



# Highlights from the 2023 AVMA Business and Economic Forum

**Chris Doherty, DVM, CBV, MBA**

*Assistant Director, Strategic Business Research and Outreach*

AVMA

12/14/23

# Outline



# Veterinary Economics

## Data and Research-Backed Insights

### Report On The Economic State of the Veterinary Profession

- Graduating Senior Survey
- Census of Veterinarians
- Practice Owner Survey

### Pet Ownership and Demographic Sourcebook

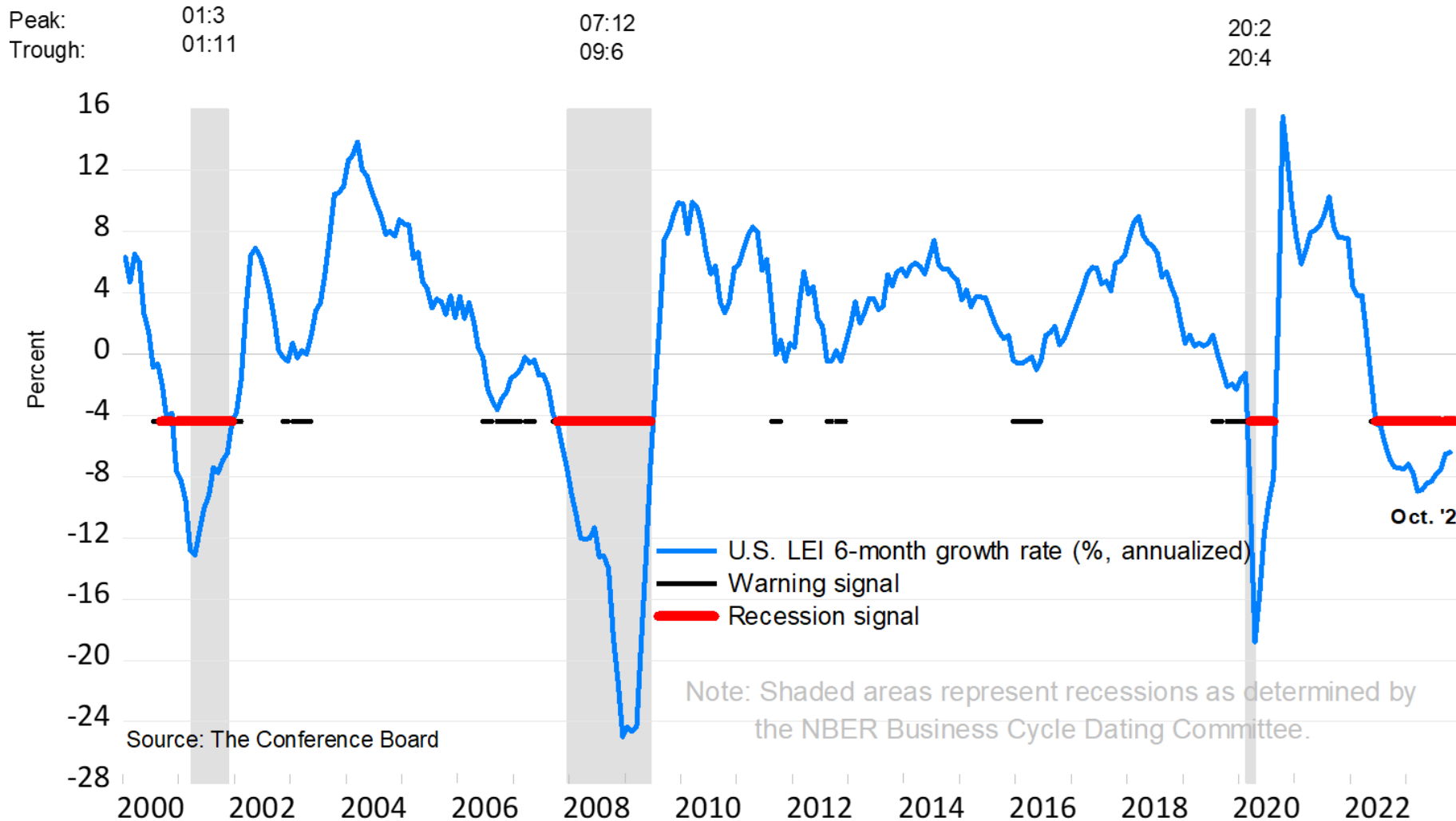
- Pet Owner Survey



# Antitrust Reminder

# Macroeconomic Outlook and Industry Trends

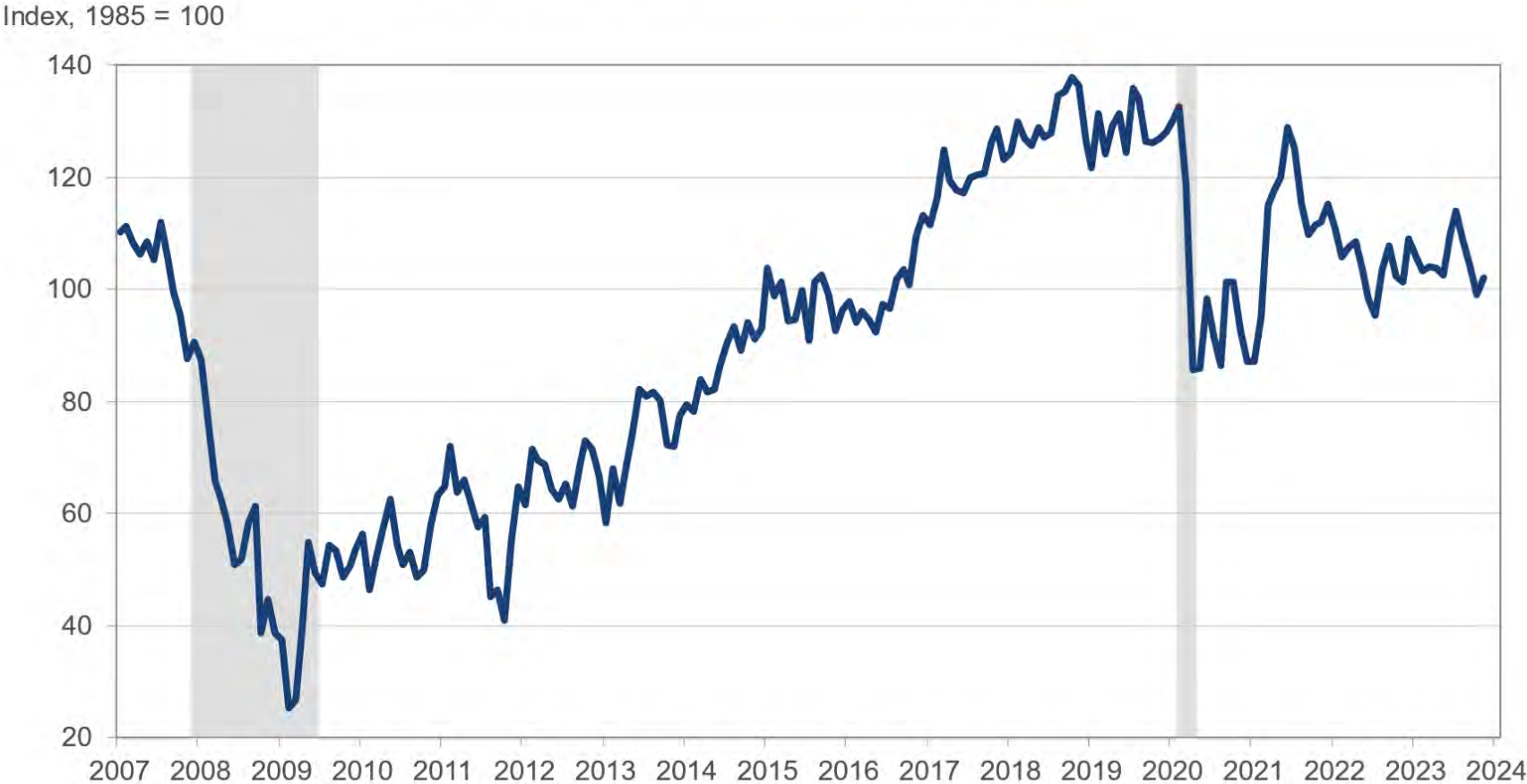
# US Leading Economic Indicators Slowly Increasing



