

## **Funeral Shopping Online Philadelphia Metropolitan Area**

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Funerals are often one of the largest expenditures any family makes. The median cost for a full-service funeral with a viewing and ceremony is 7,045 (Source: National Funeral Directors Association, 2013 data). Cemetery costs can easily push this bill to more than 10,000.

To find out how what consumers experience when they look for funeral options and costs on the internet, Funeral Consumers Alliance and Consumer Federation of America researchers surveyed 15 randomly chosen funeral homes and cremation businesses in the Philadelphia metropolitan area. While 9 had websites, *none* of these posted a complete list of the funeral home's goods and services. To get complete information, researchers had to send emails, and often follow up with phone calls when emails went unanswered. This lack of accessible price information online stymies consumer efforts to control funeral costs. It very likely causes grieving families under time and emotional pressure to give up and simply pay whatever the chosen funeral home charges.

Consumers are used to comparing prices and services among retailers using the Internet. Those looking for funeral services might wonder why their local funeral homes have websites at all, since none of those surveyed had complete price and service information online. The Federal Trade Commission's "Funeral Rule" requires funeral businesses to give prices by phone and to hand a paper General Price List (GPL) to anyone who visits a funeral home in person. But the outdated Rule doesn't address the most common way consumers shop around today, the Internet.

The Funeral Rule also gives consumers the right to pick item by item, but online funeral shoppers are unlikely to even realize funeral homes have to offer a la carte options.

What we found when we attempted to get pricing information by email was discouraging. Researchers could find no email addresses for five of the funeral homes. Only three funeral homes provided a complete price list after an initial email request. Researchers had to call 10 funeral homes by phone to get these prices (and one of these refused) because the funeral homes either did not have an email address or did not respond to or acknowledge receiving email queries. Since our researchers presented themselves as consumers, we assume these funeral homes also ignore queries from consumer families looking to plan ahead for a family member's death. Until federal rules compel funeral homes to do business the way contemporary consumers expect, most Philadelphia-area residents will have to shop "1970s-style"—through in-person visits and telephone calls.

Several funeral homes questioned researchers. One funeral home that refused to provide price information was concerned about what the researcher would do with the price list, questioning if it was for personal use or publication. Others claimed their price lists were too complicated to understand and it would be better to physically visit the funeral home. This tactic is well-known to FCA; it is easier to sell a family a more costly service if the family is ignorant of service options and prices before meeting with a funeral director in person.

It is crucial for the Federal Trade Commission to compel funeral homes to do what the market has not—disclose what they offer and how much it costs online just as all other retail businesses do voluntarily.

## Shopping For Funerals Online

<b>TOTAL FUNERAL HOMES SURVEYED</b>	<b>15</b>
Number of these with a website	<b>9</b>
Number who put their complete General Price List and consumer disclosures on their site	<b>0</b>
Number that provided a price list <b>by email</b> after an email request	<b>3</b>
Number that provided a complete price list only after a telephone call*	<b>9</b>
Number that did not provide any price or service information	<b>3</b>

*\*Six of these nine funeral homes provided prices only on paper sent through a fax machine. One of these nine sent prices by email after a phone call.*

None of the surveyed funeral homes put any pricing and service information online. This is in stark contrast to the cities we surveyed on the West Coast, where most funeral homes put their complete General Price Lists online.

### The Cost of Dying in Philadelphia

We compiled the costs of some of the most common types of funerals from the information on each funeral home's price list. The costs for exactly the same service varied widely all within Philadelphia. This highlights the importance of shopping around before a death occurs. Even though most consumers regularly compare prices when looking at big ticket purchases, most families don't shop around for funerals. A typical household defaults to the funeral home they used for the last death in the family, assuming incorrectly that whatever that business charges must be the "normal" going rate. This can cost a family thousands of dollars more than they need to pay.

Inconsistent price and service data from funeral homes further complicated pricing data. While the FTC's Funeral Rule requires all funeral homes to list the costs of at least 16 standard items of service and merchandise, several funeral homes failed to do so in a clear manner. Of the 15 funeral homes surveyed, three provided no price information to researchers. In addition, we excluded the prices for three more funeral homes because the funeral home's price lists were so hard to interpret (in many cases the arithmetic for combinations of goods and services didn't add up to a sensible number) we excluded them from the price data we show below.

It is important to note that many of the funeral homes are violating the FTC's Funeral Rule by failing to disclose basic price and service-option information. Several funeral home failed to list prices for a simple burial, a ceremonial gathering (the very thing funeral homes sell), or the prices for basic, simple services where the consumer purchases or provides their own casket or cremation container instead of buying one from the funeral home. Several also violated consumer protection rules by packaging goods and services together, such as a cremation and a bronze urn, without allowing families to choose item by item if they did not wish to buy the merchandise in the package.

