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# RECRUITMENT AND RETENTION: *The State of the Funeral Industry*

A THREE-YEAR STUDY  
FINAL REPORT

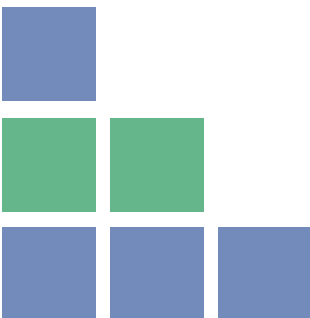
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*In association with the Siena Research Institute*



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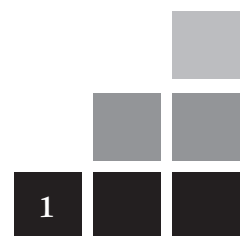


## ■ INTRODUCTION

Beginning in the summer of 2005, The New York State Funeral Directors Association, Inc. (NYSFDA), assembled a collaboration of six state funeral directors associations (FDAs), including the states of Connecticut, Illinois, Indiana, Kentucky, Massachusetts and New York, for the purpose of engaging in a longitudinal study of both FDA members and non-members and their employees, by means of a web-based survey. Between the summer of 2005 and early fall 2008, eight surveys were disseminated by NYSFDA. In each case the data was tabulated, analyzed, and presented to all FDAs and participants by the Siena College Research Institute of Loudonville, New York.

The purpose of the study was to: 1) understand the current state of the funeral industry by providing funeral owners and employees to be counted and to express their experiences, attitudes and opinions on significant components of the industry, including job satisfaction, salary, gender and racial dynamics, best practices, and future directions; and 2) investigate issues of recruitment and retention of funeral home owners and employees and, in so doing, provide useful feedback and recommendations to the industry.

This final report summarizes the eight studies. Additionally, this report comments on the state of the funeral industry and drawing from the data, makes recommendations about the future of the industry. Specifically, this report calls for: 1) enhanced recruitment of funeral industry employees based upon identifying appropriate candidates and providing them with opportunities for training, advancement, and ownership; 2) renewed efforts to meet evolving client needs through innovation, modernization, and multi-cultural accommodation; and 3) efforts to retain the family-like business model so prevalent in the industry while incorporating the growing diversity of employees by gender, race, and ethnicity.



# ■ THE EIGHT STUDIES

## **1** Defining the Participants. June 2006. 797 Respondents.

Although participation in the study would decline over the eight studies, the essential composition of sample was established with this first survey and would remain consistent over the entire study. Overwhelmingly, the respondents were male (76%) and white (96%). By state, we included Illinois (27%), Kentucky (20%), New York (19%), Massachusetts (15%), Indiana (10%), and Connecticut (5%). Nearly all respondents were either a funeral home owner (35%) or a funeral home employee or manager (52%). The balance of respondents were mortuary students (3%), consultants (3%), educators (1%), or “other” which included, in many cases, retirees or salespeople.

Owners reported that 69% of their employees were men and 31% women. Most owners (60%) operate from a single location with that number being highest in New York (75%) and lowest in Illinois (48%). Three-quarters of all respondents report that more than 60% of their calls are traditional service and burials while 96% of owners indicate that “cremation with service” accounts for 30% or less of their calls.

Nearly half of all respondents (47%) stated as their primary reason for entering the profession, “I have a desire to help/counsel people.” Nearly half (47%) of owners and 25% of the entire sample said that, “It was my family’s business.” And, 69% of owners and 36% of the entire sample indicated that their family owned a funeral home.

The picture of the industry was established in this first survey. Among owners, the funeral business is predominantly a male-run family business. Employees are overwhelmingly male. Both owners and employees in many cases appreciate that family business model and tend to be motivated by their desire to serve the needs of clients during their time of grief.

## **2** Salary and Benefits. November 2006. 620 Respondents.

See comparative data under Survey # 6.

## **3** Respondents’ Preferences for and Time Spent on the Various Aspects of Funeral Service and Gender Issues. December 2006. 589 Respondents.

