



# Highlights from the AVMA Business and Economic Forum

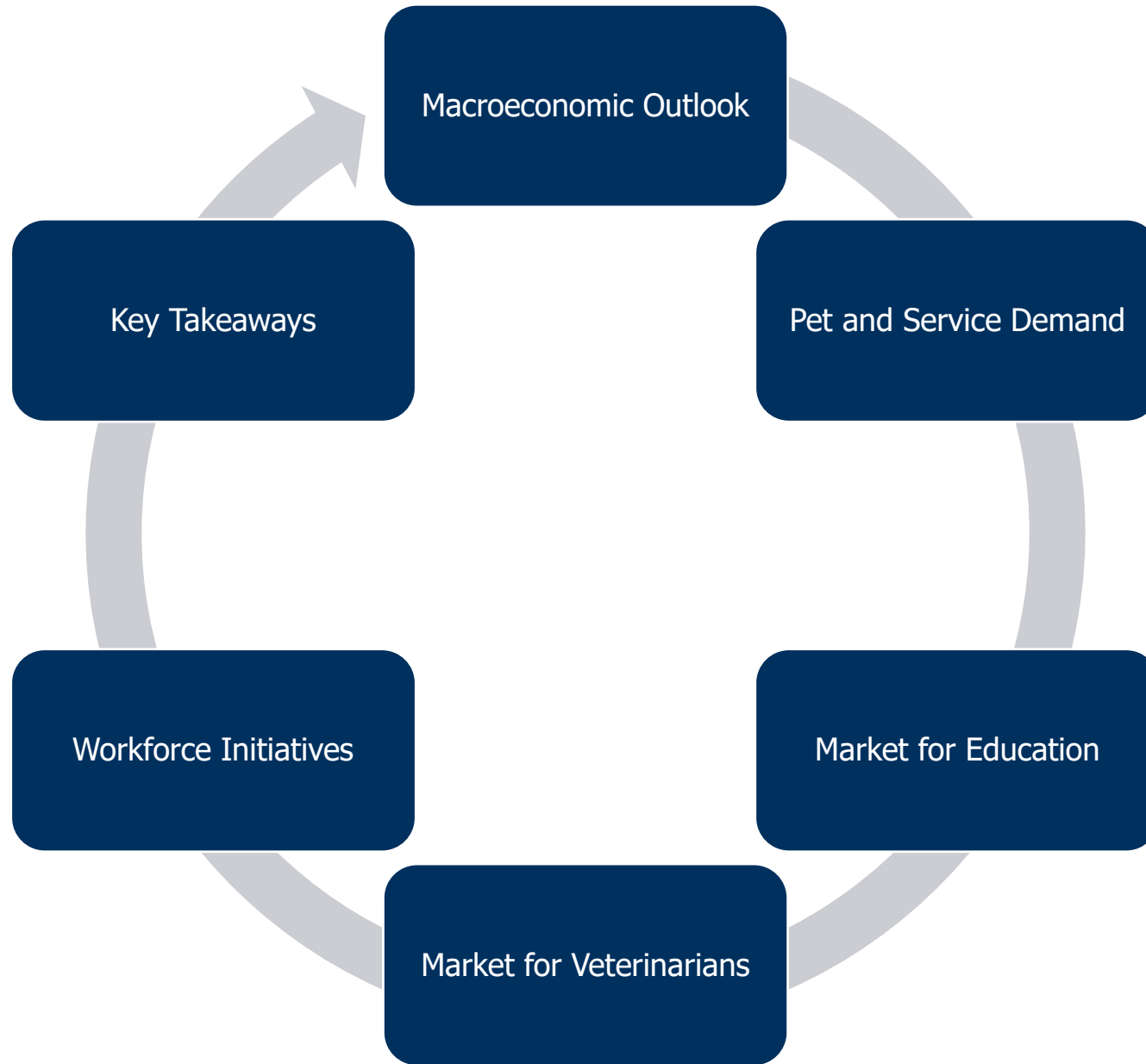
**Dr. Clint Nell**

*Senior Economist*

Associate Director Strategic Business Research and  
Outreach

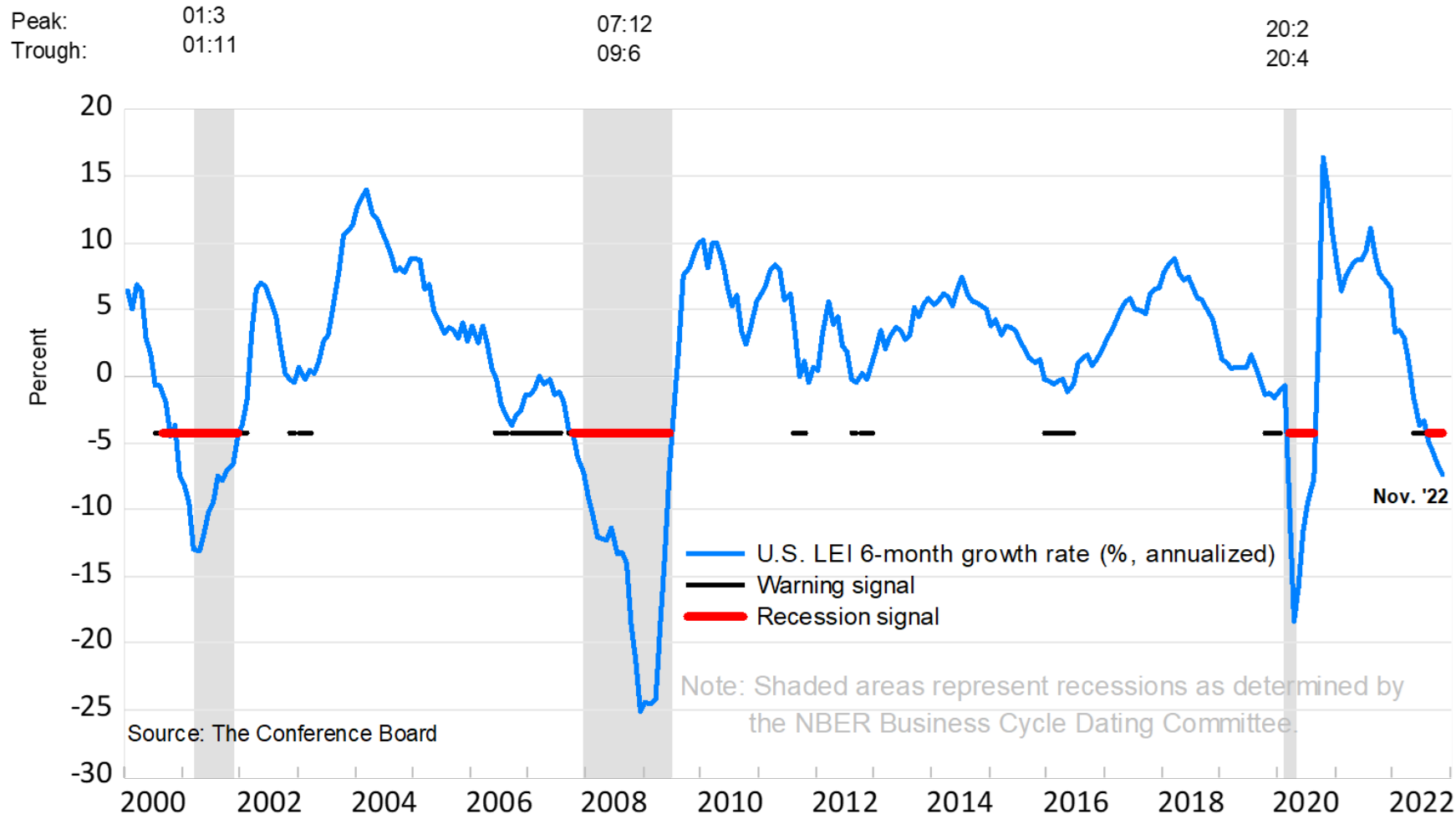
January 19, 2023

# Outline



# Macroeconomic Outlook

# The economy is in state of flux, care with big decisions



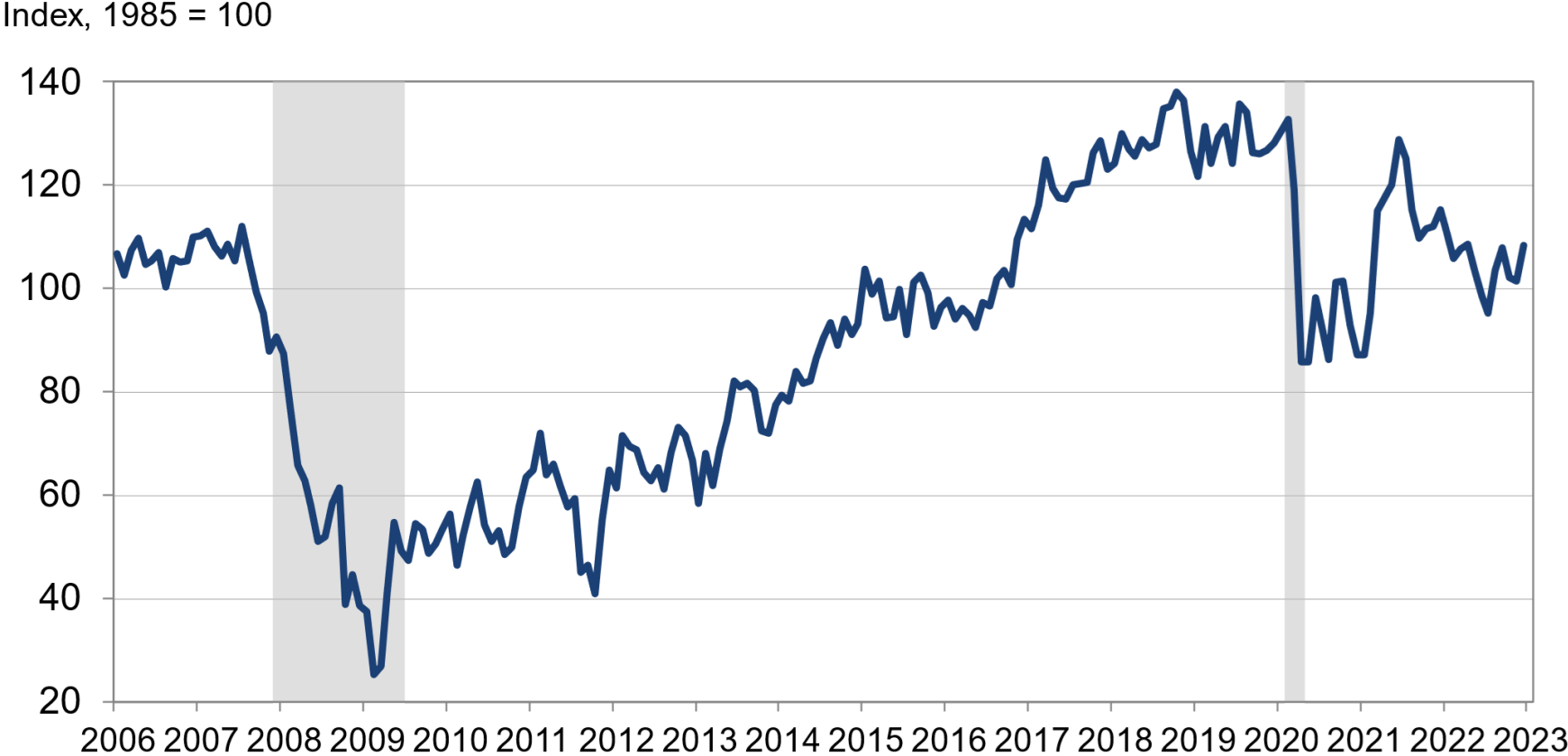
## Indicators to watch:

