NFDA NATIONAL FUNERAL DIRECTORS ASSOCIATION

2015 NFDA Cremation and Burial Report: Research, Statistics and Projections

Statistical information and in-depth analysis of the state of cremation and burials today and what it means for funeral service.

2015 NFDA Cremation and Burial Report: Research, Statistics and Projections

NFDA is the leading and largest funeral director association in the world, helping members achieve more by providing tools to manage a successful business.

Influence of Rising Cremation Rates on the U.S. Funeral Service Industry

Approximately one-third of funeral homes in the United States now operate their own crematories; another 10% plan to open their own within the next five years. This means that the majority of funeral homes in the 44 states that allow funeral homes to own crematories still remain in competition with stand-alone crematories, particularly in relation to the growing trend for consumers to select direct cremation. The primary reason for selecting direct cremation (no formal viewing, visitation or ceremony with the body present) is the perceived cost-effectiveness of this choice.

The steadily rising popularity of cremation is attributed to a number of factors, including consumer cost considerations, environmental concerns, fewer religious prohibitions on the practice and changing consumer preferences, such as the desire for simpler, less ritualized funeral practices. Cremation has become socially acceptable as more Americans are thinking and talking about death in new ways, and its popularity is expected to intensify.

A surge in the number of Americans that no longer identify with any religion has contributed to the decline of the historically traditional funeral in America – and the rise in cremation as the disposition of choice.

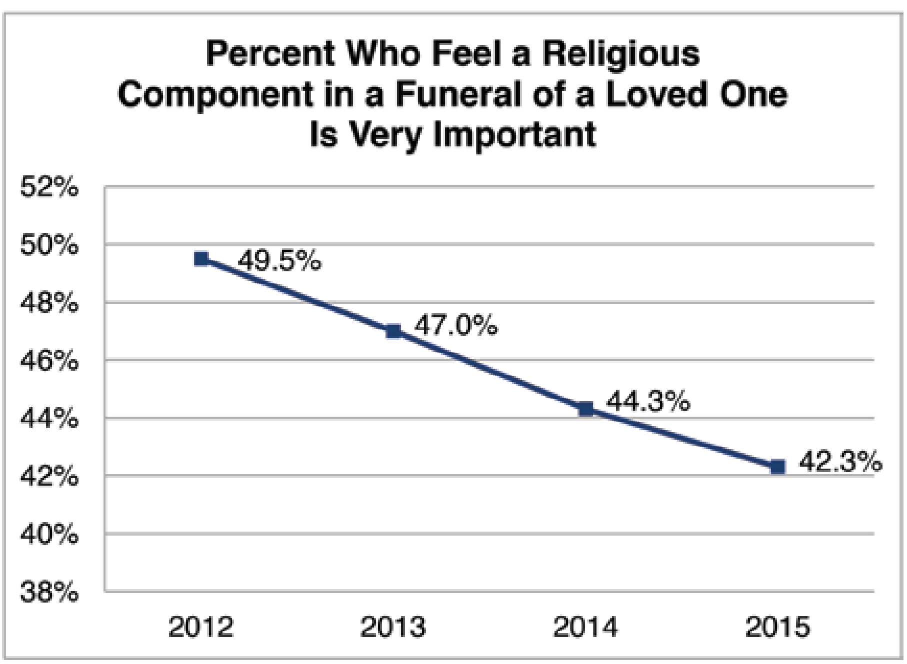
In just seven years – from 2007-14 – the percentage of unaffiliated adults increased from 16% to almost 23% of the U.S. public (Pew, 2015). Since 2012, the percent of U.S. consumers (40 and older) who feel it is very important to have religion as part of a funeral has decreased by more than 7% – from 49.5% in 2012 to 42.3% in 2015.

As cremation numbers increase, the forecast for funeral home revenue gains is moderate since cremation services in general produce lower revenue. Typically, cremation costs less than one-fifth of funerals with burials. In the last five years, however, statistics show that the average cost of a cremation has increased (IBISWorld Inc., 81221 and 81222, April 2015).

To meet the business challenges created by the ongoing rise in cremation rates and continued decrease in preference for a traditional funeral, funeral homes, crematories (when allowed by state law) and cemeteries will likely offer more specialized products and services associated with cremation, such as packages and customized urns. It is predicted that funeral homes will continue expanding their array of extra services offered to families and increasingly focus on niche markets to differentiate themselves and draw attention to their value-added services, such as serving groups with diverse cultural and religious preferences (IBISWorld Inc., April 2015).

Key External Influences on the Funeral Service Industry

Based on analysis of the key external influences on the funeral service industry, business conditions are projected to slightly improve for the industry over the five-year period from 2015 to 2020, with revenue anticipated to expand at an average annual rate of 1% for funeral homes, crematories and cemeteries. In 2015, direct cremation services are



estimated to make up approximately 6% of total industry revenue (IBISWorld Inc., 81221 and 81222, April 2015).

