



Spending on the Final Farewell: A Look at Funeral-Related Household Expenditure

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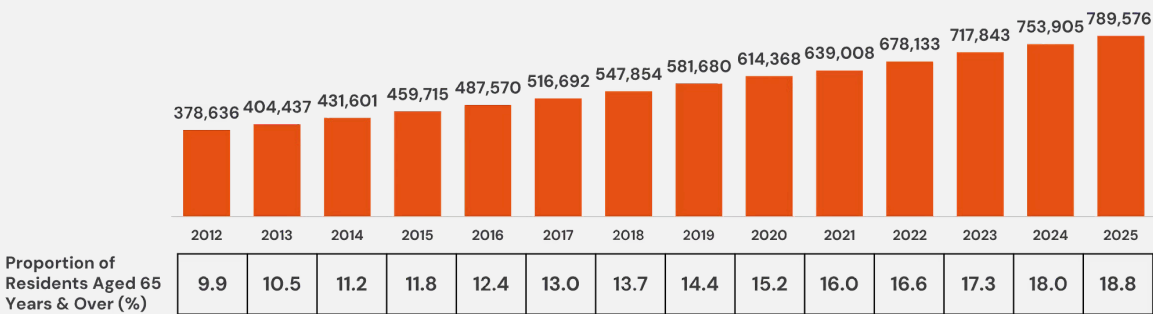
Introduction



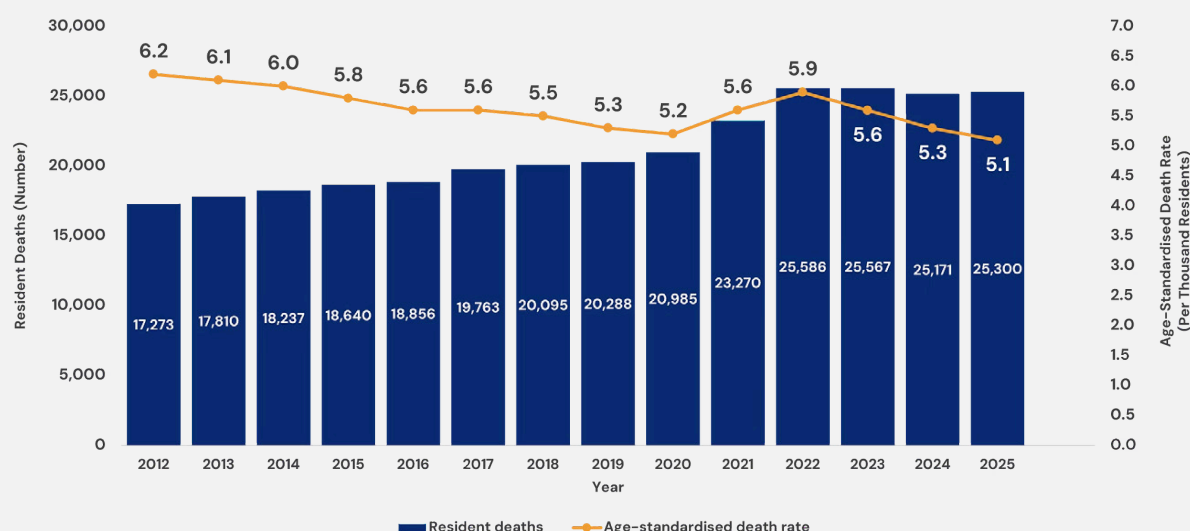
Singapore's population has been ageing over the past decade, with both the number and proportion of elderly persons increasing (Chart 1A). As Singapore's population shifts towards older age groups, where mortality rates are naturally higher, the annual number of deaths has also increased (Chart 1B). This demographic shift has, in turn, contributed to greater demand for funeral-related services.

This article examines changes in household expenditure on funeral-related services between 2012/ 13 and 2023, drawing on data from the Household Expenditure Survey (HES) [1]. Expenditures on funeral-related services included funeral packages, fees for funeral services, funerary articles, buffet catering for wakes and rental of premises etc.