- Inflation –
  - COGS
  - Consumer Prices
- New Jobs
- Real Wages
- Unemployment
- Housing –
  - Buying and selling
- Consumer Savings
- GDP Growth
- Consumer Confidence

# Consumer Confidence Continues General Decline

## Poor expectations for 2023

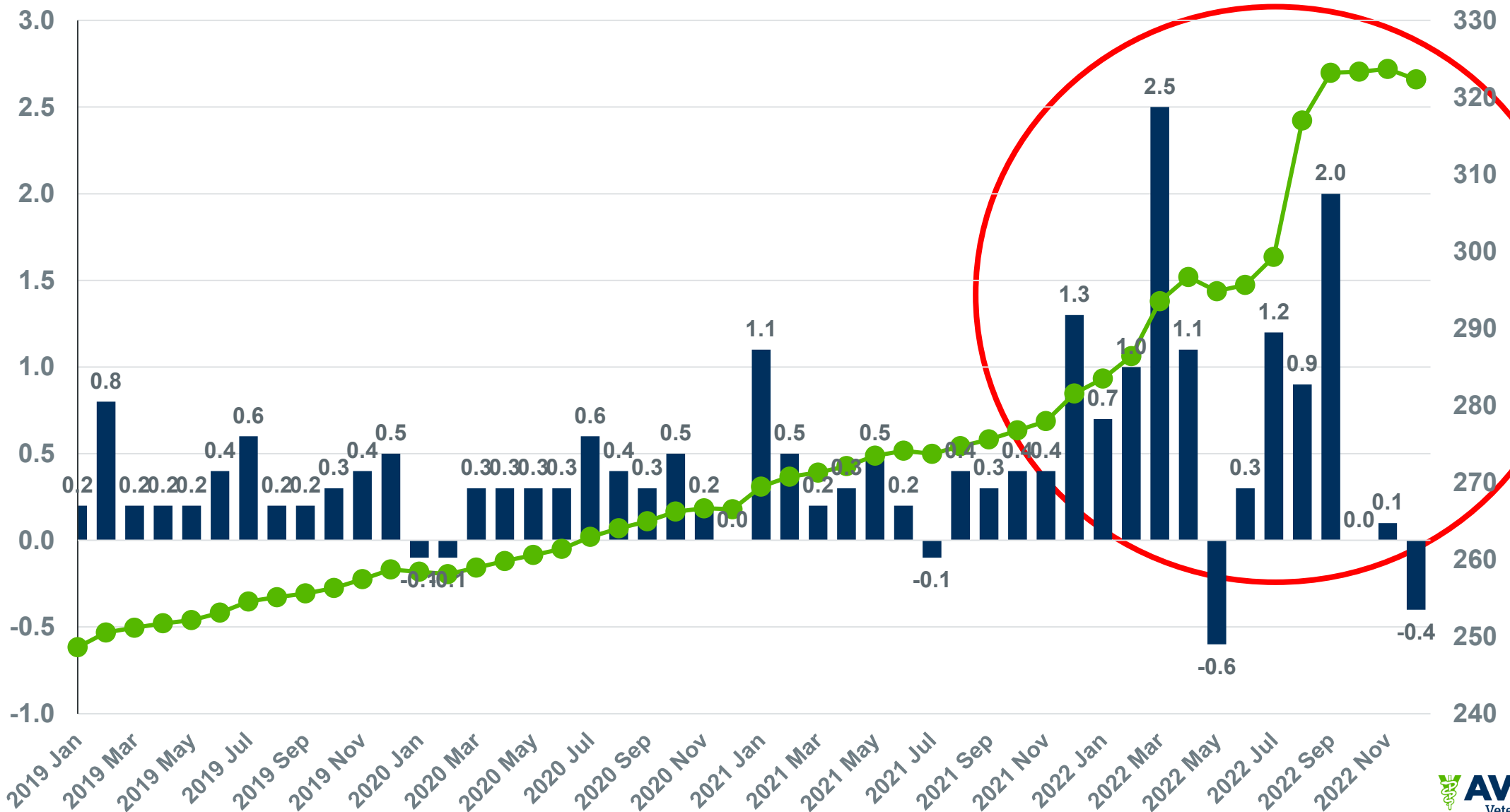
### Consumer Confidence Index®



\*Shaded areas represent periods of recession.  
Sources: The Conference Board; NBER  
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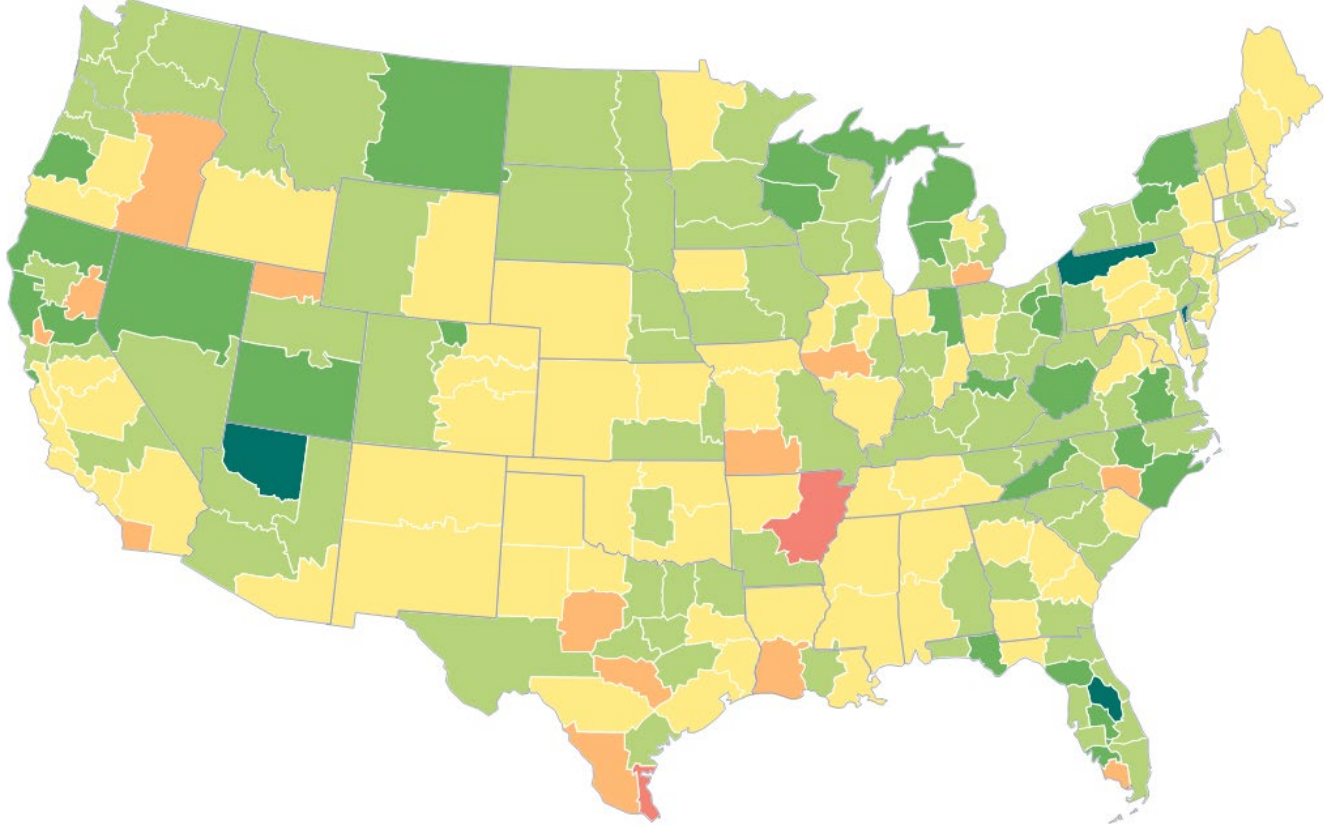
# Veterinarian Services Consumer Price Index, Large Increases for 2022

■ 1-Month % Change ● CPI



# Pet and Service Markets

# Uneven geographic demand for routine care



Vaccine sales changes YTD through Nov 30, 2022

**Key**

- < -50%
- 50% to -30%
- 30% to -10%
- 10% to -5%
- 5% to 0.0%
- +0.0% to +5%
- +5% to +10%
- +10%



VETERINARY TREND WATCH  
Monthly insight for US veterinary market trends





# Better Understanding of Pet Ownership Changes (Packaged Facts, 2022)

	Spring 2018	Spring 2019	Spring 2020	Spring 2021	Spring 2022
Number of pet owning households (000)	69,581	69,365	68,811	69,299	68,424
12-month change in # of pet owning households	-0.20%	-0.30%	-0.80%	0.70%	-1.30%

Pandemic Uptick



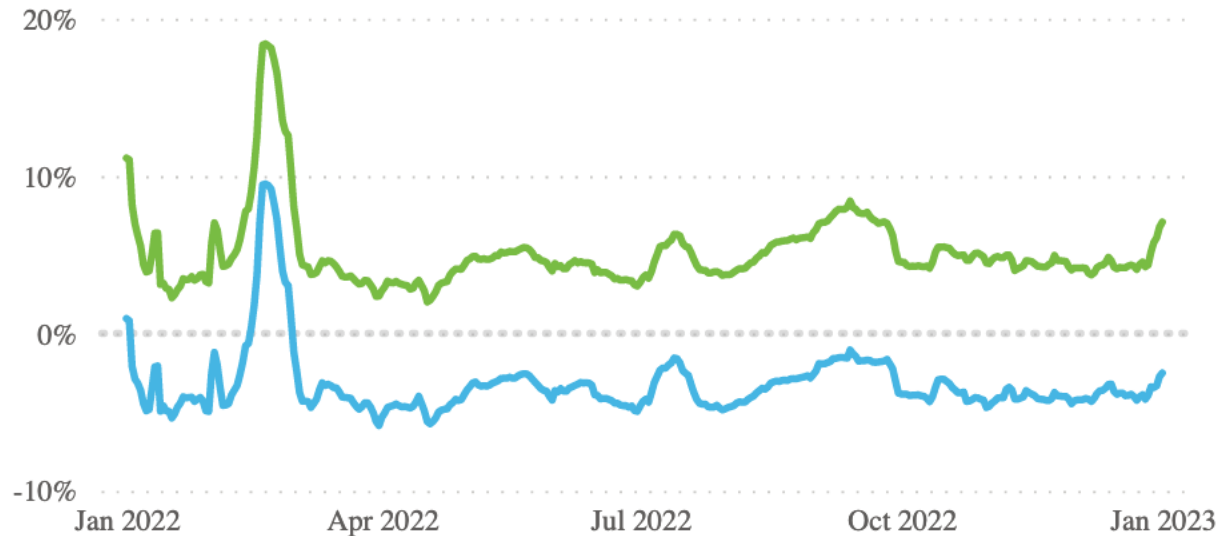
# Reversal of Visits and Stabilization of Revenue

