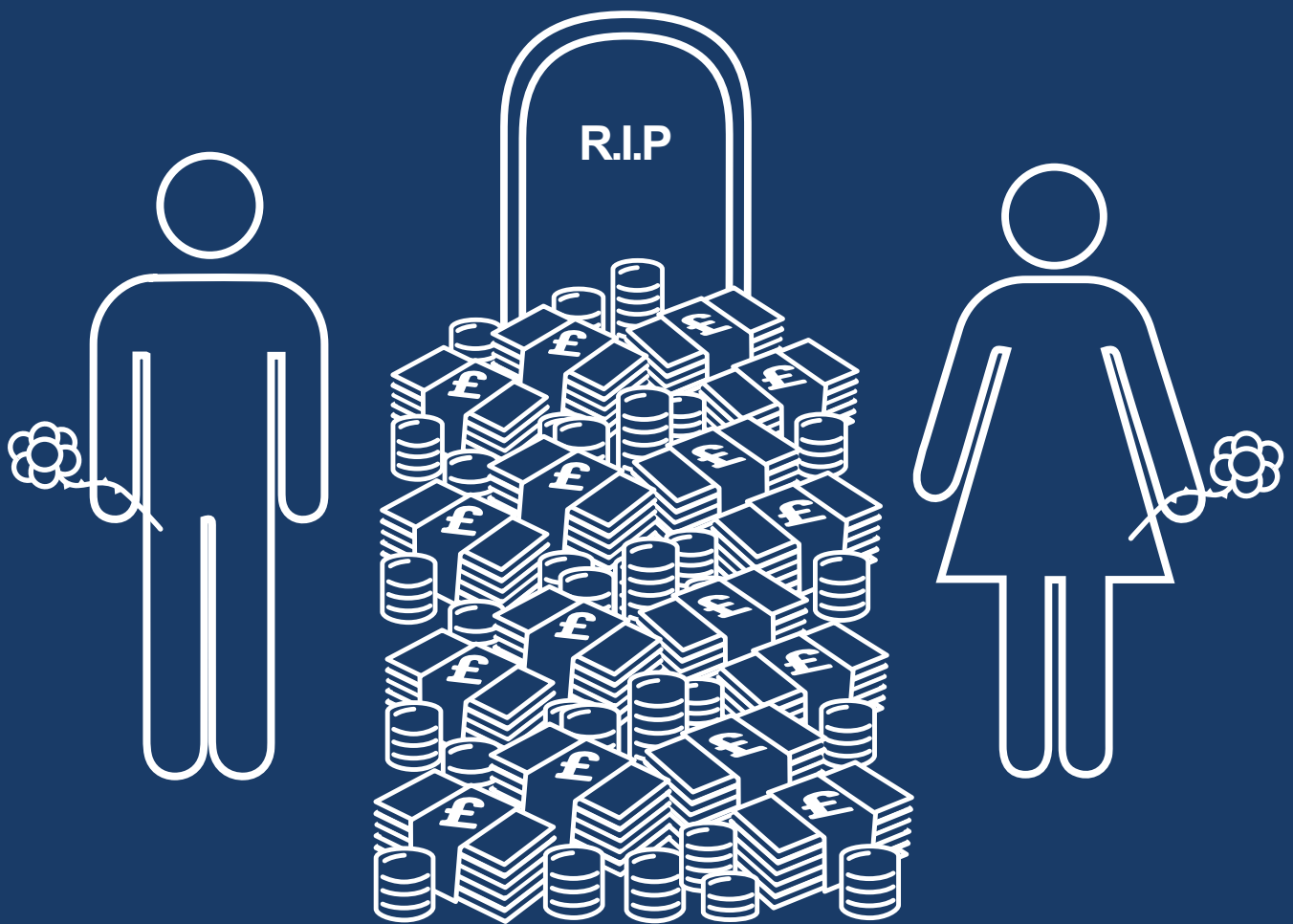


I can't afford to die

Addressing funeral poverty

| February 2014 |



Summary



7.1%

The average cost of dying has risen in the last year to £7,622.

