

Consumers Digest

PARLOR GAMES

The Changing Funeral Industry

June 2007

By Sam Boykin

The funeral business is booming. And although there never have been so many afterlife options, from spacey rocket launches to old-fashioned home services, many offerings are overpriced and unnecessary.

As I'm losing my battle with seasickness, I look out across the choppy water and watch a giant crane lift nine gray balls, some nearly the size of a Volkswagen Beetle, over the edge of a rusty barge and into the ocean. I'm aboard a 65-ft. fishing boat about 2 miles off the North Carolina coast with nearly 50 other folks, all of whom are here to witness a unique memorial service.

The ashen remains of seven people, a dog named Scruffy and a sea turtle named Dare—no kidding—have been mixed with concrete and formed into nine individual gray balls, all of which help create an artificial reef formation on the sea floor. They come compliments of Eternal Reefs. Over the past 6 years, the Decatur, Ga.-based company has deposited more than 300 “memorial reefs” off coastal waters from New Jersey to Texas. The cost per deceased individual ranges from \$995 for a portion of a person's remains to be combined with that of others into a single ball to \$6,495 for the “Mariner,” Eternal Reef's largest ball, which the company says is used frequently for couples wishing to spend eternity together underwater. Extra amounts of remains in an individual ball cost \$250 each.

If this seems like a rather odd end-of-life option, you haven't seen anything yet. A whole spate of unusual—and at times, unbelievably expensive—services have emerged in the rapidly changing \$15 billion funeral industry.

It's Personal. On the way back to the shore after the waterborne service, a mourner who had just watched his sister's memorial reef dropped into the briny deep talked about how his sibling was now where she belonged. “She lived in this area most of her life,” says Jack Moore, who in 2005 retired from a 20-yr. career with the Navy. “She loved the ocean, and this is where she wanted to end up.”

Eternal Reefs is one of a number of new companies that has identified profit potential among services for handling the deceased. The companies tout their ability to reflect an individual's tastes and personality. Many of the entrepreneurs at the helm of these companies say they're fulfilling a desire among members of the aging—and demanding—baby boom generation to add a little flair and originality to their final send-off—as opposed to having a generic grave and tombstone among a field of generic graves and tombstones.

Take Space Services. The company is designed for folks who want to soar above the clouds. The Houston-based firm offers orbital, lunar and deep-space “burials” in which up to 7 grams of a person's cremated remains are placed inside lipstick-sized capsules and rocketed into space via commercial launch vehicles. The late actor James Doohan, “Scotty” in the original “Star Trek” series, is scheduled to boldly embark on his final mission when a portion of his ashes, along with those of 238 others, is launched into space during The Explorers Flight. Scheduled for the second quarter of 2007, it's the largest memorial spaceflight in history.

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If you'd like to one day join Doohan in the ether, the prices are—pardon the pun—out of this world. Costs range from \$1,295 (for 1 gram of cremated remains) up to \$4,995 (for 7 grams) for Earthly orbit flights. For lunar-orbit and deep-space trips—which leave the earth-moon on a permanent celestial journey—you're going to need deeper pockets. Prices range from \$12,500 (for 1 gram) to \$44,995 (for 7 grams). A special “bargain” rate of \$67,495 covers the launch of cremated remains (14 grams) of two people into space. Space Services CEO Charles M. Chafer explains that commercial launch vehicles that travel to deep space are more rare and have limited room—and therefore astronomical costs—compared with vehicles that remain in Earth's orbit.

If you prefer a shorter journey to the great beyond, Eternal Ascent Society can send you floating toward the heavens in a big balloon. The Florida-based company was a party store that sold balloons filled with goodies such as flowers and chocolates. But the company's founders, Joanie and Clyde West, decided to replace party favors with people's ashes. The cremated remains are placed inside a 5-ft. biodegradable balloon, which is then inflated with helium inside a patented “inflation chamber” to protect the ashes. When released, the balloon ascends to a height of about 30,000 feet, where it crystallizes in the 40-degrees-below-zero atmosphere, and the ashes are scattered in the wind. The couple now has franchises in Florida, Michigan, New Jersey and Washington. The average price for an Eternal Ascent: \$995.