Key external drivers that influence funeral service are the number of deaths, number of adults 65 and older, number of cremations and U.S. per capita disposable income – all of which are projected to increase from 2015 to 2020 and in subsequent years (IBISWorld Inc., 81221, April 2015; U.S. Bureau of Labor Statistics).

The number of adults 65 and older increased from 13% of the U.S. population at the time of the 2010 census to 14.1% in 2013 (U.S. Census Bureau). By 2030, when all baby boomers (born 1946-64) have joined the ranks of the older population, it is projected that 20.3% of the U.S. population will be 65 and older (U.S. Census Bureau, P25-1140, May 2014).

Per capita disposable income in the United States is predicted to increase at an average annual rate of 2.4% over the next five years as economic conditions continue to improve. This means that consumer price concerns may somewhat diminish (IBISWorld Inc., 81222, April 2015).

U.S. Death Rates

Year	Annual Deaths per 1,000 Population	
1995	8.8	*Final Data*
2000	8.7	
2005	8.3	
2007	8.0	
2008	8.1	
2009	7.9	
2010	8.0	
2011-2012	8.1	
2013	8.2	
2014	8.1	*Projected Data**
2015	8.2	
2016-2020	8.2	
2025	8.6	
2030	9.0	
2035	9.3	
2040	10.0	
2045-2050	10.3	

*Crude Death Rate = total deaths/total population. Source: CDC/ National Center for Health Statistics (NCHS); National Vital Statistics System. *U.S. Census Bureau 2014 National Project 2014-2060.*

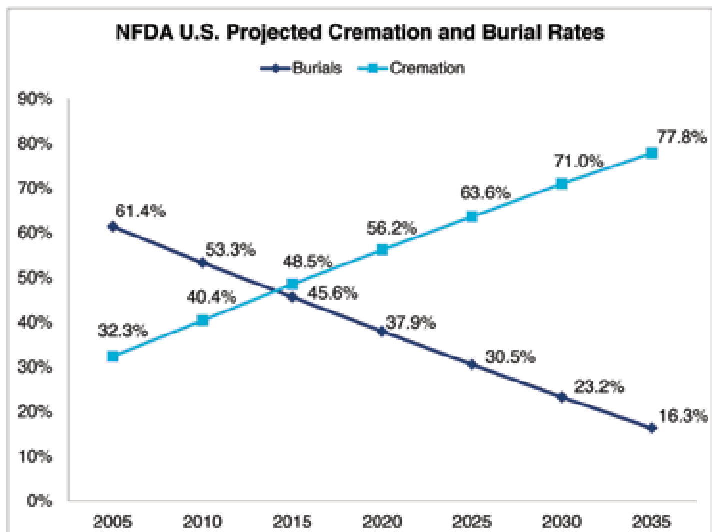
U.S. Cremation and Burial Rates

The U.S. national cremation rate is projected to exceed the burial rate for the first time in 2015. By 2035 – just 20 years from now – the current cremation rate of 48.5% is projected to grow to 78% of deaths.

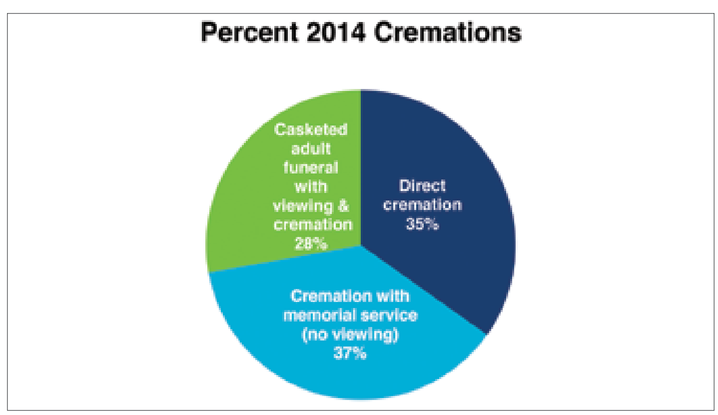
The number of cremations is expected to rise from 1.27 million in 2015 to 1.88 million by 2025 and 2.73 million by 2035. The number in 2010 was just 1 million.

By 2025, cremation rates will likely exceed the 50% mark in 44 states, up from only 16 states exceeding the mark in 2010. By 2035, Mississippi will likely remain the only state with a burial rate that exceeds its cremation rate.

Even with the expected increase in U.S. deaths from 2.6 million in 2015 to 3.5 million in 2035 – a 34% increase – the increasing consumer preference for cremation will result in the number of burials declining from 1.2 million in 2015 to 902,000 in 2025 and just 570,000 in 2035. In 2010, the number of burials was 1.3 million.

