
Retirement Intentions: Funeral Service Providers

Healthcare Workforce Data Center

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Contents

INTRODUCTION	4
METHODS	4
Data.....	4
Analyses	5
Measures.....	5
RESULTS	5
Analysis One.....	6
Analysis Two.....	7
CONCLUSION	8

INTRODUCTION

The goal of this report is to examine whether funeral service providers (FSPs) actually retire when they intended to retire. The impetus for the study is the high retirement intentions reported by FSPs in the Healthcare Workforce Data Center (HWDC) surveys and the high median age of the workforce. The median age for FSPs licensed in Virginia has been 54 years for the past two years¹, the highest of all healthcare professions that HWDC surveys in Virginia. Further, FSPs are an integral part of the public health workforce. Recent events like the coronavirus pandemic have shown that FSPs play a key part in public health. The current FSP workforce may be insufficient to cope with a higher demand arising from the country's rapidly aging population and the aging of baby boomers, that is those born between 1946 and 1964, who also make up a significant proportion of the FSP workforce. For instance, 47% of Virginia's FSP workforce is age 55 and over¹. Most of these baby boomers are expected to retire within the next two decades, leading researchers to project a shortage of FSPs in that period. Currently, about one in every twenty FSPs intends to retire within two years. Further, over a quarter of Virginia's FSP workforce intends to retire within the next decade, begging the question how closely do intentions and plans correlate with behavior? The two sections in this study address this question for FSPs licensed in Virginia.

METHODS

Data

The data for this study come from the Virginia Funeral Service Provider Workforce Survey. Every year, the Virginia Department of Health Professions Healthcare Workforce Data Center administers the Virginia Funeral Service Provider Workforce Survey to FSPs renewing their license that year. In the first survey in 2017, FSPs were asked at what age they intend to retire. Their current age was subtracted from their intended retirement age to obtain the expected number of years to their retirement. The expected years to retirement was used to create the samples in this study. This study creates two samples from the 2017 survey data.

The first sample includes FSPs who intended to retire within two years of the 2017 survey, the base survey. A second question asked the FSP respondents what they planned to do in the next two years, with options including retire, leave the profession, continue in the profession, decrease practice hours, increase practice hours, pursue additional education, decrease teaching time, and increase teaching time. The first sample included FSPs who intended to retire within two years and who also indicated that they planned to retire in two years. It excluded those who were already retired. This study also restricted the sample to FSPs working only in FSP-related positions. Using 2017 as the base survey year and 2018 to 2020 as follow up years, this study examined how many of these FSPs actually retired by 2020.

As shown in the following table, there were 1,557 licensed FSPs in Virginia in 2017. Of those, 776 completed the 2017 survey. However, only 534 respondents answered the retirement age question; 242 did not respond to the question.

The following table shows that a total of 35 FSPs indicated that they intended to retire within two years of the 2017 survey. Of the 35, 33 also reported that they planned to retire in two years. Further, two of the remaining 33 did not work in a FSP-related position and three had retired; these five were excluded from subsequent analyses. Sample one included the remaining 28 FSPs who were followed in the 2018 to 2020 surveys to see if they indeed retired.

¹ <http://www.dhp.virginia.gov/media/dhpweb/docs/hwdc/fde/0502FSP2020.pdf>

	FSPs
Total licensees in 2017	1,557
Total respondents in 2017	776
Total who responded to retirement age question	534
Reported retiring within 2 years	35
Of those how many also reported 2-year retirement plan	33
% agreement between intentions and plan	94%
Number already retired	3
Number not employed as a FSP in 2017	2
Sample 1: Number employed and intending/planning to retire after removing retirees	28
Reported not retiring within 2 years	499
Number already retired	0
Number not employed as a FSP in 2017	36
Sample 2: Number employed and not intending/planning to retire after removing retirees	463

The second sample included the respondents who were not planning to retire within two years. Of the remaining 499 who responded to the retirement age question and who did not intend or plan to retire within two years, 30 were not employed in a FSP-related position, two were involuntarily unemployed and four were voluntarily unemployed. However, 463 were employed in a FSP-related capacity. This second sample was followed to see whether any of them retired between 2017 and 2020.

Analyses

The first analysis in this study examined how many of the respondents who intended and planned to retire within two years of 2017 were retired at the end of the review period in 2020. The work and retirement status of each of the FSPs in sample one was reported. The second analysis examined how many respondents who did not intend to retire within two years of 2017 were retired by 2020.