If you'd rather keep a part of the deceased with you, LifeGem in Illinois can hook you up with, of all things, some memorial jewelry. Through an “advanced and delicate” procedure, the company extracts from a lock of hair or cremated remains carbon that is then used to render diamonds. Depending on their color and size, the diamonds range from \$3,499 to \$19,999 for a 0.90- to 0.99-carat rock. Since its inception in 2001, the company has created memorial diamonds for more than 1,000 families.

Karen Leonard of Mitford Institute, which works to educate the public on various social issues, most notably death care, says that although some of these newer memorial options have benefits, overall she thinks the services are more about profit than meaningful service.

Traditional funeral providers have taken note of the profits to be had and have embraced the notion of personalization. More funeral homes offer elaborate and theme-based funerals. Rand Earl, spokesperson for National Funeral Directors Association (NFDA), argues that funeral customization and personalization are in an entirely different category from the more unusual services. “Funeral customization gives families the opportunity to celebrate their loved ones' lives and tell the story of what living meant to them,” he says. “It also allows the family to expand on the traditional funeral service.”

Many funeral homes also now put together memory boards of the deceased's life, create video memorials and host “hospitality receptions” instead of religious ceremonies. And, naturally, they hand out bigger bills to pay for it all.

Wade Funeral Home in St. Louis offers different themed vignettes in the funeral parlor to create services that are meant to reflect the life and interests of the deceased. For example, “Big Mama's Kitchen” is a room designed to reflect the matron's domain, complete with linoleum floors, an old stove and refrigerator, and a dining table set.

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“It’s like stepping into your grandma’s kitchen back in the day,” says branch manager Aaron Grimes. For Dad, there is a specially decorated sports-themed room, with dark mahogany wood, a basketball backboard and rim, a TV and, of course, a recliner. Prices for these services average around \$6,800.

Grimes says that for one particularly avid St. Louis Rams fan, Wade created a miniature football field in the funeral home’s main chapel and decorated using the team’s colors. For the service, which Grimes says cost about \$9,000, Wade erected a goal post in the field’s end zone, under which the casket was placed. “Some of our funeral directors even wore striped referee shirts,” Grimes says. “Everyone just loved it.”

Legacy of Expenses. On average, a full-service funeral—embalming, hearse, open-casket viewing, flowers, church and graveside service—costs between \$6,500 and \$7,000, according to NFDA. Those numbers, which represent an increase of 30 percent since 2004, don’t include cemetery costs such as burial plots, vaults and monuments, which can easily push a typical funeral-and-burial price tag past \$10,000.

Earl defends the price hikes, saying that funerals are just like any other service consumers purchase. “As for overcharging, each family selects the items and services that are right for them—from elaborate to economical.”

That would be fine if the funeral industry weren’t notorious for overcharging, whether it’s for caskets marked up to several times their cost or for unneeded services (more on the later). Moreover, funeral directors know that when it comes to buying a funeral, most consumers don’t shop around or compare prices but rather simply choose the closest funeral home, which also invites pricing abuses. “You’re often charged extra just for [funeral directors] to sit around and wait for you to drop dead,” Leonard says bluntly.

In a traditional funeral service, the casket is usually the most expensive item that you purchase from the funeral home. According to Federal Trade Commission, funeral providers charge on average a little more than \$2,000 per casket, with some of the more elaborate mahogany, bronze and copper models priced well over \$10,000. A handful of mega-manufacturers supply the funeral homes, but a 2006 study by Bear Stearns found that 150 vendors now sell customized caskets directly to the public—representing a small but growing market niche. These sellers offer caskets at a significant discount and often will throw in free delivery. In 2005, Costco even got in on the action. Now, you can buy a casket for less than \$1,000 along with your industrial-sized box of Wheaties.

For those looking for something a little more elaborate—read, personal—a number of companies are venturing into more artistic—and pricey—caskets and urns. In January, a Michigan-based company, Eternal Image, inked a deal with Major League Baseball (MLB) to produce cremation urns (\$699) that bear the logo of one of the six MLB teams. Eternal Image expects to roll out a corresponding line of MLB-adorned caskets in the near future and by next year add the league’s remaining teams to its urn and casket lineup. There are plans in the works to reach similar agreements with NASCAR, the NHL and the NFL.