- According to the Cost of Dying figures produced by Sun Life Direct, the average cost of dying has risen by 7.1% in the past year to £7,622. It is estimated that over 100,000 people will struggle to pay for a funeral this year alone.
- The number of deaths in England and Wales is set to increase by 17% from now until 2037, which could lead to total cost of dying of £10.5bn by the end of this period.
- Expenses associated with funeral costs often get overlooked as there is ever increasing pressure to prioritise for everyday living costs, both at an individual and societal level.
- The public nature of funerals and the pressure individuals and families can feel to provide a dignified funeral for someone can lead them into making imprudent financial decisions.
- Increasing numbers of people are seeking financial management advice following bereavement which can have a long term effect on the grief experience and individual's ability to manage.
- More should be done to encourage people on low incomes to prepare for death through simple advice and guidance.
- The government should rethink its Department for Work and Pensions (DWP)-administered Social Fund Funeral Payment, which is highlighted as 'outdated', 'overly complex' and 'insufficient' at meeting the needs of the poorest in society.



17%

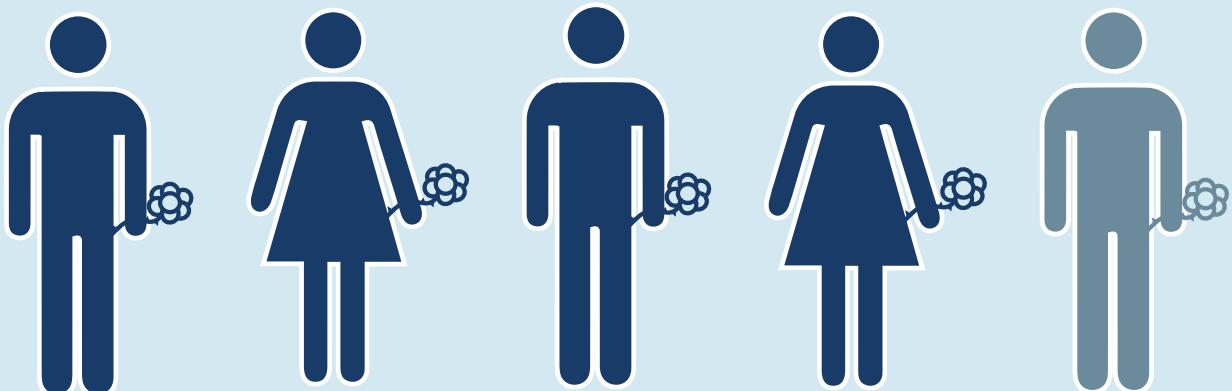
The number of deaths in England and Wales is set to increase from now until 2037.

Funeral poverty is set to grow. Recent figures from Sun Life Direct (2013) suggest that almost one in five people (18%) struggle to pay for a funeral, which averaged £3,456 last year. At the same time, previous research (see Woodthorpe et al, 2013) indicates that the support offered to eligible claimants via the DWP Social Fund Funeral Payment requires attention, with a potential knock-on impact for local authority administered Public Health Funerals.

Certainly, funeral costs show no sign of slowing down. They have risen above the rate of inflation for the last 7 years, with 2012-13 seeing a growth of 7.1% (Sun Life Direct, 2013). Reasons for these continued rises include the cost of cremation and burial, statutory fees and funeral directors' costs. Figures from the same report suggest that if discretionary items such as catering, flowers, limos and a memorial are included, individuals and families could be looking at a bill for a funeral of around £5,500.