- Indicators to watch:**
- Inflation
    - COGS
    - Consumer Prices
  - New Jobs
  - Real Wages
  - Unemployment
  - Housing
    - Buying and selling
  - Consumer Savings
  - GDP Growth
  - Consumer Confidence

# Consumer Confidence Stable, Down from Peak

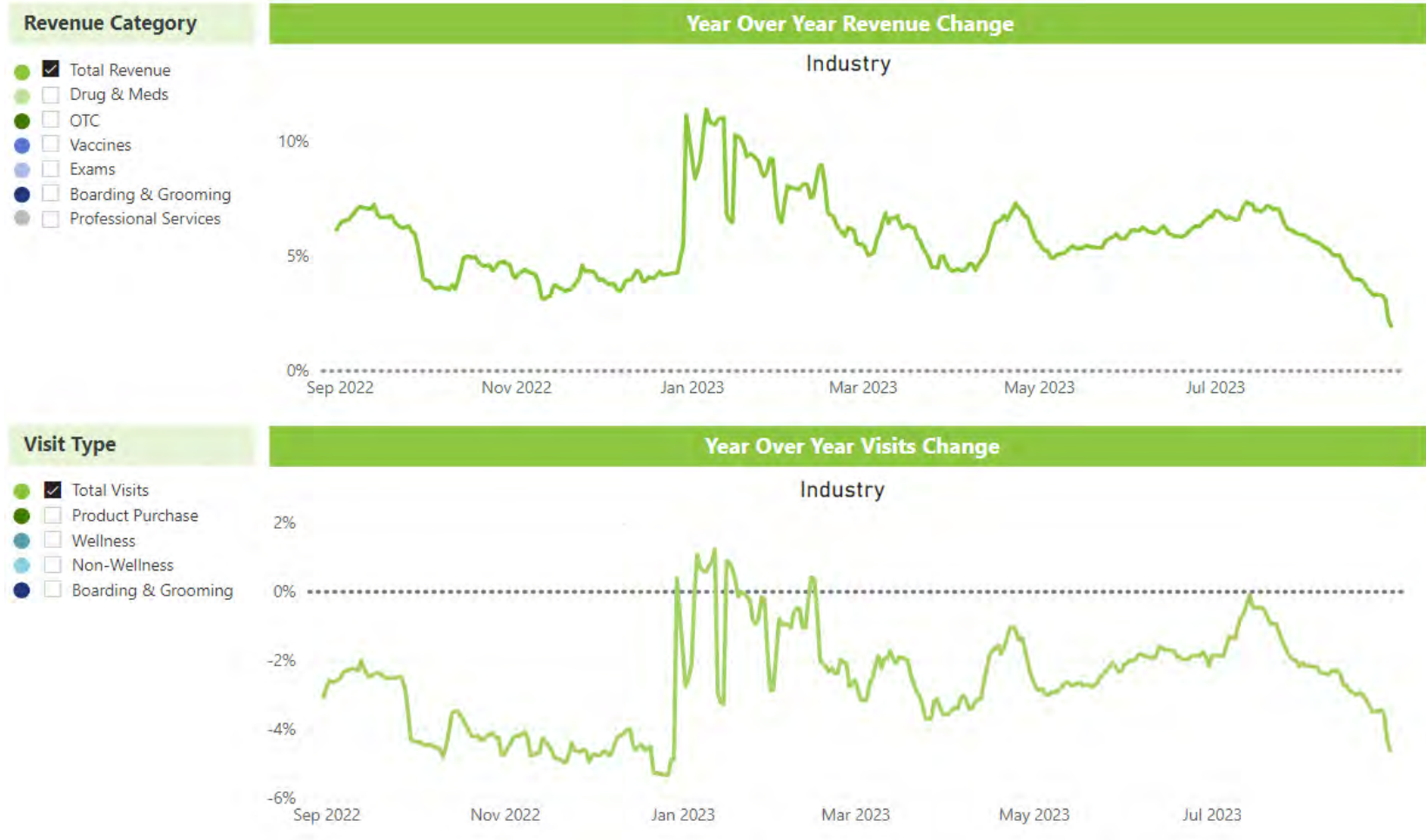
## Consumer Confidence Index <sup>®</sup>



\*Shaded areas represent periods of recession.  
Sources: The Conference Board; NBER  
© 2023 The Conference Board. All rights reserved.

