



Consumer Federation of America

## Death with Dignity? A Report on SCI/Dignity Memorial High Prices and Refusal to Disclose These Prices

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### A. Summary

Service Corporation International (SCI), whose principle brand is Dignity Memorial, is the nation's largest and fastest growing provider of funerals and other "death-care" products. Having absorbed several of the largest death-care services in the past decade, it now operates more than 1,000 funeral homes and cemeteries in the U.S. with an estimated 16 percent of total industry revenues.

SCI says that its success results mainly from rationalizing a previously inefficient "death-care" industry. However, this rationalization has emphasized anti-consumer practices including relatively high prices that it fails to disclose adequately, aggressive sales that push customers to upgrade products purchased, and sloppy service that have led to court settlements as large as \$80 million.

Although media reports on SCI have often described the company as the "Wal-Mart" of funeral service, the comparison does not hold. Unlike Wal-Mart, SCI's economies of scale don't translate into cost savings for consumers. Quite the opposite. This survey, conducted by Funeral Consumers Alliance and the Consumer Federation of America, reveals SCI's median prices are significantly higher than independently owned funeral homes.

We surveyed the prices of 103 independent funeral homes in 10 major metropolitan regions. We then surveyed the prices of 35 SCI funeral homes in those same cities, and compared. The survey tabulated the prices of three types of service found at every funeral home; simple cremation, simple burial, and a full-service traditional funeral with a viewing of the body.

Finally, we compared the prices at SCI funeral homes with those of funeral homes that fully disclosed their prices on their websites by posting a complete General Price List. The Federal Trade Commission's "Funeral Rule" requires all funeral homes to hand consumers a paper price list when they visit the funeral home in person. The Rule does *not* compel funeral homes to post this GPL online, where nearly all consumers turn first for comparison pricing on goods and services.

The cities and metropolitan regions studied—

- Atlanta, Georgia
- Tucson, Arizona
- Orange County, California

- Denver, Colorado
- The District of Columbia
- Indianapolis, Indiana
- Minneapolis, Minnesota
- Philadelphia, Pennsylvania
- Princeton, New Jersey
- Seattle, Washington

### National Price Summary

|  | <b>Simple Cremation</b> | <b>Simple Burial</b> | <b>Full Service Funeral</b> |
|--|-------------------------|----------------------|-----------------------------|
| <b>SCI funeral homes</b><br># Surveyed: 35   |                         |                      |                             |
| Median   | \$2,700                 | \$2,845              | \$7,705                     |
| Average  | \$2,891                 | \$3,278              | \$7,638                     |
|  |                         |                      |                             |
| <b>Independent Funeral Homes</b><br># Surveyed: 103                                    | <b>Simple Cremation</b> | <b>Simple Burial</b> | <b>Full Service Funeral</b> |
| Median   | \$1,562                 | \$1,893              | \$5,241                     |
| Average  | \$2,004                 | \$2,194              | \$5,180                     |
|  |                         |                      |                             |
| <b>Full-Discloser Funeral Homes (a subset of Independents above)</b><br># Surveyed: 34 | <b>Simple Cremation</b> | <b>Simple Burial</b> | <b>Full Service Funeral</b> |
| <b>Median</b>  | \$2,066                 | \$2,155              | \$5,135                     |
| <b>Average</b>   | \$1,992                 | \$2,209              | \$5,420                     |

*\*Full data by city and methodology are shown below in the report.*

*\*\* Data from Indianapolis, Indiana, is not included in the Full-discloser calculation as none of the surveyed funeral homes posted their General Price Lists online.*

### Percentage By Which SCI Prices are Higher Than Those of All Independent Funeral Homes Surveyed (median prices used)

- Simple cremation—72%
- Simple burial—50%
- Full-service funeral—47%

### Percentage by Which SCI Prices are Higher than Those of Full-Discloser Funeral Homes

- Simple cremation—30%
- Simple burial—32%
- Full-service funeral—50%

SCI and other companies providing death-care services are lightly regulated by the Federal Trade Commission (FTC) and even more lightly regulated by state agencies. As a result, aggrieved consumers are often left with no option but to seek individual redress through litigation. Even if such consumers are successful, they must sue under state laws, if any applicable laws exist, as the Funeral Rule does not include a private right of action. The FTC will have a ready opportunity in 2018 when the agency is required to review and update its (year) Funeral Rule. Most importantly, it should require all funeral homes and cemeteries to adequately disclose their prices online. At present, none of the more than 1,000 SCI facilities make these disclosures, thus allowing them to charge relatively high prices.