1 in 5

Almost one in five people (18%) struggle to pay for a funeral



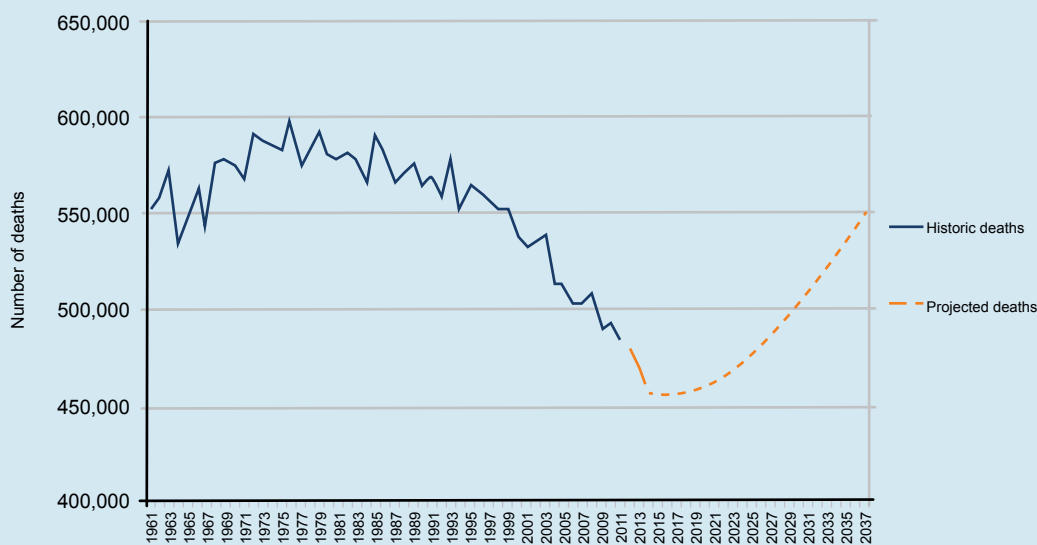
These figures have been generated at a time when the death rate has been consistently low. Yet as Figure 1 shows, the number of deaths in England and Wales is set to increase by 17% from now until 2037, and is likely to exceed 550,000 per year by the end of this period. This equates to a similar number of deaths per annum as was experienced in the 1990s.

This increasing number of deaths could result in a potential tripling in the cost of

dying in England and Wales. Assuming the cost of dying increases in line with the average annual growth rate since 2008, total costs could rise from around £3.6bn today to £8bn by 2037, but a worst case scenario (3.9% growth in the cost of dying per annum) would lead to total costs of £10.5bn by the end of the period.

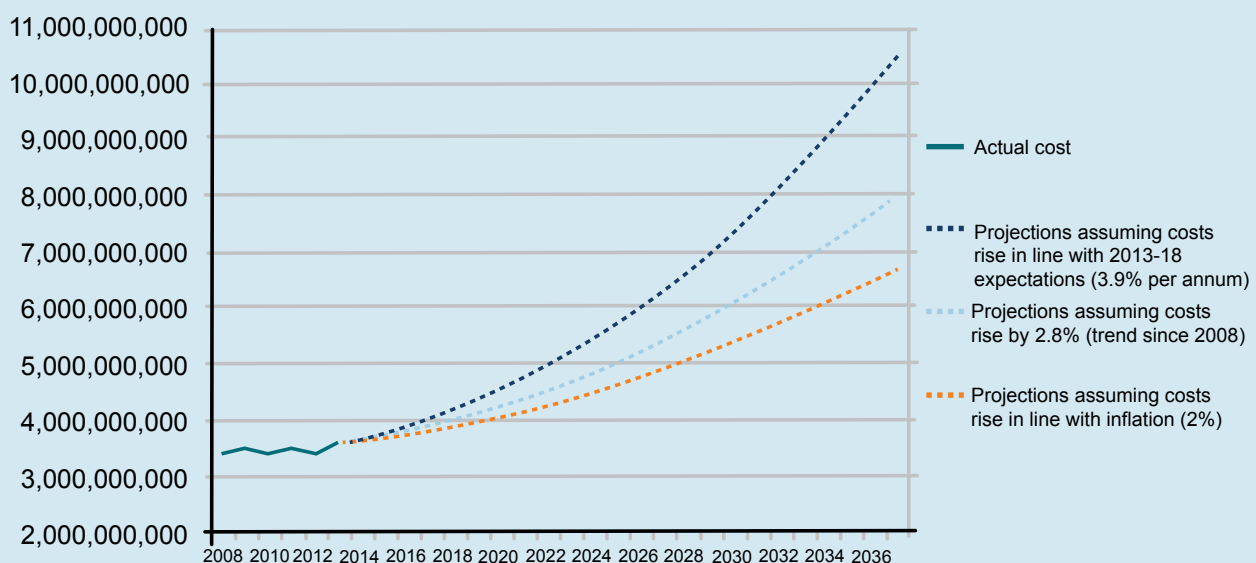
With this predicted rise in the death rate, the time to address funeral costs and how well people are prepared for these is now.