# Revenue and Visits

August 31, 2021 - August 31, 2023

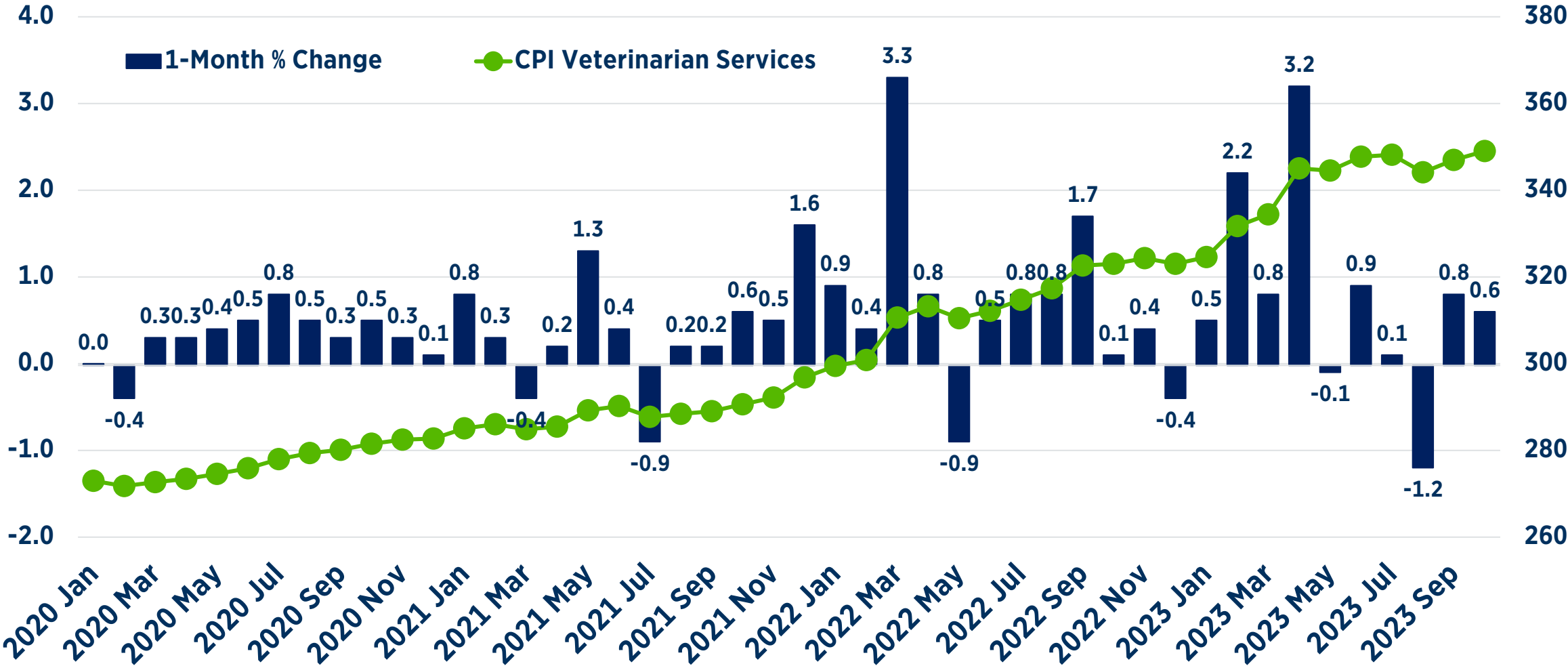


Source: Vetsource

4,354 practices



# Veterinary Services Consumer Price Index



Source: Bureau for Labor Statistics

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# Compliance per Practice

## Annual | Avg Monthly compliance

Year	Bordetella	DHPP	Lepto	Lyme	Influenza	Rabies	Dental Prophy	Fecal	FELV FIV test	HWT test	Wellness bloodwork	Wellness exam
2022	41.6%	51.0%	37.8%	10.3%	9.7%	65.1%	10.8%	38.7%	2.7%	41.0%	28.9%	60.5%
2021	40.4%	49.6%	36.5%	9.9%	9.2%	62.7%	10.4%	38.8%	2.7%	39.9%	28.3%	59.3%
2020	38.7%	45.9%	35.0%	9.1%	8.9%	57.1%	9.6%	38.1%	2.5%	38.9%	26.9%	58.3%
2019	37.6%	41.8%	33.0%	8.8%	9.1%	52.3%	8.9%	36.5%	2.4%	37.3%	25.8%	58.6%

## YTD | Avg Monthly compliance

Year	Bordetella	DHPP	Lepto	Lyme	Influenza	Rabies	Dental Prophy	Fecal	FELV FIV test	HWT test	Wellness bloodwork	Wellness exam
2023	42.5%	52.2%	39.1%	10.7%	9.5%	66.8%	11.1%	38.6%	2.4%	42.2%	29.3%	60.9%
2022	41.8%	51.3%	37.9%	10.3%	9.7%	64.8%	10.9%	38.8%	2.5%	41.2%	29.1%	60.5%
2021	40.4%	50.1%	36.7%	10.0%	9.0%	62.6%	10.5%	39.2%	2.5%	40.1%	28.4%	58.6%
2020	38.9%	45.1%	34.9%	9.0%	9.0%	55.4%	9.4%	37.8%	2.2%	39.1%	26.6%	58.2%

Source: Vetsource

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Poll #1: How busy are practices in your region?

# The Next Generation of Veterinary Professionals

# Graduates Receiving Offers Remains Near Record High Levels

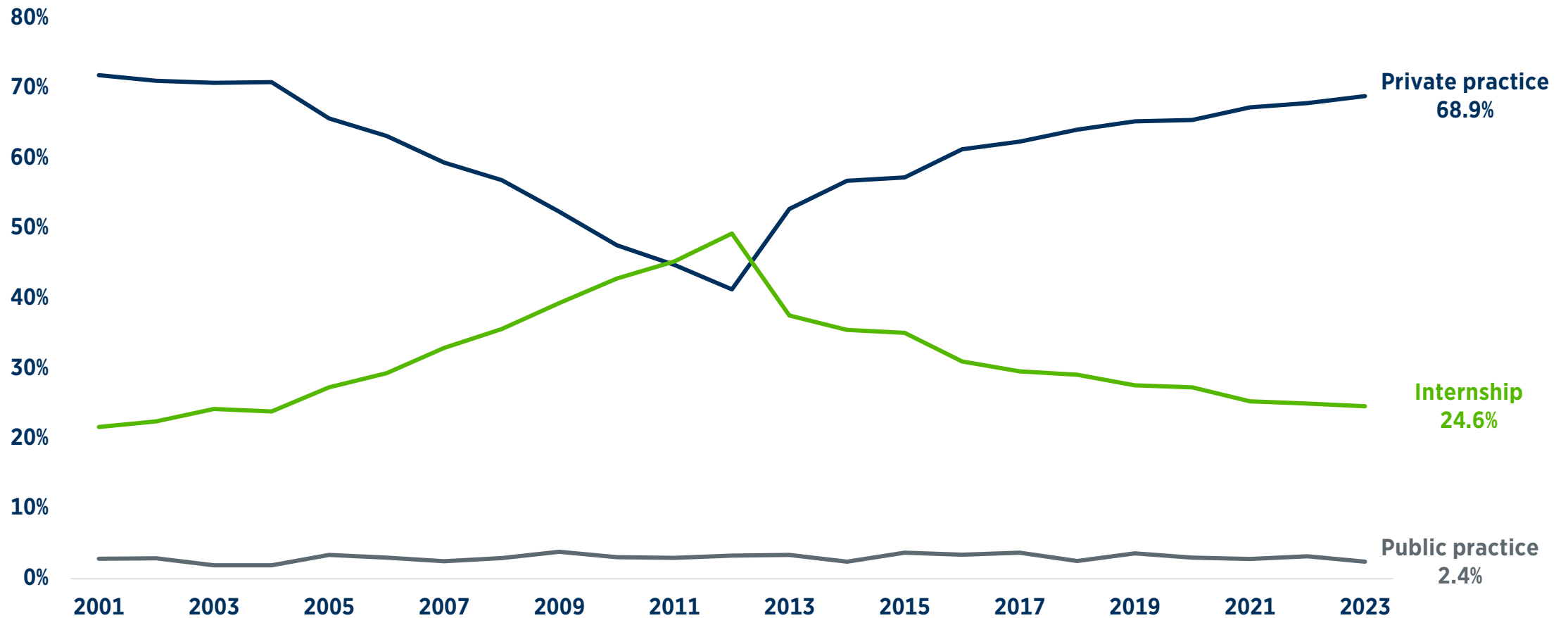


Source: AVMA Graduating Senior Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# Most New Vets are Entering Private Practice