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For those who were born to be wild, Eagle Custom Caskets in Piqua, Iowa, builds coffins for the Harley-Davidson set. The “Highway to Heaven” model is emblazoned with a biker riding off into the clouds. The company also sells urns made from motorcycle cylinders and gas tanks.

Art Caskets in Dallas offers 20 themed caskets, the exteriors of which are decorated with full-color photographs, artwork and images. There’s one for the golfers (“Fairway to Heaven”), truckers (“The Last Haul”) and, of course, bikers (“The Last Ride”). Caskets are priced at \$2,650, which includes delivery.

What’s Old Is New. If it appears that funerals are tilting permanently into the bizarre and more expensive, a couple of nascent trends suggest that the opposite is possible. These also leave the funeral industry—and its big price tags—out of the loop.

Home preparation of the deceased is legal in all states but Indiana, Louisiana, Nebraska and New York. This means family members can do everything from file death certificates and burial permits to transport the deceased to his or her resting place. Foregoing the typical funeral-home expenses, a person need only spend between \$300 and \$1,000 for a home funeral. (Unfortunately, however, a burial plot costs, on average, \$1,200. Moreover, most, but not all, cemeteries require you to purchase a grave liner, which will cost several hundreds dollars more.)

Jerrigrace Lyons, director of Final Passages, a nonprofit organization that offers classes and seminars about family-directed home funerals, says that after the documentary “A Family Undertaking” aired on PBS in 2004, the number of people attending her seminars quadrupled. Lyons charges anywhere from \$0 for a 4-hr. class to \$575 for a 3-day seminar, which covers grief, family dynamics and different ceremonial styles and even features a mock home funeral.

She believes the growth in her business is due in part to disillusionment among consumers who see the funeral industry as a multibillion-dollar monolith more concerned about the bottom line than about a meaningful memorial. “Many of the people who asked me to guide them through a home funeral do so because they’ve experienced a traditional funeral that they felt was very impersonal,” she says. “Not to mention, the costs are so exorbitant.”

Home funerals certainly give families more control and flexibility over their loved one’s service, but there are realities people should be prepared to deal with. You must thoroughly wash the body, and it must be kept on dry ice to preserve it for 1 to 3 days.

Roberta Ryan enlisted the services of Lyons after her husband, Steve, died of cancer in 2004. Ryan says that the idea of a home funeral seemed more appropriate than a traditional service. “Steve’s values were rooted in striving to be as simple and natural as possible,” she says. “By choosing this option, Steve’s body was not handled by strangers or subjected to toxic chemicals.”

After Steve died at home, Lyons and two assistants helped Roberta clean and dress her husband’s body, place him in a biodegradable pine casket along with dry ice and then decorate the room with flowers and oils.

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Roberta kept Steve's body for 2 days, and then Lyons transported the body to a mortuary, where it was kept in cold storage for 2 more days before finally being buried at an area cemetery. Roberta paid \$1,000 for the Lyons' services and \$200 for the hearse that carried Steve's body to the cemetery.

"It was an amazing experience," Roberta says, and she has no regrets. "Having it at home took some adjusting, but it felt appropriate and helped me in accepting his death."

It's Easy Being Green. Like home funerals, green burials represent a return to an older, simpler way of caring for the dead. Generally, a green burial means that no toxic chemicals (as in embalming) are used; the body is buried in a biodegradable casket or shroud; and gravesite monuments are either plants or are ecologically functional (stones, boulders, etc.). There are no such limitations on a home funeral.

Ramsey Creek in Westminster, S.C., was the first of the country's six green cemeteries to open. The cemetery charges \$1,950 for burial plot, \$300 for opening and closing the grave, and \$25 for a stone marker. It's \$500 for the burial of cremated remains. Ramsey Creek's prices are comparable with those of other U.S.-based green cemeteries.