Figure 1: Number of deaths across England and Wales (historic and projected)



Source: ONS, SunLife Direct Cost of Dying Report and own calculations

Figure 2: Due to rising costs and an increase in number of deaths, total cost of dying in England and Wales could triple by 2037



Source: ONS, SunLife Direct Cost of Dying Report and own calculations

Overview

“The financial side of death is underexplored. We know a lot about rituals associated with death but far less about finances”.

Dr Kate Woodthorpe

University of Bath

This report is a representation of an event hosted at the International Longevity Centre-UK in January 2014 on ‘The cost of dying in an ageing society’. The meeting was intended to discuss and debate funeral costs and how people could be supported to prepare for these in advance, manage them at the time of need, and deal with the ongoing financial impact of bereavement. It also aimed to investigate the role the public, private and third sectors could play in preparing individuals and families for costs associated with death. Co-organised with the ILC-UK, it was funded by the University of Bath’s Institute of Policy Research (IPR) and Centre for Death and Society (CDAS), with a view to raising these issues in the public domain. Participants included end of life care practitioners, bereavement support providers, insurance companies, cremation and burial providers, and academics.

The presentations from the meeting are briefly outlined here, followed by a report of the discussions held. It ends with a review of where to go next.



Presentations

“Customers are trying to solve these financial costs through other means. 27% use savings, 25% borrowed from a friend or relative, 22% put it on a credit card, 13% took out a loan and 10% sold belongings”.

Dean Lamble

Sun Life Direct Managing Director

“One of the things we also need to talk about are the financial pressures before death - caring responsibilities leading to a reduction in earnings, higher fuel costs, etc and families being less well off as a result”.

Debbie Kerslake

CEO of Cruse Bereavement Care



In her opening of the event, Baroness Greengross outlined some of the key issues facing people when it comes to the funerals, not least the financial pressure that can be placed on individuals and families. At the same time, she noted, there is ever-increasing pressure to prioritise for everyday living costs, meaning that the expenses associated with funerals can get overlooked as both an economic consideration within families, and as a social issue at the level of policy.

Following on, the first presentation by Dr Kate Woodthorpe from the University of Bath set the scene for the event by reviewing the rise in funeral costs and previous research on this issue. In her summary of the research she has conducted with Sun Life Direct over the last two years, she highlighted the issues with state support for funerals, provided through the Department for Work and Pensions' Social Fund Funeral Payment, and local authority administered Public Health Funerals.

Kate highlighted the problems individuals often encounter when putting in claims for the DWP Social Fund Funeral Payments including getting into debt through the system.

“There is a lack of awareness that the payment is a contribution towards a funeral rather than covering all costs. There is often a lot of confusion around bereavement payments more generally too. Even for those who want to take responsibility for a funeral - they are sometimes told that the responsibility is being given to another family member”.

As co-organiser of the event, Kate focused the audience onto the salient issues for discussion during the afternoon, including identifying the costs associated with end of life and funerals, what the problems were around these topics and how they could be addressed. She also raised the question of where responsibility for preparing for funeral costs lies, and the role

of public, private and third sectors in both preparing individuals and their families pre-death, and when bereaved.

Ben Franklin, Research Fellow at ILC-UK, then analysed the projected figures around the cost of dying. Using ONS data, he highlighted that the number of deaths in England and Wales is set to increase by 17% from now until 2037. Further analysis showed that this increase could potentially result in the overall cost of dying tripling by the mid-2030s.