Pulled January 12<sup>th</sup>, 2023

Last 12 Months

Growth in Revenue and Visits

● Revenue YoY (14-Day Rolling) ● Visits YoY (14-Day Rolling)



4.8%  
Revenue YoY

-3.5%  
Visits YoY



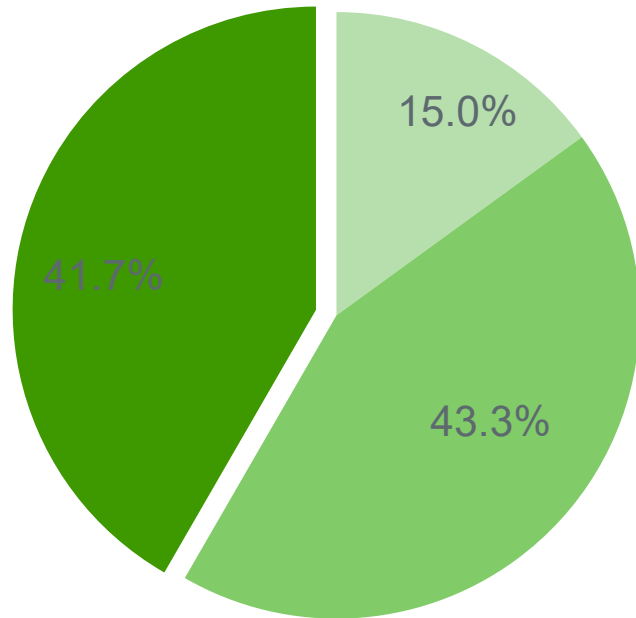
Veterinary Industry Tracker

Powered by AVMA and Vetsource



# Over 2 in 5 veterinary practices had an RE score of 1.

Figure 1. Companion-Animal Practices Grouped by Relative Efficiency Level



- Low efficiency (RE score under 70%)
- Moderate efficiency (RE score between 70% and 100%)
- High efficiency (RE score = 100%)

## Of the 60 companion-animal practices under investigation

- 25 hospitals (41.7%) had  $RE = 1$ . Classified = "High efficiency".
- 26 hospitals (43.3%) had  $0.7 \leq RE < 1$ . Classified = "Moderate efficiency".
- 9 hospitals (15.0%) had  $RE < 0.7$ . Classified = "Low efficiency".

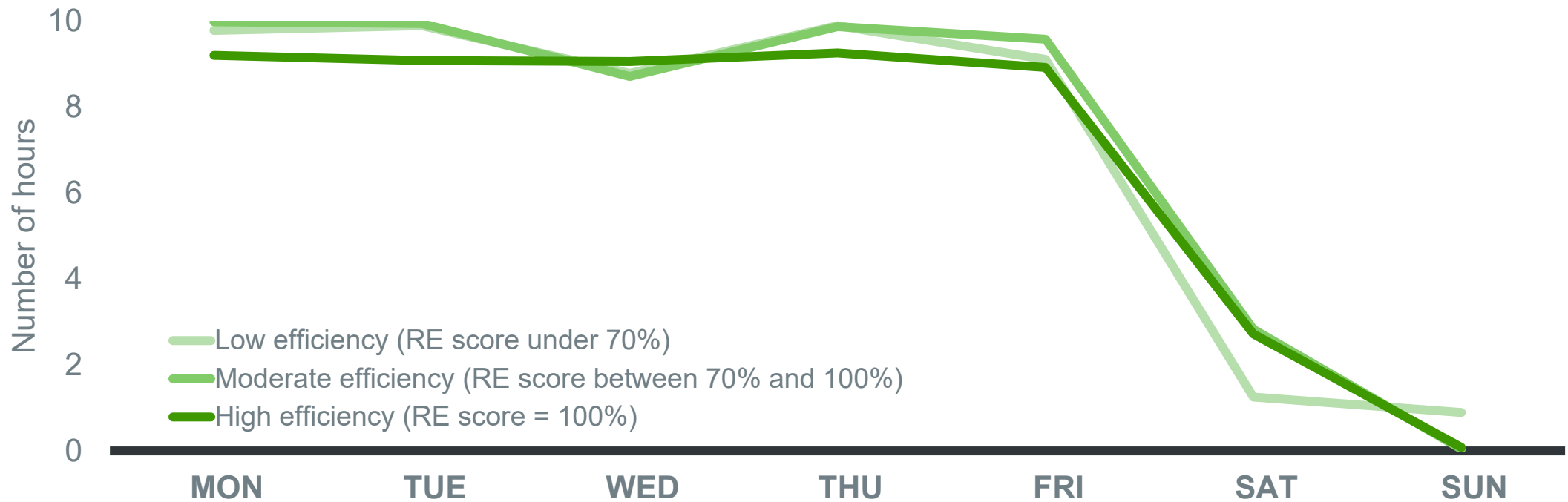
## **Poll Question #1**

**In the most efficient practices ("Best Practices"), how many hours a day, Monday through Friday, are veterinarians available to see scheduled appointments?**

- a.        6**
- b.        7**
- c.        8**
- d.        9**

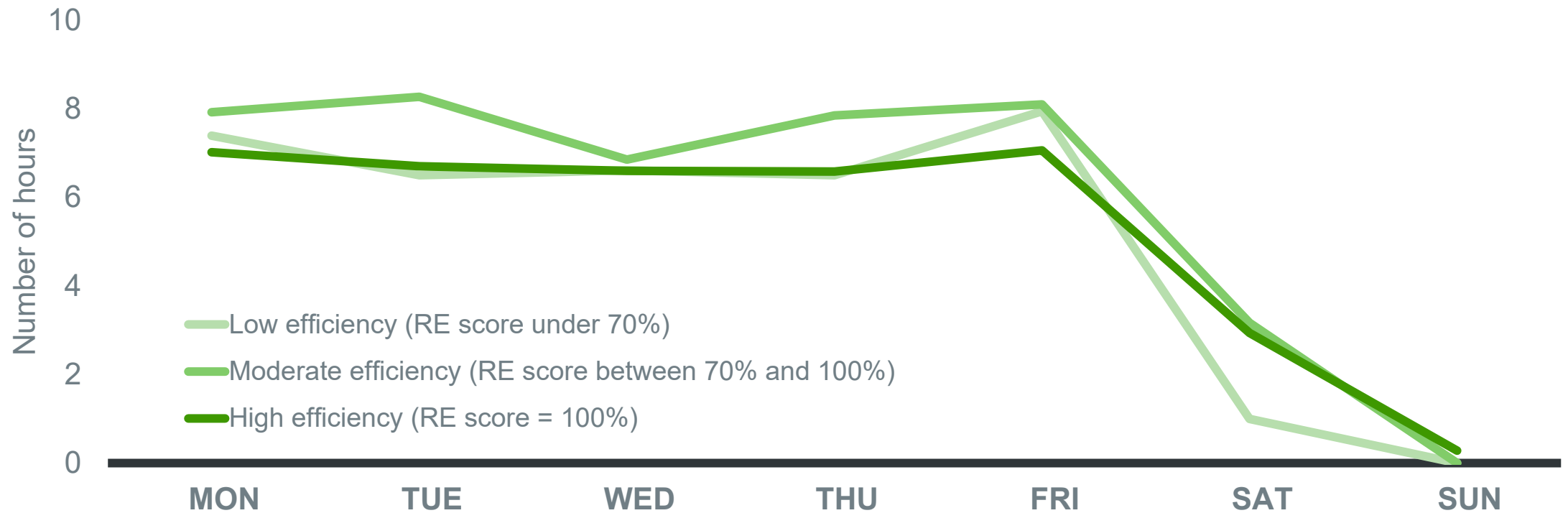
# Best Practices (**BPs**) are consistently operating 9 hours/day MON-FRI and about 3 hours on SAT.

Figure 4. Please enter the number of hours your practice is open and accessible to clients each day



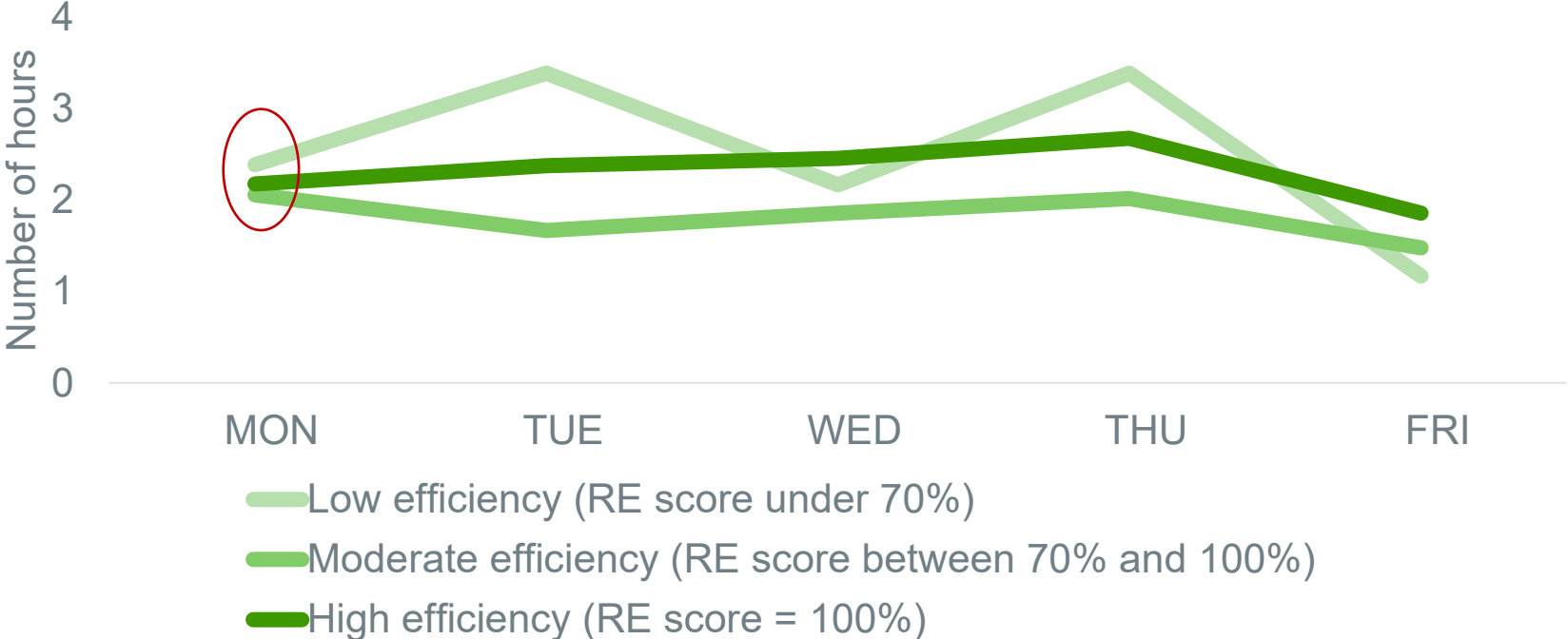
# Veterinarians are available 7 hours/day MON-FRI to see scheduled appointments in BPs.

Figure 5. For how many hours each day are your doctor (s) available to see scheduled appointments?