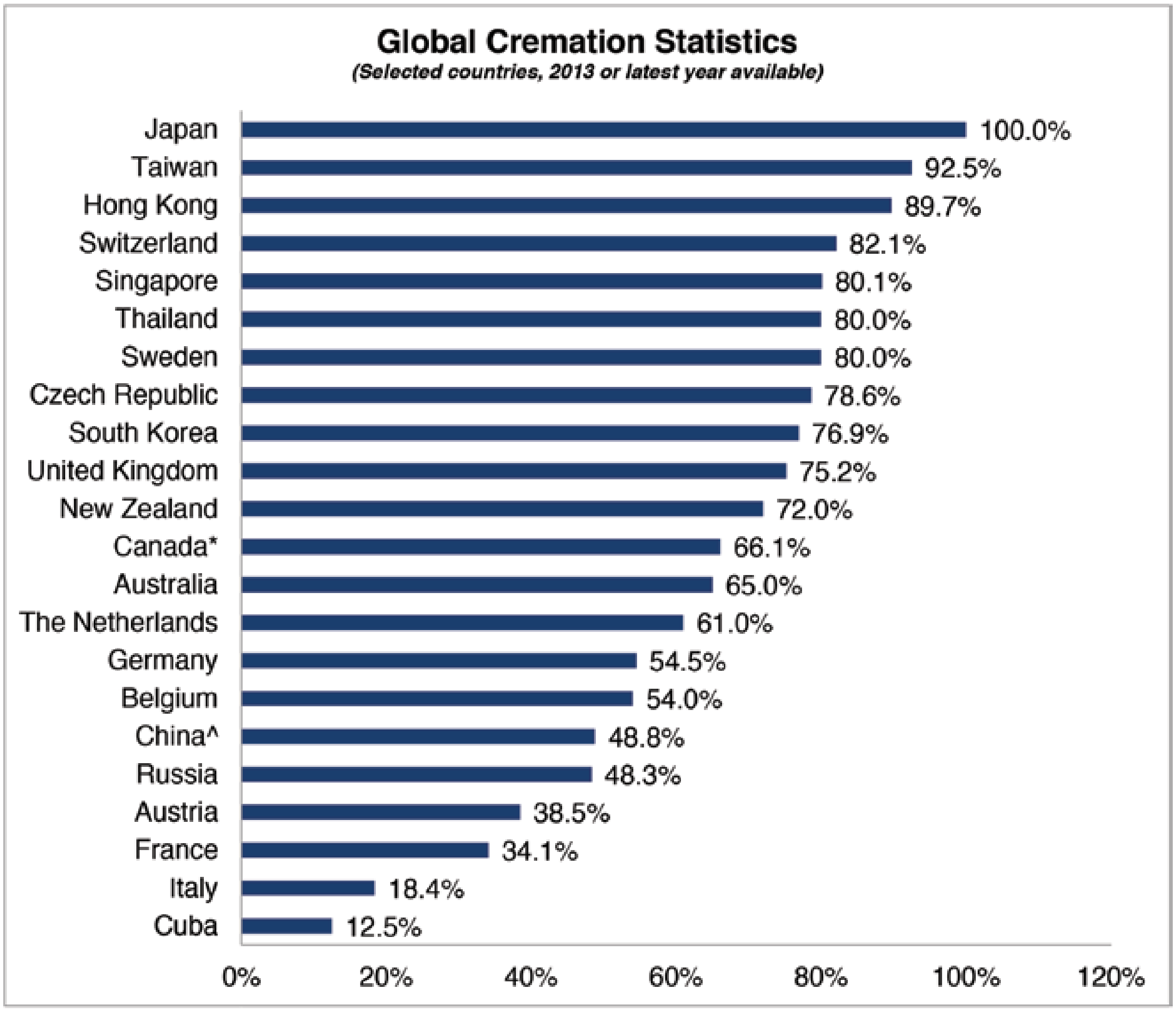


Direct cremations accounted for approximately 35% of all cremations in 2014. Cremations with memorial services accounted for 37% and casketed adult funerals with a viewing and cremation accounted for 28% of all cremations.

