

FEATURE

BY BRIAN JOHNSON

BUSINESS OUTLOOK

2011

What's in store for the cemetery industry in the coming year?

2011

Larry Anspach



Robert Fells



Barbara Milton



For many cemetery professionals, 2010 is ending with a slow climb out of the economic pit they found themselves in last year. Unfortunately, there were also scandals and instances of death-care professionals doing the wrong thing. Are we in for more of the same in 2011? We picked the brains of three well-known figures in cemetery service – Larry Anspach, owner of American Cemetery/Mortuary Consultants; Robert Fells, external chief operating officer and general counsel of the International Cemetery, Cremation and Funeral Association; and Barbara Milton, vice president of community relations with Buchanan Group, Inc. – to find out what they see in store for the cemetery business in 2011.

What were the most significant events that affected the cemetery industry in 2010, and how do you think they will linger into 2011?

Anspach: I think the Burr Oak scandal was the most significant event along with the introduction of Bobby Rush's bill, the Bereaved Consumers Bill of Rights Act. At present, it looks like this bill will have to be reintroduced in the new Congress in order to be passed.

Fells: Events don't break neatly into 12-month categories, but I think, whether many in the cemetery industry knew it or not, that 2010 is the year when federal regulation of private sector cemeteries nearly became a reality.

As I write this, we're not out of the woods yet, but it is looking increasingly likely that we have dodged this bullet for now. The new year may see

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this legislation, the Bereaved Consumers Bill of Rights Act, reintroduced into the 112th Congress.

Milton: HR 3655 (the Bereaved Consumers Bill of Rights Act) initiated industry conversation and professional action across the country. The Arlington incident once again shook the public confidence in the death-care industry's ethical responsibility.

HR 3655 is still open for passage, and I am confident there will be other legislation we'll need to keep an eye on. Arlington is a reflection of how we honor our military. Time will tell.

What do you think will be the most important issues facing the cemetery industry in 2011?

Anspach: Continued legislation from state legislatures and the U.S. Congress.

Fells: It may seem obvious that cremation has decoupled the necessity of cemeteries for the final disposition. Yet many in the industry remain oblivious to the obvious, even if they have started wondering why their phone is ringing less often. A few years ago, a cemetery owner (a non-ICCFA member, I should add) responded to an invitation to attend one of our conferences by saying, "If you can show me how burying a body has changed in the last 25 years, then maybe I'll attend." Of course, he was technically correct, but he failed to realize that it was the

public's need to bury their dead that was changing. I wonder if he's still in business?

Milton: Maintaining a presence with the cremation client. It's important that clients are presented with and educated on all their options, which include traditional cemetery rights and more.

As a cemetery operator, it is important to sustain a close relationship with area cremation providers to make sure they are also fully educated.

A couple of crematory operations in the United States are about to start offering alkaline hydrolysis to consumers. Do you think this option will gain more momentum in the coming year?

Anspach: Although this industry and consumers are slow to change, I personally like this process and hope it will gain acceptance. However, I am not sure I would drink the water after the completion of the process.

Fells: Our profession has never been on the cutting edge of anything, so while I applaud the entrepreneurs who are moving ahead, I doubt that 2011 will see much of a following. Many of our members don't even have e-mail yet. I think the real question is whether cremation has started competing with itself, the way Starbucks built so many stores they cut into each other's volume. Whether or not alkaline hydrolysis becomes popular, it will do nothing to stop the decline of traditional

funerals, burials and memorialization.

Milton: No, although there is an emerging environmentally sensitive client (base), I believe resomation, as well as some of the other emerging technology, is still several years away from general public acceptance.

We'll be monitoring the test programs that are ramping up. Ultimately, the consumer will direct us. That being said, we do currently offer green options to our clients.

Do you believe that 2011 will be a better year for the economy, or more of the same, and what will be the effect on the cemetery industry?

Anspach: I believe the economy in 2011 will be more of the same of 2010. I think the consumer will continue to be price conscious and cremations will continue to increase. The cemeteries will still have to work hard to sell preneed in order to keep their market share.

Fells: We may know the answer to that before the end of 2010. If Congress does not extend the so-called Bush tax cuts by Dec. 31, everybody will be paying more income taxes next year. If "ObamaCare" is not at least amended, unearned income such as investment and interest income will be subject to the Medicare tax for the first time in history.

Currently, these forms of income are exempt from this tax. If the estate tax, currently zero for 2010, is reinstated (as seems likely), shifts in

tax planning, especially for family-owned businesses, could have significant consequences.

Milton: We are expecting the market to remain quiet with slow improvement.

How do you feel about the state of the cemetery industry heading into 2011 compared to how you felt going into 2010?

