



The funeral industry is greedier than ever. Here's how to avoid a gouging on ... the final payment.(includes related article on what you should pay)

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The typical adult funeral now costs around \$4,783 and cemetery costs can push that figure as high as \$8,000. According to some industry experts, a decent funeral should cost less than half that figure. Tips on how to save money on funerals and cemetery plots are given.

After Eileen Justi's father, Ralph Goetz, died at age 77 last November, she and her brother told the director at Drake & Sons Funeral Home in Chicago they could spend no more than \$5,000 on the funeral. The director then led them to a flimsy cloth-covered casket that "looked like an ironing board from K Mart, only not as nice," Justi recalls. Dismayed, Justi and her brother ended up buying the \$3,570 Westmont, an 18-gauge-steel casket. Drake also charged them a \$1,395 "minimum professional service fee" simply for agreeing to handle the funeral, \$470 for the use of a hearse to take the body on a 15-minute ride to the cemetery and \$264 for placing an obituary in the newspaper. The entire affair cost \$7,000.

Outrageous? You bet. The Westmont casket wholesales for about \$682 in many parts of the country, according to Henry Wasielewski, a Catholic priest and a director of the Interfaith Funeral Information Committee, a Phoenix group that publishes casket-cost data. A fair price would have been \$1,360. The \$470 hearse ride commonly costs \$125 to \$175, says Father Wasielewski. And if Justi had placed the obituary herself, it would have cost \$80 rather than the \$264 the funeral home charged her. A spokesman for Drake's parent company, Service Corp. International, admits that some of its upscale funeral homes do mark up prices. "It's the difference between a Cadillac and a Ford," he says. But Father Wasielewski scoffs. "In most of the country, you can hold a perfectly beautiful funeral with a metal casket for \$1,700 to \$2,200," he says.

Unfortunately, few grieving families pay anything close to those prices. More than 30 years after Jessica Mitford's investigative classic *The American Way of Death* and 13 years after the Federal Trade Commission supposedly outlawed the worst abuses, the self-styled "death care" industry remains a hotbed of predatory pricing. Darryl Roberts, a former funeral-home and cemetery owner and the author of *Profits of Death* (Five Star Publications, \$17.95), says, "Americans are paying twice as much as they should for funerals. At least twice as much."

According to the annual price survey conducted by the National Funeral Directors Association (NFDA), the funeral industry's trade group, the typical American adult funeral cost \$4,783 in 1997. Cemetery expenses such as a grave site, interment and marker can bring the total to \$8,000 or so. In the past five years, the price of dying has risen about three times faster than the consumer price index.

Regulatory measures adopted in the 1980s were supposed to keep such galloping deathflation in check. Among other things, FTC rules require funeral homes to issue price lists, allowing consumers to comparison shop. But several recent developments have enabled the industry to outflank consumer protections:

--Corporations are gobbling up local funeral homes. Over the past 15 years or so, three conglomerates have stealthily bought up hundreds of funeral homes, cemeteries and crematories from coast to coast. In many communities, the chains have all but eliminated competition.

--Service charges have exploded. In 1994, the Federal Trade Commission allowed funeral homes to fatten the so-called nondeclinable charge. (This is what Drake called the minimum professional service fee.) The fee offers no particular benefit to customers and is levied on top of whatever markups the mortuary already charges on merchandise and specific services. The fee averaged \$1,080 in 1995, up 42% from the previous five years, and can run as high as \$3,000.

--Prepaid funeral plans are failing to deliver on promises. So-called pre-needs arrangements, which you buy to pay for your own funeral before you die, often let funeral homes and cemetery operators off the hook when it's time for them to pay.

Unfortunately, burying a loved one is an expense you can't avoid facing sooner or later. We'll tell you what you will be up against when that moment comes and how you can escape a gouging at the hands of the death-care merchants.

FUNERALS R US

Chances are that your friendly neighborhood funeral home is now owned by one of three conglomerates--Service Corp. International (SCI) of Houston, the Loewen Group of Burnaby, B.C. and Stewart Enterprises of Metairie, La. The chains have quietly bought 15% of the nation's 22,000 funeral homes as well as hundreds of crematories and cemeteries. In most cases, the acquirer makes no outward changes in the business; indeed, the corporate strategy is to capitalize on decades of good will built up by the prior owners.

In theory, chain ownership should lower prices. That's because the consolidators typically pool staff, vehicles and embalming facilities, and get volume discounts on caskets and other

merchandise. However, under pressure from corporate management, most newly acquired funeral homes raise prices.