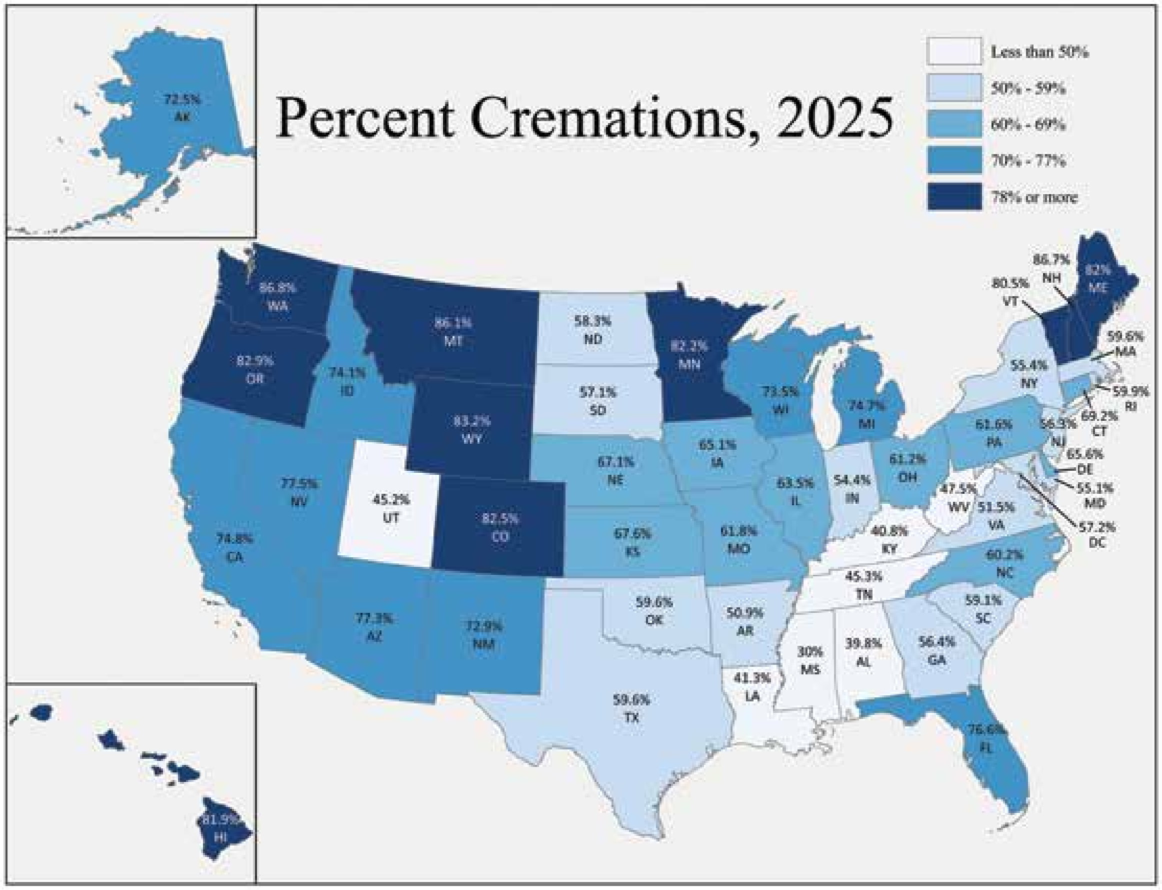


Global Cremation Rates

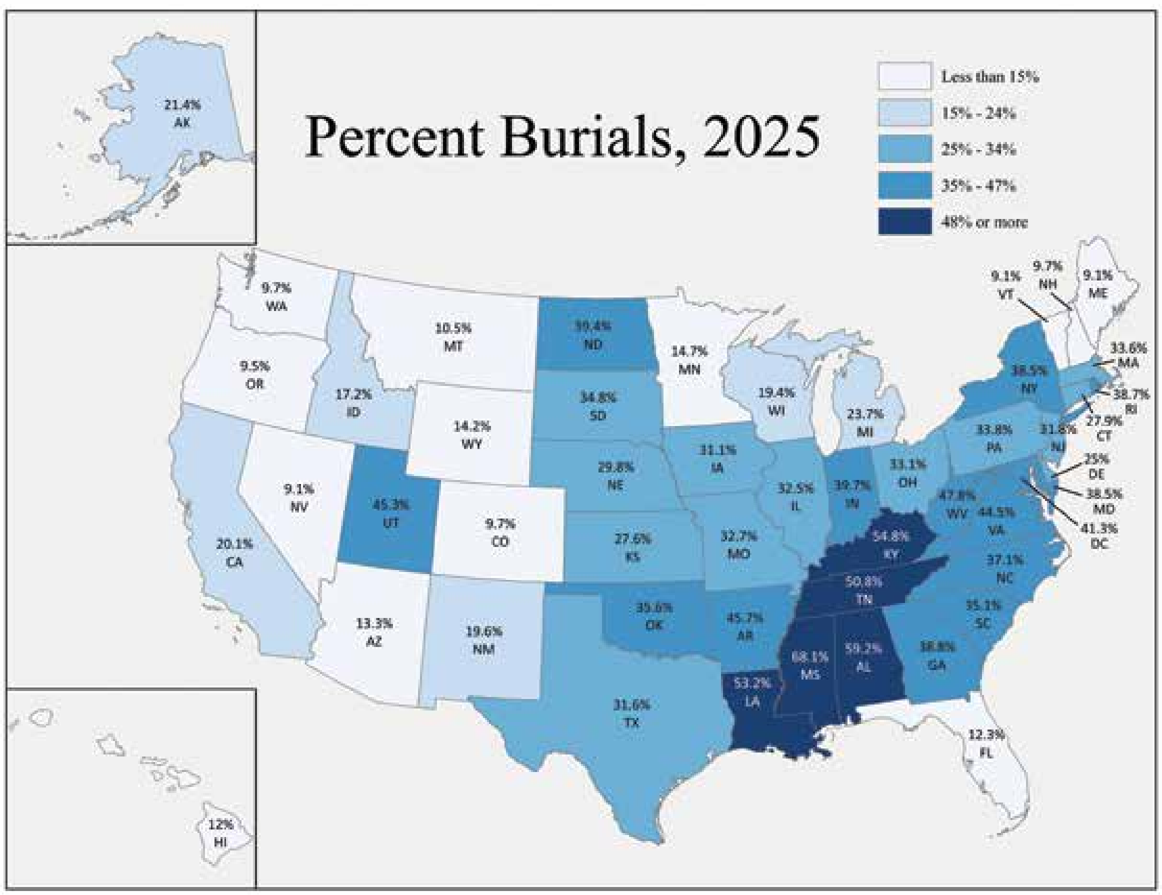
Cremation is the prevailing practice where the custom is ancient, as in India. Nations with the highest cremation rates – 80% or higher – include Japan, Taiwan, Hong Kong, Switzerland, Singapore, Thailand and Sweden. In Japan, the practice is nearly universal. The UK cremation rate is 75+%; in Canada, the rate is approximately 66% (Cremation Society of Great Britain, *International Cremation Statistics 2013*). The 2011 Cremation Society's international cremation report noted that in concentrated urban areas around the globe, the cremation rate is often more than 70%, reflective of population density and decreasing burial space. The latest available global cremation data follow.