When these violations were egregious enough that we couldn't get accurate price data, we excluded them from the tabulated data. Public policy advocates should remember, though, that grieving Philadelphia consumers are facing this problem every day. Most of these customers have no idea that the funeral home they patronize is hiding legally required information and hiding basic, cost-effective services.

One funeral home clearly did not bother to complete the price list, which was obviously a template. A consumer family reading the funeral home's price list would see the following:

- Direct cremation with container provided by purchaser ..... (open)
- Direct cremation with alternative container..... (open)
  
- Immediate burial with casket provided by purchaser..... (open)

A complete list of all prices obtained from the funeral homes surveyed is included at the end of this report. We summarized the price range we found for three of the most common arrangements.

*Direct Cremation*—Includes the basic services of the funeral director, transportation of the body from the place of death, a cardboard “alternative container” to hold the body before cremation, the cremation process, and returning the cremated remains to the family in a basic container. This service does **not** include embalming, a casket, any ceremonies, or a decorative urn.

*Immediate Burial (sometimes called Direct Burial)*—Includes the basic services of the funeral director, transportation of the body from the place of death, placing the body in the casket selected by the family, and delivering the casket to the cemetery. It does **not** include the price of the casket, embalming, or any ceremonies. It does **not** include cemetery charges such as the cost of the grave, digging the grave, a cement grave liner to encase the casket, or monument.

*Full-service Funeral*—This what funeral homes refer to as a “traditional” funeral. It is also the most costly offering. We compared the cost of nine services common to nearly all “traditional” funerals from the itemized costs listed on funeral home price lists (see ‘Methodology’ below for details). Again, some funeral homes failed to disclose the price for some components, such as a graveside service, so true costs are likely to be higher the survey shows.

### **Cost Summary of Most Common Arrangements**

<b>Full Service Funeral</b>	
Low price	4,135
High price	7,990
<b>Immediate Burial</b>	
Low price	1,080
High price	3,600
<b>Direct Cremation</b>	
Low price	1,365
High price	3,345

### **Methodology**

Our goal was to understand what real consumer families experience when planning a funeral. Researchers asked for information as consumers; they did not identify themselves as researchers. They took the following steps to get prices:

1. They checked to see if the funeral home had a website.
2. If yes, they checked to see if the funeral home's complete General Price List was posted on the site.
3. If it was not, the researcher emailed the funeral home as a consumer to request price information returned by email.
4. If the funeral home did not respond to email, the researcher called on the phone to ask the funeral home to email prices.

The Federal Trade Commission's Funeral Rule requires all funeral homes to list at least 16 specific, standard items of service and merchandise. They must be offered on an a la carte basis; funeral homes may not force consumers to buy all-inclusive packages. Many funeral homes offer such packages, but we did not tabulate them as they vary too widely to be fairly compared. Instead, we used the FTC's standard definitions of service and merchandise categories.

Of course, there is still some variation between funeral businesses. Some make one flat charge for a viewing or period of calling hours, for example, while others charge separately by the amount of time (half-day, full-day, hourly) used. We explain below how we standardized these services to the extent possible.

### Direct Cremation

We used the business's listed cost for a direct cremation without ceremony, including a simple cardboard box to hold the body prior to cremation (this is called an "alternative container). Many funeral homes use third-party businesses to perform the actual cremation, at a price typically around 300. If the funeral home did *not* include this crematory fee in its price for direct cremation, we added the fee listed elsewhere on the price list to come up with a true cost for direct cremation.

We strongly disapprove of funeral homes failing to include this fee in their stated retail price. How can one sell a cremation that doesn't include the actual cremation? Consumers have a right to expect the fee they're quoted will include the service they intend to pay for.

### Direct Cremation with Memorial Service

We added the price for a memorial service without the body present to the price for a direct cremation with an alternative container.

### Immediate Burial

We listed the funeral home's base price for a burial without ceremony, and without the cost of a casket.

### Immediate Burial with Graveside Service

We added the retail cost of a graveside ceremony to the base price for an immediate burial, not including the cost of a casket.

## Full-service Funeral

We included the following to calculate costs. These nine service items are defined in a standardized way by the FTC Funeral Rule:

- The fee for the basic services of the funeral director and staff
- Transport of the body from the place of death to the funeral home
- Embalming
- Other preparation of the body (washing and dressing and placement in the casket)—If a funeral home included this preparation in its embalming charge, we used only the price for embalming. We did *not* include other, specialized types of preparation, such as repair after an autopsy, special cosmetics, or an outside hairdresser.
- Viewing or calling hours—If a funeral home listed only one charge for a viewing, that is the price we used. For funeral homes that priced viewings by the half-day, or by the hour, we used the least expensive offering. This usually amounted to at least a half-day viewing, but there is some slight variation.
- Funeral ceremony with the casket present
- Hearse to the cemetery
- Sedan or limousine for family—We used the least expensive option if a funeral home offered multiple sizes of cars.
- Graveside ceremony

Our calculation does not include the cost of a casket, or the fees charged at the cemetery for the grave, the opening and closing of the grave, the concrete vault required by most cemeteries, or a marker. Consumers should expect to add 2,000 to 3,000 for these additional costs.