Chart 1A: Number and Proportion of Residents Aged 65 Years and Over, 2012 – 2025



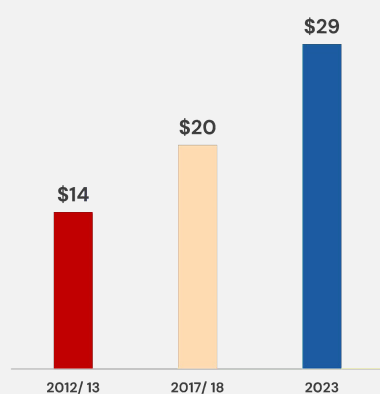
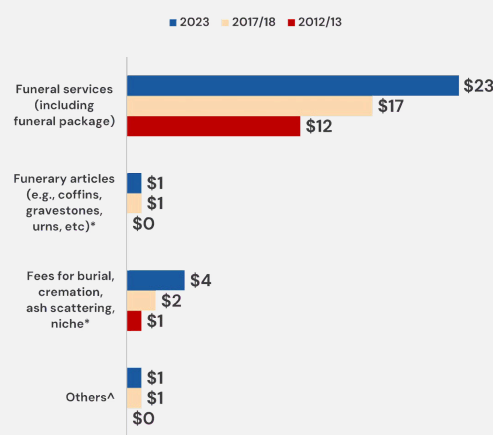
[1] Conducted once every five years, the HES collects information on expenditure, socio-economic characteristics and ownership of consumer durables of households. The latest HES was conducted in 2023. To more comprehensively capture large expenses that occur infrequently, the HES introduced a section to collect wedding- and funeral-related expenditures since 2012/ 13, to prompt respondents to recall and report expenditure incurred over the 12 months preceding the survey.

Chart 1B: Annual Resident Deaths and Age-Standardised Death Rate [2], 2012 - 2025

Note: Mortality rates rose during the COVID-19 pandemic, particularly in 2021 and 2022.

Expenditure on Funeral-Related Services Rose

Average monthly household expenditure on funeral-related services **among all resident households** more than doubled from \$14 in 2012/ 13 to \$29 in 2023 (Chart 2A). While this remained a low share of household expenditure, at about 0.5% of households' average monthly expenditure of \$5,931, it grew at a faster pace than the average household expenditure. Funeral services accounted for the largest share of funeral-related expenditure in 2023, at \$23 per month (Chart 2B).

Chart 2A: Average Monthly Household Expenditure on Funeral-Related Services Among Resident Households, 2012/ 13 - 2023**Chart 2B: Average Monthly Household Expenditure on Funeral-Related Services by Type of Services/ Goods*^ Among Resident Households, 2012/ 13 - 2023**

Note: The monthly figures represent expenditure incurred over the 12-month survey reference period, averaged across all resident households and expressed on a monthly basis. The average monthly expenditure level may appear low as it includes those that did not incur expenditure on funeral-related services.

* Funerary articles and fees for burial, cremation, ash scattering, niche are not explicitly collected in HES 2012/ 13 and could be subsumed in the Funeral Packages in HES 2012/13.

^ Others include buffet catering and rental of premises, if not part of the funeral package and other funeral and related services not explicitly collected.

[2] Age-standardised death rate is derived by multiplying the age-specific death rates of the reference population by the proportion of the corresponding age group out of a "standard" population. The Singapore resident population as at June 2020 was used to fix the age structure and eliminate its effect on mortality trends. Although age-standardised death rate has generally declined over from 2012, there was a temporary increase during the COVID-19 pandemic, particularly in 2021 and 2022.

To better understand the factors underlying the increase in funeral-related expenditure, the subsequent analyses focus on households incurring such expenses and the amount spent by these households. As funeral-related expenses are typically incurred as one-off events, expenditure among these households is presented as their average total expenditure over the 12-month survey reference period, rather than as a monthly average.

More Households Incurred Funeral-Related Expenses [3] and Spent More

The increase in average household expenditure on funeral-related services among all households reflected both a higher proportion of households incurring such expenses and higher spending among these households. Between 2012/ 13 and 2023, the proportion of households with funeral-related expenditure almost doubled from 1.9% to 3.4%, while average total spending over the 12-month survey reference period among these households rose from \$8,126 in 2012/ 13 to \$10,339 in 2023 (Charts 3A and 3B).

Chart 3A: Proportion of Households that Incurred Funeral-Related Expenditure, 2012/ 13 - 2023

