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Cost of dying crisis for low-income families

Eligible low-income families are facing heart wrenching decisions when it comes to farewelling their loved ones, according to a Funeral Directors Association member survey.

On 1 April the Work and Income (WINZ) Funeral Grant increased 7% to \$2,445, as part of an annual CPI adjustment, but it still only covers a third of the cost of a simple ceremony and burial.

“While we welcome the increase, the grant continues to be woefully inadequate when covering the most basic costs of a funeral – that’s because a simple funeral with a cremation costing an average of \$6,500 and a simple funeral with a burial upwards of \$8,400,” says Funeral Directors Association of New Zealand Chief Executive Gillian Boyes.

And the issue is set to get worse with council fees for burials and cremations expected to increase again this year, alongside rising material costs and general inflation.

“We are concerned that real harm is being caused by the inequalities surrounding access to what should be a basic human and cultural right – to be able farewell a loved one with dignity and respect.”

The concern was illustrated by the Association’s recent membership survey, with the inadequacy of the grant meaning some families are forced to choose to have little to no ceremony, while direct cremation is the only option for others.

One Manawatu member commented; “We try to keep things to a minimum when we know that hardship and money is a problem, but the basics of council fees for a cremation or a burial alone are not covered (by the grant).”

Ms Boyes says that this has a variety of concerning impacts, with potential long-term effects for ethnic communities and low-income families who are not able to adequately farewell a loved one.

“Families, who would prefer a burial for religious or cultural reasons are left choosing between either taking on unaffordable loan from a third-tier lender or borrowing from friends or family in order to provide an appropriate funeral service.”

Significant financial pressure is also being placed on funeral directors, which Ms Boyes says could ultimately result in geographical gaps in service.

“Some of our members are left accepting small drip feed payments which threaten their own long-term viability. One of our Waikato members commented that some families continue part-paying for years, while an Auckland member noted the significant financial liability on their business saying that families end up having to pay over a number of months.”

“These pressures are being severely felt in our provincial communities. In the last four years, Ministry of Social Development figures show the number of Funeral Grants distributed in the Taranaki region increased 37%, while in Waikato they increased 22%, demonstrating a real need in our communities.

Ms Boyes says that it is critical that the Funeral Grant is increased to properly support the most vulnerable in our communities.

Funeral Grants are an asset tested hardship grant intended to contribute to the essential costs of a simple funeral, with approximately 5,000 grants issued each year.

Other than annual CPI adjustments, the last meaningful increase to Funeral Grants was 20 years ago. The Association has been advocating on behalf of its members for the Funeral Grant to be increased since 2000.

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ASSOCIATION OF NZ

The Funeral Directors Association of New Zealand represents funeral directing companies that undertake the majority of funerals in New Zealand. They are a group of caring professionals who are committed to ensuring that the families they serve receive high-quality funeral service. For more information, visit our website: www.funeraldirectors.co.nz