In the third presentation, Debbie Kerlake, CEO of Cruse Bereavement Care, reminded the audience that the financial cost of the funeral plus any costs encountered before death, were not isolated to the immediate period following the death itself.

“One of the things we also need to talk about are the financial pressures before death - caring responsibilities leading to a reduction in earnings, higher fuel costs, etc and families being less well off as a result”.

Cruse is seeing an increasing number of people seeking advice on financial management following bereavement, which can have a long term effect on the grief experience and individuals' abilities to manage. As she noted, there are a number of policy areas that Cruse are concerned about, not least the changes being made to Bereavement Benefits, the impact of changes to the 'the bedroom tax', and the adequacy of the Social Fund Funeral Payment. Debbie highlighted how there currently exists *“a 'Perfect Storm' - because of rising costs of funerals, the economic climate and changes in welfare payments”.*

Complementing Debbie's presentation, Sun Life Direct Managing Director, Dean Lamble, outlined the insurance perspective, arguing that much more could be done to encourage individuals on low incomes to prepare for death through simple advice and guidance, right through to the purchasing of financial products. Dean focussed on the

importance of engaging with people early in their life, so that they have time to make financial arrangements, and the benefit of small payments over the longer term to ensure cover is there when needed. He then highlighted how.

“Customers are trying to solve these financial costs through other means. 27% use savings, 25% borrowed from a friend or relative, 22% put it on a credit card, 13% took out a loan and 10% sold belongings”.

Dean further made the point that we, as a country, could be more upfront about the costs associated with death, and that much more could be done to address perceptions of insurance as poor value for money. He noted that with any product of this type, the pooling of risk means that some gain more than others, and this is not an issue that should be demonised.

Finally, bringing the focus of the presentations back to the individuals who are experiencing the hardship associated with financial pressures, Elizabeth Procter from Sue Ryder Care discussed some of the cases she has been involved in through her hospice work. In her presentation, Elizabeth showed the precarious situation that some individuals and their families can find themselves in when addressing the financial costs associated with a terminal diagnosis. These can include issues with being unable to work and still being liable for rent or mortgage repayments, as well as unexpected costs such as household modification. Reminding the audience that there are very real human costs to financial choices both at the end of life and when bereaved, Elizabeth noted,

“I have worked with many families to enable someone to die at home - how they wanted to die - and then received a phone call [from the family] asking if a funeral director can request a deposit to take away the body. And I have to say 'yes, they can'”.

Summary of discussion

The discussion that followed was both lively and engaged, with a wide range of contributors reflecting on the source of financial difficulties for people nearing the end of their life and when bereaved.

Points raised included:

- The public nature of funerals and the pressure individuals and families can feel to provide a dignified funeral for someone, which can lead them into making financial decisions that they might not otherwise.
- The despair that individuals and families can feel when they have to approach a local authority or hospital for a Public Health Funeral.
- Highlighting the rising cost of funerals can often lead to accusations of scare-mongering and sensationalism, yet this overlooks the number of people who would struggle to pay for even a more economical funeral. Funerals and their affordability need to be considered in relation to low incomes, lack of credit, and debt.
- The transparency of funeral costs and some of the reasons behind recent rises needs to be addressed.
- Funeral directors must inform the bereaved of all the different funeral options available to them, and highlight where people can take meaning from cheaper alternatives.
- Natural burial is a growing area and one that could be utilised much further to provide affordable burial options for some parts of the country.
- Difficulties and delays in accessing the DWP Social Fund Funeral Payment are concerning and require addressing. The bureaucracy involved means that it can be a number of weeks before payments are made.
- Insurance companies need to take a more transparent lead in this area.
- The state has a responsibility to inform and encourage people to prepare for their funeral, but this can often descend into an easy reliance on the internet to transmit information. For those who do not use the internet, information and guidance needs to take alternative forms.
- The role of the registrar as a source of information could be addressed.
- It is very difficult when it comes to prioritising costs towards the end of life, such as the needs of the dying person vs what is left for the funeral and those bereaved.
- While many people may state that they simply want to be 'put in a box', with limited money spent on the funeral, the reality for those tasked with organising and paying for the funeral is not that simple, not least because of the way in which funerals can be interpreted as a measure of the deceased person's standing and the quality of the relationships they had with those left behind.
- There is considerable potential to review the funeral service itself, separating the ritual from the committal. This could enable people to have more time to consider the ritual aspects and costs of the service, separate from the more functional aspect of managing the remains.