For example, Mel Hetrick was second in command at a small funeral home in Lake Isabella, Calif. when the owner sold to the Loewen Group in 1992. Hetrick stayed on as manager. Soon after the exchange, Loewen district managers ordered him to raise his average price 40% to \$2,400. According to Hetrick, all funeral directors were ordered to meet the average price or face dismissal. Hetrick was fired eight months later; he says it was for challenging the price hikes. (Loewen confirms that Hetrick was fired but declined to explain why other than to say it had nothing to do with pricing.)

To make matters worse, in many places, consumers have little choice but to go to a chain. For example, Fredericksburg, Va. has three funeral homes; Loewen owns all three. In New York City, SCI has acquired the three major Jewish funeral homes in Manhattan. The Federal Trade Commission has ordered chains to divest themselves of funeral homes in Medford, Ore.; Amarillo, Texas; and several other towns. But Mark Whitener, deputy director of the FTC's Bureau of Competition, admits that unless someone complains, the commission generally hears only about acquisitions that total \$15 million or more.

Traditionally, memorial societies have been able to help members avoid high funeral costs by arranging discounts with local mortuaries. (To find out if there's a memorial society near you, check the Website, <http://www.funerals.org/famsa>, or call 800-765-0107). As corporations have bought up more and more society-approved funeral homes, however, the groups' job has grown more difficult, says Lisa Carlson, executive director of the national Funeral and Memorial Societies of America (FAMSA). While some societies still cut deals with funeral homes, some members report being hounded for additional fees by FAMSA-approved funeral homes. For example, in Florida one funeral director insisted that environmental laws require families who cremate their deceased to buy an urn vault to inter the ashes. (They don't.) Naturally, the funeral director just happened to have an urn vault in stock for \$495, a 600% markup.

Here's what you can do:

--Don't assume that membership in a memorial society will necessarily get you a fair price. Be prepared to conduct your own price survey. If you have a relative whose health is failing, call three to five local funeral homes to request their price lists. Even in the same neighborhood, prices can vary by as much as \$3,000.

--If a death occurs unexpectedly, delegate the price-shopping to a clear-eyed relative or friend. Use the table at right to determine whether prices you see are reasonable, and pay particular attention to the nondeclinable fee. You can cut corners elsewhere, but you can't get around this fee.

--For the lowest expense, choose a so-called direct burial--a no-frills transfer to the graveyard--which may run about \$1,000 including casket and transportation but not cemetery costs.

THE RIGHT FUNERAL STUFF

Caskets make up nearly half the cost of the average funeral, according to NFDA figures. The cheapest are so-called alternative containers, usually cloth-covered wood or cardboard, selling for between \$35 and \$465. At the other extreme are those made of what funeral directors gushily call semiprecious metal--bronze and copper. Funeral directors, when showing caskets, will often invoke a famous dead person to add cachet. "If you look like a Republican, then this is the same casket Nixon had," says Ed Markin, author of *The Affordable Funeral: Going in Style, Not in Debt* (F. Hooker Press, \$19.95). "If you're a Democrat, Jackie Onassis was buried in it."

A fancy casket serves no purpose, however. It cannot protect the deceased from the dust-to-dust process. A "sealer casket," usually about \$250 extra, has a rubber gasket running around its lip to help preserve the body. Forget it. "Water gets in, no matter what," says Darryl Roberts, the former cemetery owner.

Here's what you can do:

--Before you shop for caskets, read over the casket costs at the Interfaith Funeral Information Committee's Website (www.xroads.com/~funerals).

--Consider ordering a casket yourself. Discounters such as Consumer Casket USA (800-611-8778) and Direct Casket (800-732-2753) sell their wares for 33% to 75% less than the typical funeral home and can ship anywhere in the continental U.S. within 24 hours. The FTC bars funeral directors from charging fees to handle outside caskets; however, they may try to discourage you by requiring someone from the family to be present when the casket arrives.

--Consider budgeting less money for the casket and more for a grave marker. A casket goes underground or into a mausoleum, but the marker will be visible for years to come.

THE GRAVEYARD'S STING

Once you pick a grave site, you often find yourself committed--like it or not--to a pricey package deal. It's illegal for funeral homes to try that on you, but cemeteries are exempt from the FTC rules. For example, many cemeteries require all graves to have cement liners or vaults. (A vault is essentially a giant box to hold the casket. Simple cement vaults cost about \$450, while elaborate marble ones can go for \$18,000. A liner is a thinner cement box that costs about \$250.) Neither structure can preserve a body. According to Darryl Roberts, their major purpose is to minimize

cemetery maintenance costs by keeping the ground from settling.