Opinions of Licensed Employees and Managers: 305 (52%) of respondents. Gender breakdown is 75% male, 25% female. Job aspects liked most were technical (39%) and arrangements (34%). Least liked were administrative (29%) and sales (24%). 30% of male licensed employees feel they have to compensate for women co-workers. 90% of men say their experience working with women is generally good or very good. 99%



of women say they are very comfortable or somewhat comfortable working in a male-dominated profession. 38% say they think they are being compensated differently because of gender.

Opinions of Owners: 203 respondents (35%). Job aspects liked most were arrangements (49%) and services (24%). Those liked least were administrative (33%) and technical (27%). Over half (57%) employ 1-5 employees. 26% employ no women. 17% report that 50% of staff is female. Almost half (48%) have concerns about a woman being able to do all aspects of the job. 49% think women would do a better job with aftercare, while an equal percentage say “no difference” between a man and woman on this.

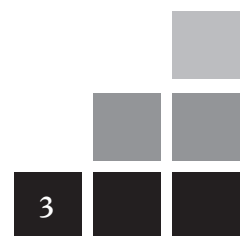
Here we see that owners and employees vary in terms of what they like and dislike about their job descriptions. Owners prefer arrangements and services while employees rate the technical aspects of the job highest. That appears fortunate as owners appear interested in not performing the technical components of the job.

Half of owners and 30% of male employees question the ability of women to physically handle some aspects of the job. Still, perhaps consistent with the empathetic component of funeral service work, many owners think women may be more suited to aftercare. The industry recognizes the gender imbalance of its work force. We recommend a more concerted effort to train women for funeral service and welcome them as employees, managers, and owners as capable colleagues. In so doing, gender stereotypes and biases must be addressed.

## **4 Funeral Home Flexibility and Respondents' Satisfaction with Their Work Environment. May 2007. 541 Respondents.**

Among Licensed Employees/Managers (n=282, 52%). 79% say they are allowed flexibility in their schedules. Nearly three-quarters (73%) have a set work schedule. 75% are satisfied with their work schedules. 60% of employees/managers feel they are properly recognized by their employer. Three-quarters rank “verbal recognition” as the recognition they most prefer, and 46% rank “additional pay” as most preferred.

Among Owners/Employers (n=194, 36%): Almost half (49%) reported having 1-4 employees. 97% of employers feel that they adequately recognize their employees work. 94% say they allow employees flexibility in work schedules. 92% think that their employees are satisfied with their work schedule (75% of Licensed Employees/Managers say they are satisfied with their work schedules).



## **5 Diversity in Funeral Service. August 2007. 483 Respondents.**

Among Employees and Managers, 51% felt that their surrounding community had seen racial and ethnic changes over the last 10 years. Only 20% feel that their firm employs minority workers. 64% percent of firms are served by a labor force that is comprised of 75% or more white men. 46% say they would like their clientele to become more diverse. Only 2% indicated having hired more minority workers, and 3% have held training sessions geared to better serve a changing population.

Among Firm Owners, 45% see a racial and ethnic change in their area, and 22% see that their clientele has changed. 40% would like to have a more racially diverse clientele. Among those that do see a change in their area, there is a growing desire to serve a more diverse population.

Among those few respondents that cited steps that needed to be taken to more effectively serve a changing clientele, having an ability to speak Spanish and increasing cultural sensitivity were most often mentioned.

Many of the respondents have not experienced a changing local demographic that would encourage steps to hire more minority workers or to solicit more minority clients. However, among those that do see a change in their area and existing clientele, there is a growing desire to serve a more diverse population. Few believe that their current clients would object to more diversity among the staff. In order to succeed in achieving more diversity, it seems that more funeral homes should follow the lead of those that have sought out and hired minority employees, trained existing employees to accommodate minority clients, and constructed an environment that is culturally sensitive.