Measures

Respondents were asked what their working status was in subsequent surveys after 2017. The options included: employed in a FSP-related capacity; employed capacity unknown; employed not in a FSP-related capacity; not working, reasons unknown; voluntarily unemployed (including for medical reasons); involuntarily unemployed; or retired. A binary variable indicating whether a respondent had selected retired or not (1=Yes, 0=No) was created from this question. The frequency of respondents indicating they had retired was obtained from this variable and was used for the two analyses.

RESULTS

Using the 2017 survey data, the following table compares the summary statistics of samples one and two. Median income was the same for the two groups. However, the mean age of FSPs who intended and planned to retire within two years of 2017 was higher than that of sample two. Females were more represented in sample two. The intended retirees in sample one had a higher proportion of Whites but sample two included 2% Hispanic who did not feature at all in sample one. FSPs in sample two were slightly more likely to have at least a baccalaureate degree.

	Sample One	Sample Two
Mean age	60 yrs.	49 yrs.
Female	4%	29%
White	85%	74%
Black	11%	22%
Hispanic	0%	2%
Asian	0%	0%
Others	4%	2%
At least baccalaureate degree	15%	18%
Funeral only establishment	71%	56%
Funeral and crematory establishment	25%	31%
Works one part time position	11%	7%
Works full time/2 part time	79%	83%
Works 2 or more full time	10%	10%
Job length between 3 and 10 years	33%	34%
Job length more than 10 years	59%	44%
Works <30 hrs.	11%	7%
Works 30-49 hrs.	59%	58%
Works 50-59 hrs.	26%	19%
Works 60+ hrs.	4%	16%
% Satisfied with job	90%	97%
Median income	\$50,000-\$60,000	\$50,000-\$60,000
% Licensed outside state	32%	34%
% in VA workforce	86%	81%
% Employer-provided health insurance	54%	62%
% Employer-provided retirement benefits	57%	49%

Compared to sample two, those in sample one were more likely to be working in funeral only establishments in 2017. Sample one had a higher proportion of FSPs who worked at one part time position. About 59% of those who intended and planned to retire within two years had been at their position for more than a decade compared to 44% of FSPs in sample two. FSPs in sample one were more likely to be working more than 60 hours per week in 2017. FSPs in sample two were more likely to report being satisfied with their employment in 2017 than FSPs in sample one. FSPs in sample one were less likely to have held a license outside Virginia and more likely to be in Virginia's workforce. Report of employer-provided health insurance benefit was higher among FSPs in sample two whereas report of employer-provided retirement benefits was higher among FSPs who intended to retire the soonest, sample one.

Analysis One

The following figure presents the retirement status of the twenty-eight FSPs in sample one from 2018 to 2020. It also demonstrates the problem of attrition, as seven of the FSPs followed were lost to follow up when their licenses expired. Further, others had active licenses but did not respond to the retirement status question in subsequent surveys; five FSPs were in this category in the 2020 survey. One FSP was also deceased.

Of the twenty-eight FSPs, the retirement status of nineteen was known. Only five (11%) of the nineteen had retired by 2020. Fourteen FSPs were likely still working in a FSP-related capacity either because they reported they were working or because they have an active license in 2020 and had reported they were working in 2019.

