

Approved January 28, 1987
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Senator Don Montgomery at
Chairperson

9:09 a.m./p.m. on January 27, 1987 in room 531-N of the Capitol.

All members were present except: Senator: Gaines who was excused

Committee staff present: Mike Heim, Theresa Kiernan, Emalene Correll and Lila McClaflin

Conferees appearing before the committee:

Pete McGill, Kansas Funeral Directors Association
Larry McElwain, President of the Kansas Funeral Directors Association
Hap Bledsoe, President and Chairman of the Board of Resthaven Cemetery
and Mortuary, Wichita
David W. Newcomer, IV., D. W. Newcomer's Sons, Prairie Village, KS.

S.B. 11 - concerns cemetery and funeral merchandise; relating to the sale thereof.

Staff briefed the Committee on the history of the bill and the Interim Committee study of Proposal No. 11. The Interim Committee's recommendations are contained in S.B. 11. The bill includes the provisions of 1986, S.B. 499, plus a provision authorizing the Secretary of State to audit entities selling pre-need funeral services or merchandise. The audit maybe conducted and the audit requirements and procedures are the same as those imposed on cemetery corporations under the Cemetery Merchandise Act.

The Chairman announced that the hearing today would be for both proponents and opponents if time permitted, however, the hearing for the opponents would be opened on January 28 also, as that was the way the agenda was announced.

The hearing for proponents was opened.

Pete McGill testified for the Kansas Funeral Directors Association his written testimony gave a history of the proposal. He stated there is no law in Kansas that prohibits any person, any firm or any business from selling caskets. The law as passed in 1982, intended that those who do sell caskets put 100% of the money in trust. It was learned in 1985 that the cemeteries were selling caskets and only putting 110% of wholesale cost of the caskets in trust. He gave some examples of why they feel S.B. 11 is necessary to protect the public. They respectfully ask that the Committee report S.B. 11 favorably for passage. (ATTACHMENT I)

Larry McElwain was introduced and stated they support the passage of S.B. 11 and stated he was available to answer questions.

Hap Bledsoe stated they oppose the bill as this is the only pre-need funeral plan available in Kansas today. We have been told by the FTC after all of their studies that the only way to get the cost of dying down is through education and pre-arranged funerals. The AARP nationally support pre-arranged plans. They see pre-need plans as a savings to the state as they would have less funerals to pay for for indigent people.

David W. Newcomer IV presented written testimony opposing S.B. 11. He did not think S.B. 11 provided the consumer protection demanded by Governor Carlin in his veto letter on S.B. 499. Nor did the Interim Committee discuss the adverse impact S.B. 11 would have on the growing number of elderly and economically disadvantaged. Included with his testimony is a

CONTINUATION SHEET

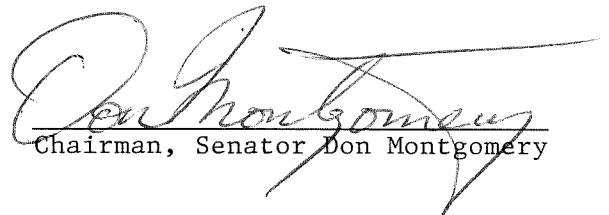
MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,
room 531-N, Statehouse, at 9:09 a.m./~~p.m.~~ on January 27, 1987.

copy of Governor Carlin's veto message. (ATTACHMENT II)

He responded to questions from members of the Committee. He stated if the Committee decided to pass the bill favorably they should consider raising the welfare limit for irrevocable trusts to \$4,000.00. Then Kansas can pre-plan and pay for the funerals they want and that this amendment should be tied to S.B. 11, so that one does not become law unless the other one does. In answer to another question he stated funeral directors today would rather not have pre-arranged funerals. It is okay if you just walk in and ask to set one up as long as it does not provide competition and under present law they can not solicit business. He suggested several compromises that they have tried to work out with the funeral directors but they were unwilling to compromise.