Source: The Cremation Society of Great Britain, 2013 Report
** Excludes Quebec ^ Source: www.china.org.cn*



Percent Cremations, 2025
Less than 50%
50% - 59%
60% - 69%
70% - 77%
78% or more
72.5% AK
86.8% WA
82.9% OR
74.1% ID
86.1% MT
83.2% WY
58.3% ND
57.1% SD
82.2% MN
73.5% WI
74.7% MI
55.4% NY
86.7% NH
80.5% VT
82% ME
59.6% MA
59.9% RI
69.2% CT
56.3% NJ
65.6% DE
55.1% MD
57.2% DC
61.6% PA
61.2% OH
54.4% IN
63.5% IL
65.1% IA
67.1% NE
77.5% NV
45.2% UT
82.5% CO
74.8% CA
67.6% KS
61.8% MO
47.5% WV
51.5% VA
40.8% KY
60.2% NC
45.3% TN
59.1% SC
77.3% AZ
72.9% NM
59.6% OK
50.9% AR
30% MS
39.8% AL
56.4% GA
41.3% LA
59.6% TX
76.6% FL
81.9% HI



Percent Burials, 2025
Less than 15%
15% - 24%
25% - 34%
35% - 47%
48% or more
21.4% AK
9.7% WA
9.5% OR
17.2% ID
10.5% MT
14.2% WY
39.4% ND
34.8% SD
14.7% MN
19.4% WI
23.7% MI
38.5% NY
9.1% VT
9.7% NH
9.1% ME
33.6% MA
38.7% RI
27.9% CT
31.8% NJ
25% DE
38.5% MD
41.3% DC
33.8% PA
33.1% OH
39.7% IN
32.5% IL
31.1% IA
29.8% NE
9.1% NV
45.3% UT
9.7% CO
20.1% CA
27.6% KS
32.7% MO
47.8% WV
44.5% VA
54.8% KY
37.1% NC
50.8% TN
35.1% SC
13.3% AZ
19.6% NM
35.6% OK
45.7% AR
68.1% MS
59.2% AL
38.8% GA
53.2% LA
31.6% TX
12.3% FL
12% HI

NFDA Projected Deaths by Method of Disposition, by State, 2005-2030, Percent of Total