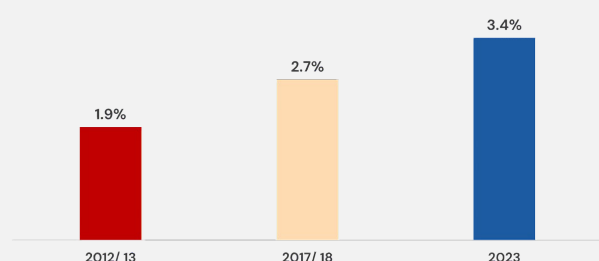
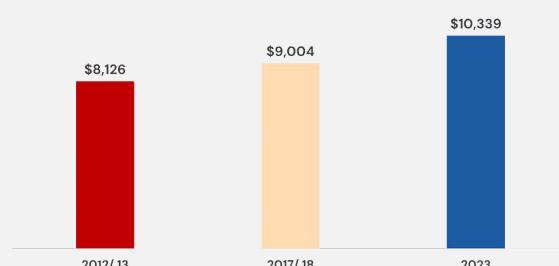
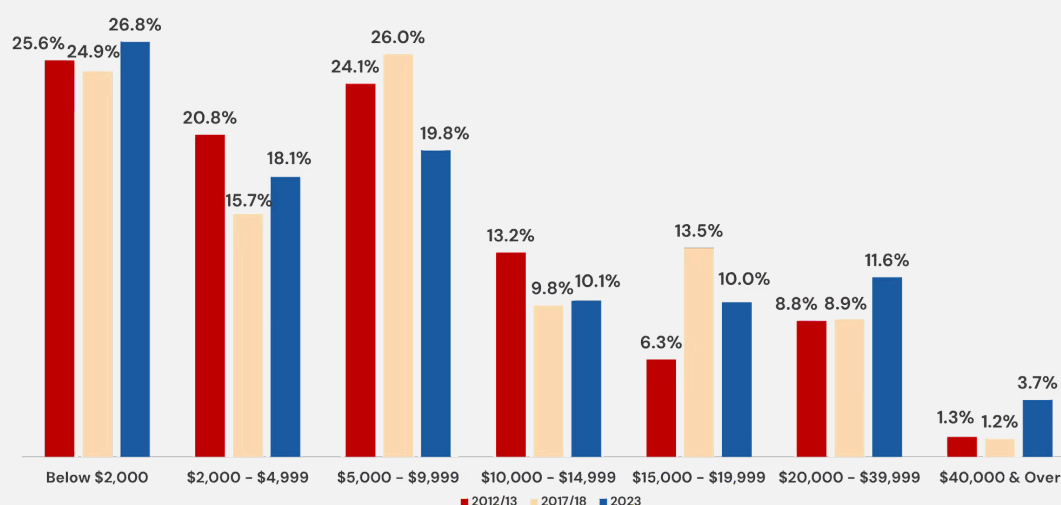


Chart 3B: Average Household Expenditure on Funeral-Related Services Among Households that Incurred Such Expenditure, 2012/ 13 - 2023



Despite average spending among households with funeral-related expenditure reaching around \$10,000 in 2023, households spending less than \$5,000 formed the largest group at 44.9%, while 19.8% spent between \$5,000 and \$9,999 (Chart 3C). These proportions were lower than the corresponding 46.4% and 24.1% in 2012/ 13. At the higher end, the proportion of households spending \$20,000 or more increased from 10.1% in 2012/ 13 to 15.3% in 2023.

Chart 3C: Distribution of Households that Incurred Funeral-Related Expenditure by Expenditure Amount, 2012/ 13 - 2023



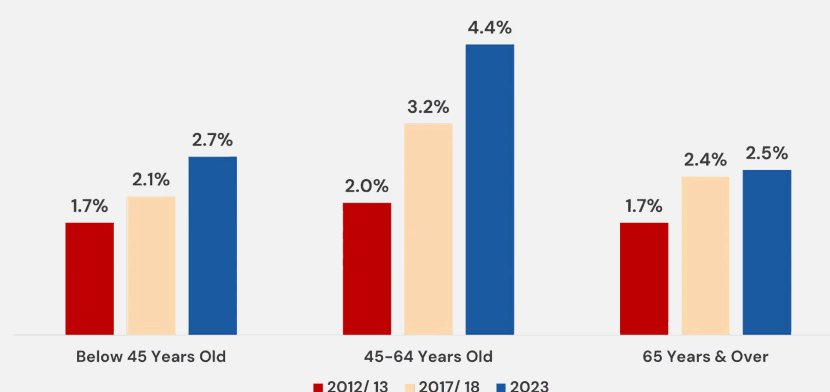
[3] Funeral-related expenses could be shared across households, e.g., siblings living in different households may split the cost.

Middle-Aged Households More Likely to Incur Funeral-Related Expenditure

Funeral-related expenditure patterns varied by the life stage of the household. The proportion of households with funeral-related expenditure increased across all age groups between 2012/ 13 and 2023 (Chart 4A).

Middle-aged households (with Household Reference Persons aged 45–64 years) recorded the highest proportions over this period, with the proportion more than doubling from 2.0% to 4.4%. This could partly reflect their greater likelihood of having elderly parents or other ageing family members, and thus incurring funeral-related expenses.