## **6 Revisiting Salary and Benefits in the Funeral Industry. February 2008. 405 Respondents.**

In November of 2006, we reported that among licensed employees/managers, 60% earned under \$50,000, while 40% earn over \$50,000. Today among employees, 49% earn more than \$50,000, while 51% earn less than \$50,000. In November of 2006, 51% earned between \$25,000 and \$50,000. Today 42% fall in that range. In November of 2006, 28% earned between \$50,000 and \$70,000. Today, 36% of employees earned in that range. The increase in employee compensation is consistent with the reports of our respondents. 57% of employees indicate having received a raise since the last salary survey. Of those, 71% say their raise was 5% or less. Overall, employees are experiencing modest salary increases.

In November of 2006, we reported that 36% of employees believed their salary was in-line with what other licensees in the profession were receiving. Today, 38% feel as though their salary is in-line. Previously, 41% felt that their salary was below what others received. Today 37% feel that way. Previously, 14% believed their salary was



higher than what others received. Today, 17% believe they are compensated at a rate higher than others in the industry.

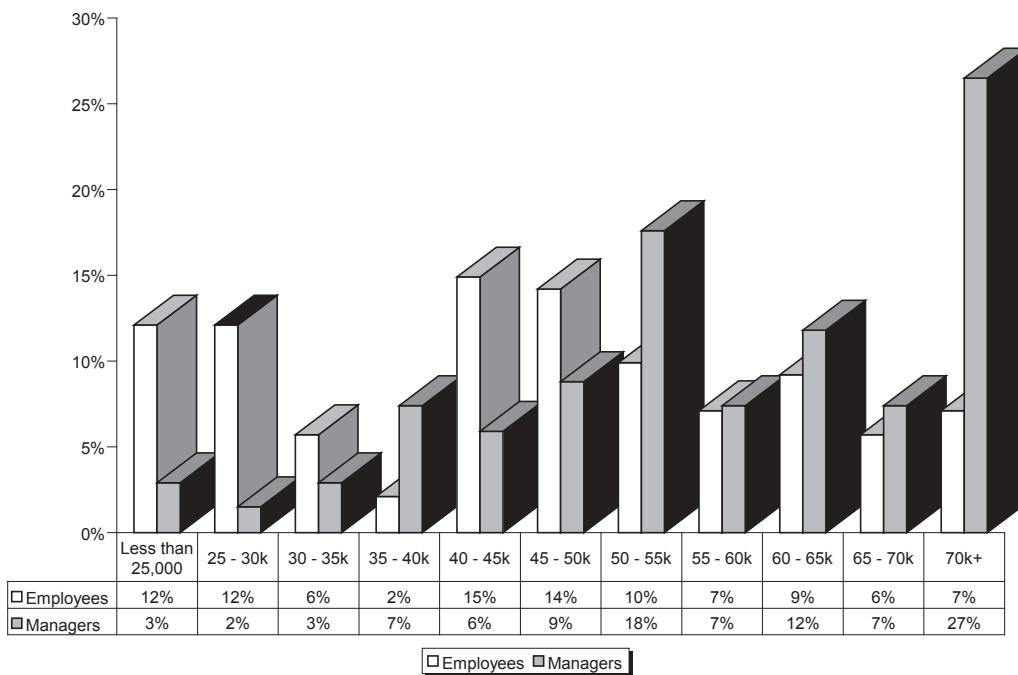
While in November 2006, 63% of employees were compensated with a salary as opposed to an hourly rate, today that figure remains nearly unchanged at 62%. In 2006, 62% of employees were provided with a retirement plan; today that figure has only moved slightly to 63%.

This survey asked employees to report on how their raises were determined in their view. In their opinion the leading determining factors of their obtaining a raise were: 1) asking for one (23%); and 2) the profitability of the funeral home (23%). The next three most often cited determining factors for a raise were: merit (21%), don't know (20%), and a set percentage for all employees (16%). Two-thirds of employees said they were either pleased or very pleased with their pay increase, but 10% indicated being either somewhat or very displeased with the raise.

65% of employees ranked compensation as either an important factor (53%) or the most important factor (12%) in their decision to remain employed.