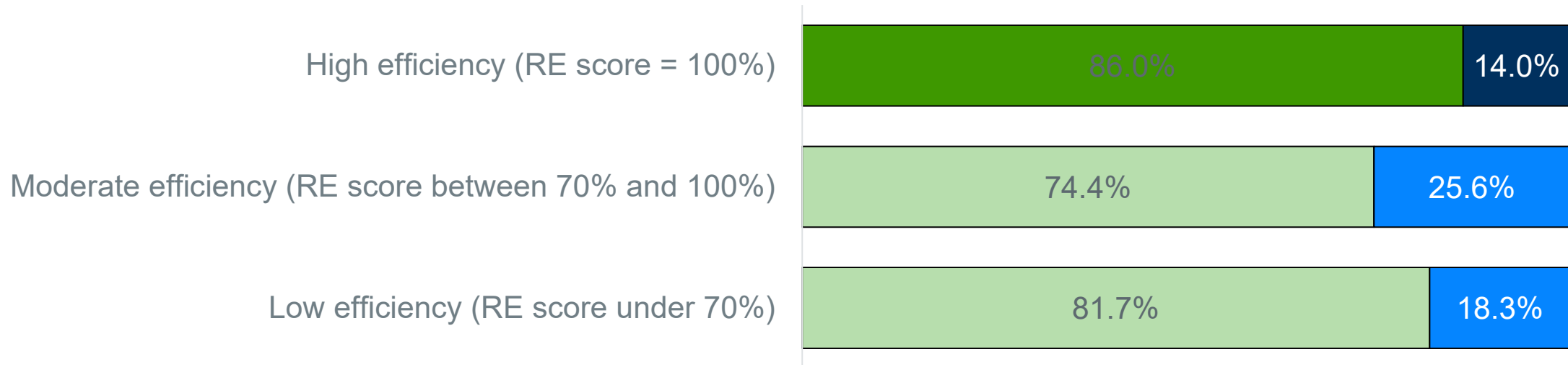
# Staff in BPs almost always use **2 hours** to get things settled before veterinarians walk in.

Figure 6. Time differential between opening and presence of veterinarians



# Veterinarians should focus on veterinary services (patients and clients). Management tasks must be delegated to appropriate staff members.

Figure 11. Owner time allocation between practice management and interaction with client



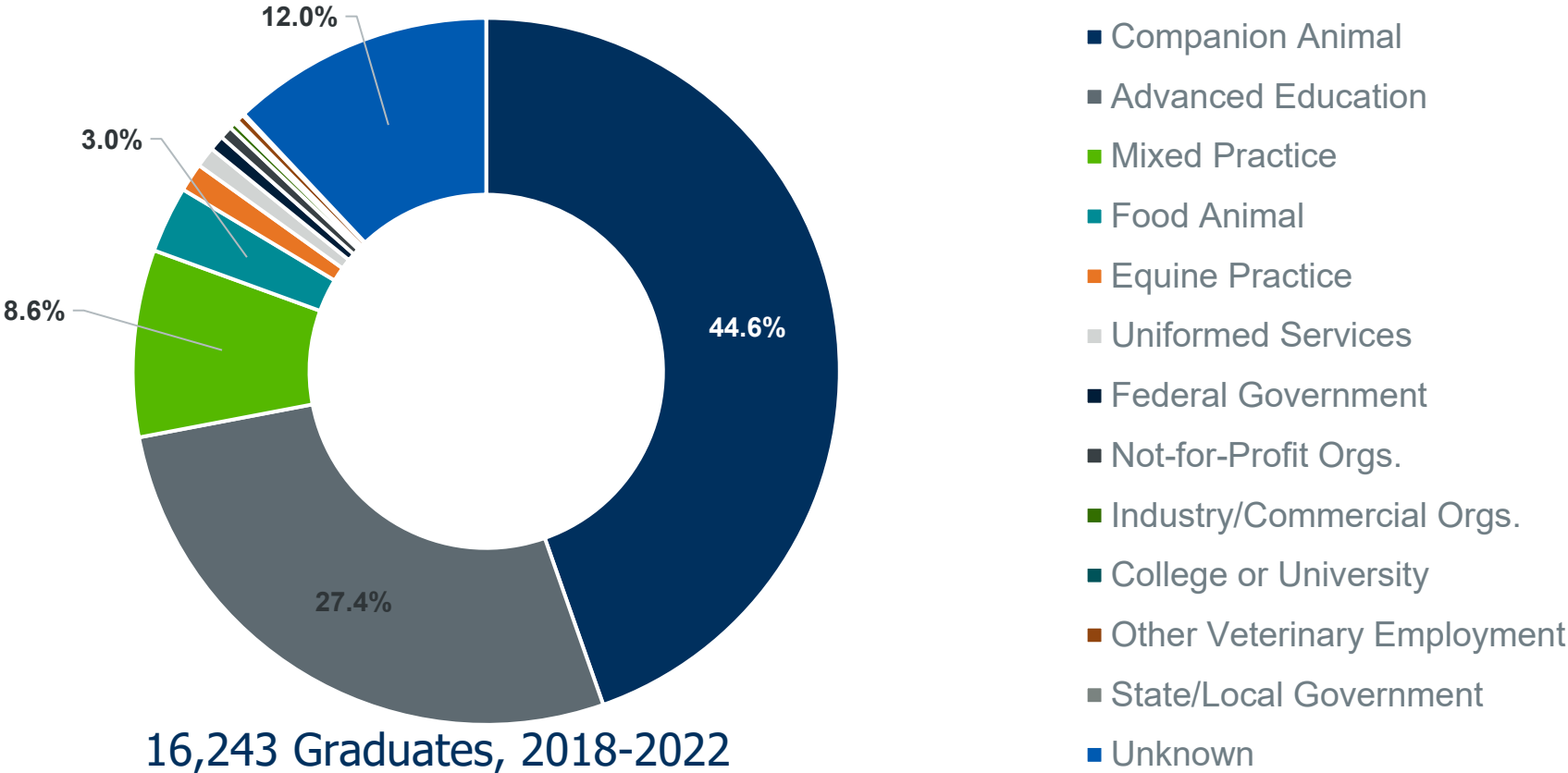
- As a practice owner, what percentage of your time are you spending on seeing clients and patients
- As a practice owner, what percentage of your time are you spending on Practice management



# Market for Education

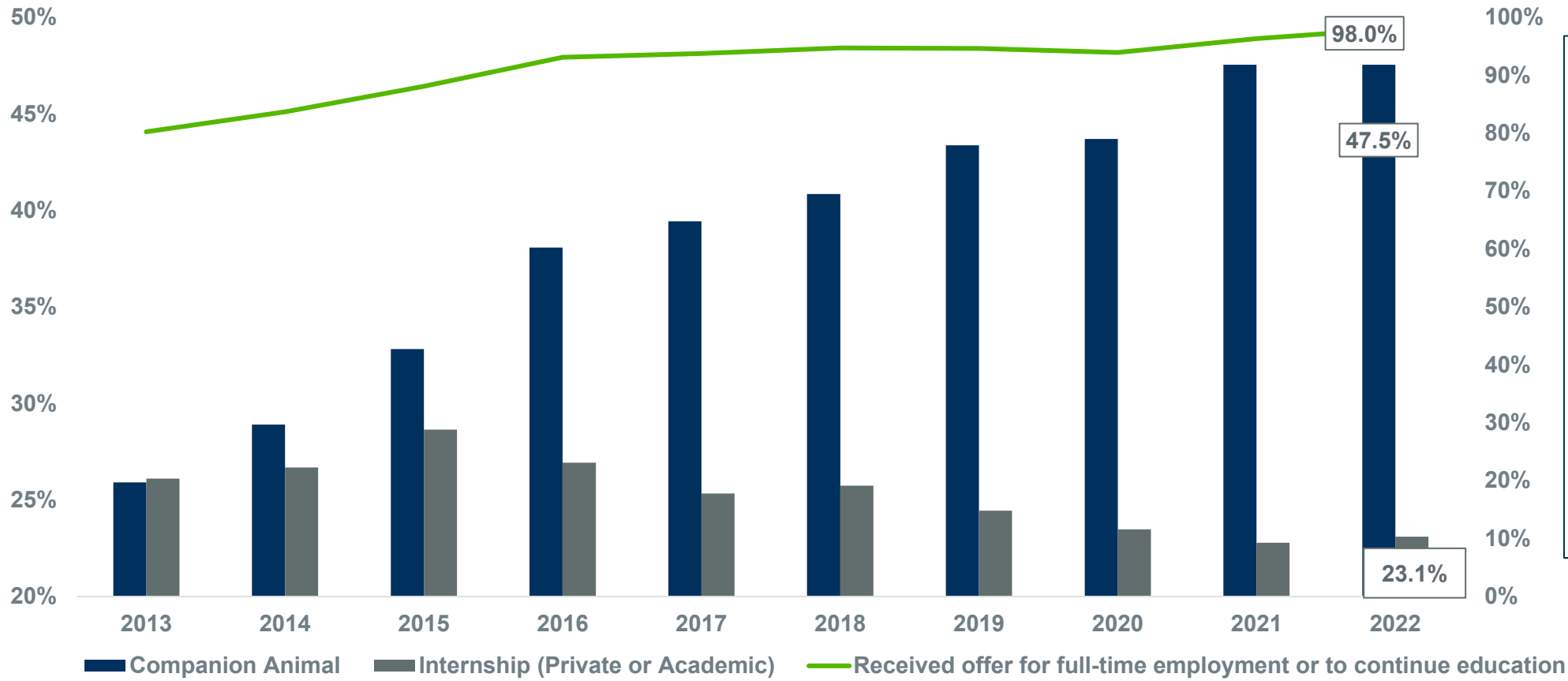
# From 2018-2022, Over 44% of All Graduates Join Companion Animal Practice