## **B. The Federal Trade Commission’s Funeral Rule and Price Disclosures**

After an intensive investigation of the funeral industry in the 1970s, the FTC promulgated what is called the “Funeral Rule”. The FTC found that hiding prices, refusing to disclose them to consumers, and forced “bundling” of goods and services into expensive funeral packages was the norm among the nation’s 22,000 funeral homes. Consumers had no ability to price-shop for such an expensive and emotional transaction, and they were forced to pay for goods and services they did not want, and often could not afford.

The Rule went into effect in 1984. Its main provisions:

- Funeral homes must list their goods and services item by item, with a price for each. Consumers must be allowed to choose a la carte
- Funeral homes must give price disclosures by phone at the consumer’s request
- A 1994 amendment to the Rule prohibited “handling fees” charged to consumers who exercised their right to buy a casket from a third-party retailer instead of from the funeral home

While the Funeral Rule brought the beginnings of transparency to the death trade, compliance has been spotty at best. FTC undercover investigations routinely find that at least 25 percent of funeral homes fail to give secret shoppers itemized price lists as the law requires. Funeral Consumers Alliance’s own research has found that at least half the price lists FCA has examined for decades are in blatant violation of the Rule.

It is difficult enough to comparison shop under the time pressure a funeral creates in addition to the emotional stress of making arrangements in grief. Few consumers have the time or inclination to physically visit four or five funeral homes when a death has occurred in the family. And telephone disclosures are little better. Consumers are largely unaware of their legal rights, and are apt to ask “how much will a funeral/cremation cost.” Naturally, funeral homes have profit in mind and are likely to quote the consumer a price for their full-service offerings (they call this a ‘traditional’ funeral), while failing to disclose that less expensive burial and cremation options are available.

It is past time for funeral homes to join the 21<sup>st</sup> century and post their prices on their websites as nearly every other retail service sector does voluntarily. Consumer research shows the overwhelming majority of Americans go online first. In a 2016 survey, the Pew Research Center found that 82 percent of Americans examine online reviews and ratings when buying a product or service for the first time.<sup>1</sup> The Federal Trade Commission’s website advises consumers to “go online.” And when discussing funeral shopping in particular, the FTC site advises, “Shop around in advance. Compare prices from at least 2 funeral homes.”

Funeral Consumers Alliance and Consumer Federation of America heartily endorse this advice, but we note that funeral consumers are uniquely unable to do so owing to the industry’s intractable stance on price transparency. This can only be amended through federal regulation and enforcement. Physically traveling to multiple funeral homes is burdensome and near-impossible for grieving people under time pressure to deal with a loved one’s body.

Our focus in this report on SCI funeral homes demonstrates this need. In every market we studied, the world’s largest funeral home chain has significantly higher prices than independent operators (with two exceptions in one market, and one exception in another market). Yet not one of the company’s thousands of US locations discloses its prices on the funeral home’s website. Moreover, our study suggests that independent funeral homes who voluntarily post their prices online (this is still a minority of all US funeral homes) offer lower prices than SCI for the same services.

### C. Methods

#### Key to terms

*General Price List/GPL*---the itemized list of a funeral home’s goods and services that the FTC requires funeral homes to hand to consumers on paper

*Simple cremation*—This is our term for “direct cremation,” the label used by the Federal Trade Commission. Simple cremation/direct cremation is the same at every funeral home in the nation. It includes only transporting the body, completing the paperwork necessary, cremating the body, and returning the ashes to the family. There are no ceremonies or embalming included.

*Simple burial*—This is our term for what the FTC labels “immediate burial.” Analogous to simple/direct cremation, this includes only completing death paperwork, placing the body in a casket, and delivering it to the cemetery for burial without ceremony. **Note**—our simple burial figures do *not* include the cost of a casket.