Recommendations

1. Building up a body of evidence

Evidence of the problems people face when it comes to affording a funeral is growing, but there is still considerable scope to bring this together to provide a coherent source of information that can lead to greater public awareness and policy change.

2. Education for preparedness

Many people are under-prepared for how much a funeral can cost. Greater education, preferably before the point of need, could help individuals and their families make decisions about how much to spend on a funeral, and which aspects of it they would like to prioritise.

3. Reviewing state support

While the death rate has been low over the last few years and in light of the predicted rise in the death rate, there are signs that the systems for state support require review.

4. A new way of thinking about funerals

There is mileage in promoting a new way of thinking about funerals, which could involve separating the management of remains from the ritual aspects. This would enable individuals and families more time to make emotional and financial decisions about the ritual elements of the funeral.

5. A culture of talking about death

We live in a country where death is not a common part of everyday life, especially when compared to some of our European counterparts. Yet as the death rate begins to rise, more and more people will be impacted on by the loss of an individual. Promoting a more open discussion about death and its financial consequences may assist those affected.

6. Working together

The public, private and third sectors could benefit greatly from a more cohesive approach to addressing funeral costs. For example, while Government could develop policies that aim to better educate the public on preparing for the cost of funerals, the third and private sector could play a vital role in ensuring that the messages get down to the grass roots level. Responsibility for all of the above suggestions does not lie with any one sector.

Appendix 1: References and other useful sources

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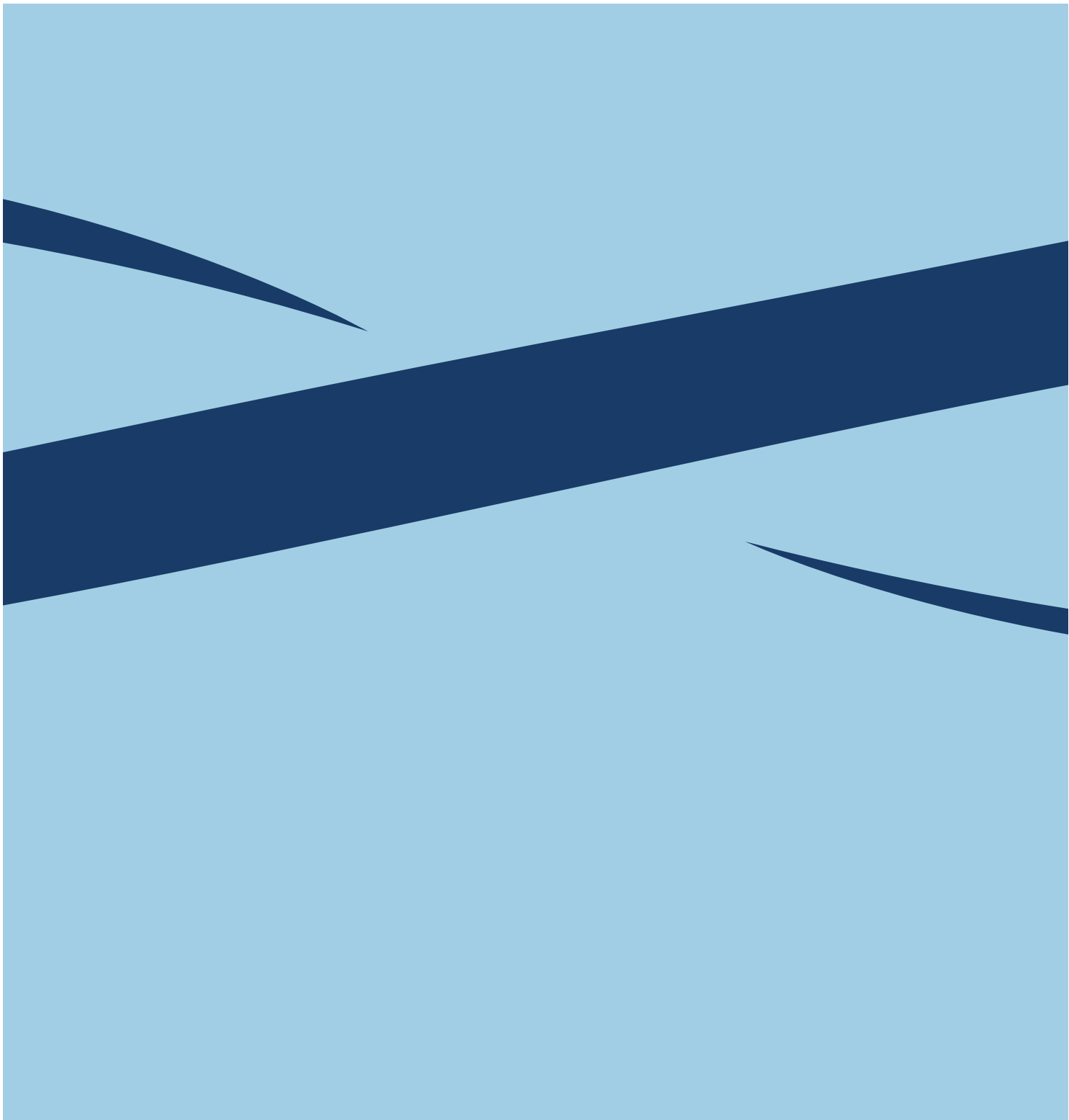
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Valentine, C. and Woodthorpe, K. (forthcoming) 'From the cradle to the grave: funeral welfare from an international perspective', *Social Policy and Administration*.