Cemeteries can also force grave owners to buy markers that fit in with the landscape design--and some of them can be quite expensive. Henry Bausili was shocked last winter when he buried his mother Frances, 102. She had paid \$395 10 years ago for a grave at the National Memorial Park, an SCI cemetery in Falls Church, Va. But that was just the beginning. The cemetery charged an additional \$900 to open and close the grave, \$590 for a bronze marker, \$420 for a memorial base for the plaque and another \$504 to install it.

Here's what you can do:

--Try not to buy plots directly from the cemetery. Ken Lambert, president of Funeral Shoppers, a Houston company that helps consumers make low-cost arrangements, recommends that you check local newspapers for grave sites being sold by families who have moved, divorced or made other provisions.

--Before you buy, ask about the cost of interment, markers, vaults and other funeral goods. Cemeteries and funeral homes both sell vaults--so negotiate with both to get the lowest price.

CREMATE WITH CAUTION

In many cases, cremation is cheaper than burial. When consumerist crusader Jessica Mitford died last year, for example, her simple cremation cost only \$562. However, as an increasing portion of the public choose cremation--about 21% of bereaved families in the nation overall--the funeral industry has countered by selling "memorialization." That means a viewing, which requires embalming; an attractive casket; a fancy urn to hold the ashes; and so on. There's even cremation jewelry--keepsake pendants that allow several family members to share and wear a relative's ashes.

As a result, cremation may be anything but cheap. Consider the case of Marie Feia, 82, of St. Paul, who turned to the Cremation Society of Minnesota when her husband Kenneth, 82, died last February. (The society, like others around the country, is a for-profit funeral operation, even though its name makes it sound like one of the FAMSA societies.) A simple cremation costs \$795 for members. Mrs. Feia ordered a few extras, however, including embalming, a \$500 wood cremation casket and urns. By getting more than the minimum, she triggered the nondeclinable fee--in this case, \$1,765. Although Mrs. Feia was not unhappy with the service, her total costs came to \$3,466.

Here's what you can do:

Choose a so-called direct cremation, which covers only the removal of the body from the place of death, disposal, and official certificates. Just because the body disposal is simple doesn't mean that

you cannot commemorate the life that has gone. You can do that anywhere--in a service at church or a private home.

PAY NOW AND PAY LATER

Funeral directors and cemetery owners have convinced about 17 million adults to prepay or to buy burial insurance to cover at least some portion of their final expenses. In many states, funeral directors must put 100% of this so-called pre-needs money in trust; cemeteries are subject to much looser regulations.

The contracts and policies have tremendous drawbacks. For example, if customers move away, most states allow only partial refunds. Worse, few states check to see whether the funeral homes and cemeteries actually have the money in trust, says Karen Leonard, an industry expert who was the researcher on Mitford's *The American Way of Death*. Indeed, pre-needs customers have lost big bucks in California, Illinois, Iowa and Pennsylvania in recent years.

Contracts also give funeral homes plenty of outs if the money paid up front doesn't cover the cost of the funeral. Take the case of Stella Guidry of New Orleans, who died in June 1995. Her pre-needs policy from Security Industrial Insurance, a company since purchased by the Loewen Group, promised her a full funeral, including embalming, a hearse, three limousines and a "Superior Wooden Casket, Deluxe Upholstery." But when her children Henry and Marie tried to collect, they were shown a casket that Henry describes as a six-sided "Dracula model." It was made of particleboard covered with fuzzy gray padding. "When Marie saw it, she burst into tears," he says.

Guidry chose a \$2,200 poplar casket as a substitute. Doing so, however, required the siblings to forfeit all the other benefits available under the policy, save a \$500 credit. They wound up paying \$6,257 of their own money for the funeral. Guidry and several other families are now suing.

Here's what you can do:

Instead of paying a funeral director in advance, consider placing money in a Totten trust (also called an "in trust for" or "pay upon death" account). Not really a trust, it's a special bank account payable at the time of death to whomever you designate. So, when you die, the beneficiary can easily withdraw the funds for funeral expenses. That's probably the best thing you can do for your kids--and yourself.