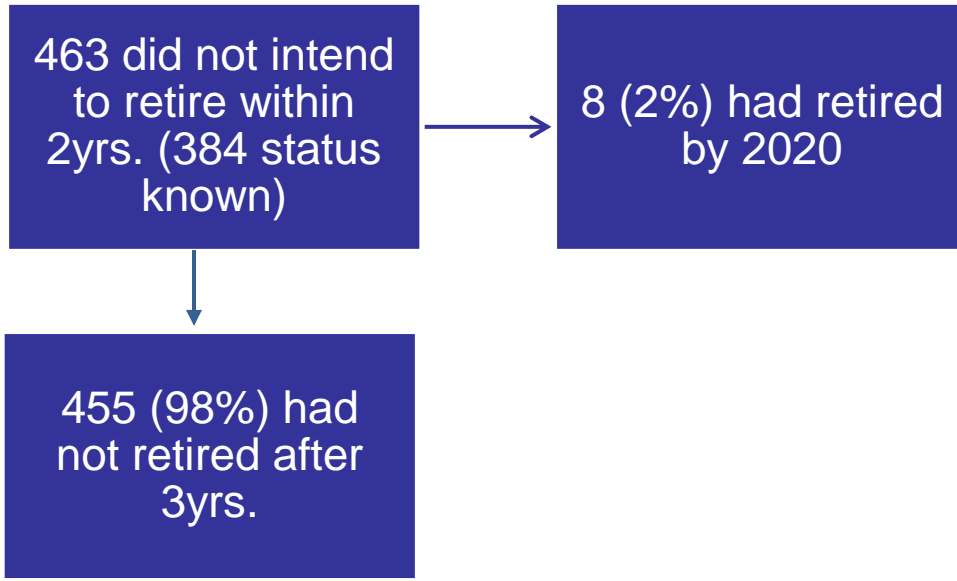
	2018	2019	2020
Person1	Working in a FSP Capacity	Working in a FSP Capacity	Deceased
Person2	Working in a FSP Capacity	No longer licensed in VA	No longer licensed in VA
Person3	No longer licensed in VA	No longer licensed in VA	Retired
Person4	Working in a FSP Capacity	Retired	Retired
Person5	Working in a FSP Capacity	Retired	Expired license
Person6	Working in a FSP Capacity	Working in a FSP Capacity	Retired
Person7	Working in a FSP Capacity	Working in a FSP Capacity	Expired license
Person8	Expired license	Expired license	Expired license
Person9	Working in a FSP Capacity	Expired license	Expired license
Person10	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person11	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person12	Expired license	Expired license	Expired license
Person13	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person14	No longer licensed in VA	No longer licensed in VA	Working in a FSP Capacity
Person15	Working in a FSP Capacity	No longer licensed in VA	Working in a FSP Capacity
Person16	Working in a FSP Capacity	Expired license	Expired license
Person17	No longer licensed in VA	No longer licensed in VA	No longer licensed in VA
Person18	Working in a FSP Capacity	Working in a FSP Capacity	No longer licensed in VA
Person19	Working in a FSP Capacity	Expired license	Expired license
Person20	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person21	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person22	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person23	No longer licensed in VA	Working in a FSP Capacity	No longer licensed in VA
Person24	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity
Person25	No longer licensed in VA	Working in a FSP Capacity	Working in a FSP Capacity
Person26	Working in a FSP Capacity	Working in a FSP Capacity	No longer licensed in VA
Person27	Retired	Retired	Retired
Person28	Working in a FSP Capacity	Working in a FSP Capacity	Working in a FSP Capacity



Analysis Two

Of the 463 licensees who did not intend to retire within two years of the 2017 survey, the retirement status of 384 (83%) was known. Of the 384, only 8 (2%) had retired by 2020. Of the remaining 376, 358 were working in a FSP-related capacity in 2019 or 2020; 9 were working in other fields and 4 were voluntarily or involuntarily unemployed. Thirteen did not respond to the retirement status question but had current licenses in 2020 and were working as a FSP in 2019 so they were likely working. Of the 79 licensees with unknown retirement status, 20 had let their licenses expire and had not renewed. Another 40 were no longer active in the FSP licensing system because they renewed but did not complete the needed continuing education because they were not

practicing in state; 17 had simply dropped off after 2017 and their status was not known. However, two of the licenses were suspended by the Board of Funeral Directors and Embalmers in disciplinary actions.



CONCLUSION

The findings from this study are not very encouraging even though only 11% of FSPs licensed in Virginia who intended and planned to retire within a two-year period did so within the immediate three-year period. Another 2% of FSPs who did not indicate that they intended to retire within two years had retired by 2020. Although, after combining both numbers, fewer FSPs exited by retirement in the three-year period examined compared to the number expected to exit in the stated two-year period. However, there were only 13 more FSPs licenses in 2020 than 2017, just making up for the loss due to retirement. The demand for funeral services which has increased with the COVID pandemic is likely to tax the system. Further, with such a high proportion of older workforce, attention needs to be directed to bringing in younger workforce to counter further loss through retirement and aging of the workforce.

Another concerning finding in this study is the number of FSPs who leave Virginia's workforce by letting their licenses expire. For example, 17% of the licenses in sample two had expired within three years of 2017. It is unknown whether these FSPs leave for another state's FSP workforce, work in another capacity in Virginia, or let their license expire because they retired. These unknowns need further investigation and finding ways to keep them licensed and working in Virginia is important at this time.

However, based on the known working status of the FSPs followed, there are some encouraging findings that suggest that the projected FSP professional shortage due to retirement may not be as severe as anticipated in Virginia. Of those with known status, there were more working than had retired in the two samples examined in this study. Thus, it is reassuring that, even though a lot of baby boomer FSPs will be exiting the workforce, several remain past their intended and planned exit. Further, individuals often retire in stages so some of the retired FSPs may return to work fewer hours but may still help respond to the increased FSP demand. A more pressing concern might be recruiting younger workforce urgently so there is transfer of knowledge before the older workforce leave due to retirement or mortality. The condition of the economy will likely also play a critical role in how closely FSPs' retirement intentions and plans match their behavior.