### **Funeral Home Attitudes Toward Consumer Shoppers**

FCA volunteers and staff have long known that funeral homes are generally cagey about their prices. Indeed, it was this industry-wide secrecy that led the Federal Trade Commission to enact the Funeral Rule in 1982. The primary researcher for our Philadelphia survey is a seasoned advocate for funeral consumer issues and price comparisons. This researcher described the entire process as “painful” and “a nightmare.” Our experience in Philadelphia was not a surprise, but it was discouraging to see first-hand how grieving families attempting to control costs are met by silence, resistance, or hostility.

Several funeral homes in the survey politely provided volunteers with price information in a reasonably timely manner, though they were in the minority. Even those funeral homes that were not adversarial were difficult to contact, frequently failed to acknowledge contact by email, and made volunteers wait from several days to several weeks to get a response. A family with an imminent death has effectively no means to compile useful price and service data.

Below are selected notes taken by our researcher. We have edited them lightly for clarity without changing the content, and to redact identifying information:

#### **Funeral Home A**

*10/13/14 called as "R Smith" requesting information on services. Prefer to have it via fax or email. Gave fax number and boyfriend's email address.*

*They will have someone call me or send the info over.*

*10/21/14 called and requested information again. Did not receive it via fax or email in prior week.*

*[Funeral director] called back and confirmed the fax number. Fax received with GPL.*

### **Funeral Home B**

*Funeral home responded to first email to inquire if we needed to talk with someone or just needed info. I replied on 10/7/14 that we are just info gathering. Send us electronic file. Funeral director inquired if it was for personal use or for a [consumer-based price comparison website]. I replied that just doing our homework. Pls send info over.*

*10/13/14—sent another follow-up email along with fax number for pricing info.*

*10/21/14—called and spoke with answering service. Requested that they have funeral director send me info via fax or email.*

*10/27/14—called and spoke with answering service AGAIN. Told them I talked with the answering service last week and am not sure what the disconnect is. I have now called several times and no one has sent me any information and it is frustrating. Confirmed that he had the right email and fax numbers.*

*Note – never received pricing from this establishment*

### **Funeral Home C**

*10/8/14 sent follow-up email*

*10/13/14 sent another follow-up email to see if email box is read*

*10/21/14 Called and spoke with a woman who was very curt. She was "on a call". I offered to send her an email so she can send me the info via fax or email.*

*10/27/14 called again, but only the fax picked up. Check the number to be sure I was calling the phone and not the fax. Sent a follow up email requesting the GPL and noting that I called but the fax kept picking up.*

*Note – never received pricing from this establishment*

### **Full Price Results**

(see next page)

Funeral Home	1	2	3 No response to price query	4 No response to price query	5 No response to price query	6	7	8	9	10 Excluded—impossible to interpret	11	12 Excluded—impossible to interpret	13 Excluded—impossible to interpret	14	15
Direct cremation with alternative container	3,345	1,615				2,295		1,995	2,575		1,660			2,990	2,203
Direct cremation with memorial service	3,940	1,965				2,890		2,745	3,050		1,910			3,685	2,678
Immediate burial without casket	3,600	2,130				1,080		3,140	3,225		2,000			1,695	2,545
Immediate burial with graveside service	4,295	2,655				1,675		3,690	3,225		2,250			2,390	3,020
<b>Full-service</b>															
Basic services of funeral director and staff	3,395	1,195				1,695		2,295	1,795		1,800			1,995	1,995
Transport of body	595	265				350		450	375		200			495	225
Embalming	995	750				545		800	750		850			685	600
Other preparation of body	395	250				325		375	250		190			495	265

Viewing or visitation	200	450				595		750	475		250			695	495
Funeral ceremony	695	350				595		750	475		250			695	250
Hearse	495	350				395		395	375		425			475	330
Limo/family car	525	350				395		200	375		325			475	330
Graveside service	695	175				595		550	475		250			695	475
<b>TOTAL</b>	<b>7,990</b>	<b>4,135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,490</b>	<b>-</b>	<b>6,565</b>	<b>5,345</b>	<b>-</b>	<b>4,540</b>	<b>-</b>	<b>-</b>	<b>6,705</b>	<b>4,965</b>