New Graduates of US Colleges: 2018-2022



# Number of Graduates in Securing Positions in Companion Animal Practice and Internship Inversely Correlated

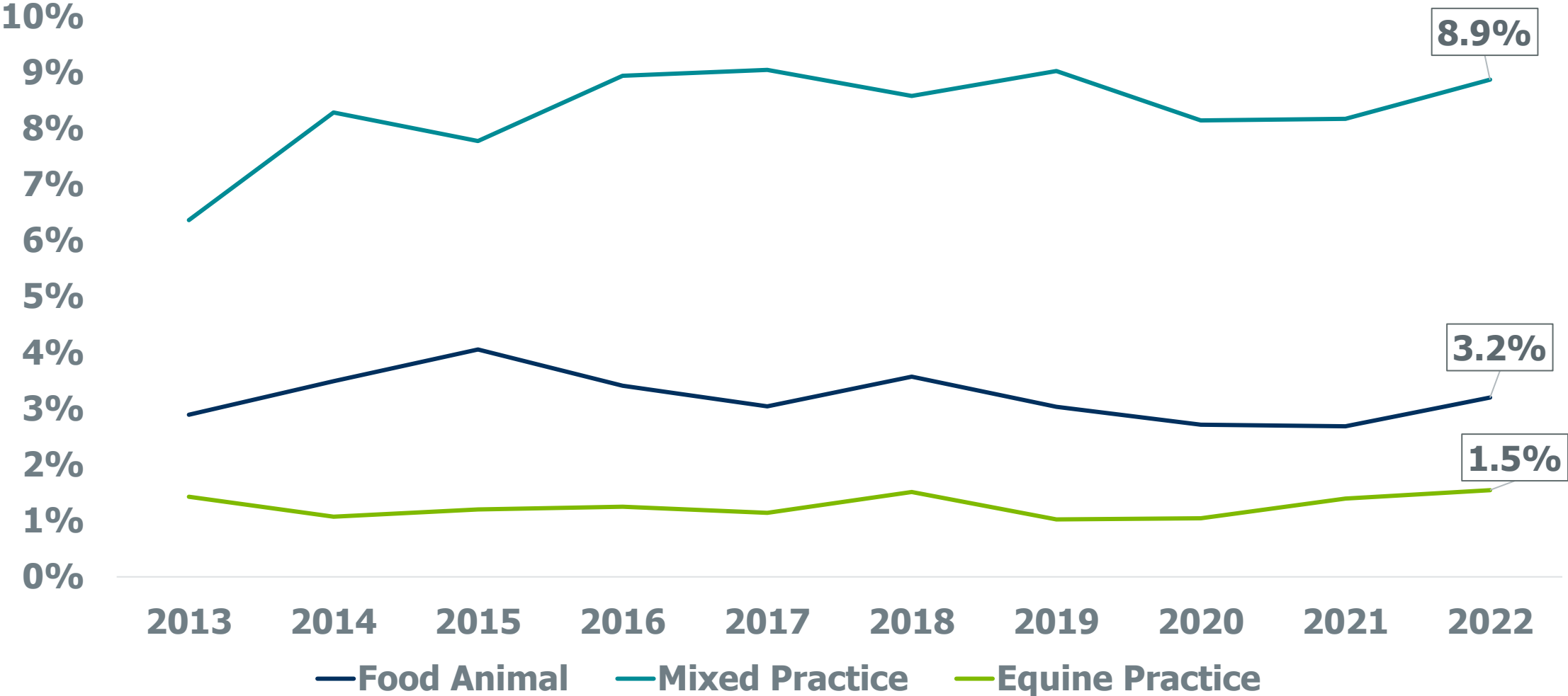
## Change in Practice Types Over Time



In 2022, **98%** of graduates secured a post-graduate opportunity prior to graduation.

# Almost 10% of Grads Secure Positions in Mixed Practice

## Change in Practice Types



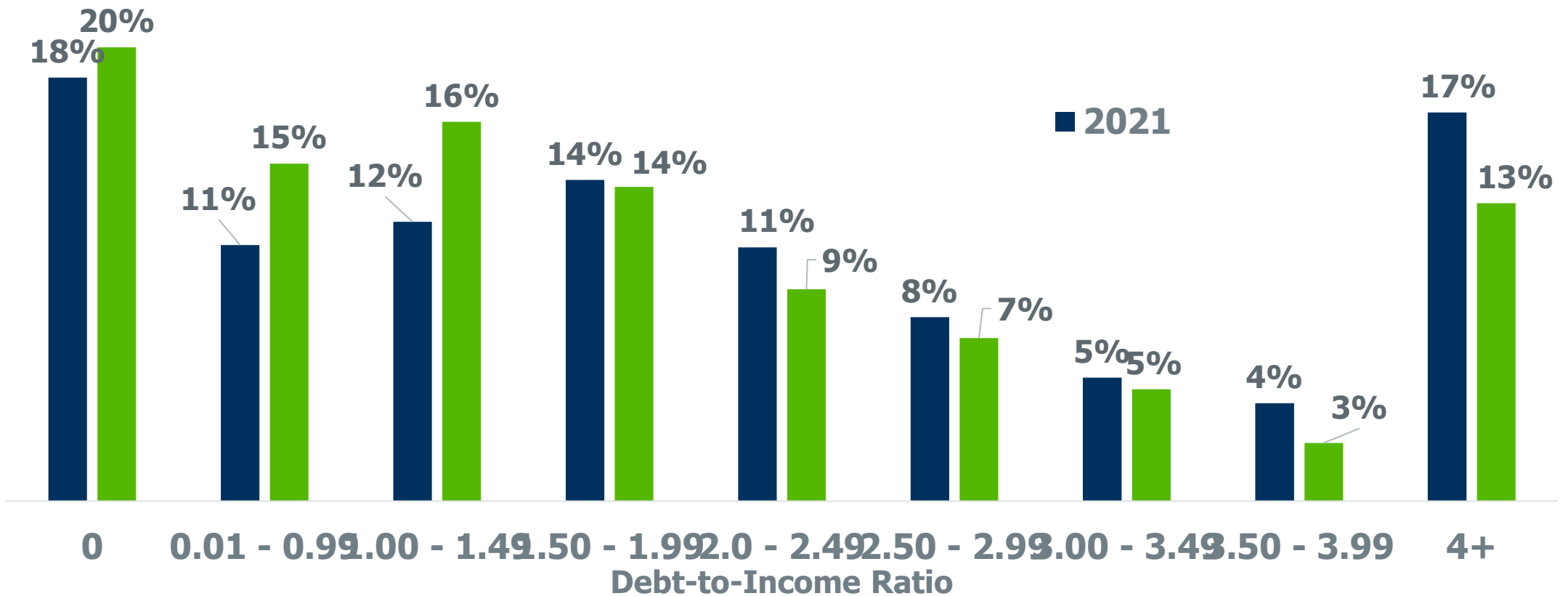
## **Poll Question #2**

**What percentage of students in the 2022 graduating seniors, had more than \$200,000 including those that had no debt?**