Anspatch: The same.

Fells: Our industry is tied to the health of the overall economy and there are signs that things are improving. Especially in the area of preneed, consumer confidence is the fuel that drives the engine. Restore consumer confidence as a state of mind, and recovery will follow. The old, "I'm from the government and I'm here to help you," hasn't helped much.

Milton: I'm an optimist, so I'm always looking toward the positive.

Is there a new technology or product coming out in 2011 for the cemetery industry that you're excited to see?

Anspatch: I think the new product is the Internet. There are still cemeteries and funeral homes that do not have a Web page. More and more people

will continue to preplan their funeral arrangements on the Internet and seek Internet sites for information on funerals, including pets.

Fells: Not specifically, although the rise of public interest in pet funerals is remarkable. It still remains to be seen whether the public will connect the dots and circle back to traditional funerals for themselves or whether pet funerals become the ultimate way of saying they love their dog or cat more than their relatives.

Milton: So far I haven't seen anything remarkably new for 2011. That being said, I am looking forward to technology continuing to expand our community touches through programs like Tributes and PURL (Persistent Uniform Resource Locators).

Where do you see the cremation rate at this time next year?

Anspatch: Higher.

Fells: I see no reason why the cremation rate will not continue to uptick a percent or so nationally each year for the foreseeable future.

Milton: Cremation is here to stay and is continuing to find its level. With the expanded option of local green burial, I expect the cremation rate of growth to remain consistent

within our market area.

Do you think the recent scandal at Arlington will have a lasting impact into 2011 on the way veterans cemeteries are perceived?

Anspatch: I do not think the scandal at Arlington will have any lasting impact in 2011 on the way veteran cemeteries are perceived. I can tell from my clients that veteran cemeteries are continuing to erode the business of private cemeteries. Shelley Berkley, my congresswoman, introduced a bill in the U.S. House of Representatives to bring back the veteran plot and marker allowance for veterans to use in private cemeteries. Unfortunately, even though this bill is revenue neutral, at this time the bill is still sitting there. Readers of this magazine should contact their congressman or congresswoman to encourage passage of this bill (HR 4044).

Fells: Similar to private cemeteries, all veterans cemeteries are local in nature. So if the family believes the national cemetery in Calverton or Riverside is being operated properly, the events at Arlington will seem irrelevant.

Add to that perception the fact that Arlington is not run by the

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“Stay focused. Today's consumers are receiving a flood of information daily. As seasoned professionals, we need to educate and adapt.” - Barbara Milton

Department of Veterans Affairs but by the Department of the Army, and a further “comfort zone” is provided.

Milton: Yes, Arlington reinforces the level of distrust the public has had. As a locally operated firm, it's our responsibility to operate in an ethical manner. We can't undo what has been done.

Is there one negative aspect of the cemetery industry that you hope goes away in 2011?

Anspach: Any scandal – found bones, misplaced bodies, dug-up graves, stolen vases, stolen trust funds, cremation scandals, etc.

Fells: Acts of deliberate misconduct occurring over the short term such as embezzlement are indefensible, but it is the collateral damage that creates the most harm. By that I mean the potshots that industry members, including some of their trade associations, take at cemeteries in the misguided belief that they are making themselves look better by comparison.

It isn't rocket science – disparage a

cemetery and you disparage traditional burials. Disparage traditional burials and where does that leave traditional funerals and traditional memorialization? In 2011, I hope that some outspoken individuals and organizations wise up.

Milton: I'd like to see our industry continue to welcome the outside involvement with our respective communities and not be afraid to address the misinformation that circulates about our industry. We should constantly be educating the public to what is new, happening or just plain wrong!

What is the best piece of advice you can give to a death-care professional for 2011?

Anspach: The best advice I can give is to not let time pass you by. You must get off your butts and get out in the community to find out what your customers want and then go find out how to give it to them.

Fells: If you work at a cemetery just for the paycheck, you should look for a new line of work. Operating a

cemetery at any level is a true vocation and mercenaries need not apply. If you believe you have that vocation, then be sure to take the next step – make sure your cemetery is perceived by the community as being part of the community. If your cemetery is known only for burying the dead, you are practically guaranteeing your own obsolescence.

Stories are written about cemeteries holding gala events, concerts, etc. This is all very good, but if your budget doesn't allow for that then seek other ways of community involvement on the personal level through participation in service organizations.

If you are in a managerial position or one day hope to be, are you known by many people as the “cemetery guy or gal”? If not, then you have work to do. If this doesn't interest you, then you're in the wrong business.

Milton: Stay focused. Today's consumers are receiving a flood of information daily. As seasoned professionals, we need to educate and adapt. •

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