

Business

By Jeff Harbeson

Make a Difference or



Focus on Differences?

Like It or Not, the Market Is Changing without Your Permission

I think we can all agree that from shifting consumer preferences to declining revenue per call, the funeral profession is facing challenges. Shifting consumer preferences are largely driven by the decline of religious folk and the increase of the “nones” (people that claim no religious affiliation). The culprit responsible for the decline in revenue is funeral home owners and managers’ inability to price services properly, not the “rise in cremation” we are so quick to blame. Funeral homes that serve exclusively along racial, religious or cultural lines have all the before mentioned challenges, plus some different challenges.

Often, in large populated areas, we see funeral homes exclusively serving narrow segments of the community. For example, Jewish, African-American, Irish Catholic, Italian Catholic, Hispanic, Asian, and

Orthodox Greek funeral homes serve narrow vertical markets. As you can see, even though some of those firms are categorized as minority, they are not necessarily segmented by racial boundaries. Religious and ethnic demographics are at play as well.

Interestingly, many of us define “minority” by racial differences. However, modern thought does not often probe beyond headlines, which manifests into myopic views. Race and ethnicity may overlap but clear differences exist.

When focusing on race, we usually talk about Asian, African-American and Caucasian. Over 30 subgroups are then derived from these three racial identifiers. Ethnicity is defined as belonging to a social group that has a common national or cultural tradition. Complicating the already confusing definitions is the increase in mixed races and ethnicities, or biracial

categories that are evolving.

Upon further review of vertical-focused funeral homes, we find that some have more similarities in practice than expected. For example, although Hispanic firms may not use English as the primary language in their operations, they have similar traditions of service as African-American firms. Muslim and Jewish firms generally prepare bodies for burial with specific rites ... both prefer burial before sunset on the next day after death.

At first glance, one may conclude narrowly defined vertical funeral homes are ideal as they are guaranteed a long line of clients that will consider no other funeral service provider. However, some challenges are unique within their service market. The most notable is the increasing multiracial population. Watch any television commercial segment and notice multiracial couples, families and

children.

This dilemma is a two-edged sword as selecting funeral services based on past preferences and traditions may not always be in alignment. This issue is one that increasingly affects every funeral home whether defined as minority or majority.

Note that only 43 percent of Americans identify as white/Caucasian/Christian. How quickly is this shift happening? In 1976, 81 percent of Americans identified as white/Caucasian/Christian. The problem for funeral homes serving this market is that their families have changed, but their operational model remains the same. For example, the expansive real estate investment of a funeral home building may no longer be necessary when services have gone by the wayside.

Non-Christian religious groups are growing, although such groups still represent less than 10 percent of all Americans. In particular, people under 30 are increasingly non-Christians. I anticipate that the non-Christians combined with the millennial “nones,” will eclipse the aging Christian population.

The brand recognition of firms perceived as serving the minority market is viewed differently, from an ownership and goodwill perspective, than a major market-serving firm. The brand of a minority funeral home is often not as prevalent as the personality, or goodwill of the ownership. This phenomenon is a plus as long as the original owner or their heirs is alive and operating the business. Over time, we have witnessed that the transfer of ownership to a new entity or brand within the minority market has largely been unsuccessful. Minority-serving firms’ strong goodwill creates patronage loyalty as long as the status quo remains intact.

No matter your zip code, we all serve the poor ... it’s what we do. This category of citizens crosses every race, culture, and religious category as no one is immune to falling on hard times.

But when a funeral director waits until the end of the arrangement session to discuss payment policy

while presenting the goods and services statement, that is a problem. If the family suddenly must take a bathroom or smoke break, it is a sign that the funeral director did a poor job in conveying costs as well as how the firm gets paid. Think about it – if a casket, a venue, a date, a cemetery, a pastor, and an obituary is written without the “how to pay discussion,” the likelihood of an accounts receivable issue increases substantially.

I digressed from the overall point of my article, however, collecting money is a real problem. I have spent a great deal of time in my professional funeral career working alongside funeral home owners to reduce their accounts receivable exposure. I have experience in the minority markets and understand many of the nuances of why this problem exists.

One of the main factors is familiarity and (believe it or not) religion. Many minority firms serve communities with a strong religious foothold and the demand for payment prior to a funeral contract being signed is unsavory. It’s more emotional than realistic. Yet asking for full payment for a funeral from a fellow church or synagogue member is difficult for most. Yes, I have not only been told this, I have seen the accounts receivable broken down by member/nonmember of certain religious affiliations.

Additionally, serving the poor brings other problems along financial lines because of the lack of financial stability. When a person dies, and they do not have life insurance or a preneed account, the financial burden is left to the survivors. In cases where the deceased was financially strapped, often, the survivors are struggling. Thus, in these communities, funeral homes will continue to struggle with cash flow.

No matter the racial, ethnic, or religious segment a funeral home serves, green is the international language of understanding. The funeral isn’t over until the bill is paid.

As Americans, we would like to think our society has elevated itself beyond discriminatory practices of the past, and in many areas, we have.

Unfortunately, I still hear stories of some casket companies not serving a funeral home simply because of skin color. Just last week, I was privy to a closed online group discussion on differences in minority and majority firms. Some participants shared stories of recent actions that seem to me unacceptable in this day and age.

I’m going to dip my toe in the “why are we still doing this” arena and state an observation of how far we have *not* come. In 2018, why are there significantly segregated funeral membership organizations? Isn’t the mission of these organizations the same? To serve members with the same objective of bettering our profession?

From my vantage point, a funeral director is a funeral director. Please understand I’m not being mean spirited or prejudiced – I’m just trying to get to a point. Saturday and Sunday are the most segregated days in America because religion does tend to run along racial lines. This nuance extends into our profession. But for the good of all, does membership have to remain that way?

I have been on this earth long enough to experience some phenomenal examples of races/ethnicities/religions working in harmony. Being deployed in a combat zone and coaching state championship high school football teams are unquestionably reflections of a larger purpose. Participating in a group and collaborating successfully for a greater good than my individual status has been a highlight of my life and is ingrained in my DNA.

I have often expressed that no one segment of our profession has it all together, but I think I have created the perfect funeral: It’s called an Iraitish funeral. An Irish wake and African-American homegoing followed by an Italian repast – capped by observing seven days of Jewish shiva to recover.

Perhaps we need to look at ourselves, our communities and our profession and think of how we can make a difference by being accountable for the betterment of our profession, not focus on our differences. I have started this conversation, now, what are you going to do? •