- a. 10%**
- b. 26%**
- c. 38%**
- d. 43%**

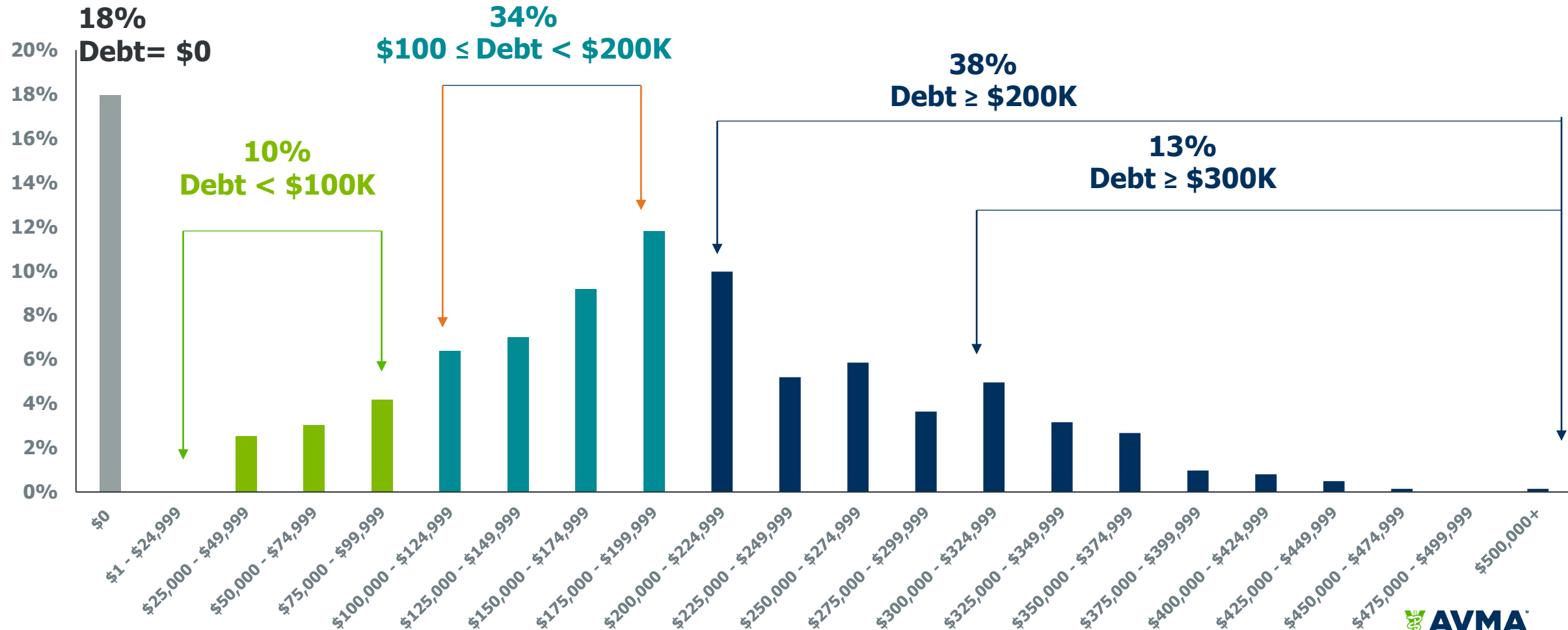
# More Graduates Report No DVM Debt

Distribution of DIR of 2021 & 2022 Graduate Class

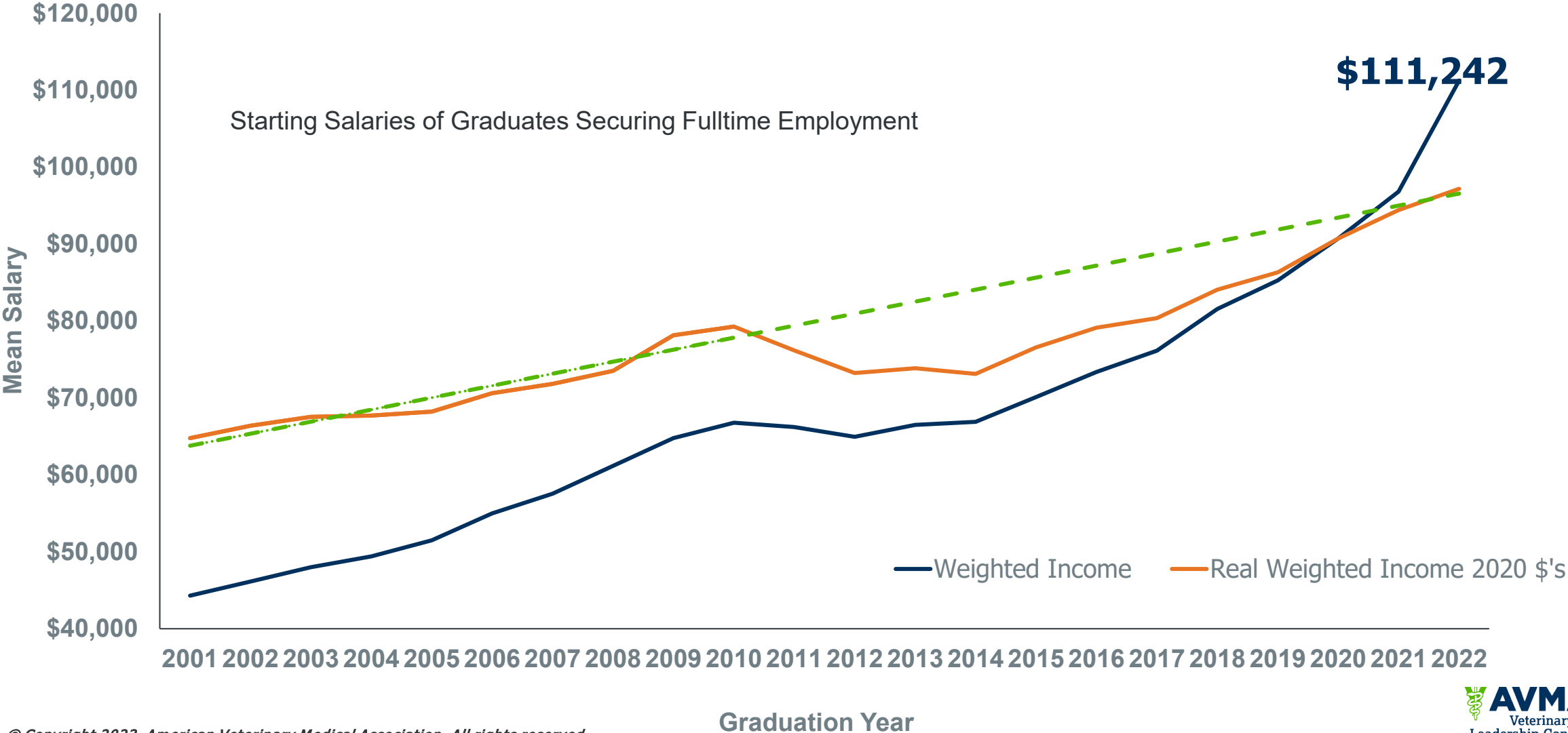


# 38% of Graduates have over \$200,000 in Debt

## Starting Salaries of Graduates Securing Fulltime Employment



# Real salaries return to pre-recession trends for new veterinarians

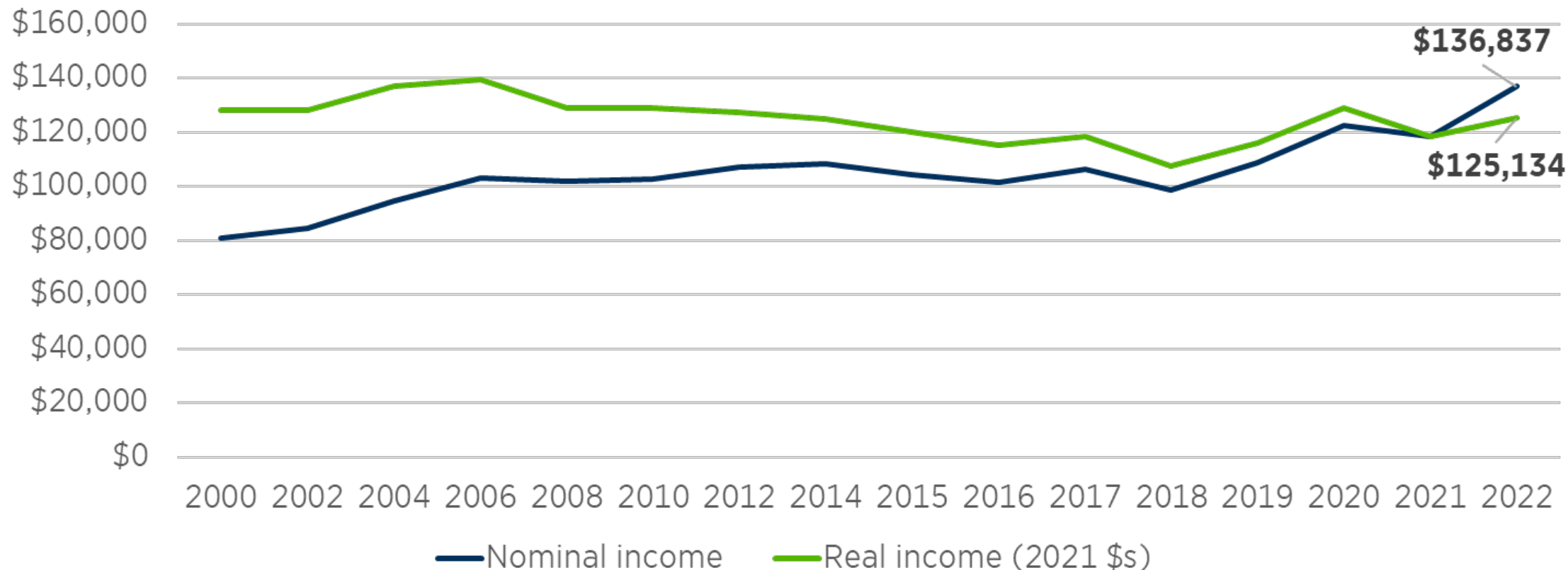




# Market for Veterinarians

# Inflation takes a bite out of salary gains

## Salaries still grew in 2022

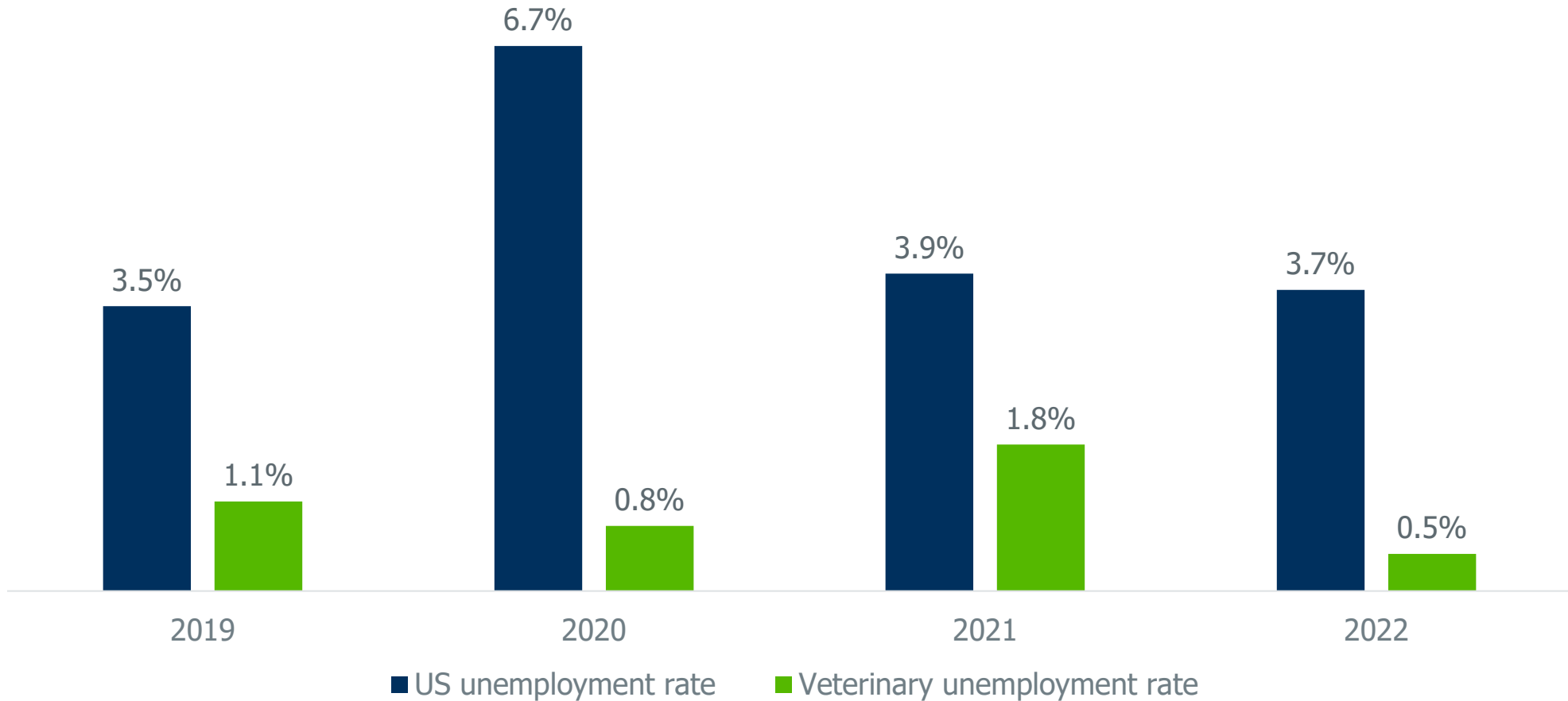


Source: 2022 AVMA Census of Veterinarians

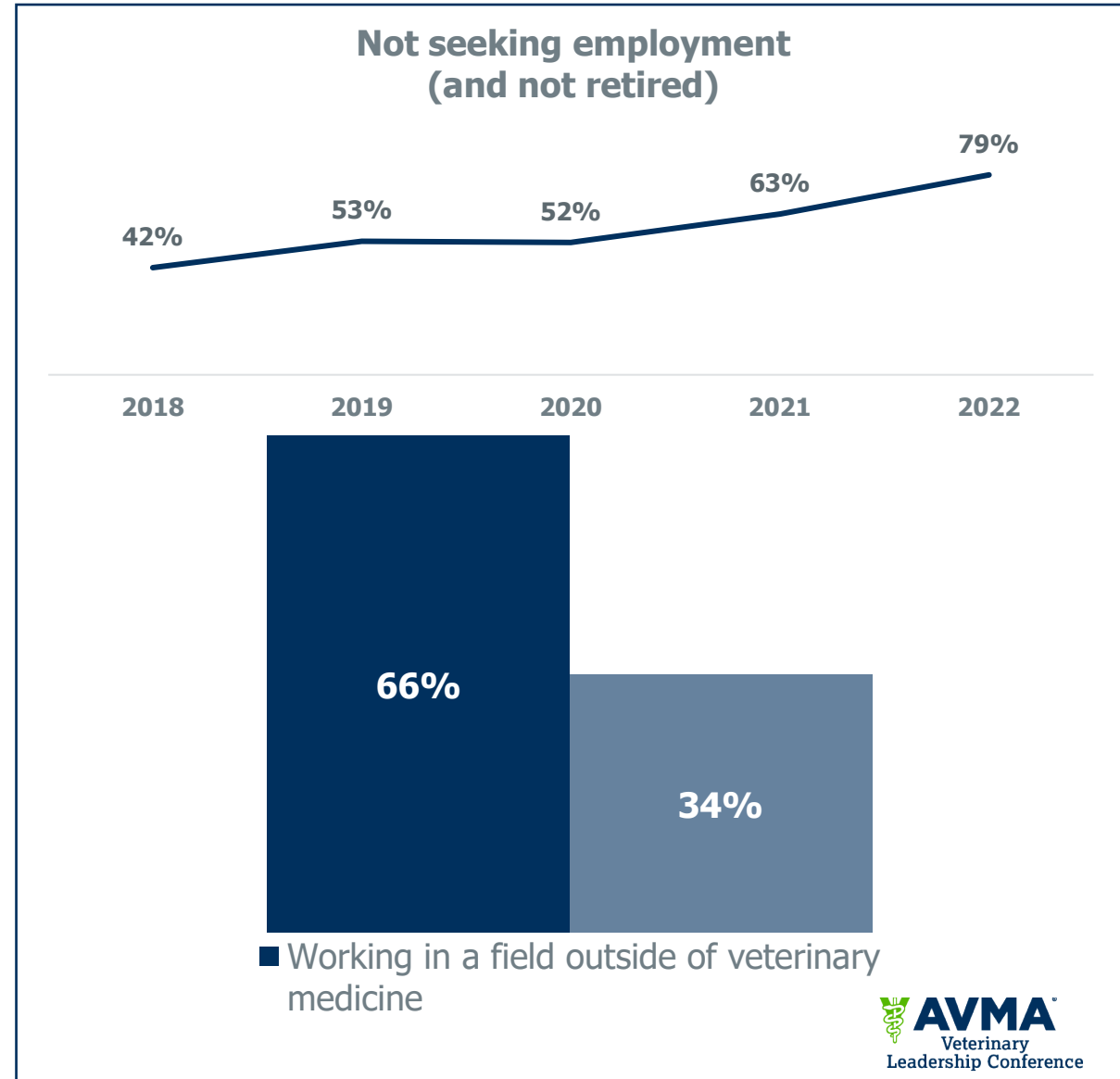
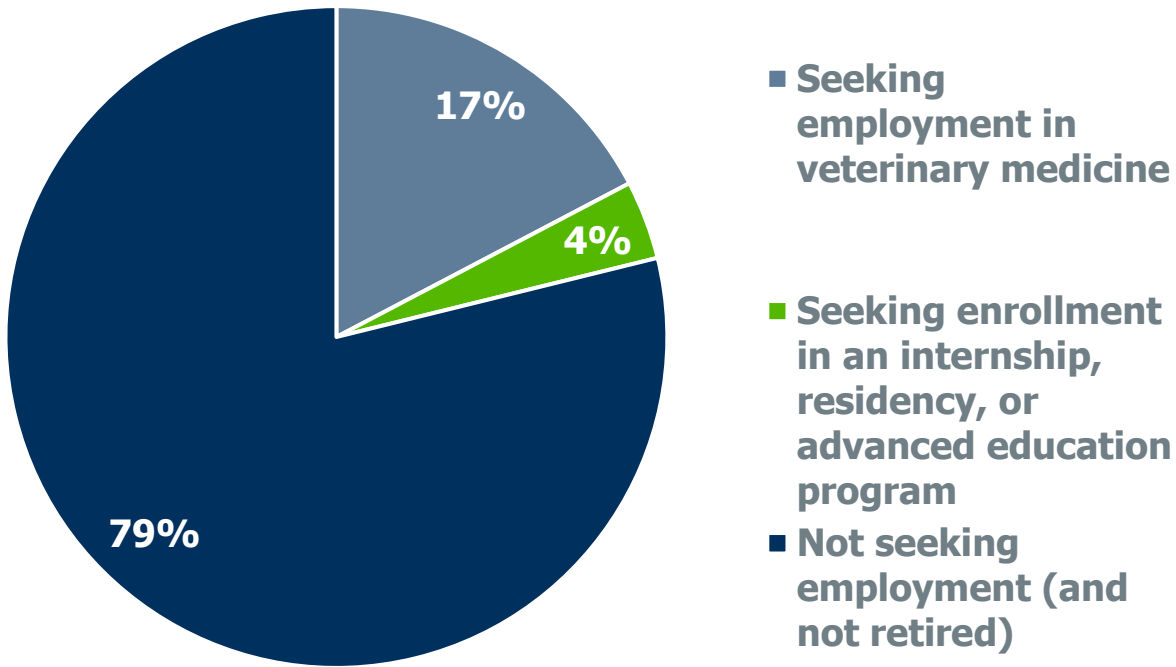
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# Veterinary profession response to the pandemic was a 1-year lag