	Burials						Cremations					
State	2005^	2010^	2013^	2015	2020	2030	2005^	2010^	2013^	2015	2020	2030
Alabama	88.9%	81.6%	76.7%	73.8%	66.4%	52.0%	9.9%	17.2%	22.3%	25.2%	32.6%	47.0%
Alaska	33.6%	31.6%	29.5%	28.1%	24.7%	18.2%	57.2%	61.1%	64.3%	65.7%	69.2%	75.7%
Arizona	38.1%	30.4%	26.7%	24.5%	19.0%	8.0%	59.5%	62.5%	64.3%	66.1%	71.6%	82.6%
Arkansas	76.2%	68.4%	64.4%	61.3%	53.5%	37.9%	19.7%	27.7%	32.7%	35.8%	43.3%	58.5%
California	42.2%	36.1%	33.7%	31.4%	25.8%	14.6%	52.2%	58.5%	61.2%	63.5%	69.1%	80.4%
Colorado	36.0%	28.5%	24.8%	21.9%	14.6%	6.9%	55.8%	63.3%	67.3%	70.2%	77.5%	85.2%
Connecticut	61.7%	53.8%	48.5%	45.0%	36.5%	19.1%	35.4%	43.4%	48.8%	52.0%	60.5%	78.0%
Delaware	66.4%	54.8%	48.9%	44.9%	34.7%	15.0%	32.1%	40.7%	45.0%	48.2%	56.3%	75.5%
District of Columbia	68.9%	60.3%	58.5%	55.5%	48.3%	34.3%	25.1%	34.7%	40.0%	42.9%	50.1%	64.1%
Florida	35.5%	30.1%	24.8%	22.7%	17.6%	7.3%	50.8%	58.1%	62.0%	64.6%	71.2%	81.6%
Georgia	74.0%	63.6%	59.5%	56.0%	47.4%	30.3%	20.9%	30.2%	35.8%	39.3%	47.9%	65.0%
Hawaii	28.6%	24.1%	21.8%	20.2%	16.1%	8.0%	63.9%	69.0%	71.7%	73.5%	77.8%	85.9%
Idaho	42.6%	35.0%	33.1%	30.4%	23.7%	10.8%	45.2%	51.5%	58.2%	60.9%	67.6%	80.5%
Illinois	70.0%	60.6%	55.2%	51.4%	41.9%	23.2%	25.3%	35.2%	40.7%	44.6%	54.1%	72.8%
Indiana	71.0%	64.1%	58.6%	55.3%	47.3%	32.5%	20.0%	29.8%	35.5%	38.8%	46.8%	61.6%
Iowa	72.6%	60.9%	55.3%	51.2%	41.1%	21.1%	21.4%	31.4%	40.8%	44.9%	55.1%	75.0%
Kansas	68.5%	58.3%	51.7%	47.7%	37.6%	17.6%	26.2%	36.7%	43.5%	47.5%	57.6%	77.6%
Kentucky	85.7%	77.5%	72.1%	69.3%	62.2%	47.3%	12.4%	19.3%	23.6%	26.4%	33.5%	48.3%
Louisiana	81.9%	76.4%	68.9%	66.3%	59.8%	46.5%	15.7%	21.2%	25.7%	28.2%	34.7%	48.0%
Maine**	33.7%	26.0%	19.7%	16.5%	12.0%	6.8%	55.8%	64.7%	69.8%	73.3%	79.1%	84.3%
Maryland	67.2%	59.0%	54.7%	52.0%	45.3%	31.8%	27.8%	35.2%	39.0%	41.7%	48.4%	61.9%
Massachusetts	62.7%	55.3%	51.2%	48.2%	40.9%	26.4%	30.0%	37.7%	42.0%	45.0%	52.4%	66.8%
Michigan	60.9%	50.7%	45.8%	42.1%	32.9%	14.6%	37.1%	47.3%	52.6%	56.3%	65.5%	83.8%
Minnesota	60.1%	48.4%	41.2%	36.8%	25.8%	7.5%	38.3%	49.5%	55.8%	60.1%	71.0%	91.0%
Mississippi	88.8%	84.6%	80.2%	78.2%	73.1%	63.2%	9.9%	13.8%	18.3%	20.2%	25.1%	35.0%
Missouri	72.5%	62.6%	56.0%	52.1%	42.3%	22.9%	22.7%	32.6%	38.9%	42.6%	52.1%	71.5%
Montana	36.7%	30.5%	27.2%	24.4%	17.4%	7.2%	59.0%	65.7%	69.3%	72.1%	79.2%	89.3%
Nebraska	70.6%	60.9%	54.0%	49.9%	39.9%	19.6%	26.7%	36.1%	43.0%	47.0%	57.0%	77.3%
Nevada	19.8%	16.1%	14.0%	12.6%	11.7%	6.6%	65.1%	70.0%	72.5%	74.0%	74.9%	80.0%
New Hampshire	39.9%	33.8%	27.7%	24.6%	16.8%	7.2%	53.6%	61.6%	67.8%	71.4%	79.7%	89.2%
New Jersey	60.9%	53.0%	49.6%	46.5%	39.0%	24.4%	27.6%	35.1%	39.9%	42.5%	49.1%	63.6%
New Mexico	46.0%	38.7%	35.5%	32.8%	26.2%	13.0%	46.0%	53.6%	56.3%	59.0%	66.0%	79.8%
New York	65.8%	58.6%	55.3%	52.5%	45.5%	31.4%	26.7%	33.9%	38.6%	41.4%	48.4%	62.4%
North Carolina	74.5%	64.5%	59.2%	55.5%	46.3%	27.9%	23.4%	32.8%	38.6%	42.2%	51.1%	69.4%
North Dakota	67.4%	68.1%	61.9%	58.2%	48.8%	30.0%	19.9%	29.2%	35.7%	39.6%	49.0%	67.7%
Ohio	66.9%	58.0%	52.4%	49.2%	41.3%	25.1%	26.8%	35.5%	41.0%	44.5%	53.0%	69.2%
Oklahoma	75.3%	65.5%	57.3%	53.1%	44.4%	26.8%	20.7%	30.8%	37.9%	42.1%	50.8%	68.4%
Oregon	28.2%	22.2%	19.6%	17.3%	12.3%	6.9%	63.7%	69.4%	72.8%	75.1%	80.1%	85.5%
Pennsylvania	66.1%	57.0%	53.3%	50.0%	41.8%	25.8%	27.3%	36.1%	42.1%	45.4%	53.6%	69.6%
Rhode Island**	70.1%	62.3%	57.5%	54.4%	46.6%	30.9%	28.6%	36.4%	41.1%	44.2%	52.0%	67.7%
South Carolina	73.8%	64.3%	59.1%	55.0%	45.1%	24.9%	20.9%	30.2%	36.0%	39.7%	49.1%	69.3%
South Dakota	76.0%	64.2%	58.6%	54.3%	44.7%	26.3%	21.4%	28.8%	34.9%	38.0%	47.2%	65.6%
Tennessee**	81.4%	73.9%	68.7%	65.7%	58.3%	43.3%	15.4%	22.5%	27.5%	30.4%	37.8%	52.9%
Texas	69.5%	59.3%	54.1%	50.3%	41.0%	22.2%	22.2%	32.0%	37.6%	41.2%	50.3%	69.1%
Utah	75.7%	64.5%	61.9%	58.6%	52.2%	37.9%	20.8%	26.1%	29.8%	31.9%	38.3%	52.6%
Vermont	35.6%	27.8%	18.7%	14.7%	12.2%	6.7%	51.4%	59.9%	66.6%	70.3%	77.4%	82.8%
Virginia**	75.6%	66.6%	63.4%	60.2%	52.3%	36.7%	18.5%	26.5%	32.6%	35.7%	43.7%	59.2%
Washington	30.6%	24.3%	22.2%	19.6%	13.3%	7.2%	64.0%	70.9%	74.2%	76.7%	83.1%	89.2%
West Virginia	75.9%	67.0%	66.2%	63.0%	55.3%	40.6%	14.2%	21.8%	29.2%	32.3%	40.0%	54.7%
Wisconsin	57.5%	47.6%	41.8%	38.0%	28.6%	10.3%	34.1%	44.9%	51.0%	54.8%	64.2%	82.5%
Wyoming	38.8%	32.8%	29.7%	26.9%	19.5%	9.0%	42.5%	56.6%	66.2%	70.5%	77.9%	88.4%
TOTAL	**61.4%**	**53.3%**	**48.7%**	**45.6%**	**37.9%**	**23.2%**	**32.3%**	**40.4%**	**45.4%**	**48.5%**	**56.2%**	**71.0%**