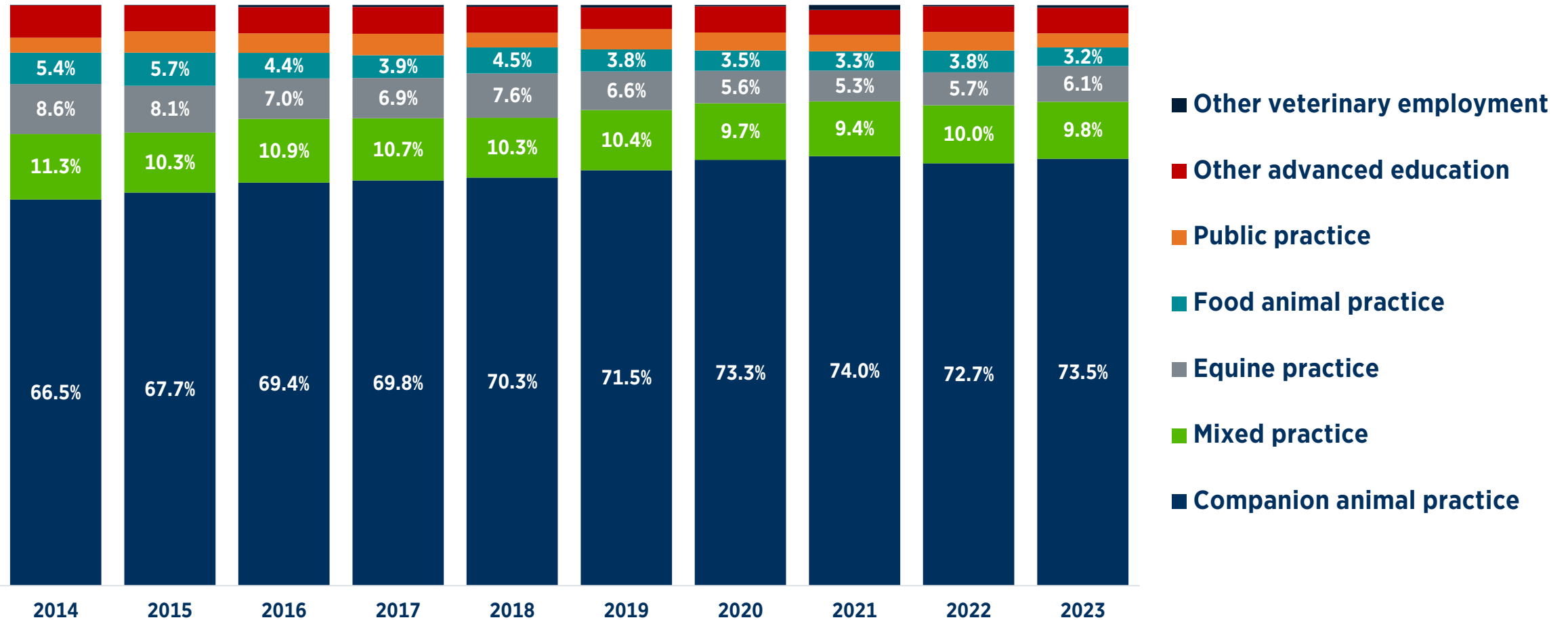


Source: AVMA Graduating Senior Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



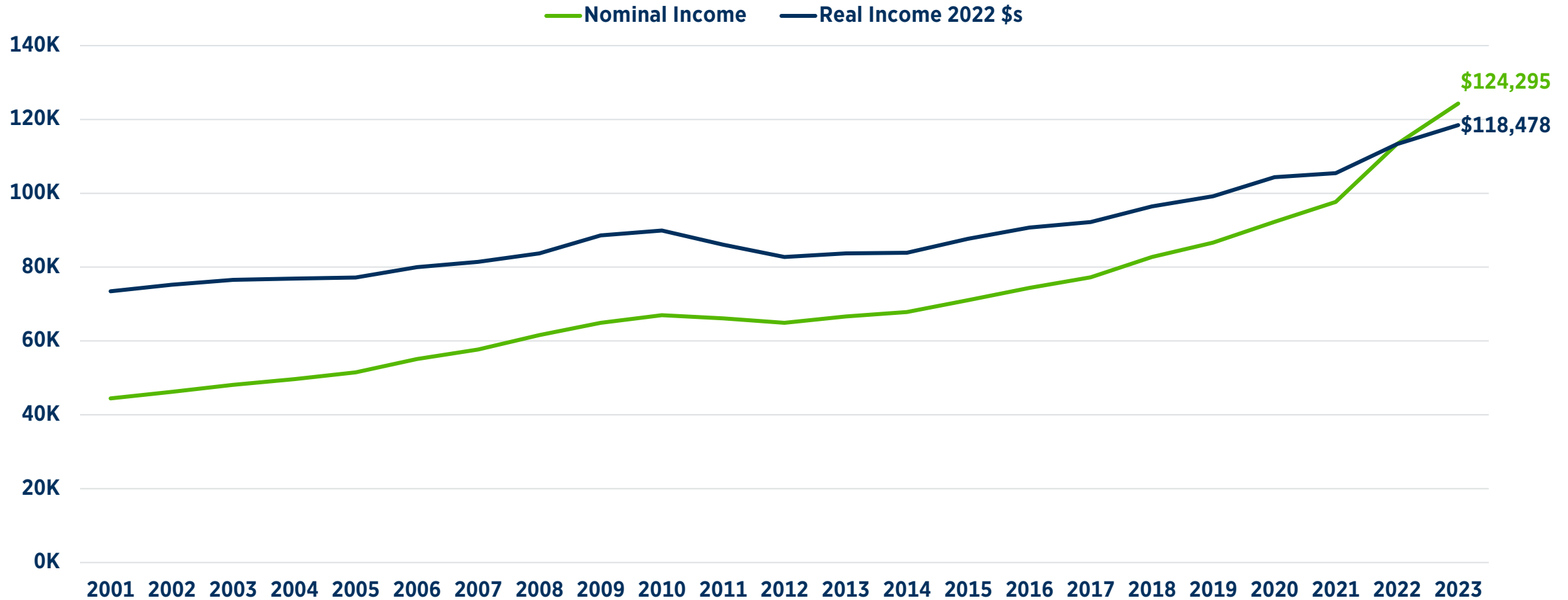
# Combined Species Focus



Source: AVMA Graduating Senior Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Real Compensation On Pre-2008 Trajectory



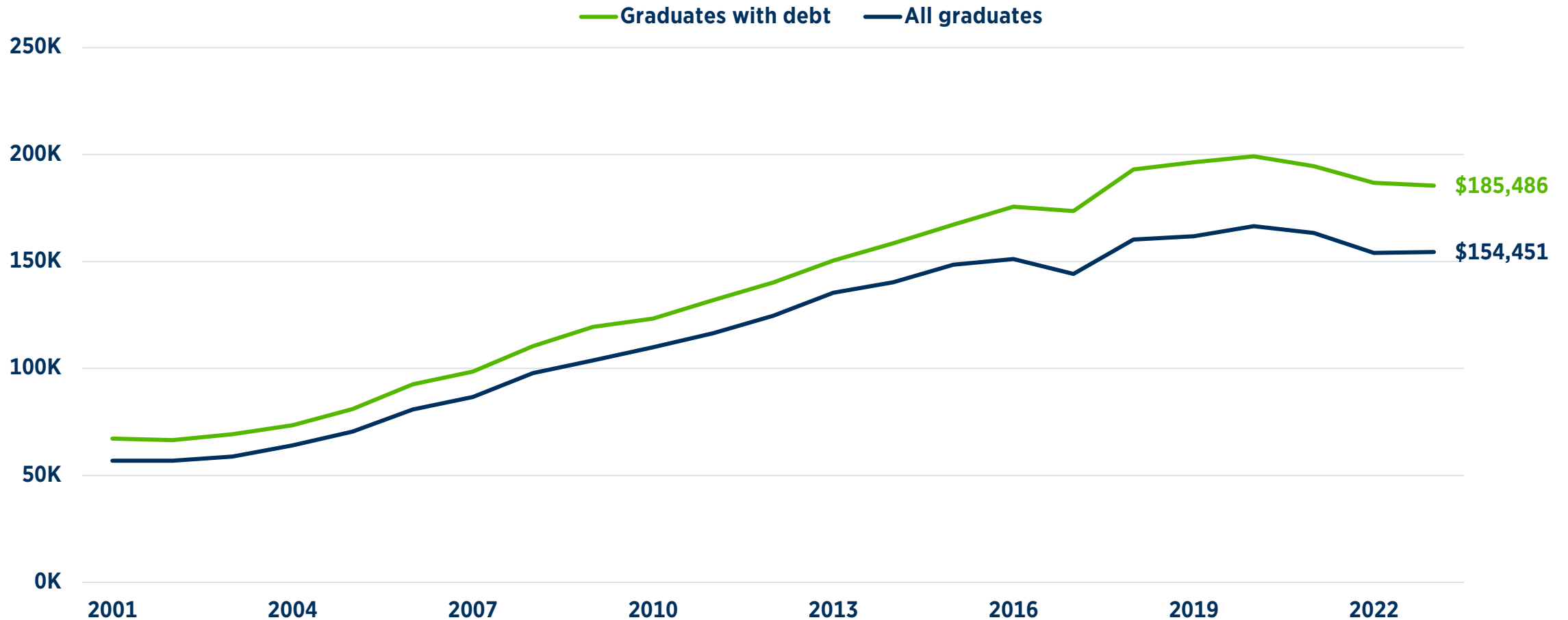
Source: AVMA Graduating Senior Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.