*Full-Service Funeral*—This describes what the funeral industry refers to as a ‘traditional’ funeral. It is the most elaborate and costly choice. It includes:

- Fee for the ‘basic services of funeral director and staff
- Pick-up of the body from place of death

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<sup>1</sup> Pew Research Center. *Online Shopping and E-Commerce*. December 9, 2016. Accessed at <http://www.pewinternet.org/2016/12/19/online-shopping-and-e-commerce/>

- Embalming
- Other preparation of the body/placement in casket
- Viewing of the body
- Funeral ceremony with the body present
- Hearse
- Family car/limousine
- Graveside ceremony

For full-service funerals, we calculate the itemized costs of these nine items to come up with a total price. **Note**—this does *not* include the cost of a casket. It does *not* include cemetery costs, which typically add \$2,000 to \$3,000.

*Independent Funeral Home*—This describes a funeral home or cremation business that is owned independently of SCI, though such a funeral home may, in a minority of cases, be part of a locally owned or small chain.

*Full Discloser*—We use this term to describe funeral homes that place their entire General Price List (GPL) on their websites. Such funeral homes go beyond the FTC’s requirements and make their prices, services, and consumer disclosures available at all times to any site visitor.

### Data Collection

This survey builds and expands on data we first collected for our 2015 report *The Cost of Dying is Hard to Determine and Widely Varying in Price*. For that report we surveyed 15 funeral homes each in 10 major metropolitan regions. We successfully collected General Price Lists for 150 funeral homes (including some SCI funeral homes in each of the 10 cities).<sup>2</sup>

From those, we calculated the costs at each business for a simple cremation, a simple burial, and a full-service funeral. The report showed a surprisingly wide range of prices for the same services in the same city.

Our 2015 report also found that only 25 percent of surveyed funeral homes posted their General Price Lists on their websites.

For this 2017 report, *Death With Dignity?*, we used the same price list data collected for our prior report to calculate the median and mean costs of simple cremation, simple burial, and a full-service funeral in each of the 10 metropolitan regions. However, we segregated Independent funeral homes from the SCI-owned locations in those cities.

Then, we collected the General Price Lists from only the SCI-owned funeral homes in each of the 10 regions. We calculated the median and mean prices for simple cremation, simple burial,

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<sup>2</sup> Some of these 150 price lists were excluded from the numerical price calculations in our final report as they were impossible to parse, contained numerous mathematical errors, or were so non-compliant with the FTC Funeral Rule that they could not be properly compared to their competitor funeral homes. Those funeral homes are also excluded from this report.

and a full-service funeral at these SCI locations.

The third and final step was to calculate the median and mean prices for *only* the Full-discloser funeral homes in each of the 10 regions. This set of funeral homes did not include any SCI locations, as none of the company's locations post their General Price Lists online.

To fairly compare the 2016 SCI prices we gathered, we added 1.8 percent to the prices gathered in 2015 from Independent funeral homes. This reflects that year's increase in the Consumer Price Index (CPI) for funeral services.

*(Tables begin on next page)*

**Price Comparisons by City**  
**MEDIAN PRICES OF INDEPENDENT FUNERAL HOMES COMPARED TO SCI-OWNED LOCATIONS**

| <b>Tucson</b><br><b># Independents-12</b><br><b>#SCI-3</b>               | <b>Median</b><br><b>(1.8 percent added to</b><br><b>reflect 2015-2016 CPI</b><br><b>rise)</b> | <b>Median</b>    |                    |
|--|---|------------------|--------------------|
|  | Independent Funeral Home  | SCI Funeral Home | Percent Difference |
| Simple Cremation   | \$1,115.00  | \$995.00         | (11%)              |
| Simple Burial  | \$1,471.00  | \$1,445.00       | (1.7%)             |
| Full-Service Funeral   | \$3,767.00  | \$4,615.00       | 23%                |
|  |   |                  |                    |
|  | <b>Median</b>   | <b>Median</b>    |                    |
| <b>Orange County, CA</b><br><b># Independents-11</b><br><b># SCI-4</b>   | Independent Funeral Home  | SCI Funeral Home | Percent Difference |
| Simple Cremation   | \$1,588.00  | \$2,020.00       | 27%                |
| Simple Burial  | \$1,884.00  | \$2,183.00       | 16%                |
| Full-Service Funeral   | \$4,594.00  | \$6,370.00       | 39%                |
|  |   |                  |                    |
|  | <b>Median</b>   | <b>Median</b>    |                    |
| <b>DENVER</b><br><b># Independents-13</b><br><b># SCI-4</b>              | Independent Funeral Home  | SCI Funeral Home | Percent Difference |
| Simple Cremation   | \$1,723.00  | \$3,065.00       | 78%                |
| Simple Burial  | \$1,937.00  | \$2,845.00       | 47%                |
| Full-Service Funeral   | \$5,164.00  | \$7,705.00       | 49%                |
|  |   |                  |                    |
|  | <b>Median</b>   | <b>Median</b>    |                    |
| <b>DISTRICT OF COLUMBIA</b><br><b># Independents-9</b><br><b># SCI-4</b> | Independent Funeral Home  | SCI Funeral Home | Percent Difference |
| Simple Cremation   | \$2,983.00  | \$4,695.00       | 66%                |
| Simple Burial  | \$3,512.00  | \$4,000.00       | 14%                |
| Full-Service Funeral   | \$6,902.00  | \$9,750.00       | 41%                |
|  |   |                  |                    |
|  | <b>Median</b>   | <b>Median</b>    |                    |
| <b>ATLANTA</b><br><b># Independents-8</b><br><b>#SCI-4</b>               | Independent Funeral Home  | SCI Funeral Home | Percent Difference |
| Simple Cremation   | \$1,756.00  | \$2,340.00       | 33%                |
| Simple Burial  | \$2,777.00  | \$2,495.00       | (10%)              |