Senator Bogina moved to adopt the minutes of January 22 and 23, 1987 meetings. The motion was seconded by Senator Daniels. The minutes were adopted.

The meeting adjourned at 9:59 a.m., next meeting will be on January 28, 1987.


Chairman, Senator Don Montgomery

Date: JANUARY 27, 1987

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
John O. Mills	AARP	5230 W. 24th St, Topeka
LINDA MCGILL	KFOA	Topeka
Jim Snyder	KFDA	"
Alan Steppatz		Topeka
Pete McNeil	Rosier Funeral Dir	Topeka
Larry K. McElwain	KFDA	Lawrence, Ks.
Doris Newgamer	KCP	Prison Uq, Ks
Hop Sedsoe	Restover Cemetery Mortuary	11800 W. Hwy 54 Wichita, Ks.
Lynn Van Calt	KLSI	Topeka
John Myers	Ks. Cemetery Assn.	Topeka
Gretchen Strong	Div of Budget	
BOB McCracken	Ks CEM. ASSN.	TOPEKA
Paul W Smith	Ks. Cem. Assn.	Emporia
Christa M. Amick	Kansas Cemetery Association	Emporia
Francis J. Mills	Mortuary Arts	Topeka
Jason Schemmel		Topeka, KS
Stephen Gorlan	Attorney General Office	Topeka Ks.
Mack Smith	Mortuary Arts Board	Topeka

January 27, 1987

TESTIMONY

to

SENATE LOCAL GOVERNMENT COMMITTEE

by

Pete McGill

Mr. Chairman and Members of the Committee.

I am Pete McGill of Pete McGill and Associates. As most of you know, we represented the Kansas Funeral Directors Association in the last legislative session and I appear here today in the same capacity.

Several of you have already told me you have heard this issue described and debated several times. For that reason, I will be as brief as possible, but do not want to slight this issue. I do want to take a few moments to share with you the history of this proposal. Much of my testimony will be similar to that I provided the interim committee this summer.

Prior to the start of the last legislative session, Jim Snyder, Executive Director of the Kansas Funeral Directors Association, contacted me about assisting his organization in the 1986 legislative session. He told me they hoped to pursue legislation that would add one word to the existing statute,-- the word "caskets", and he very carefully explained the reason.

Consistent with the established practice of our firm, I asked Mr. Snyder to give us a few days to consider his request as I needed time to check it out. Most of you know we do not work on issues that we do not believe in nor do we represent clients of which we are not proud.

We checked the history of the cemetery merchandise law, the date of enactment, the purpose and intent of the act. The act was passed in 1982.

Senator Arasmith was Chairman of the Senate committee that considered this legislation and Representative Ivan Sand was Chairman of the House committee in 1982. I made a special effort to contact both, and both assured me emphatically and in no uncertain terms that it was the intent of the legislature that caskets would not be a part of cemetery merchandise, as defined by law.

Both agreed a bill should be passed in the 1986 session of the legislature to remove any doubt and carry out the original legislative intent.

That was done in the form of SB 499 and you passed the bill by an overwhelming vote in both houses.

SB 499 was introduced early in the session and as you all recall, there were 21 Senate sponsors. All 21 Senators voted for the bill, as did 10 additional Senators. The vote was 31 to 7 in the Senate. Senator Arasmith emphasized in the committee and on the floor of the Senate, SB 499 did nothing more than the legislature thought it was doing and intended to do in 1982.

Chairman Sand was equally emphatic in the House Local Government Committee where the bill was first heard and approved. The Local Government Committee then sent SB 499 to the floor with the recommendation to be passed.

A few days later I was summoned to the Speaker's office and advised the bill was going to be pulled off the calendar and re-referred to the Federal and State Affairs Committee. This was on Friday, before the week of the legislative recess. I was to learn later that this was the result of a request from one House member and a very unusual procedure to say the least.

Chairman Miller, of Federal and State Affairs, will tell you he already had a very heavy schedule in the final days considering the Economic Development package. Some expected SB 499 might never have a sufficient opportunity to be heard and might get lost in the shuffle.

