

FUNERAL CONSUMERS ALLIANCE

A nonprofit protecting your right to choose a meaningful, dignified, and affordable funeral

33 Patchen Road, South Burlington, VT 05403 ~ 802-865-8300 ~ funerals.org

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Federal Reimbursement of Funeral Expenses for COVID-19 Deaths Implications for Policymakers

Funeral Consumers Alliance would like to broaden the conversation about the costs of funerals, and the effects of government payment of citizens' funeral costs. We refer to the \$50 billion appropriation in the American Rescue Plan that would pay up to \$9,000 to each family, for funeral expenses, for a death caused by COVID-19.

We are a national, nonprofit federation of consumer education organizations. Our mission is to alert Americans of their legal rights, and their options, when arranging funerals. Our expertise lies in our knowledge of how consumers can control funeral costs and ensure that a death in the family does not destabilize family finances for the living.

Funeral Consumers Alliance does not take a policy position on whether the government should or should not reimburse Americans for funerals. However, we are concerned that policymakers may not have been fully informed about the wide range of pricing in the funeral industry, and the options available to all Americans to control funeral costs, before this program was enacted.

We offer the following for consideration.

No American is compelled by law, or by lack of options, to buy a \$9,000 funeral package. The “average” or “minimum” cost of a funeral varies by region, and by the options one chooses to add to basic services. The Federal Trade Commission’s “Funeral Rule”, since 1984, has given consumers the legal right to choose as many *or as few* optional services from funeral homes as that family desires and can afford.

This Rule also mandates that nearly all American funeral homes offer simple, non-ceremonial, less expensive options such as direct burial or direct cremation. This is available to every American.

Cost-comparison surveys of funeral homes completed by member organizations in FCA’s federation illustrate the wide range of prices available in various regions for a full-service funeral.¹

¹ Our surveys define a full-service, “traditional” funeral as including: basic services of funeral director; transportation of the body from the place of death; embalming and dressing/casketing; public viewing; funeral ceremony with the casket present; hearse to the cemetery; graveside/committal service. This figure does **not** include a casket or vault/outer burial container. It does **not** include cemetery costs. Surveys cited are for years 2020 (Washington state) <https://peoplesmemorial.org/education-and-advocacy/price-survey.html>, and 2021 (Vermont) <https://funerals.org/wp-content/uploads/2021/06/2021-02-10-Vermont-Price-Survey.pdf>.

- In Washington state, the prices for a full-service funeral range from \$2,200 to \$11,100.
- In Vermont, the same prices range from \$3,256 to \$7,560.

Cost-comparison surveys by Funeral Consumers Alliance advocates show that most Americans can make basic cremation or burial arrangements for as little as \$1,000 to \$3,000. This benefit program, however, uses the average cost for an elaborate, all-options-included funeral and treats this all-inclusive funeral as a “minimum.” It is not.

Using the same surveys cited above from Washington state and Vermont as examples, these are price ranges for a direct cremation:

- Washington state—\$495 to \$3,450
- Vermont—\$1,065 to \$3,695

and the prices for a direct/immediate burial:

- Washington state—\$1,070 to \$5,290
- Vermont—\$1,290 to \$3,860

The amounts provided by the federal government for the funeral and burial expenses of veterans offer a comparison. It is important to note that the Veterans Administration does not provide cash assistance for all veteran *funeral home costs*. While all honorably discharged veterans are entitled to a cost-free *burial in a veterans cemetery*, Only the minority of veterans who fall into certain special categories receive such funding for *funeral home costs*.

For example, the maximum benefit paid to veteran families whose veteran died on or after September 11, 2001, is \$2,000. Details may be found at <https://www.va.gov/burials-memorials/veterans-burial-allowance/>.

None of the ceremonial options included in a full-service ceremonial funeral are required purchases. In almost every case, consumers have a legal right to decline costly services such as embalming, rental of the facility for public display of the body, ceremonial and ornamented casket, rental of facility and staff to conduct a funeral and/or graveside ceremony, hearse, and flowers.

The benefit program creates incentives with far-reaching consequences.

- It promises reimbursement for COVID-19 funeral expenses that have yet to occur, because the deaths have not yet occurred.
- It incentivizes families to spend up to the limit. There is no natural “brake” built in; maximum spending is affirmatively encouraged.
- It creates an incentive for families to press doctors and medical examiners to “diagnose” that the death was from COVID-19. This will likely have negative consequences on the

treasury, and may compromise the accuracy of death diagnoses and our statistical record.

This program is not means-tested. That is, the \$9,000 reimbursement is available to a poor family and to a rich family alike. What public good is served by offering such a generous sum of tax-payer revenue to families who are not impoverished, and who can afford to pay for their desired choices?

Every death that occurs in a family is a sad event, regardless of the cause of that death. This program reimburses only families who have experienced a death because of COVID-19. While we recognize the grief that such deaths bring to our fellow citizens, we note that a deep level of grief is also experienced by families who experience a non-COVID-19 death.

The program funds will be subsidized by all tax-payers, but the majority of those who experience a death will have no access to these funds.

Had this program been designed to assist families with *basic funeral arrangements*, this \$50 billion could have helped many more American families. It could have helped many more who have lost their jobs due to COVID-19 and who also experienced a death, even if that death was not attributable to COVID-19:

- In \$9,000 increments: As the program is designed, it may help **5,550,000** households, with top-of-the-line funerals.
- In \$3,000 increments: **16,660,000** households could be helped with basic funeral costs.
- In \$1,500 increments: **33,330,000** households could be helped with simple cremation, available in most US markets.

The Funeral Consumers Alliance national headquarters office receives thousands of calls and emails from financially strapped consumers every year. The majority have experienced a death in the family, and many are having difficulty finding a mere \$800 to \$1,500 to pay for the most basic cremation. But because the death in their family does not usually come from COVID-19, they qualify for no federal assistance.

Funeral Consumers Alliance is available to work with lawmakers and public policy stakeholders interested in creating programs to assist Americans with planning for final arrangements.