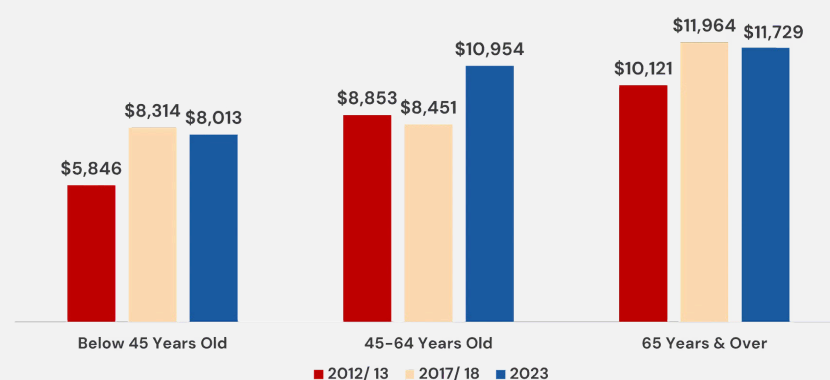
Chart 4A: Proportion of Households that Incurred Funeral-Related Expenditure by Age Group of Household Reference Person, 2012/ 13 – 2023



While middle-aged households had the highest proportion incurring funeral-related expenditure, average funeral-related expenditure was highest among elderly households (with Household Reference Persons aged 65 years and over).

In 2023, average spending ranged from \$8,013 among younger households to \$11,729 among elderly households, with the latter consistently recording the highest spending from 2012/ 13 to 2023 (Chart 4B).

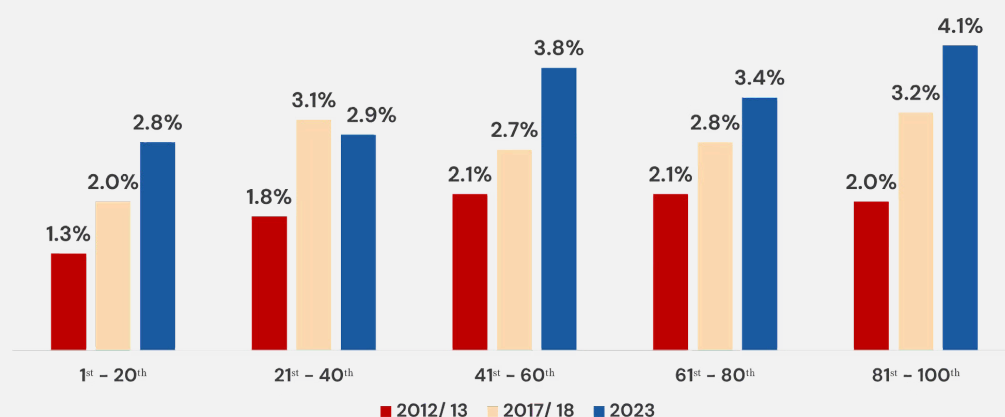
Chart 4B: Average Household Expenditure on Funeral-Related Services Among Households that Incurred Such Expenditure by Age Group of Household Reference Person, 2012/ 13 – 2023



Higher Income Households Tended to Spend More

The incidence of funeral-related expenditure was generally higher among higher-income households (Chart 5A). This could partly reflect their age profile, as a higher proportion of these households had Household Reference Persons aged 45–64 years.

Chart 5A: Proportion of Households that Incurred Funeral-Related Expenditure by Income Quintile, 2012/ 13 – 2023**

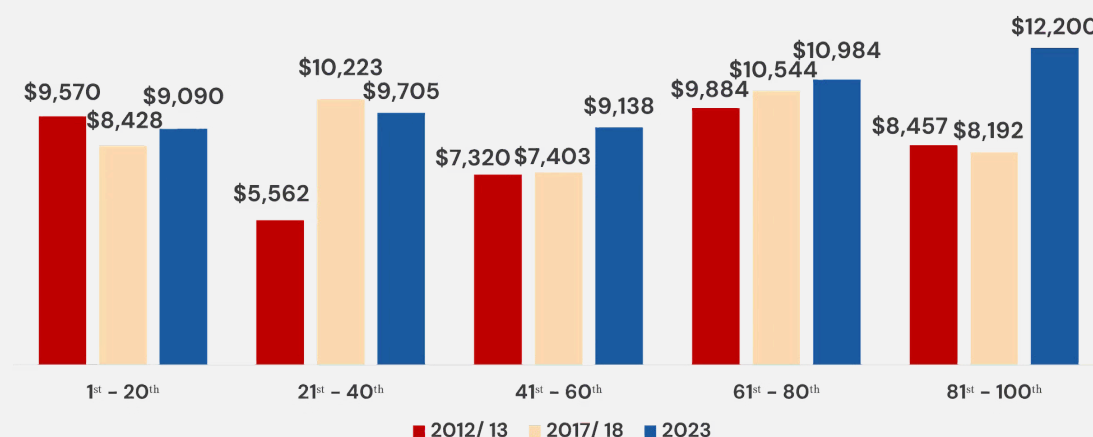


** Based on ranking of all resident households by their monthly household income from all sources per household member (including employer Central Provident Funds (CPF) contributions).