However, Chairman Miller recognized the interest in SB 499, assured everyone it would be heard and voted on by the Committee. The Chairman scheduled the bill at the earliest opportunity, and as I recall, all members were present and the Federal and State Affairs Committee recommended the bill favorable for passage with only one dissenting vote.

At that stage it had passed two House committees. You will also recall, the opponents of SB 499, had introduced HB 2715. This bill would have negated the purpose of SB 499 and so the House Local Government had heard the subject thoroughly debated on two separate occasions.

After SB 499 came out of the Federal and State Affairs Committee on Thursday before the recess on Saturday, it once again appeared on the Calendar.

On Saturday morning SB 499 was number nine on the Calendar, as I recall. That morning when it came up for debate, it was passed over.

During the noon recess that day, I had additional conversation with the Speaker. He knew of the intensive interest and support for SB 499, as several members had requested the bill be debated and voted on. He knew of the possibility of some legislator making an emergency motion to advance the bill on the Calendar and was well aware of the possibilities of that motion passing.

The Speaker said he would prefer not to debate the bill on Saturday, but would guarantee the bill would be number one on the Calendar following the recess, and would be debated and voted on.

SB 499 was the first bill on the Calendar following the recess. It passed the House by a vote of 98 to 25.

Mr. Chairman, I respectfully submit few bills in the history of the Kansas legislature have been more thoroughly debated and passed by such overwhelming margins.

For whatever reason, the Governor chose to veto the bill. The legislature never had an opportunity to consider the veto. However, both the Minority Leader of the House and Senate voted for the measure, as did the Speaker, President of the Senate and both Majority Leaders, as well as the Chairman of every committee where this issue was discussed.

The major criticism we heard from the opponents in every discussion was the Funeral Directors trust accounts are not audited.

For the record, Mr. Chairman, the Senate committee did discuss this subject and found the Funeral Directors must file a list of their accounts with the State Board of Mortuary Arts every two years, as they are licensed and reviewed by that board. Since 1953, there has not been one case where a Funeral Director has been convicted of absconding with any funds or where a consumer has lost money.

However, Mr. Chairman, as we told Chairman Arasmith last year, the Funeral Directors have no opposition to an audit and that is the same thing we told the interim committee this summer. In fact, we provided a suggested amendment to do just that and it is incorporated into SB 11 that we are

considering here today. It is almost identical to the auditing procedures for cemeteries. It provides for an audit of the trust accounts for Funeral Directors and places that responsibility with the Secretary of State.

We saw no need for the amendment last year and apparently the legislature felt the same way. However, as I said, if it alleviates any concern, the Funeral Directors have no objections. I should call to your attention the fact there are far more funeral directors than cemeteries and I expect you will find the need for an additional appropriation for staff for the Secretary of State to perform this function.

Senate Bill 499 as introduced last year is identical to SB 11 before you with one exception--the lengthy auditing provision. SB 499 did one simple thing, it added one word to the statute that was intended to correct legislative intent.

However, the opponents were very successful in directing the attention of the legislature to other issues and created doubt in the minds of some.

There is no law in Kansas that prohibits any person, any firm, or any business from selling caskets. The law as passed in 1982, intended that those who did, put 100% of the money in trust.

The cemeteries found a loophole in the law and in 1985, we first learned that cemetery people were selling caskets and only putting 110% of wholesale cost of the caskets in trust.

We believe, as I think every member of this committee would agree, if this is a good idea and in the public interest, and the consumer is adequately protected, it should come about as a positive act of the legislature and not through the back door.

At the time I did research last year, some 35 states had 100% trust laws on the sale of caskets. Some surrounding states had something less than that.

Permit me to give you a simple example of what that means. If you bought a casket for \$1500 under the cemetery merchandise law, and the wholesale cost was \$500, the seller, under 110% of wholesale would only be required to put \$550 in trust. The seller could then take the other \$950 and do whatever he wanted. If you bought the same merchandise under the funeral director requirements, the consumer would have \$1500 in a Federally Insured KANSAS Financial Institution and that \$1500 would be drawing interest for the consumer, not the funeral director.