Appendix 2: List of attendees

The following people attended the “I can’t afford to die: managing the cost of dying in an ageing society” event held at 11 Tufton Street, London on the 21st January 2014. The information expressed in this report does not necessarily represent their views.

Anne Barber	Civil Ceremonies Ltd
Kim Bird	Rightchoicefunerals.com
Christopher Carnaghan	BACSA
Phillida Cheetham	Which?
Ping-Jen Chen	Mental Health Science Unit, UCL
Anne Corden	Social Policy Research Unit
Simon Cox	Royal London
Sarah Cox	Queen Mary / Barts Pathology Museum
Julie Dunk	Institute of Cemetery and Crematorium Management
Jonathan Ellis	Help the Hospices
Simon Ferrar	Clandon Wood
Roger Goss	Patient Concern
Thomas Guthrie	
Sam Haskell	Public Health England
Jean Hindmarch	Help the Hospices
Lara-Rose Iredale	Guy’s and St Thomas’ NHS Trust
Rosalind Janssen	Institute of Education
Michael Jarvis	Freelance Writer
Andrew Jennings	Department for Work and Pensions
Professor Malcolm Johnson	University of Bath
Rob Lamond	Forster Communications
Andrew Leverton	Leverton and Sons Ltd
Kaye McIntosh	National Federation of Women’s Institutes
David McKenlay	Department for Work and Pensions
Natalie Morris	Age UK Islington
Susan Murch	PricewaterhouseCoopers
Fiona Parrott	University of Amsterdam
Alison Penny	Childhood Bereavement Network
Preth Rao	Sue Ryder
Ben Samuel	Ten Alps
David Sinclair	ILC-UK
Martin Trees	Simplify
Keith Tucker	Moore Stephens LLP
Jennifer Tuft	Marie Curie Cancer Care
Michael Turner	BT Plc
Carla Louise Valentine	QMUL Barts Pathology Museum
John Valentine	Celebrant
Renske Visser	University of Bath
Anne Wadey	Bereavement Advice Centre - Simplify
Jessica Watson	ILC-UK



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