# 79% of the unemployed are not seeking employment

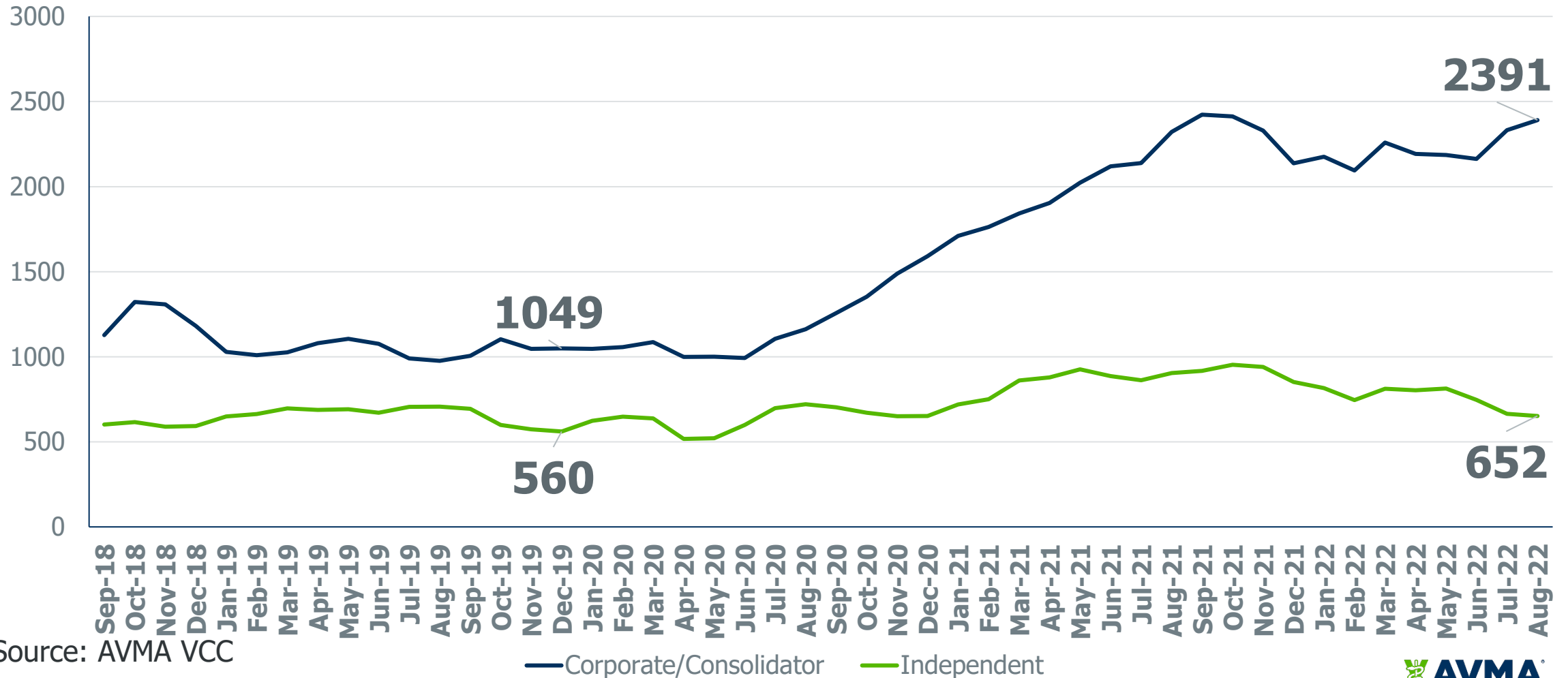


Source: 2022 Census of Veterinarians

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# Demand: 2-3 times greater number of corporations with job listings compared to independently owned practices