MISCELLANEOUS SERVICES

Setup and opening of grave: \$625

Funeral homes cost: \$0

Nondeclinable fee: \$1,080

Cemetery's cost: \$150

Markup: 300%

THE MONUMENT

Seller's cost: \$600

Typical retail price: \$3,900

Markup: 550%

THE COFFIN (18-GAUGE STEEL)

Funeral home's cost: \$750

Typical retail price: \$2,200

Markup: 200%

THE FLOWER ARRANGEMENTS

Funeral home's cost: \$75

Typical retail price: \$245; markup: 225%

THE GRAVE VAULT

Funeral home's cost: \$210

Typical retail price: \$635

Markup: 200%

THE PLOT

Typical retail price: \$750 to \$1,500

Cemetery's yield: \$3 million to \$5 million per acre

TWO-HOUR USE OF HEARSE

Funeral home's cost: \$25

Typical retail price: \$205

Markup: 700%

Source: James St. George, president and CEO, Consumer Casket USA

MONEY Online

On CompuServe at GO MONEY (800-492-1849)

Live conference on Monday, Sept.15, at 9 p.m. ET: Want advice on planning for a funeral? Join FAMSA's Lisa Carlson when she answers questions online.

WHAT YOU SHOULD PAY

This guide may be your best defense against the death-care industry's predatory pricing. Remember, there's no shame in bargaining if quotes are higher than those below. Ken Lambert, president of Funeral Shoppers in Houston, points out that costs are negotiable. He says: "Fifty percent of a sale is better than 100% of no sale."

SERVICE	FAIR PRICE	COMMENTS
Direct burial	\$995 to \$1,500	Includes a no-frills "alternative casket" but not cemetery charges
Nondeclinable fee	\$600 to \$1,200	The funeral home's cover charge. You can't get around this fee.
Opening and closing of grave	\$500 to \$800	Weekday rate. Expect to pay 30% to 50% more on weekends.
Direct	\$350 to \$1,000	The price should include a no-frills cremation casket. Watch funeral-home quotes here: Some may charge an additional \$150 for the actual cremation.
Funeral service	\$200 to \$400	If held at the funeral home. Most churches will hold the service in return for a free-will offering of \$100 to \$150.

Viewing	\$200 to \$400	Watch out for extra fees for the "drawing room," parking lot and other facilities.
Embalming	\$150 to \$300	No state requires embalming, and you don't need it unless there is a viewing or a body is transported by common carrier across state lines.
Hearse and driver	\$155 to \$250	Within a 25-mile radius; per-mile charge for longer distances
Other body	\$150 to \$200	Usually little more than washing, preparation transferring the body to a casket and makeup
Services	\$125 to \$175	Per day or per event, such of staff as a viewing, funeral or memorial service
Removal of	\$100	Within a 25-mile radius. If body from you plan to move the body to place of death another town, get in touch with the funeral home there. They can arrange shipment. If you ask a local home to forward the body, you may have to pay two nondeclinable fees.

CASKETS (MODEL NAME)

Prices vary wildly for these best-selling models from Batesville, a leading manufacturer. The top-of-the-line Promethean ranges from \$15,000 at discounter Consumer Casket USA to as much as

\$70,000 at a Washington, D.C. funeral home. Skip the sealing gasket. It can add \$1,000 and will not stop the dust-to-dust process.

FAIR PRICE

Bronze (The Promethean)	\$16,000 to \$17,000
Hardwood (Montrachet Mahogany)	\$7,800 to \$8,800
Bronze (The Persian)	\$5,200
Copper (Y-33)	\$3,220
Hardwood (Brittany Oak)	\$2,000
Gasketed steel (Primrose)	\$1,700
Non-gasketed steel (Greystone)	\$695
Cloth-covered	\$395
OTHER PRODUCTS	

	FAIR PRICE	COMMENTS
Cemetery plot	\$750 to \$1,500	Veterans and families may qualify for free burial in the national cemeteries.
Grave marker	\$650 to \$1,000	For a bronze plaque. Splurging here makes sense; it's the only part of the funeral that remains visible.
Grave liner or concrete vault	\$350 for liner; \$625 for vault	Buy a liner or vault only if the cemetery requires one. By the time you arrive at the cemetery, it is already in the earth.
Flower van	\$65 to \$85	If the deceased received only a few bouquets, friends can take them to the cemetery in their cars.
Thank-you cards	\$35 to \$50	For 100

Notes: Casket and other product prices gathered by James St. George, president, Consumer Casket USA

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