|  |                          |  |                    |
|--|--------------------------|--|--------------------|
| Full-Service Funeral                                       | \$5,518.00               | \$7,545.00                                   | 37%                |
|  |                          |  |                    |
| <b>INDIANAPOLIS</b>  | <b>Median</b>            | <b>Median</b>                                |                    |
| <b># Independents-7</b><br><b># SCI-3</b>                  | Independent Funeral Home | SCI Funeral Home                             | Percent Difference |
| Simple Cremation   | \$1,995.00               | \$2,700.00                                   | 35%                |
| Simple Burial  | \$1,556.00               | \$2,795.00                                   | 80%                |
| Full-Service Funeral                                       | \$5,171.00               | \$8,190.00                                   | 58 %               |
|  |                          |  |                    |
| <b>MINNEAPOLIS</b>   | <b>Median</b>            | <b>Median</b>                                |                    |
| <b># Independents-13</b><br><b># SCI-4</b>                 | Independent Funeral Home | SCI Funeral Home                             | Percent Difference |
| Simple Cremation   | \$2,133.00               | \$3,000.00                                   | 41%                |
| Simple Burial  | \$2,525.00               | \$3,365.00                                   | 33%                |
| Full-Service Funeral                                       | \$5,821.00               | \$7,315.00                                   | 26%                |
|  |                          |  |                    |
| <b>PRINCETON (NJ AND PA)</b><br><b>METROPOLITAN REGION</b> | <b>Median</b>            | <b>Median</b>                                |                    |
| <b># Independents-12</b><br><b># SCI-3</b>                 | Independent Funeral Home | SCI Funeral Home                             | Percent Difference |
| Simple Cremation   | \$3,303.00               | \$3,495.00                                   | 6%                 |
| Simple Burial  | \$3,059.00               | \$4,100.00                                   | 34%                |
| Full-Service Funeral                                       | \$5,785.00               | \$8,850.00                                   | 53%                |
|  |                          |  |                    |
|  | <b>Median</b>            | <b>Mean/average (only two SCI locations)</b> |                    |
| <b>PHILADELPHIA</b>  |                          |  |                    |
| <b># Independents-8</b><br><b># SCI-2</b>                  | Independent Funeral Home | SCI Funeral Home                             | Percent Difference |
| Simple Cremation   | \$2,289.00               | \$3,595.00                                   | 57%                |
| Simple Burial  | \$2,380.00               | \$3,900.00                                   | 64%                |
| Full-Service Funeral                                       | \$5,516.00               | \$9,013.00                                   | 63%                |
|  |                          |  |                    |
|  |                          |  |                    |
| <b>SEATTLE</b>   | <b>Median</b>            | <b>Median</b>                                |                    |
| <b># Independents-10</b><br><b># SCI-4</b>                 | Independent Funeral Home | SCI Funeral Home                             | Percent Difference |
| Simple Cremation   | \$1,425.00               | \$2,668.00                                   | 87%                |
| Simple Burial  | \$1,929.00               | \$2,573.00                                   | 33%                |
| Full-Service Funeral                                       | \$4,754.00               | \$7,620.00                                   | 60%                |



