

Cemeteries Are Not Funeral Homes

by Daniel M. Isard, MSFS

CEMETERIES ARE NOT FUNERAL HOMES. Their mission is very different from their sibling within the deathcare business. A cemetery is a long-term provider of care versus a funeral home, which is short term. The funeral home may have an intense relationship with a family, going from stranger to intimate member of the family within two to five days. The cemetery may start out as a stranger, but the relationship will go on for generations (a generation is measured as a term of 20 years).

But both funeral home and cemetery are important providers to survivors in the event of death. Yet, many funeral homes spend a lot of time, money, and effort promoting their “independent” or “family ownership.” Cemeteries do not. And for good reason.

Cemetery Ownership

If we look at the history of cemetery ownership, there are a few different types of owners of cemeteries:

- a. Municipality
- b. Non-profit corporations
- c. Benevolent groups
- d. Religious groups
- e. Private family cemeteries
- f. Private ownership
- g. Multi-location operators

Unlike banks and other service vendors that people choose, cemeteries have never really had an option of being available for the general public and being owned by a particular individual owner. While there have been many cemeteries that have had one owner and that one owner was a person, I have never seen them marketed as such. I have not seen “Ted’s Slumber Acres.”

I think many of us saw a hybrid of the Ted’s Slumber Acres when a very well-known television preacher started a cemetery on a few acres in a western state. The pricing of the mausoleum interments to some degree was based on how close you wanted your crypt to be to the place of the preacher’s crypt.

Unfortunately, that turned out to be a black mark on our industry when the church went out of business and another church acquired the cemetery. The new church rebranded the sites to fit its

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theological needs, offending many already interred who were not members of that church.

We have seen Private Family Cemeteries, on the corner of a farm or ranch often, but that is for the members of that family. We do not see those sites acting community centric.

Municipalities (cities, boroughs, and unincorporated areas) may create their own cemeteries. In the development of our country, we found that what made the difference between a city and a town was that cities had cemeteries. Towns were not always economic entities, so there was no taxing authority and no money to create and maintain a cemetery. If a death occurred of a resident, they might use a church graveyard or their own Private Family Cemetery.

Can’t Just Pick Up & Go

The aforementioned church graveyard was a very common provider of interment spaces. Most state laws will exclude church graveyards. The theory was that a church is permanent, so the requirements of maintenance will always be with that church. Time has taught us that churches do relocate as their parishioners relocate.

The urban church may become a rural church due to its relocation, but that graveyard adjacent to the church doesn’t move in the relocation. It will be interesting to see how that may change with the new “church graveyard” becoming a “church cremation inurnment center.” Obviously, urns can be moved easier than caskets.

Some of the first large cemeteries I have seen on the east coast, which were not church sponsored, were sponsored by benevolent associations. Groups like the Odd Fellows and other fraternal organizations made it their mission to bury their members separately from the general public. Many were male-dominated groups, so special dispensation was granted to their spouse and/or children. As time progressed, the group membership requirement was not enforced, so they became options for any community member.

Who Disinters and Why

In the modern world of public company and large private company ownership of cemeteries, the public has not looked differently at these entities. A cemetery is a cemetery. It is perpetual. Bodies are rarely disinterred, moved to a new site and reinterred.

I remember doing work for one rural southern cemetery that had about 10 disinterments in one particular year. When I inquired about it from our client, he explained matter of factly that he bought the cemetery from a white man and he was Black. As the word got out that he was Black and he was going to inter people, regardless of their skin color, some of the white property owners were not

comfortable with that. So they decided to disinter their deceased relatives rather than have the possibility that their dead might have another race as a neighbor.

Combo Ownership

There are many funeral homes owned privately by the local operators who own a cemetery. We in the business call these enterprises “combinations” or “combos.” Yet, even these groups do not brand their cemetery with the moniker of being “privately owned” or “independent.”

A cemetery is a perpetual commitment. I do not think the public ever wants to have a representation from a cemetery that this business will be privately and/or locally owned in perpetuity. In many cases, people don't think that far ahead.

Potential Disruption

People think a cemetery is frozen in time. The solitude and solemnity are going to be unimpeded by the outside world. We have all seen cases where cemeteries have been split or graves relocated to make way for modern expansion of airports or roadways. Eminent domain by governments for this is not every day, but it happens. Yet when choosing those cemeteries or sites within those cemeteries, families don't think to ask about the chance of disruption due to progress.

Progress of a modern expanding population is one thing. But impairment of a cemetery or a grave space occurs for other reasons. How many of your families are willing to pay for an interment right under the shade of a tree? It is a premium feature. Yet, trees die. Trees are often displaced by weather and age. Have any of you, in your contract or orally, given the promise that you are going to replace the tree if it falls? Do you have those trees insured for replacement cost?

No Use for Goodwill

The personal goodwill of a cemetery is extremely insignificant. Keep in mind the definition of “goodwill.” Goodwill, defined, is the expectation of continued patronage.

Goodwill can have two components, personal goodwill and commercial goodwill. For personal goodwill, it is “the expectation of continued patronage because of the reputation of the owner.” In more than 1,000 valuations of cemeteries, I have yet to see a measurable amount of personal goodwill.

However, in funeral service, it is frequently present. In funeral valuations, personal goodwill is measurable and usually significant. In the more than 300 cemetery transactions I have witnessed, if there is an allocation to personal goodwill, it is nominal. Usually, it exists just to keep the seller from acting upon any of the confidential data the cemetery may have or to keep that person from going to work for a competitor cemetery.

Do Not Personalize

Unlike funeral homes, a cemetery should not carry the name of the owner if there is an independent owner. If you have named your cemetery after yourself, you have limited the value of your commercial goodwill. If you are contemplating starting a cemetery from scratch, the choice of name is important. It should be something that is universal and not limiting. To protect any of you from yourselves, I am going to go out and get the registered trademark on Ted's Slumber Acres just to dissuade you. **M**



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