# Average Debt Amounts Holding Steady



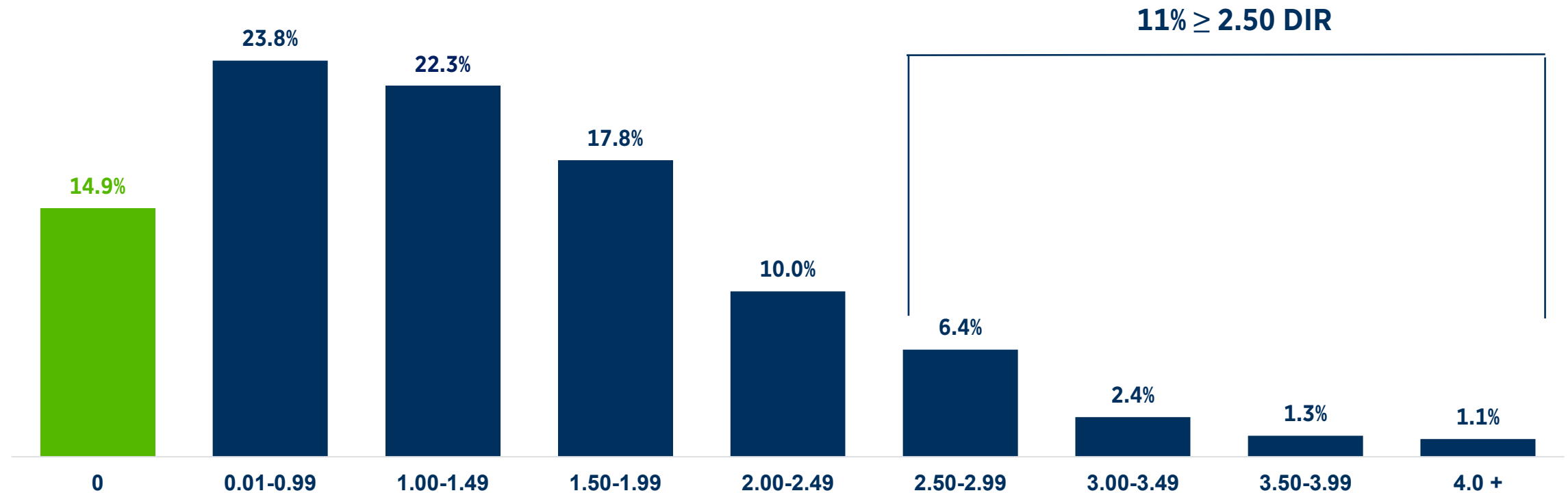
Source: AVMA Graduating Senior Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# Rising Compensation and Steady Debt

Average Debt-to-Income Ratio 1.3



Source: AVMA Graduating Senior Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Average Debt-to-Income Ratio Back to 2004 Levels



For those entering full-time employment, includes those with zero debt

Source: AVMA Graduating Senior Survey

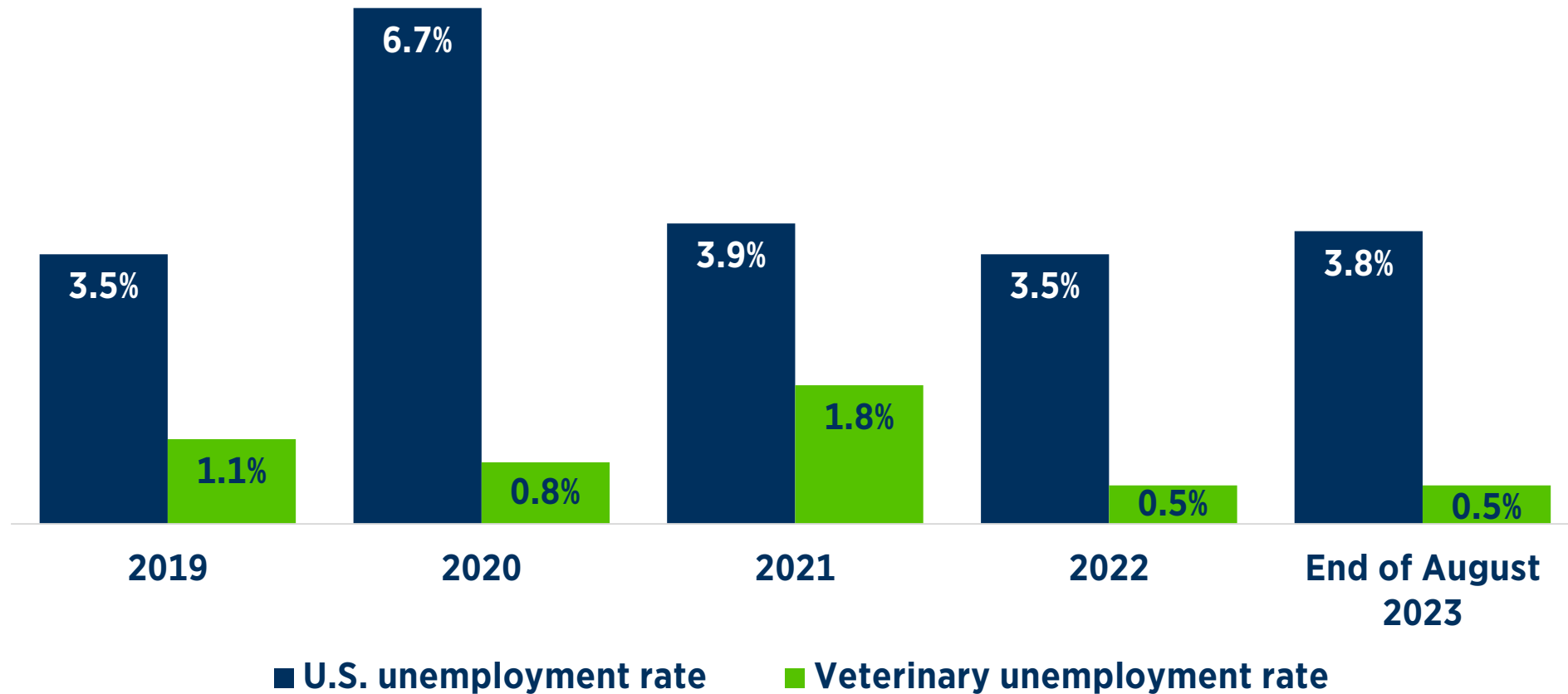
© Copyright 2023. American Veterinary Medical Association. All rights reserved.