If you bought this same merchandise under a revocable contract under the cemetery merchandise law, and you wanted to cancel the contract, you would receive back 85% of the 110% of wholesale. As I mentioned, 110% of wholesale would be \$550, so you would receive only \$467.50 of your original investment of \$1500. Under the funeral director statutes, you would receive your total \$1500 investment back, plus accumulated interest.

Now you readily understand why the legislature overwhelmingly approved SB 499. It is quite obvious the option that best protects the people.

As I pointed out earlier, anyone can sell caskets. They could have, even if SB 499 had become law. That could be one of the problems if there is not 100% put in trust.

I don't know how many people realize you and I could go into the business of selling caskets without any appreciable investment. We could form a cemetery corporation, file with the Secretary of State, get a slick

brochure printed and we are in business. We could move into a town, any town in Kansas, with a battery of salesmen, set up shop in a motel, perhaps make a few telephone calls to identify interested parties, and then start going up and down the street door-to-door.

If we had ten salesmen, and each made one sale an evening, and we were able to pocket \$950 of each sale, using the example I cited a short while ago, we would have netted \$9,500 the first night.

Let's say we are in Topeka, and we did that for 30 days with the same degree of success each night. In thirty days we would be able to pocket \$285,000. Split ten ways that is \$28,500.

We would be happy to place on deposit 110% of wholesale and file our report with the Secretary of State. By then we could even buy a desk and file cabinet.

We have violated no law, we have clearly created a new market, new competition and given the consumer additional alternatives. The problem might be, where will we be if we have to deliver the merchandise. Of course, this is an exaggeration and not likely to happen in exactly that manner. I am merely attempting to dramatize just one of the many possibilities of abuse if we permit this loophole to exist.

SB 499 did not pass last year because of a veto. As we suspected, shortly after the session was over, a retail, storefront casket store opened up in Lenexa, Kansas. I never saw the store, but they told me it was next door to Governor Hayden's campaign headquarters. The operators were allegedly proposing to sell caskets, not for delivery today, but sometime in the future. The operators were not registered under the cemetery law or

funeral directors statute and apparently not trusting any of the money. I can't say that I know they were violating any law. All I know is someone called it to the attention of the Attorney General and that business is no longer in operation at that location in that manner.

Without this legislation, that is precisely what can happen and is happening.

The Governor recommended an interim study on this issue. After the veto, so did Chairmen of the House and Senate committees. SB 11 is the recommendation of the Joint Committee on Federal and State Affairs.

Once again the issue was presented to a legislative body. That committee voted to introduce SB 499 exactly as it passed the legislature with the auditing provision added.

Mr. Chairman, Members of the Committee, probably no issue has been more thoroughly reviewed, discussed and debated and consistently passed with overwhelming margins. We respectfully ask this committee report SB 11 favorable for passage.

FUNERAL PRENEED PLAN
K.S.A. 16-301 et seq

17 years.