Mark Harris, author of "Grave Matters," which covers green burials, said the green-burial movement is gathering steam. He says there are at least 20 green cemeteries in various stages of development. One of the several expected to open this year is at the Galisteo Basin Preserve, a mixed-use, mixed-income community near Santa Fe, N.M.; the cemetery will have approximately 2,000 interment sites.

Joshua Slocum, executive director of Funeral Consumers Alliance, a consumer-advocacy organization, says, "Interest [in green burials] is coming to me from the general public unbidden." Green burials seem to appeal to a wide range of people—hard-core environmentalists, some frugal shoppers and members of conservative Christian sects who believe it's in accordance with their ideas of dust to dust, he adds.

Attempting to standardize guidelines for green cemeteries is Green Burial Council (GBC). Founded in 2005, GBC developed guidelines and a certification program for green burials. Moreover, funeral homes and cemeteries in nine states now offer GBC's "Approved Burial Package," which bans the use of formaldehyde-based embalming as well as the use of vaults and caskets that are not biodegradable.

Plan Ahead. There's perhaps no purchase that carries with it more fear and stress than a funeral. That brings us to the funeral consultant, or funeral concierge, a service that emerged in the last couple of years. These companies take care of all of the funeral arrangements for you—for a fee, or course.

The largest U.S. concierge company is Everest, which opened its doors in 2003. For \$29 the company will produce a report that compares prices and services of as many as eight funeral homes within your area. The consumer can immediately access and download the report via the company's Web site.

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Or, starting at \$48 a year (plus a one-time enrollment fee of \$95), Everest will advise you on an ongoing basis about funeral and cremation expenses and guide you through the buying process. The company also will do this for a one-time fee of \$495.

Slocum is not a big fan of concierge services. “They’re asking for hundreds of dollars to protect people from overspending,” Slocum says. “See the irony? We’ve been schooled to believe we need a ‘professional’ funeral director to navigate death for us. Now we’re told we need an extra consultant to mediate between us and the funeral director. There are certainly people out there with money to burn who don’t want to deal with this, and that’s fine. But it’s not something that most people need. Consumers can get all the information they need for free.” FTC requires funeral homes to provide a general price list at no cost, and a number of groups, including FTC, FCA and AARP, provide funeral-planning information for consumers.

But Mark Duffey, Everest president and CEO, counters that although funeral information is freely available, it’s not practical to assume that consumers are willing or able to wade through all of it themselves. “Sure, if you had the time and energy, you could drive around town to all the funeral homes and then go through all their price lists, which are usually 10 to 15 single-spaced pages,” Duffey says. “And that’s assuming you’re not under time pressure and emotional duress, which most people are. Consumers are not just concerned about getting the lowest price; they want the best value.”

Some Final Words. Ah yes, value. There are a number of items you should scrutinize when shopping for a funeral service. A funeral home must give you an itemized statement of all of the funeral’s goods and services, and many of the “standard” services aren’t necessary. Embalming, for one, is not legally required if the body is buried or cremated shortly after death. Eliminating this procedure can save you hundreds of dollars.

Other ways you can save money: Design your own memorial-program pamphlets and enlist friends and family to arrange floral displays and escort people to their chairs. “Basically, anything beyond filing the appropriate paperwork and getting the body into the ground or into the crematory is unnecessary,” Slocum says.

And although an increasing number of funeral directors promote “Prepaying” for a funeral as a way for elderly clients to plan ahead and not burden their families, most consumer advocates warn against it. “It’s the most egregious rip-off out there,” Leonard says.

Some state laws offer little or no protection to ensure that advance payments are available for use to pay for a funeral when they’re needed. For example, Mississippi requires funeral directors to put only 50 percent of a customer’s prepaid money in trust, and Florida and other states allow funeral directors to charge interest on installment payments toward prepaid plans. Moreover, there’s often no guarantee the money doled out today will keep up with inflation to pay for the product or service customers have picked out.

If you decide to prepay, make sure you are protected in the event that the funeral home goes out of business. Also, make sure that you can cancel the contract if you change your mind and make sure that you can transfer the service if you move. That way, you’ll be certain your funeral—whether it is typical or “personal”—won’t cause pain to your loved ones after you’re gone.

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