**Poll #2: What is the main challenge facing practices in your region?**

# The Profession: The Market for Veterinarians

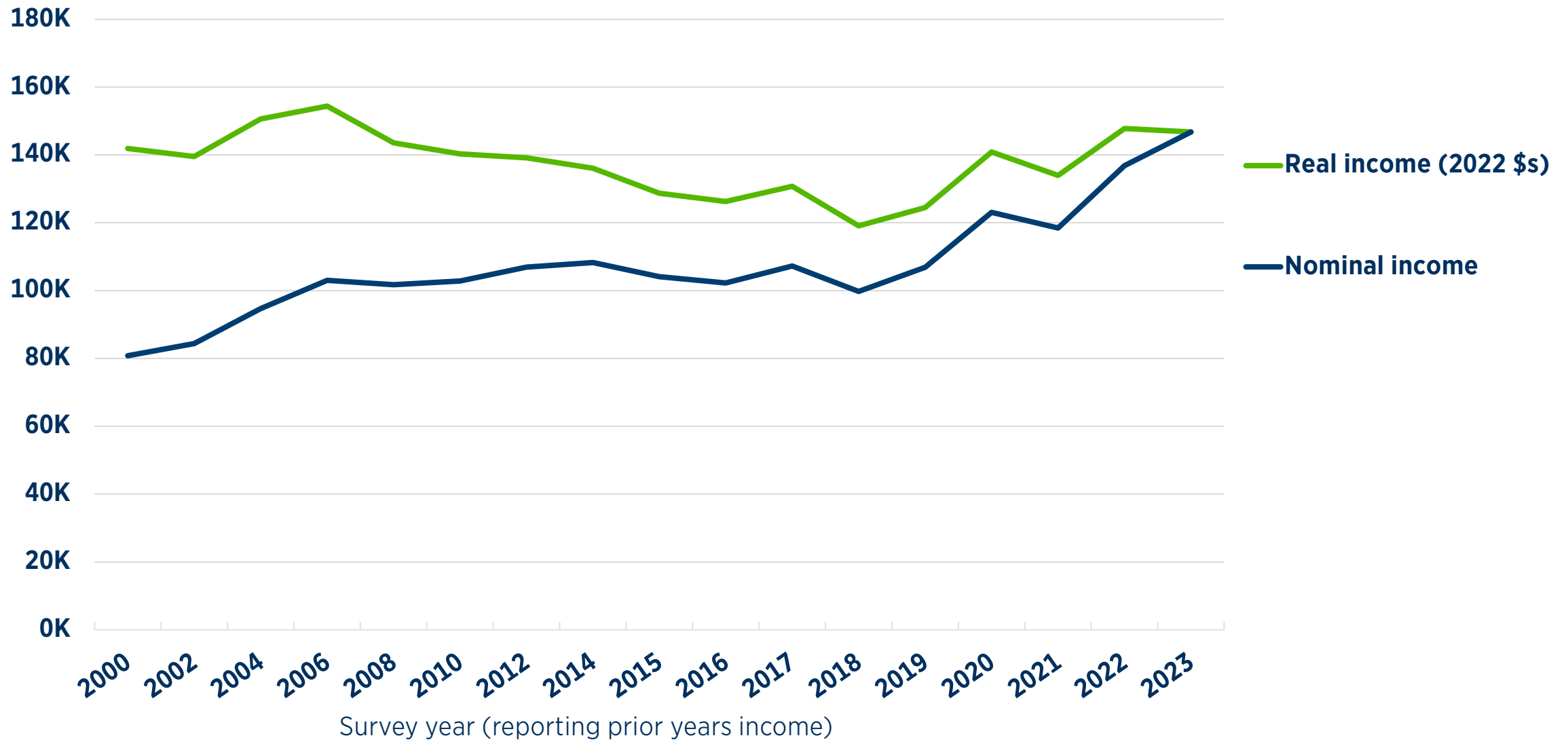
# Veterinary Employment Remains Robust



Source: BLS, 2023 AVMA Census of Veterinarians

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

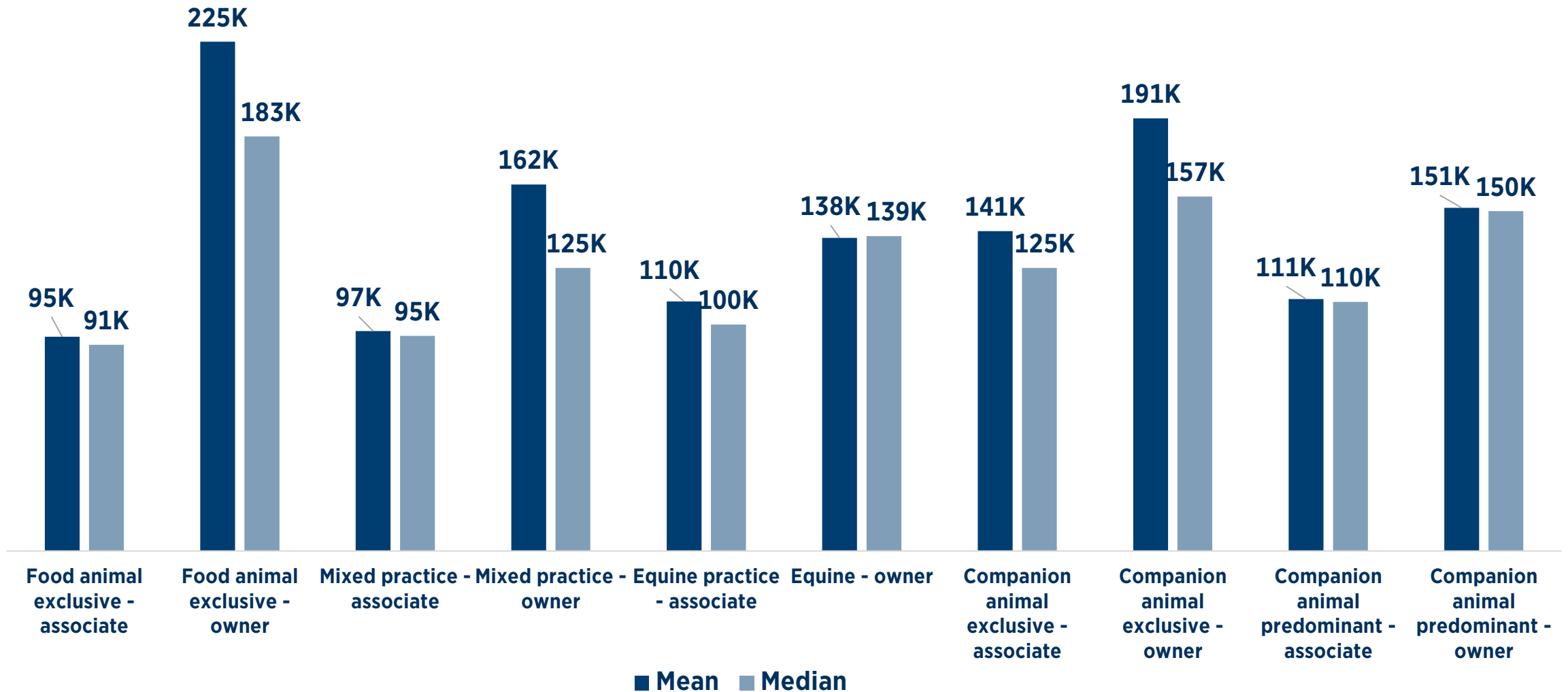
# Inflation Adjusted Incomes are Stagnant