CEMETERY PRENEED PLAN
K.S.A. 16-320 et seq

YEAR	CONSUMER'S		CUMULATIVE AMOUNT TRUSTED @ 7%	STATUTORY REFUND	CONSUMER'S ECONOMIC LOSS	CONSUMER'S		CEMETERY (SELLER'S) RETENTION	MERCHANDISE TRUST REQUIREMENT	STATUTORY REFUND	CONSUMER'S ECONOMIC LOSS
	ANNUAL PAYMENT	TOTAL RECEIVED				ANNUAL PAYMENT	TOTAL RECEIVED				
1	345	345	369	369	0	345	345	345	0	0	345
2	345	690	714	714	0	345	690	259	86	73	641
3	345	1035	1109	1109	0	345	1035	0	431	366	743
4	345	1380	1532	1532	0	345	1380	0	776	660	872
5	345	1725	1984	1984	0	345	1725	246	875	744	1240
6	0	1725	2123	2123	0	0	1725	0	913	776	1346
7	0	1725	2271	2271	0	0	1725	0	956	812	1459
	0	1725	2430	2430	0	0	1725	0	1000	850	1581
	0	1725	2601	2601	0	0	1725	0	1046	889	1712
10	0	1725	2783	2783	0	0	1725	0	1094	930	1853
11	0	1725	2977	2977	0	0	1725	0	1144	973	2005
12	0	1725	3186	3186	0	0	1725	0	1197	1017	2168
13	0	1725	3409	3409	0	0	1725	0	1252	1064	2344
14	0	1725	3648	3648	0	0	1725	0	1310	1113	2534
15	0	1725	3903	3903	0	0	1725	0	1370	1165	2738
16	0	1725	4176	4176	0	0	1725	0	1434	1218	2958
17	0	1725	4468	4468	0	0	1725	0	1500	1275	3194

Funeral Director's
Refund

Cemetery refund

SCHEDULE #1

EXPLANATION ON BACK-

D.W. NEWCOMER'S SONS

HEARING BEFORE SENATE LOCAL GOVERNMENT COMMITTEE TESTIMONY IN OPPOSITION TO SENATE BILL 11

JANUARY 27, 1987

Honorable Senators:

I am David W. Newcomer IV, a partner in D.W. Newcomer's Sons. We own three Kansas cemeteries and are 1/2 owners of a fourth. We also own two Kansas Funeral Homes. Our firm is a member of the Kansas Funeral Directors Association, and the Kansas Cemetery Association. I am legislative chairman for the cemetery association.

I oppose S.B. 11. This is the same wolf that was vetoed last year (S.B. 499)—only it is in sheep's clothing.

The governor stated S.B. 499 was anti-consumer because it restricted competition without providing countervailing consumer benefits. (Refer to paragraph three of the Veto message.) You will be doing substantially the same thing if you pass S.B. 11.

The governor stated in paragraph four that all pre-need sales should be audited. S.B. 11 merely states that funds under 16-301 may be audited. Also, the annual report that informs the Secretary of State of current transactions has been deleted from S.B. 11. THIS BILL DOES NOT PROVIDE THE CONSUMER PROTECTION DEMANDED BY THE GOVERNOR, YET IT RESTRICTS COMPETITION BY REMOVING CASKETS FROM THE CEMETERY MERCHANDISE ACT.

Although an interm study was held, only S.B. 499 was discussed. H. B. 2715 which allowed all citizens to sell merchandise under the Cemetery Merchandise Act was not discussed. Neither were various alternative compromise positions presented by the Cemetery Association during last year's legislative session.

BUT THE MOST IMPORTANT SUBJECT THAT WAS NOT DISCUSSED IS THE ADVERSE IMPACT S.B. 11 WILL HAVE ON THE GROWING NUMBER OF ELDERLY AND ECONOMICALLY DISADVANTAGED KANSAS CITIZENS.

The U.S. Bureau of the census predicts from 1985 to 2000 a 58.4% increase in the number of households made up of citizens 65 and over.

(ATTACHMENT II)
LOCAL GO. 1/27/87

The U.S. Department of Health and Human Services says that out of every 100 persons who start careers, at age 65:

29 will have died
13 will have incomes less \$3,500
55 will have incomes between \$3,500 and \$20,000
and only 3 will have incomes over \$20,000

In short, these facts show there will be a huge potential demand on the state's welfare system.

S.B. 11, if enacted, will increase this problem.

Presently a consumer who wants to prepay for his or her funeral expenses can set aside \$2,000 in an irrevocable trust to pay for funeral services. This person can also have cemetery property, a grave stone, vault, and casket as exempt items.

If S.B. 11 passes, this person has a real problem.

Now both casket and services must be included under the \$2000 trust limitation.