### Survey # 6, February 2008

Compensation Comparison: Licensed Employees and Managers



Less than 20% of both employees and managers believe that their pay is higher than industry standards. A greater percentage of managers (47%) believe that their pay is in-line with the industry than do licensed employees (33%).



In November 2006, 42% of owners said they pay a student prior to licensing less than \$25,000. By February 2008, that figure had dropped slightly to 38%. In November 2006, 36% said they paid that same student between \$25,000 and \$30,000, 15% paid between \$30,000 and \$35,000 and 6% paid students prior to licensing more than \$35,000. Again we find in February 2008 only slight increases in compensation with 38% paying \$25,000 to \$30,000, 17% paying \$30,000 to \$35,000, and 7% paying more than \$35,000.

Overall, the compensation that owners indicate they offer to employees and managers has remained constant from 2006 to 2008. We see a small trend to increase pay in this statement of wage levels. This is consistent with the modest increases that employees report, as well as the majority indicating either no raises or again a modest raise in the area of 5%.

	New Licenses		5 yrs Experience		> 5 yrs Experience	
	2006	2008	2006	2008	2006	2008
< 25,000	9%	9%				
25 - 30k	27%	27%	11%	11%		
30 - 35k	27%	27%	17%	15%	10%	8%
35 - 40k	16%	18%	21%	22%	11%	12%
40 - 45k	10%	12%	17%	21%	17%	14%
45 - 50k	8%	8%	13%	11%	13%	18%
50 - 55k			8%	8%	16%	14%
55 - 60k			10%	12%	11%	12%
60 - 65k					12%	11%
65k+					9%	11%

#### Owner Compensation

	2006	2008
No salary	10%	6%
< 35,000	10%	13%
35 - 45k	10%	7%
45 - 55k	12%	11%
55 - 65k	13%	14%
65 - 75k	11%	19%
75 - 85k	9%	7%
95k or more	25%	25%

Moderate compensation rates for employees and relatively modest pay increases continue to lead some employees to leave the funeral industry for other fields.

## 7 The Ideal Funeral Home Employee. May 2008. 370 Respondents.

Experience and commitment are the most important keys to becoming an ideal funeral home employee according to a majority of respondents. 50% of respondents disagree that the best employees are those that grew up in the business with only 11% agreeing with that statement (38% neither agree nor disagree). Rather than arguing that the funeral business is a field that ideal employees are born into, most respondents prefer that workers see the business as a calling (76%) and recognize that it is best to start at the bottom (76%) in order to learn the business, as well as being willing to devote the years it takes to learn the business (75%).

Attending mortuary school is important as well but not as important as being sufficiently committed and willing to devote the years it takes to truly learning the business. Still, 60% agree that it is important to have attended mortuary school, while 21% disagree with that notion. In fact, only 33% agree that the place to learn about the latest techniques and strategies in order to keep up with the changes in the business is in mortuary school.

74% of respondents seem to oppose ownership of funeral homes by those that have not worked in one for years when they agree that it is best to work in the funeral business if you hope to have your own funeral home someday. Only 7% disagreed with the notion that the business is in some ways like a guild, in which workers see their choice as a calling and spend years learning the trade well beyond the time in school.

54% of respondents disagree with the statement that the ideal funeral worker is a man. Still 11% agree with that view with 35% being ambivalent. 74% disagree that people would be surprised if they were greeted by a woman at the funeral home. We conclude that only a small percentage of owners and employees remain committed to and prejudiced toward seeing the ideal employee as a man. When it comes to matching the race and ethnicity of funeral workers to that of the clients, there is a more even divide among respondents. 31% agree that the ideal funeral worker matches the race and ethnicity of the clientele, while 33% disagree. On this issue, respondents are evenly split.

Few respondents argue exclusively for male employees, but debate continues over matching race and ethnicity between employees and clients. Where debate is least however is that the ideal employee has personally decided this business is for them and that in addition to mortuary school, they recognize that it takes years of committed work to become an ideal funeral home worker.

