



The Facts of Death

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I confess to having a slight morbid streak. I find *The New York Times'* obituary pages interesting, for example. And I write articles now and then on depressing topics, such as:

- [How Much Does a Funeral Cost?](#)
- [Who Gets What When You Die?](#)
- [Prepare for Your Demise](#)
- [Consider Cremation](#)

I'm happy to note, though, that I'm not the only Fool who keeps an eye on the dark side. Recently, Rich Duprey penned [an article](#) titled "Can Costco Grow With Death?," while Phil Wohl [reported](#) on "Stewart Enterprises Staying Alive."

But back to me. As I was scanning some websites recently, looking for recent numbers on funeral costs, I ran across the website of the National Funeral Directors' Association (NFDA), where I found a treasure trove of interesting tidbits on death and the "death-care" industry. (Some prefer to call it the "post-life" industry.) Permit me to share some eye-opening facts and numbers with you.

Death by numbers

Here are some background numbers:

- In 2003, according to the National Center for Health Statistics, there were 2,423,000 deaths in the United States. Wow -- that's a lot of sadness, eh?
- In 2003, the U.S. death rate was 8.3 people per thousand. Thanks to the growing population overall and Baby Boomers living long lives, the U.S. death rate is expected to begin increasing by the year 2020, when the rate is projected to be 9.3 people per thousand. It's expected to increase to 10.9 people per 1,000 by 2040. Expect more funerals.
- According to U.S. Census Bureau statistics, the average life expectancy in 2002 was 80 years for a woman and 75 years for a man. The life expectancy in 1958 was 68 years for both genders.
- Twenty-eight percent of those who died in 2002 were cremated, up from 21% in 1996, according to the Cremation Association of North America (CANA).

Funeral home stats

Here are some statistics related to funeral homes:

- There are about 21,528 funeral homes in the United States. According to the 1997 U.S. Census of Service Industries, about a quarter were run solely by their owners, with no additional employees.
- These funeral homes employ 103,258 individuals and generate about \$11 billion in revenue.
- Some 19,160 of these funeral homes (89%) are owned by individuals, families, or closely held private corporations. On average, they've been in business for 66 years. Approximately 2,368 of these funeral homes (11%) are owned by one of five corporations.
- The average NFDA funeral home handles 182 calls per year: Some handle fewer than 50 calls per year and are often run by husband and wife; others handle hundreds of calls and may be owned by small companies or large corporations.
- The average cost of a funeral, as of July 2004, is \$6,500. That cost includes an outer burial container, but does not include cemetery costs.

Trends in the industry

There have been some recent developments in the death-care industry.

For starters, "after-care" has become a bigger business, as funeral homes offer support groups, libraries, and memorial services. They also refer people to resources in the community. Funeral services themselves are becoming more varied as funeral homes court the business of immigrants and others with different perspectives and traditions.

More people are planning their funerals before the related death occurs and more people are pre-paying for funerals. (Read about ["pre-need" funeral plans.](#))

The government has increased its regulation of the industry (think occupational safety and health issues), causing some homes to hire more people, in order to be able to comply.

More women and minorities are entering the funeral industry. (Think of the A&E television network's program *Family Plots* and its female mortician, Shonna, as an example.)

Save money on funerals

If this is big business, and it is, then some companies must be making some healthy profits. Over the last few years, the death-care industry has become dominated by a few companies such as **Service Corp.** ([NYSE: SCI](#)), **Alderwoods Group** ([Nasdaq: AWGI](#)), and **Stewart Enterprises** ([Nasdaq: STEI](#)). You may not realize it, but your local funeral home may be owned by one of these giants. As competition has decreased, prices have increased.

To make matters worse, consumers who need death-care services are usually in very vulnerable and distracted states of mind, not wanting to skimp when it comes to honoring their loved ones.

However, you can save a lot of money on funeral arrangements if you do a little research. Here are some smart ways to go about funeral planning:

- Take the time to get informed about the industry now, when you're not in a state of emotional upheaval. Learn how much various services cost and think about what might be best for you and your loved ones.
- Make decisions before you need to, if possible. Get down in writing what your loved ones' wishes are, too. Once you know, for example, that grandma prefers cremation and grandpa wants a simple pine casket, you'll have fewer decisions (or guesses) to make later.
- Consider getting an inexpensive casket. Bodies will decay wherever they are, and the cost difference is

great between various caskets. Some cost many thousands of dollars, others cost several hundred dollars. (And many \$3,500 caskets may have cost the funeral home just \$700 wholesale.) Simple and dignified cardboard caskets are a possibility, too. Don't believe anyone who tries to sell you something that will "preserve a body forever."

- In most cases, you don't have to buy the casket from the funeral home. You can often buy the same caskets from a discount vendor (at substantial savings) and have them delivered to the funeral home. Funeral homes are generally required to accept them.
- In most cases, embalming is not required, unless an open casket is desired. Many funeral homes will try to talk you into paying for it, though -- at an average cost of \$400.
- Beware the recommended rubber gasket (a.k.a. "protective sealer") which, according to some sources, costs just dollars to make but is sold for several hundred dollars. It's pitched as "protecting the body from decay," but nothing can stop a body from decaying.
- Don't tell a funeral director more than you need to, such as how much the deceased was worth or what insurance benefits may be forthcoming.
- Take a friend with you when you talk to death-care providers.
- There are several ways you can save some money and honor a relative in a more personal fashion. You don't have to buy a casket -- you can build and decorate one yourself, or have one built. You don't have to use a funeral home's viewing room, either -- a loved one can "lie in honor" in someone's home, a community hall, or a church.

Share your thoughts on this grim topic on our [Funerals and Cemeteries](#) discussion board or our [Death and Grieving](#) discussion board -- or just drop in to see what others are saying. We offer a [free 30-day trial of our vast board community](#).

Selena Maranjian produces the Fool's syndicated newspaper feature --[check it out](#). She owns shares of Costco. For more about Selena, view [her bio](#) and [her profile](#). You might also be interested in these books she has written or co-written: [The Motley Fool Money Guide](#) and [The Motley Fool Investment Guide for Teens](#). The Motley Fool is [Fools writing for Fools](#).

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