*** States with fewer than six years' data in base period 2002-2013, indicating greater uncertainty in the projections.   ^ Final data*

Methodology

Statistical projections were prepared for this NFDA report in May 2015 by the University of Wisconsin-Madison Applied Population Laboratory Department of Community and Environmental Sociology. State-level deaths by method of disposition data were collected from state vital statistics departments or similar state regulatory agencies for the years 2002-2013. Simple linear regression was used as the projection method for calculating the percentages of burials and cremations. The small percentage of "other" methods of disposition (such as donation, entombment, removal from state, etc.) are not included in this report. To determine disposition rates for states without data and to complete the base series for states with partial or missing data available, choropleth maps for several years were prepared and reviewed. Analysis indicates that spatial associations were fairly strong among neighboring states. One state required the construction of a complete base set (Virginia) and another four required partial imputation of six or more missing values (Maine, Rhode Island, Tennessee and West Virginia). For other states with fewer than six missing years of values, interpolation or backward/forward trending was adequate to populate the full 12 years of the base period.

Once base percentages were completed, the annualized rates of change for each state's share of burials and cremations were calculated and carried forward to the desired projection dates of 2014, 2015, 2020, 2025, 2030 and 2035. An upper bound for cremations and lower bound for burials was established for 2020-2035. To establish projected state deaths and hence the future number of burials and cremations, age/sex-specific death rates (ASDRs) were calculated using the U.S. Census Bureau's national projections and mortality data from the U.S. Centers for Disease Control and Prevention. As with any statistical projections, there may be variation, such as increases or decreases in deaths from year to year in an individual state or even at the national level. For the complete methodology and references summaries, contact NFDA at 800-228-6332.