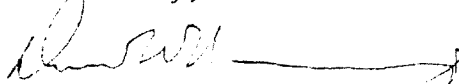
Since an average service costs \$2810.70, this person must now decide to either eliminate services, or not have a casket, or a little of both. Maybe persons will simply decide, because they can not have the service or casket they want, not to pre-plan at all and let the state pay for their services.

I urge you NOT to add caskets to items not classified as cemetery merchandise.

If you feel you must fulfill commitments to funeral director constituents, then I urge you to also help those thousands of other citizens you have sworn to protect, by raising the welfare limit for irrevocable trusts to \$4000. Then Kansans can pre-plan and pay for the funerals they want.

I also urge you, if you decide this is the course you must take, to tie these two bills together so that one does not become law unless the other one does.

Sincerely,



David W. Newcomer IV

200018

STATE OF KANSAS



OFFICE OF THE GOVERNOR
State Capitol
Topeka 66612-1590

John Carlin Governor

Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill No. 499 to you unsigned.

SB 499 would remove the sale of caskets from the Cemetery Merchandise Act and place them under K.S.A. 1985 Supp. 16-301, which requires all pre-need sales proceeds to be placed in a trust fund and remain there until the beneficiary's death. The current Cemetery Merchandise Act requires that only 110% of the wholesale value of the merchandise be entrusted.

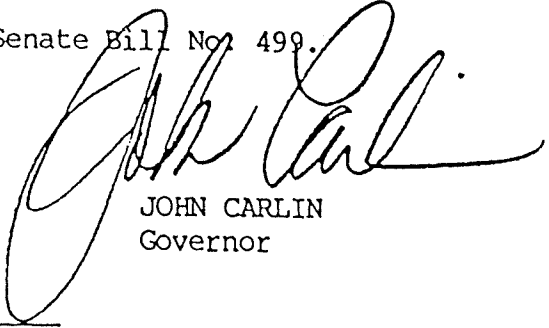
Based on an analysis of the pre-need sales industry, it appears that the application of K.S.A. 1985 Supp. 16-301 to the cemetery industry may restrict competition in the entire pre-need sales market without necessarily providing countervailing consumer benefits. Reduced competition in the pre-need market can cause injury to consumers by depriving them of a choice among the goods and services they wish to purchase and of the full array of alternatives and pricing options that would otherwise be available.

The State's public policy is to regulate industries in order to protect the consumer from excesses and abuses. Therefore, all pre-need sales for funeral and cemetery merchandise and related trust funds should be audited. Under the current Cemetery Merchandise Act, such a mechanism already exists as pre-need sales and trust funds are audited annually by the Secretary of State. However, under K.S.A. 16-301, no State agency has a role in auditing these funds.

I would encourage the Legislature to undertake an in-depth study on all issues surrounding pre-need sales of funeral services as well as cemetery merchandise. All segments of the industry should be encouraged to discuss among themselves the possible resolution of disputes between them so that the State does not have to serve as a referee of industry disputes. The Legislature should fashion a mechanism whereby both cemeteries and funeral directors will operate under the same conditions, but conditions which encourage competition and the availability of pre-need sales. Most importantly, such a study should include input from consumer groups and representatives as to the impact that any such legislation will have on consumer prices, competition and protection of the consumer. The American Association of Retired Persons (AARP)

has expressed its concerns regarding the impact of SB 499 on consumers, and has called for an interim study of these issues. Enactment of SB 499 prior to such an in-depth analysis is inappropriate.

For these reasons, I veto Senate Bill No. 499.



JOHN CARLIN
Governor

Dated: May 1, 1986

NOVEMBER 1986
KANSAS ALUMNI
M•A•G•A•Z•I•N•E



Illustration by Caryl Gorski

COMING OF AGE:
When the Baby Boomers retire, one-fourth of our nation's population will be older than 55. As the new age dawns, issues of health and happiness loom large. Inside, *Kansas Alumni* outlines the University's attempts to answer age-old questions.

A LOOK AT THE FUTURE

(households by type:
1985 to 2000)

Nonfamily households should continue to grow faster than family households between 1985 and 2000.