Source: AVMA Census of Veterinarians

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Private Practice Income



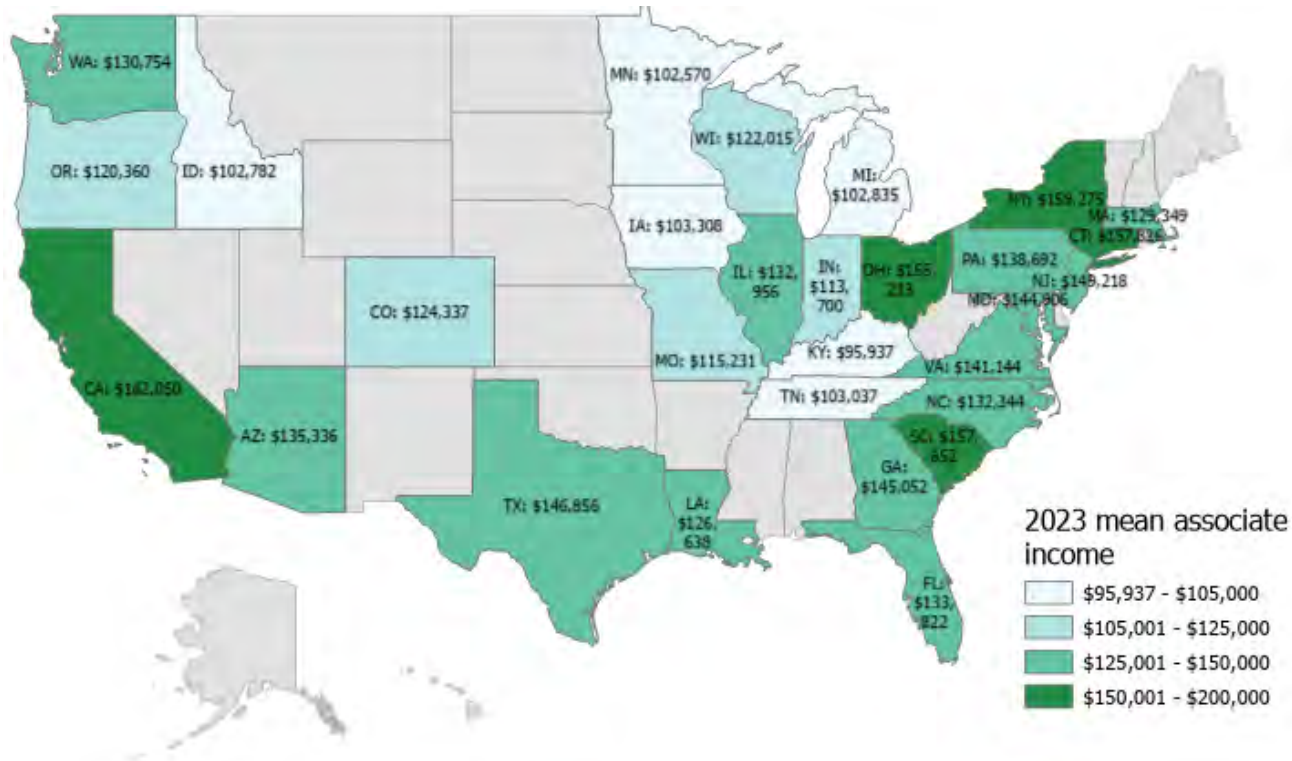
Source: 2023 AVMA Census of Veterinarians