Crematory Ownership

Crematories are owned by 33.9% of the funeral homes in the 44 states that allow them to do so. Of the two-thirds of funeral homes in these states that still use third-party crematory facilities, 10% plan to build their own crematories within the next five years. Nearly 70% of funeral homes operating crematories now offer a viewing area for families to witness the beginning of the cremation process.

The cremated remains are returned to 38% of families; 35.8% are buried at a cemetery, 2.1% are scattered at a cemetery, 20.2% are scattered at non-cemetery locations and 7.4% are placed in a columbarium.

Population density, the percentage of adults 65 and older and regional preferences for cremation instead of burial influence the location of crematories. The highest concentration of crematories (and cemeteries) in the United States is in the Mid-Atlantic, Southeast and Great Lakes regions (IBISWorld, 89122, April 2015).

Note: Funeral homes cannot own crematories in Maine, Maryland, Massachusetts, Michigan, New Jersey or New York. In Alabama and Utah, only funeral homes can operate a crematory; in Georgia, a licensed funeral director must be in charge of a crematory; in Florida, crematories must be supervised by a licensed funeral director or licensed direct disposer.

Pet Cremation Services

Most funeral homes (70%) have no plans to offer pet cremation in the future. Only 17% of funeral homes in the United States now offer pet cremation services; another 13% plan to offer these services within the next few years.

2015 Annual NFDA Consumer Study Findings

When planning their own funerals, fewer than one-quarter (20.8%) of consumers age 40 and older would prefer burial; 14.6% are not sure or undecided about choosing burial as the mode of final disposition.

More than one-third (35.1%) of consumers associate cremation with a memorial service; just 10.2% associate cremation with a funeral that includes a viewing. Only 6.9% do not associate any type of ceremony with cremation.

Nearly 27% of consumers indicate they would personally wish to have a complete funeral service with a viewing and visitation prior to cremation. Overall, 50% of consumers feel it is important to have the body and/or cremated remains present at a funeral service. Over the last five years, 25% of consumers 40 and older report that they have attended funeral services with a viewing that was followed by cremation.

The number of consumers that reported attending a cremation service that included a visitation where the body was prepared but not embalmed increased more than 5 percentage points since 2013, to 28.9%. Nearly 40% of American consumers today are unaware that a prepared but unembalmed body can be part of a funeral that includes cremation.

Over the last three years, nearly one-half of U.S. adults 40 and older have indicated, when talking about their own funerals, that they would encourage their families to plan a funeral service or memorial ceremony. In 2015, only 17% of adults indicated they would discourage any service or ceremony for various reasons, including simple disinterest and considering a service to be unnecessary, too expensive or an emotional burden for survivors. One-third of consumers have no preference about whether survivors plan a funeral service or memorial ceremony.

2014 General Price List Burial and Cremation-related Charges

Selected Funeral Goods and Services	2014 Median Charges
Adult casketed funeral with viewing and ceremony followed by burial (vault not included)*	$7,205
Immediate burial (container provided by family)	$2,505
Immediate burial (container provided by funeral home)	$2,995
Adult casketed funeral with viewing and ceremony followed by cremation*	$6,160
Direct cremation (container provided by family)	$2,200
Direct cremation (container provided by funeral home)	$2,300
Metal burial casket	$2,350
Cremation casket	$1,000
Alternative cremation container	$125
Urn	$285

Median = amount at which half of the figures fall below and half are above. Source: © 2015 NFDA GPL Study^ (January 1-December 31, 2014 data)

*** Definitions**

Adult Funeral With Burial
Funeral with a viewing and ceremony at the funeral home includes the following most typical elements *(not included are vault, cemetery, monument/marker or miscellaneous cash advance charges):*

Nondeclinable Basic Services Fee
Removal/Transfer of Remains to Funeral Home
Embalming
Other Preparation of Body-
Use of Facilities/Staff for Viewing
Use of Facilities/Staff for Ceremony at Funeral Home
Hearse
Service Car or Van/Utility Vehicle
Basic Memorial Printed Package
Metal Casket (average charge for most frequently purchased item)

Adult Funeral With Cremation
Funeral with a viewing and ceremony at the funeral home includes the following most typical elements *(not included are vault, cemetery, monument/marker or miscellaneous cash advance charges):*

Nondeclinable Basic Services Fee
Removal/Transfer of Remains to Funeral Home
Embalming
Other Preparation of Body
Use of Facilities/Staff for Viewing
Use of Facilities/Staff for Ceremony at Funeral Home
Service Car or Van/Utility Vehicle to Transport to Crematory
Basic Memorial Printed Package
Ceremonial/Rental or Cremation Casket
Cremation Fee
Urn

^ Complete report available later this year.