More than any other attribute, respondents felt the ideal funeral home worker must be honest and trustworthy. This sense of being fair and honest no doubt relates to working with other employees or the owner(s) of the home but also with dealings with clients. 91% of respondents strongly agreed that, "People trust us with their



loved ones; workers must be extremely responsible.” The ideal worker is beyond any reproach. They are completely trustworthy.

In addition to background and character traits, respondents ranked the skills they expect in an ideal employee. The ideal employee must be ready and able to perform a variety of tasks in wide-ranging circumstances. Respondents were asked about skills, including managerial and accounting, physical strength, technical embalming, computer abilities, marketing, public speaking and community interaction, and Spanish fluency. The skills fall into three areas – technical funeral skills, interpersonal skills, and business skills. Owners and employees tended to rank the skill sets similarly. Overall, the most important set of skills for the ideal employee are technical funeral business skills like embalming and knowledge of cremation followed by skills associated with interpersonal relations like public speaking and social networking followed finally by business skills like accounting, computer skills, writing, and managing.

## 8 The Ideal Funeral Home. August 2008. 341 Respondents.

Among all respondents and with insignificant variation between owners and employees, respondents believe that size, exterior condition, lighting, landscaping, safety, and signage are all very important. Parking, décor, and the number of vehicles (while still important) rank as a group slightly less on the importance scale. Employees rank both parking and the number of vehicles as being more important than do owners. Least important of the attributes of a funeral home are equipment, the prep room, and the condition of the vehicles. In each case among these three lowest-rated attributes, owners stress their importance less than employees.

Overall, it appears those attributes that are more functional and behind the scenes, e.g., the prep room and the equipment, are rated as less important than the attributes that are more immediately present to clients like the exterior condition, lighting, and landscaping. Still, size, an attribute that addresses both the behind the scenes and presentation aspects, is top rated while décor falls in the mid-range. One could read these results as stressing presentation over function and assuming that employees and owners believe they can make up for functional weaknesses through their skills and labor.

Overall, funeral home owners, employees, and other respondents rate their homes as “meeting reasonable expectations.” Owners tend to score their homes slightly higher than do employees. The six attributes that were cited as being most important: size, exterior condition, lighting, landscaping, safety, and signage all on average are rated as slightly above meeting expectations with signage and landscaping being the highest. Employees rate their satisfaction with meeting expectations for both landscaping and exterior condition well below owners.

The next group of important attributes, parking, décor, and number of vehicles, show some variation. On average, respondents rated the number of vehicles as



slightly exceeding expectations; décor as meeting expectations, although again there is a significant difference between owners and employees; and parking is just below meeting expectations.

Among the least highly-rated importance attributes, vehicle condition is rated the highest in terms of meeting expectations, while the prep room and equipment both fail on average to meet expectations just slightly.

Significant variation appears when we look at the manner in which the sample as a whole rates the importance of 15 “progressive” funeral home functions. Overall they fall into four groups and for the most part, owners and employees agree. Respondents rated having prefunding options as the most important function followed by having close ties with local clergy. As such, we report those two functions as “necessities.”

Seven functions listed in overall order of importance: having a website, preparing video tributes, ties with hospice, online condolences, community outreach, joining local civic organizations, and conducting OSHA trainings, all score on average between 3.9 and 4.2 and as such are all “very important.” While prefunding and clergy ties are necessities, this varied list that includes Internet capabilities, community involvement, and internal training are all very important.

Three functions: photo collages, compliance training (having someone in house), and online obituaries, are seen as somewhat important or one could read as beneficial but a lower priority. Finally, three functions: sponsoring local sports, putting services online, and having a Spanish speaker, are rated as not very important.

# ISSUES AND RECOMMENDATIONS

## 1 Recruitment and Retention

Over the course of the study, we received data from funeral industry employees that had left the industry. Among their reasons were: 1) insufficient compensation; 2) lack of recognition and appreciation from ownership; 3) demanding working conditions, most specifically, long hours; 4) gender discrimination; and 5) difficulty in obtaining an ownership interest.

