

RESEARCH SUMMARY

Regulated to Death: How Funeral Home Regulations Reduce Choice, Increase Prices, and Harm Markets

State regulations requiring all funeral homes to provide a full range of services, regardless of consumer demand, increase costs for funeral homes, limiting the number of small funeral homes and ultimately increasing the cost of funerals for Americans. Reforming funeral home regulations would put consumers and their needs first.

For example, 34 states require funeral homes and cremation specialists to have embalming rooms, even if the businesses don't use them. These states include Arizona, a state whose cremation rate is projected to reach 77 percent by 2025. Nationwide, thousands of firms that are required to have embalming rooms leave them dormant because their operating costs exceed the revenues they would generate. Arizona and a number of other states also require chapels and casket display rooms.

Studies have shown how state funeral regulations drive up prices. But, as David E. Harrington and Jaret Treber argue, these are not the only costs associated with regulations. State regulations can also impose costs on firms seeking to enter the market and compete with traditional funeral homes.

In “[Constraining Rivals: The Effect of State-Mandated Facility Requirements on the Locations and Sizes of Funeral Homes](#),” Harrington and Treber find the following:

- In high-regulation Arizona, state-mandated *facility requirements increase the size of small funeral homes* by about 500 square feet.
- The state's detailed requirements concerning the flooring, drainage, and ventilation of embalming preparation rooms make it *challenging to locate funeral homes in shopping centers*.
- Eliminating these requirements would *double the number of funeral homes* located in Arizona shopping centers and increase convenience and cost savings for customers.
- Low-regulation Florida merely requires access to either mortuary refrigerators or embalming services. As a result, very *small funeral homes can charge 13–20 percent less* than slightly larger funeral homes.
- In Florida, funeral homes *located in retail shopping centers charge 10–14 percent less* for funeral services than funeral homes located elsewhere in the state.

Across the country, increasingly antiquated regulations have raised costs while providing few if any discernible benefits. Consumers are the ones who end up paying the price and will benefit from reform.