	1985*		1990		1995		2000		change 1985 to 2000	
	number	percent	number	percent	number	percent	number	percent	number	percent
All households (in thousands)	86,789	100.0%	94,227	100.0%	100,308	100.0%	105,933	100.0%	19,144	22.1%
Family households	62,706	72.3	66,758	70.8	69,787	69.6	72,277	68.2	9,571	15.3
Married couples	50,350	58.0	53,012	56.3	54,863	54.7	56,294	53.1	5,944	11.8
Other families	12,357	14.2	13,746	14.6	14,924	14.9	15,983	15.1	3,626	29.3
Female householder	10,129	11.7	11,165	11.8	11,984	11.9	12,701	12.0	2,572	25.4
Male householder	2,228	2.6	2,581	2.7	2,940	2.9	3,282	3.1	1,054	47.3
Nonfamily households	24,082	27.7	27,469	29.2	30,520	30.4	33,656	31.8	9,574	39.8
Female householder	13,968	16.1	15,523	16.5	16,854	16.8	18,204	17.2	4,236	30.3
Male householder	10,114	11.7	11,946	12.7	13,666	13.6	15,452	14.6	5,338	52.8

(households by age:
1985 to 2000)

Households headed by 45-to-54-year-olds are expected to grow by 71 percent between 1985 and 2000.

	1985*		1990		1995		2000		change 1985 to 2000	
	number	percent	number	percent	number	percent	number	percent	number	percent
All householders (in thousands)	86,789	100.0%	94,227	100.0%	100,308	100.0%	105,933	100.0%	19,144	22.1%
Under 25	5,438	6.3	4,663	4.9	4,316	4.3	4,442	4.2	-996	-18.3
25 to 29	9,637	11.1	9,663	10.3	8,427	8.4	7,801	7.4	-1,836	-19.1
30 to 34	10,377	12.0	11,520	12.2	11,500	11.5	10,203	9.6	-174	-1.7
35 to 44	17,481	20.1	21,245	22.5	23,916	23.8	25,339	23.9	7,858	45.0
45 to 54	12,628	14.6	14,429	15.3	18,035	18.0	21,603	20.4	8,975	71.1
55 to 64	13,073	15.1	12,311	13.1	12,233	12.2	13,903	13.1	830	6.3
65 to 74	10,851	12.5	11,672	12.4	12,006	12.0	11,516	10.9	665	6.1
75 and over	7,305	8.4	8,724	9.3	9,876	9.8	11,126	10.5	3,821	52.3

* Estimate from March 1985 Current Population Survey.

Source: Middle-series projection from "Projections of the Number of Households and Families: 1986 to 2000," Current Population Reports, Series P-25, U.S. Bureau of the Census, No. 986, 1986.

growth. The number of households headed by 45-to-54-year-olds should increase by an average of 700,000 a year through the 1990s.

The 1980s will see the last gains for this century in the number of households headed by 25-to-34-year-olds. Beginning in the 1990s, these households will decline as the baby-boom generation ages into its late 20s and early 30s. Newlyweds will represent a shrinking share of all new households.

The number of households headed by 55-to-64-year-olds won't start to grow again until after 1995. The

bureau's projections show little difference among the three series in the number of households in this age group. Householders aged 55 to 64 are well beyond the divorce-prone years. The death of a spouse affects the number of these households only if the surviving spouse moves in with other family members.

The bureau projects slow growth for householders aged 65 to 74 as the Depression-era generation shrinks the ranks of the youthful elderly. The 65-to-74 age group should gain only 665,000 more households—a 6 percent increase over the next 15 years.

The oldest householders, however—those aged 75 and over—should increase a dramatic 52 percent from 7 million in 1985 to 11 million in 2000. The addition of 3.8 million householders aged 75 and older is the sign of a changing society, one which must cope with the benefits as well as the challenges of increasing longevity and the growing economic independence of older people. •

The middle-series projections cited in this article are from "Projections of the Number of Households and Families: 1986 to 2000," Current Population Reports, Series P-25, No. 986, 1986, U.S. Bureau of the Census.

reports that female-headed families grew at a rate of 16% between 1980 and 1985 down from a 30% increase between 1970 and 1975.

