

# Opening a Crematory: Weighing the Advantages and Disadvantages

Many funeral homes will make big purchasing decisions over the years, but few will be bigger than the decision is to open a crematory. The NFDA 2019 Cremation Business Practices Survey shows that, of those who responded, only 35.5% said they already owned a crematory and 10.5% said they planned on opening a crematory within the next five years.

If you are among that 10.5% and your state's statutes allow funeral homes to own a crematory, now is the time to consider the advantages and disadvantages of owning a crematory before making this significant investment.

Once you've reviewed applicable state laws, passed the litmus test of your community's city council, zoning and planning committees and overcome any other obstacles that may have prohibited you from building, you'll want to be sure that opening a crematory is in your best interest with minimal negativity on your funeral home business.

It may be a bit overwhelming, but NFDA (with the help of a few friends) has compiled some of the top advantages and disadvantages of crematory ownership to aid you in making an informed decision.

## Advantages/Opportunities

- Respond to increased demand for cremation services
- Enables your funeral home to be "full service"
- Increases the value of your business
- Helps you compete effectively against stand-alone crematories and funeral homes with crematories
- Can help increase market share and attract new families
- Helps your funeral home differentiate itself from the competition
- Increased profitability
- Reduces/eliminates liability
- Easier for your funeral home to control the timing of the cremation to better serve the family
- Provides the family with the peace of mind knowing their loved one never leaves your care and custody
- You have control over hiring crematory staff
- Eliminates time spent traveling to and from a 3<sup>rd</sup> party provider

## Disadvantages/Risks

- Startup costs
- Cremation volume may not support the expense of maintaining crematory
- Crematory not properly staffed and managed
- Potential for damage to crematory and funeral home due to fire if crematory is in same building
- Becoming an "outsider" in the local professional peer group after installation
- Negative publicity in the community based on unsubstantiated information on cremation and the environment
- Taking on too much - running the funeral home, seeing families, conducting funerals and operating the crematory without proper resources
- Potential of an increase in general liability and property insurance rates
- Market is already saturated with numerous crematories

NFDA members have access to unlimited resources to help you make a decision that is in the best interest of your firm and your community. *Opening a Crematory, Frequently Asked Questions for Funeral Professionals*, an NFDA member benefit, is a great resource to help you get started.

[nfda.org/cremation](https://nfda.org/cremation)