

The U.S. Funeral Homes, Cemeteries & Crematories Industry

July 2022

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<u>Nature & Profile of The Industry</u>	16-22
<ul style="list-style-type: none">* Industry structure and evolution* Factors affecting demand for services* Major industry trends: discussion of increasing number of cremations, America's aging population, shift to more virtual services* Major industry metrics, as reported by the National Funeral Directors Association (prices, cremations, demand for green services, family ownership, no. of funeral homes, etc.)	

Factors Affecting Demand

23-32

- * Discussion: Covid-19 pandemic's effect on historical mortality patterns
- * Discussion: Annual trends in mortality
- * Seasonality in deaths - discussion
- * Life expectancy – discussion
- * Cremation rates: discussion: regional and state differences
- * Consumer Attitudes Toward Funeral Homes: How The Pandemic Changed Them

Tables & Charts:

- Chart - Annual deaths in the United States: 1920-2021
- Table: Number of U.S. total deaths, annual percent chg. – 2000-2021
- Chart: Average daily deaths by month in the U.S. – 2010-2021
- Chart: Life expectancy at birth and at age 65, by sex – 2019 & 2020
- Number of U.S. cremations, cremation rate – 1980-2021

Industry Size, Trends, Growth

33-49

- * Discussion of fragmented nature of the industry, no. of funeral homes, estimated share of large chains, barriers to entry, reasons why industry not much affected by business cycles
- * **Major Industry Demand/Growth Factors:** discussions of... 1) the death rate/aging population, 2) prices/avg. funeral costs, 3) change in no. of funeral homes, 4) product mix of services/more cremations, 5) health of the overall economy.
- * **Industry Trends:** Analysis of: total death rate and aging population, rising cremation rate, pre-need programs, new online competition, retail competition, environmentally conscious burials, holistic after death care, technological change, more customization and personalization, new products/services.
- * **Revenue data sources:** where growth comes from, estimates of no. of no. of U.S. funeral homes, sources of industry receipts data (Census Bureau, Service Annual Survey, County Business Patterns, competitors)
- * **Effects of the Covid-19 pandemic** on revenues and operations – views of NFDA, competitors
- * Analysis of top 4 chains' performance (sales for 2020, 2021, 2022 1st quarter)
- * Marketdata estimates of 2020 & 2021 receipts growth, discussion of recent price increases (avg. cost per funeral),
- * **2022 & 2025 Forecasts & Rationale:** Marketdata forecasted receipts growth, value of industry revenues, long-term outlook, positive & negative factors.

Tables:

- Total industry national receipts: 1985-2020 actual, for Funeral Homes, Cemeteries & Crematories, combined total, annual percent change.
- Profile of The Leaders – Revenues: 2019-2021, Q1 2022

Economic Structure & Operating Ratios of the Industry

50-74

(Census Bureau data)

* Text/Discussion & analysis of 2020, 2017, 2012 - major Operating Performance ratios; the industry's structure at a glance, ratios by: Legal Form of Organization, by Single/Multi-Unit, by top 50 firms' Market Share (Concentration Ratios), by Receipts by Size of Firm, by Receipts by Size of Establishment, Geographic Analysis: Share of National Receipts and Average Receipts Per Establishment-- by State.

Census Tables

- **Snapshot of the Funeral Homes industry:** summary statistics, 2002, 2007, 2012, 2017
- **Snapshot of the Cemeteries & Crematories industry:** summary statistics, 2002, 2007, 2012, 2017
- Labor Productivity Ratios: Funeral Homes: 2002-2020
- Labor Productivity Ratios: Cemeteries & Crematories: 2002-2020
- Funeral Home Receipts, by Type: 2017
- **Funeral Homes Industry: Expenses & Profit Margins:** 2013-2019
- **Cemeteries & Crematories Industry: Expenses & Profit Margins:** 2013-2019
- **Legal Form of Organization** 2017 & 2012 - Total funeral service & crematory **firms**, by legal form of organization - corporations, sole proprietorships, partnerships: (no. of firms, receipts, payroll as % receipts, no. of employees).
- Ratios by **Single vs. Multi-Unit Companies** 2017 & 2012 - (ratios as above)
- **Market Share** (Concentration Ratios) 2017 & 2012 - ratios for top 4, 8, 20, 50 largest firms (no. of estabs., firms, receipts as a % total, payroll as % receipts)
- Ratios by **Receipts by Size of Firm** 2017 & 2012 - (under \$100,000 to \$100 + million.); (no. of firms, estabs., receipts, payroll, avg. receipts per firm)
- Ratios by **Receipts by Size of Facility** 2017 & 2012 - (under \$10,000 to \$10+ million.); no. of firms, estabs., receipts, payroll, avg. receipts per firm)
- No. of establishments and Average Receipts Per Establishment **by State** 2020

Competitor Profiles

74-94

(For each company below: discussion & analysis of services offered, divisions, markets served; 3-year financial analysis (sales, net profits, 2019-2021, Q1 2022 performance); no. of homes and cemeteries operated, funerals performed, backlogs, history & recent developments/acquisitions, corporate strategies, headquarters.)

- * Service Corporation International (incl. Stewart Enterprises, Alderwoods) p. 76
- * Carriage Services p. 82
- * StoneMor Inc. p. 86
- * Park Lawn Corp. p. 88
- * Hillenbrand (Batesville segment) p. 91
- * Matthews Intl. Corp. p. 93

Table

- Profile of The Leaders – 2019-2021, Q1 2022 Revenues

Reference Directory of Industry Information Sources

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- * Addresses, phones, contacts at major industry trade associations, trade journals, industry research reports by brokerage firms.