**Price Comparisons by City**  
**MEDIAN PRICES OF FULL-DISCLOSER FUNERAL HOMES COMPARED TO SCI**  
**FUNERAL HOMES**

| <b>Atlanta, GA</b>                                    |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b># Full Disclosers-1</b><br><b>#SCI locations-4</b> | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container           | \$2,545.00                         | \$2,340.00              | (8%)                      |
| Immediate Burial (not including casket)               | \$2,754.00                         | \$2,495.00              | (9%)                      |
| Full-Service Funeral (not including casket)           | \$5,518.00                         | \$7,545.00              | 36%                       |

| <b>Orange County (CA)</b>                   |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
|   | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| <b>#Full Disclosers-10</b><br><b>#SCI-2</b> |                                    |                         |                           |
| Direct Cremation with Alternative Container | \$1,588.00                         | \$2,020.00              | 27%                       |
| Immediate Burial (not including casket)     | \$1,884.00                         | \$2,183.00              | 16%                       |
| Full-Service Funeral (not including casket) | \$4,594.00                         | \$6,370.00              | 38%                       |

| <b>Denver, CO</b>                           |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-4</b><br><b>#SCI-4</b>  | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container | \$1,652.00                         | \$3,065.00              | 85%                       |
| Immediate Burial (not including casket)     | \$1,846.00                         | \$2,845.00              | 54%                       |
| Full-Service Funeral (not including casket) | \$4,474.00                         | \$7,705.00              | 72%                       |

| <b>Tucson, AZ</b>                           |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-5</b><br><b>#SCI-3</b>  | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container | \$764.00                           | \$995.00                | 30%                       |
| Immediate Burial (not including casket)     | \$1,430.00                         | \$1,445.00              | (1%)                      |
| Full-Service Funeral (not including casket) | \$3,502.00                         | \$4,615.00              | 31%                       |

| <b>District of Columbia</b>                 |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-3</b>                   |                                    |                         |                           |
| <b>#SCI-4</b>                               | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container | \$2,693.00                         | \$4,695.00              | 74%                       |
| Immediate Burial (not including casket)     | \$3,074.00                         | \$4,000.00              | 30%                       |
| Full-Service Funeral (not including casket) | \$5,811.00                         | \$9,750.00              | 67%                       |

| <b>Indianapolis, IN</b>                     |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-0</b>                   | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| <b>#SCI-3</b>                               |                                    |                         |                           |
|   |                                    |                         | NO DATA FOR COMPARISON    |
| Direct Cremation with Alternative Container |                                    | \$2,700.00              |                           |
| Immediate Burial (not including casket)     |                                    | \$2,795.00              |                           |
| Full-Service Funeral (not including casket) |                                    | \$8,190.00              |                           |

| <b>Princeton, NJ</b>                        |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-1</b>                   |                                    |                         |                           |
| <b>#SCI-3</b>                               | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container | \$3,303.00                         | \$3,495.00              | (5%)                      |
| Immediate Burial (not including casket)     | \$3,059.00                         | \$4,100.00              | 34%                       |
| Full-Service Funeral (not including casket) | \$9,009.00                         | \$8,850.00              | (1.7%)                    |

| <b>Philadelphia, PA</b>                     |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-2</b>                   |                                    |                         |                           |
| <b>#SCI-2</b>                               | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container | \$2,479.00                         | \$3,595.00              | 45%                       |
| Immediate Burial (not including casket)     | \$2,192.00                         | \$3,900.00              | 77%                       |
| Full-Service Funeral (not including casket) | \$5,516.00                         | \$9,013.00              | 63%                       |

| <b>Seattle, WA</b>                          |                                    |                         |                           |
|---|------------------------------------|-------------------------|---------------------------|
| <b>#Full Disclosers-10</b>                  |                                    |                         |                           |
| <b>#SCI-4</b>                               | <b>Median Full Discloser Price</b> | <b>Median SCI Price</b> | <b>Percent Difference</b> |
| Direct Cremation with Alternative Container | \$1,425.00                         | \$2,668.00              | 87%                       |
| Immediate Burial (not including casket)     | \$1,929.00                         | \$2,573.00              | 33%                       |
| Full-Service Funeral (not including casket) | \$4,754.00                         | \$7,620.00              | 60%                       |

**END OF REPORT AND TABLES**