Ideal employees, those that are not only trained but “called” to the profession, are valuable to individual homes, the industry, and to clients. As such, they should be actively recruited and aggressively retained.

We recommend building upon the family nature of the industry and invite owners to consider and to take steps toward rewarding employees with entrance into the family. Specifically, that would mean increased compensation, additional responsibilities, and graduated ownership interests. We would recommend the FDAs explore this process and assist individual owners and employees with templates that facilitate that process.

At the same time, we recommend more aggressive recruitment. It may not be possible to retain key employees so as a hedge, the industry must seek new appropriate employees. The current economic downturn may very well provide an opportunity to aid in recruitment. Given the profile of an ideal employee as a caring, capable, and trustworthy individual and with the ability to dovetail that personality type with the prospect of eventually having an ownership interest in a vital community business and profession, it is likely that the funeral industry may be able to successfully enhance recruitment. We recommend more aggressively constructing recruitment plans, along those lines directed toward high school students, community colleges, and trade schools.

## 2 Issues of Gender and Race

Despite lingering beliefs among some that women are not as fully capable as men are in the funeral industry, it appears that owners, employees and FDAs must break down that barrier. Given the importance of trustworthiness and empathy, two traits that know no gender bias, the funeral industry will benefit from ending remaining vestiges of gender discrimination.

We continue to see instances in which homes serve only specific racial and/or ethnic populations. However, many owners report progressively diverse client populations.

As such, it is imperative that owners and FDAs work to recruit, train, and retain diverse funeral industry employees.

### **3 Keeping up with the Times**

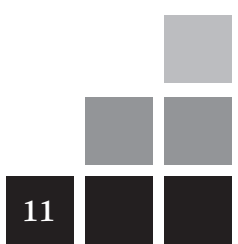
The ideal funeral employee and the ideal funeral home now have skills and attributes unheard of only a short time ago. Homes and employees must be prepared to offer cremation services. Prefunding will continue to be more widely practiced and homes and employees must be prepared to accommodate clients. New technologies, including video streaming, online obituaries, and electronic tributes all will become commonplace.

To whatever extent owners or homes are slow to embrace new skills, functions, and attributes; they will suffer in the market and simultaneously disappoint clients. We recommend embracing new technologies and to obtain those skills personally and to welcome employees newly trained in those techniques. Again, we recommend FDAs support owners in understanding and incorporating those advances.

### **4 Being Part of the Community**

Many owners and homes proudly support, through participation and sponsorship, many local community organizations and projects. We acknowledge and applaud those efforts and recommend continuing and expanding those efforts. We see that being part of the community is part of being an ideal funeral home and employee, as well as intelligent marketing. We recommend opening the doors to the industry to become even more a part of the community.

By that we mean, as part of the enhanced recruitment efforts, prefunding processes, and new technologies, the role of the funeral home can become part of the life of the community rather than just part of its deaths. First of all, recruitment can include internships of local students, participation in job fairs, tours, etc. Funeral home work is important, honest, and meaningful work and should be shown to be such to the community and all its members. Second, prefunding efforts will include more people in the planning of their own funeral. That is a mature and responsible process. Still, we recognize the difficulties in a culture that in many ways seeks to deny death in its celebration of youth. Nonetheless, prefunding and its tendency to involve all people in responsible and personal planning is growing. Third, the incorporation of new technologies will allow more people to be part of funerals through Internet attendance, as well as having unique and easily available tributes.



All of these progressive techniques are here, and it is our recommendation that the funeral industry embrace them. It is our belief that they will enhance recruitment, retention, satisfaction, and profitability. At the same time, embracing new and progressive techniques, while remaining ready to serve those with traditional needs and wants, can only serve to provide better service to all clients.

We at the Siena Research Institute have appreciated the opportunity to assist in this study. We applaud the hard work done by funeral industry participants and wish you success with the challenges you face.

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