There was a gain between 1980 and 1985 of 18% for types of families other than those of married couples which had only a 3% gain. The statistics show that 80.3% of all U.S. families include married couples, down from 86.9% in 1970.

In 1985 the average American household consisted of 2.69 people compared with 2.76 people in the five years previous. The decrease in the number of households is slowing down because of a slower increase in the number of individuals living alone.

Some Retirement Realities

A study by the U.S. Department of Health and Human Services shows that for every 100 persons who start careers, the following situation exists at age 65:

29 are dead

13 have annual incomes of less than \$3,500

55 have incomes between \$3,500 and \$20,000

3 have annual incomes of more than \$20,000

(*Financial Services*, Volume 14, number 4)

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National Foundation of Funeral Services

Facts from the Foundation is published quarterly by the National Found

Volume 1, Number 4, 1986. Howard C. Raether, Editor.

FFDA: November 1986 Average Funeral Cost \$2,810.70

Federated Funeral Directors of America, headquartered in Springfield, Illinois reports that its clients, located in 25 Mid-Western and Eastern states, conducted 12,365 services in November 1986. Below are the costs for that reporting month, with comparative data for the same month in 1985 and 1984.

	1986 (12,365)	1985 (12,815)	1984 (12,822)*
•Average regular adult funeral (services plus casket)	\$2,810.70	\$2,693.12	\$2,564.36
•Average wholesale casket cost	479.50	460.29	437.90
•Average purchase of outside receptacle	537.36	512.93	488.63

*Cases

Source: Management Analysis Division, FFDA

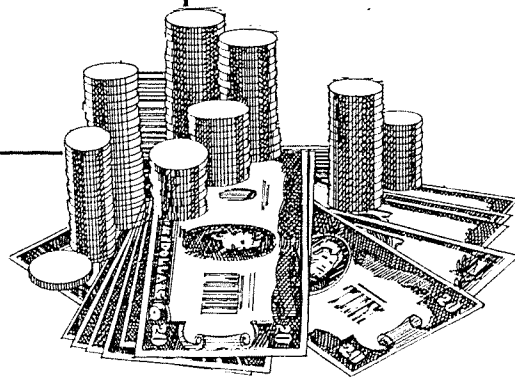
CURRENT LAW

Funeral items which are exempt assets in qualifying for Public Assistance

FUNERAL

FUNERAL SERVICES
AVG COST \$1611

\$2000



CEMETERY

LOT

AVG COST
\$500

VAULT

AVG COST
\$600

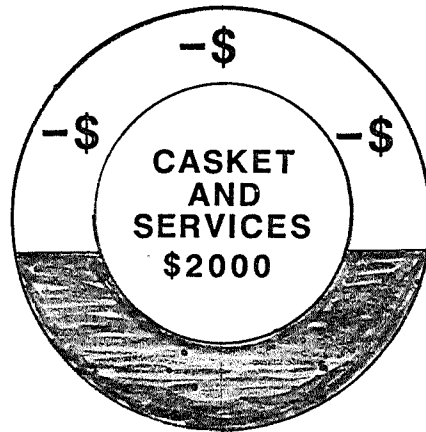
MARKER

AVG COST
\$600

CASKET

AVG COST
\$1200

SB 11



AVERAGE COST \$2810.70

LOT

VAULT

MARKER

PROBLEM

- NO CASKET
- FEWER SERVICES--DIRECT CREMATION
--GRAVESIDE SERVICES
--NO VISITATION
- LESS CASKET AND FEWER SERVICES

OR

LET THE STATE PAY FOR IT!



SOLUTION

KEEP CASKETS UNDER MERCHANDISE LAW
OR
RAISE LIMITS
ON ASSETS EXEMPT
FROM WELFARE