Spending patterns also differed across income groups. In 2023, average spending on funeral-related services was broadly similar for the lower 60% income group, ranging from \$9,090 to \$9,705, but was higher among households in the top 40% at \$10,000 or more (Chart 5B).

Between 2012/13 and 2023, spending increased across most income groups, though it remained relatively unchanged for the lowest 20% income group.

Chart 5B: Average Household Expenditure on Funeral-Related Services Among Households that Incurred Such Expenditure by Income Quintile, 2012/ 13 – 2023**



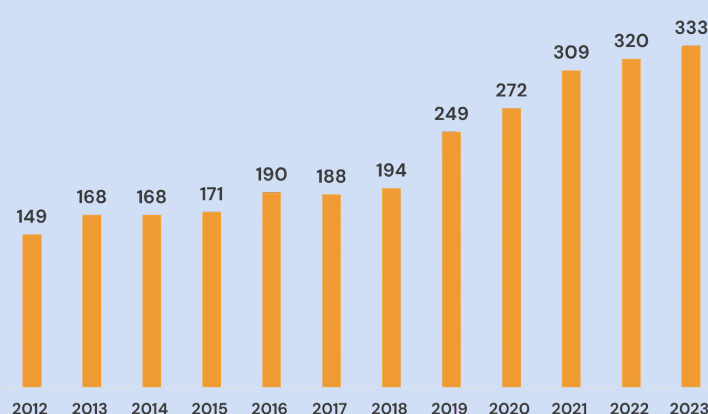
** Based on ranking of all resident households by their monthly household income from all sources per household member (including employer Central Provident Funds (CPF) contributions).

Box Story: Expansion of the Funeral and Related Services Industry

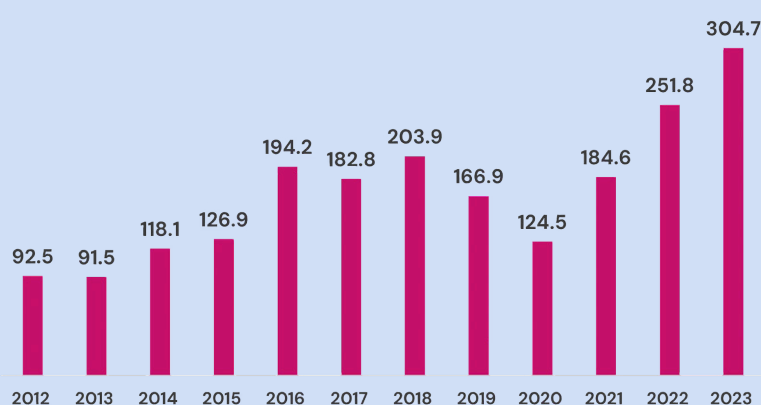
Between 2012 and 2023, the funeral and related services industry expanded, with the number of establishments more than doubling from 149 to 333 and operating revenue more than tripling from \$92.5 million to \$304.7 million (Chart 6). While the industry experienced a temporary decline in operating revenue between 2018 and 2020, which may partly reflect the restrictions of the COVID-19 pandemic on gatherings and altered funeral practices, operating revenue recovered and surpassed pre-COVID-19 levels in 2022, while the number of establishments continued to grow.

Chart 6: Number of Establishments and Operating Revenue of Funeral-Related Services, 2012 – 2023

Number of Establishments in Funeral & Related Services, 2012 – 2023



Operating Revenue of Funeral & Related Services, 2012 – 2023 (\$ million)



Conclusion

Household expenditure on funeral-related services increased between 2012/13 and 2023, alongside Singapore's ageing population and the rise in resident deaths. Over this period, not only did the proportion of households incurring funeral-related expenditure increase, but average spending among these households also rose. While funeral-related expenses are incurred relatively infrequently, they can represent considerable expenditure for households. As Singapore's population continues to age, these expenditure patterns will remain relevant to households' spending needs at different stages of the life cycle.