Veterinary Career Center new job postings 3-month rolling average



Source: AVMA VCC

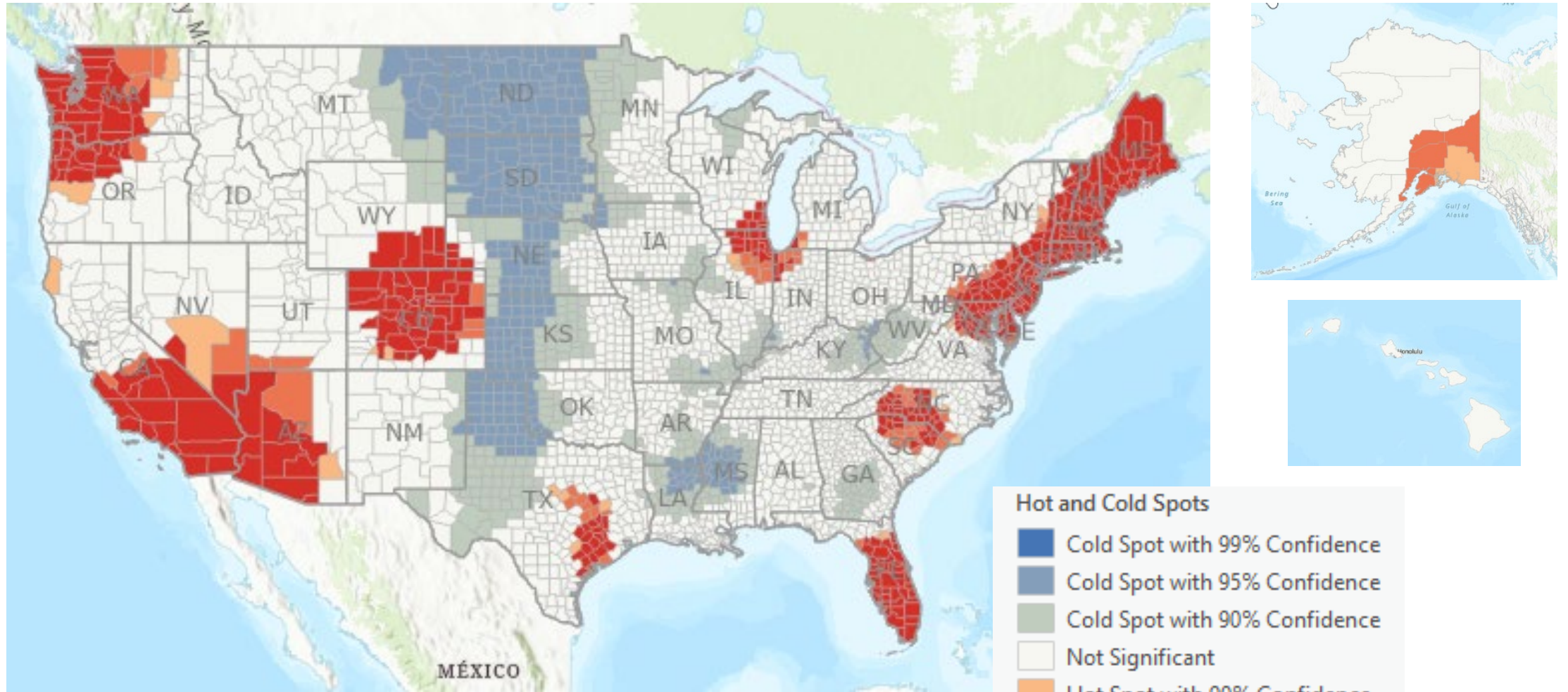
— Corporate/Consolidator — Independent

### **Poll Question #3**

**What percentage of veterinarians indicated that they are leaving the veterinary profession in 2022?**

- a. 25%**
- b. 30%**
- c. 35%**
- d. 40%**

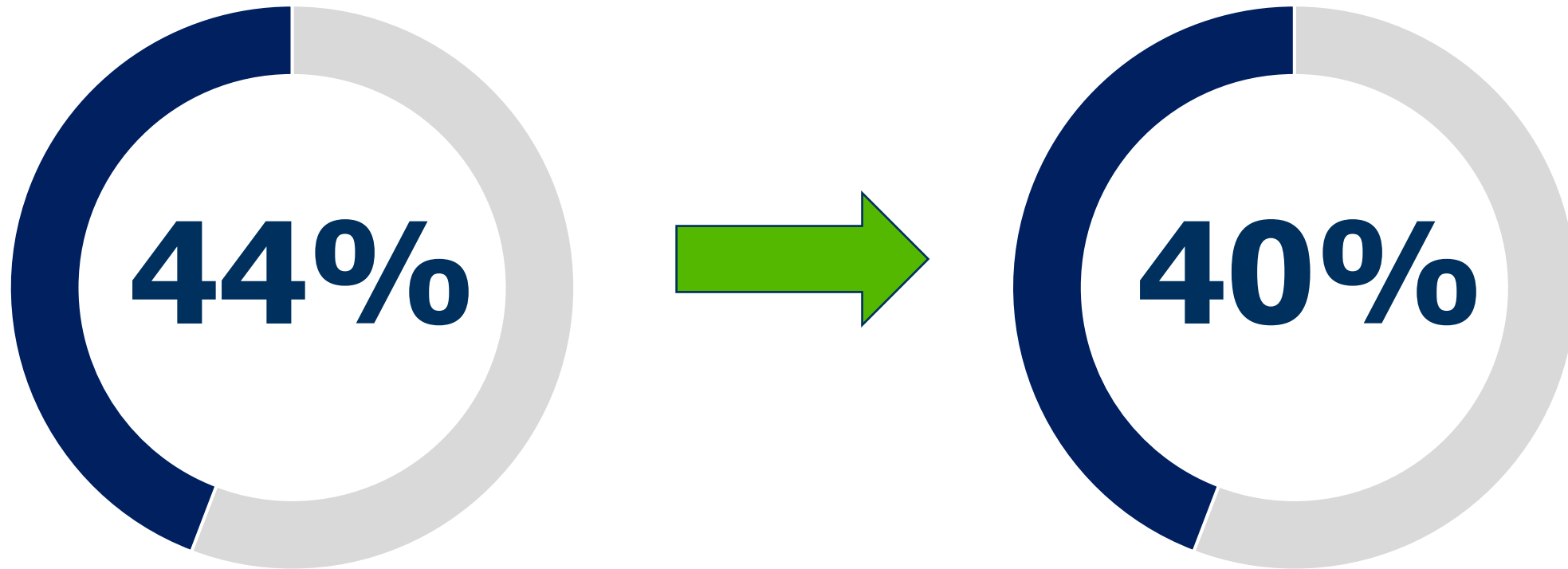
# Concentration Of Job Application Quantity



Source: AVMA VCC

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# Slight decline in number of veterinarians considering leaving the veterinary profession

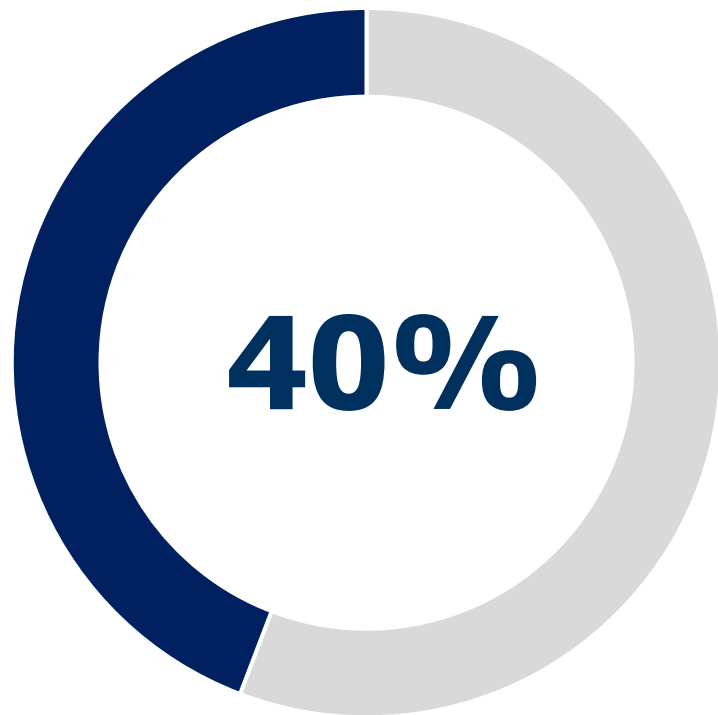


**73%** associates and **27%** owners

Source: 2021 & 2022 AVMA Census of Veterinarians

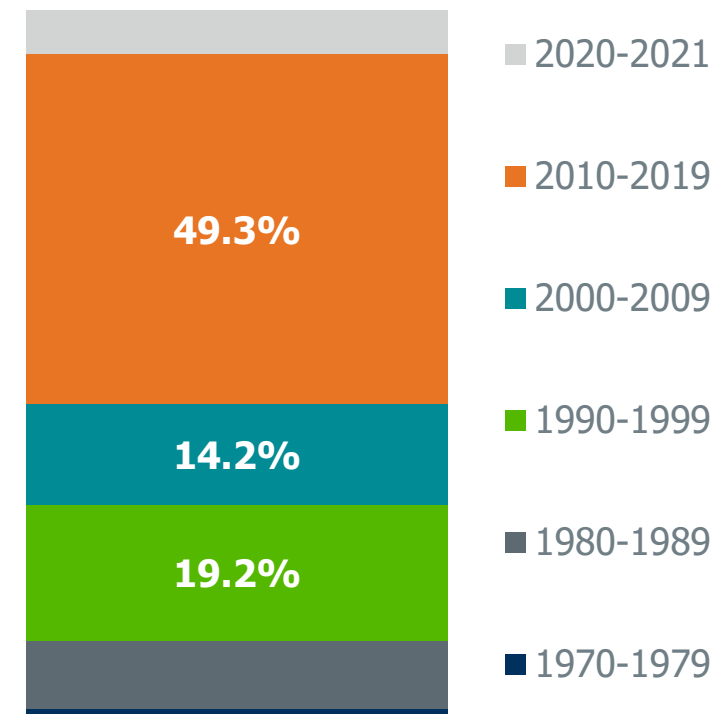


# Veterinarians considering leaving the veterinary profession in 2022



**73%** associates and **27%** owners

Source: 2022 AVMA Census of Veterinarians



Graduation Year

# Workforce Initiatives

# Recruitment for Burnout Intervention Study

## Study Conducted by Cornell University

Would you like to help tackle burnout in the profession and receive \$5,000 worth of FREE training? Then sign up to participate in a new study! The purpose of this study is to identify and test strategies that can be used to reduce the rate of burnout among veterinarians through organizational trainings.

Study funded by AVMA and Zoetis Foundation

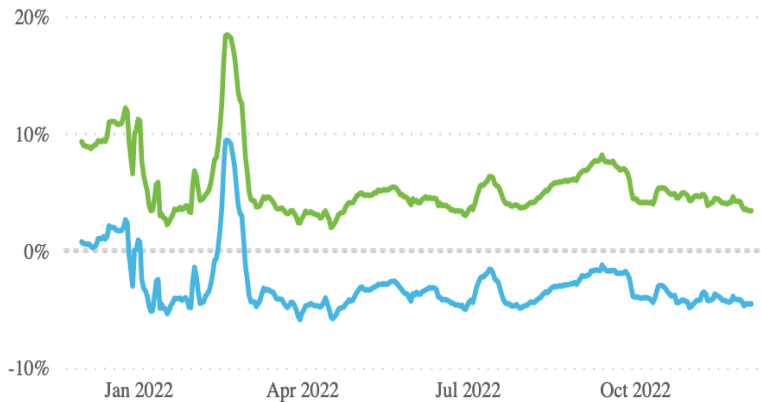


# Providing resources for real time assessment

## Last 12 Months

### Growth in Revenue and Visits

● Revenue YoY (14-Day Rolling) ● Visits YoY (14-Day Rolling)



5.2%

Revenue YoY

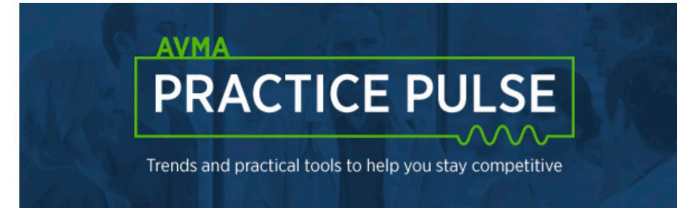
-3.1%

Visits YoY



Veterinary Industry Tracker

Powered by AVMA and Vetsource



## December 2022



Veterinary Industry Tracker powered by AVMA and Vetsource Data & Insights  
(Click on image to view higher resolution)

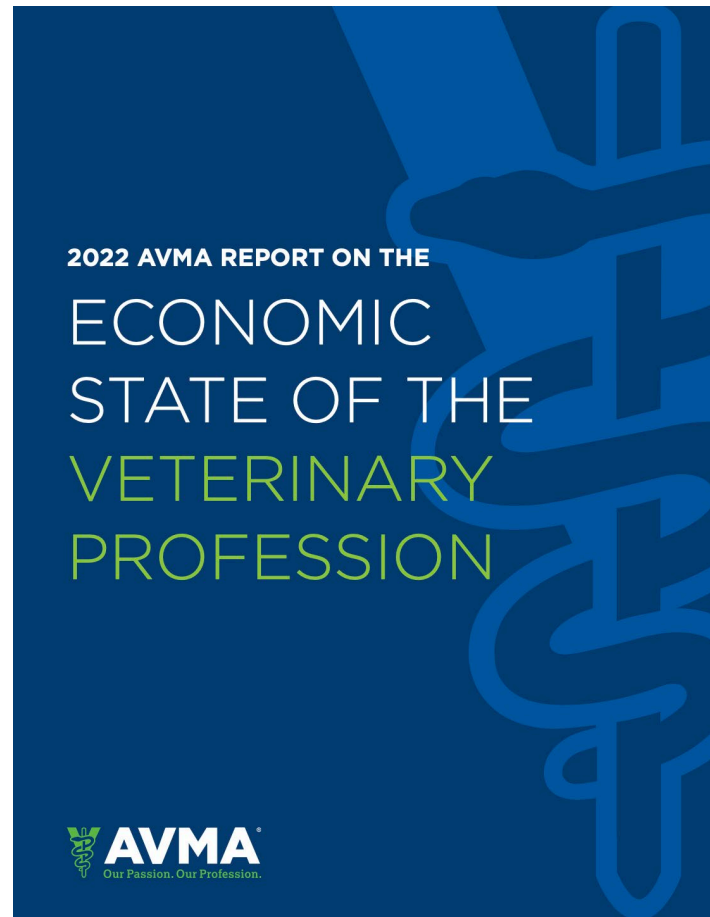


## Data insights

### What's going on now?

Consumers saw some inflation relief in October, with year-over-year increases in consumer prices cooling to 7.7%, compared with over 8% in previous months. Gasoline and food prices continued to rise, along with housing. While inflation is moving in the desired direction, it still has a long

# Providing insights and resources at the point of greatest need



# Key Takeaways

# Taking this information back to your practice

- Keep in mind the dynamic macroeconomy and the effects on your business and your clients
- Prices for veterinary services rose rapidly over 2022.
  - Balance price increases with revenue needs and access to care for clients
- Demand for pets was not as high as expected over the pandemic and has even declined over the last year
- Demand for veterinary services is waning in some areas of the country, while strong in others.
  - Aggregate level is a decline of 3-4% for visits
- New veterinarians still mostly pursuing companion animal and advanced education.
- Salaries are rising and matching pre-Great Recession trend. Long overdue correction
- Corporate practices are hiring at higher rates than independent practices

**QUESTIONS?**





**THANK YOU**

