service Corporation International (SCI), the nation's largest funeral-home operator, has a new format that targets the price-conscious consumer. "There is a segment of the population that for one reason or another is price-sensitive, and that's fine," says William Barrett, spokesmen for SCI. "We realized we could serve that segment of the population by designing a facility that meets their needs."

Called Family Funeral Care, the new format is a scaled-down version of a traditional funeral home. It has a small selection of caskets and no limousines on site. "There's a very limited showroom of five or six caskets there," Barrett says. "The main display for merchandise is done on a computer screen. That saves us the cost of carrying a large inventory, and the space in which to keep a large selection." SCI has 15 Family Funeral Care homes, and the number is growing each year. "You can go in there and get services for anywhere from 50 percent to 60 percent of the cost at one of our larger facilities," Barrett says.

### The High Cost of Dying

The cost of maintaining burial sites has more than doubled for older middle-aged householders.

(average household spending in constant 1994 dollars for households that spent anything on funerals, cemetery lots, vaults, or maintenance fees, by age of householder)

	1994	1986 (in 94 \$)	percent change 1986-94
<b>FUNERAL EXPENSES</b>			
All households	\$2,457	\$2,644	-
7.1%			
Under age 25	304	2,340	-87.0
25 to 34	780	693	12.6
35 to 44	1,843	1,622	13.6
45 to 54	2,889	3,033	-4.7
55 to 64	3,140	2,940	6.8
65 and older	2,801	3,579	-21.7
<b>CEMETERY LOTS, VAULTS, MAINTENANCE FEES</b>			
All households	\$1,274	\$1,106	
15.2%			
Under age 25	956	927	3.1
25 to 34	698	771	-9.5
35 to 44	1,371	1,481	-7.4
45 to 54	882	1,090	-19.1
55 to 64	1,793	872	105.6
65 and older	1,243	1,244	0.0

Source: Consumer Expenditure Survey, Bureau of Labor Statistics

The demand for discount funerals may be an offshoot of overall discount retailing trends. But the escalating cost of honoring and burying a loved one is probably the driving force, says John Cannon, who with his partner Ren Newcomer runs the discount funeral-home business New Comer-Cannon Family Funeral Homes of Albany, New York. The average cost of a funeral is \$4,500, he says. Add to that the burial cost of about \$3,500, and the price of a funeral quickly moves out of reach for many consumers.

Funeral spending has declined, according to the Bureau of Labor Statistics' Consumer Expenditure

Survey. The average amount spent on funerals by households that spent anything on them decreased almost 7 percent in constant dollars between 1986 and 1994, to \$2,460. Households headed by someone aged 45 to 54 spend the most on funerals, with average expenditures of \$3,140 in 1994. That represents a 7 percent increase over 1986. Householders aged 65 and older had a greater-than-average decrease in spending, down 22 percent.

Funeral industry estimates of average funeral costs are probably higher than these spending data because many bereaved householders get help from family members and relatives to pay for funerals. Others may contribute to the services and burial of a loved one without footing the entire bill. Spending data may also reflect a relatively new development in the death business--preplanned and prepaid funerals and burials. The National Funeral Directors Association estimates that 98 percent of all funeral homes offer preplanned funerals, which can include prepayment. Some guarantee the price of a prepaid funeral. More than 7 million funerals have been prearranged, with an estimated \$15 billion spent in advance.

Consumer Expenditure Survey data suggest that prepaying funeral arrangements may be growing in popularity among the oldest householders. The share of households headed by someone aged 65 and older that spent anything on funerals in 1994 increased to 6 percent from 4 percent in 1986. The American Association of Retired Persons may be boosting these rates. It recommends that members preplan their funerals.

Death is a business steeped in tradition. Until recently, consumers seldom asked questions, and whatever the price, they paid it, says Cannon of New Comer-Cannon Funeral Homes. "How could you think about money when making funeral arrangements for Mom?" he says.

Now many funeral homes are responding to changing customer demands. The Federal Trade Commission has pushed them along with a law requiring funeral homes to quote prices over the phone and give an itemized list upon request. This makes shopping around much easier. "Consumers in general are far more educated," Cannon says. "In many instances, they are looking for more alternatives, more options, and they want to be informed of all their choices before they make a decision."

As asking questions at burial time becomes less taboo, some entrepreneurs see a market in the making. Most customers buy a whole funeral package from a funeral home. But federal law prohibits funeral homes from turning away an outside casket. This has resulted in factory-direct casket stores, where customers can buy a casket through a manufacturer's catalog and have it delivered to the funeral home.

The American Association of Retired Persons publishes an extensive report on preplanned and prepaid funeral arrangements. For more information, contact the AARP at 601 E Street, NW, Washington, DC 20049; telephone (202) 434-6030.

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