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

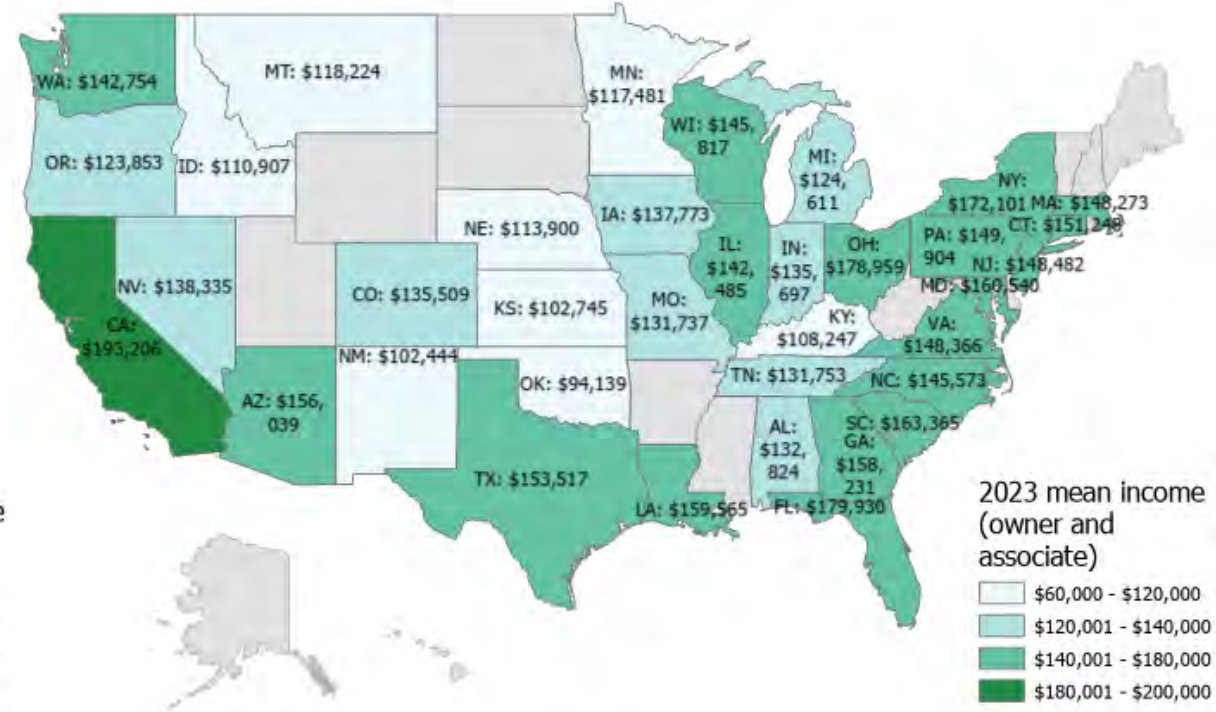


# Income Across the U.S.

## Associates



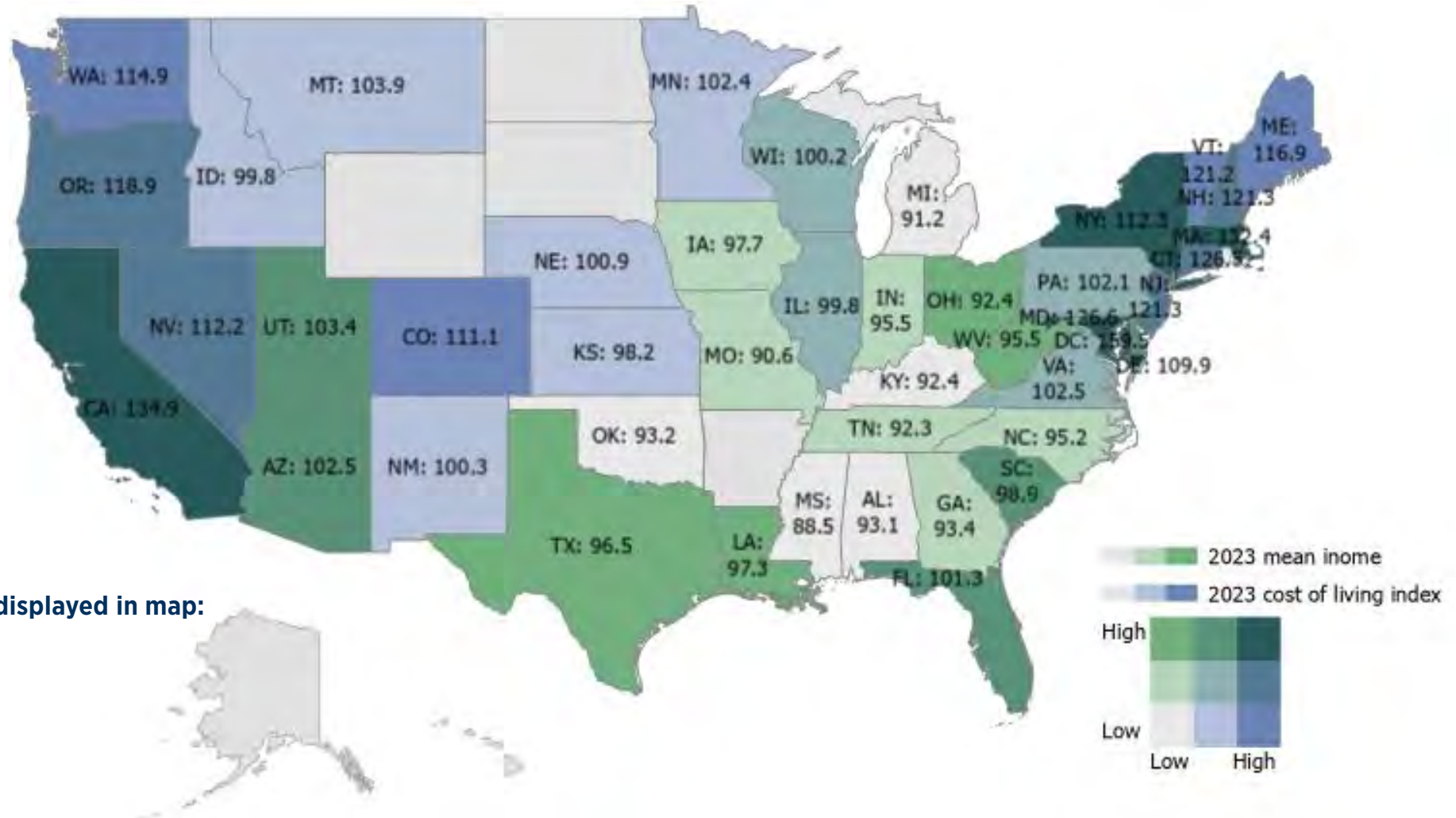
## Owners and Associates



Source: 2023 AVMA Census of Veterinarians

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Keep In Mind, Cost of Living



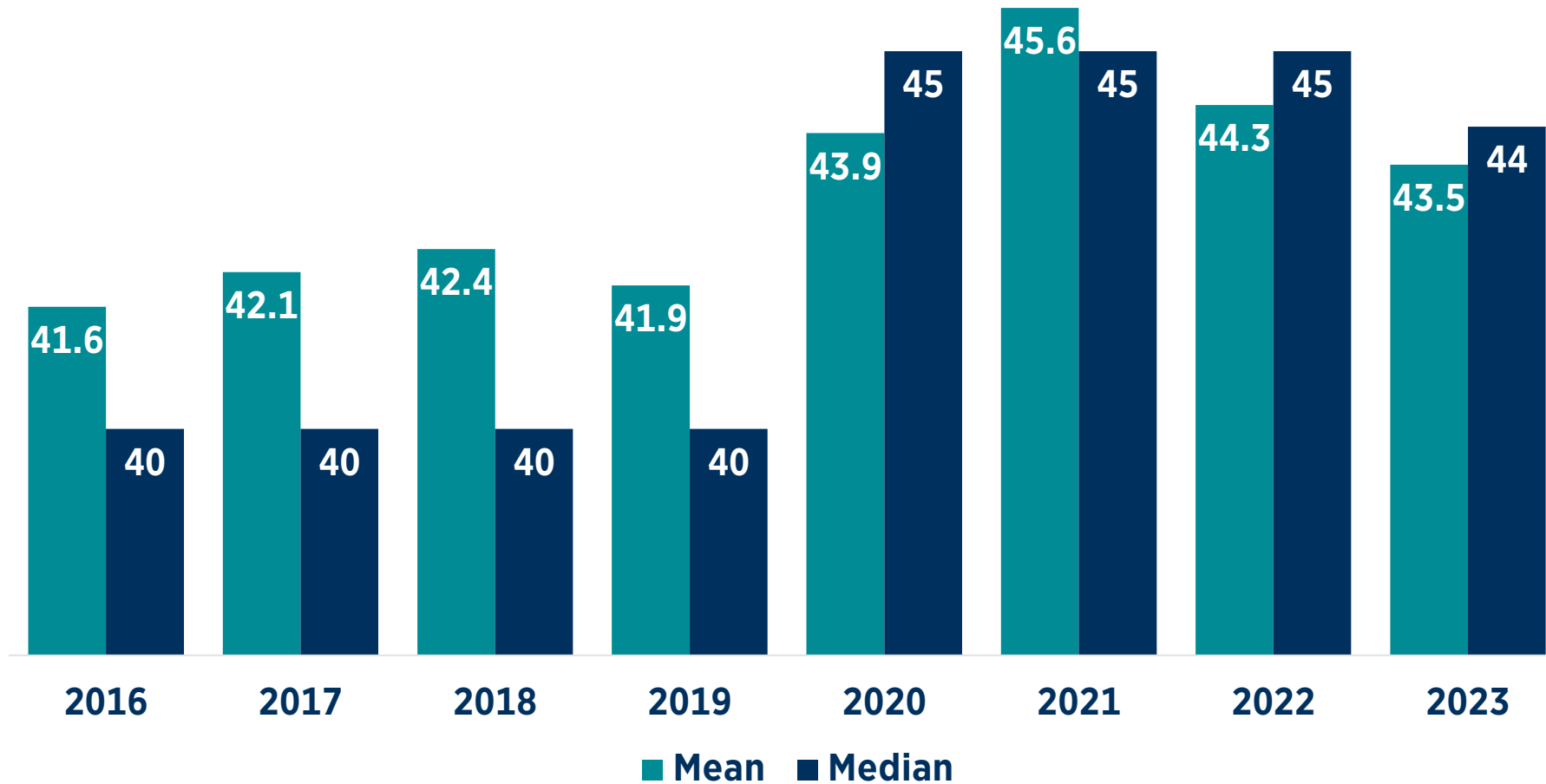
Cost of living for states not displayed in map:

- Alaska - 131.9
- Arkansas - 90.6
- Hawaii - 149.6
- South Dakota - 99.7
- North Dakota - 108
- Wyoming - 90.6

Source: 2023 AVMA Census of Veterinarians; The Council for Community and Economic Research

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Work Hours Declining, Remain Elevated Compared to Pre-Pandemic Levels



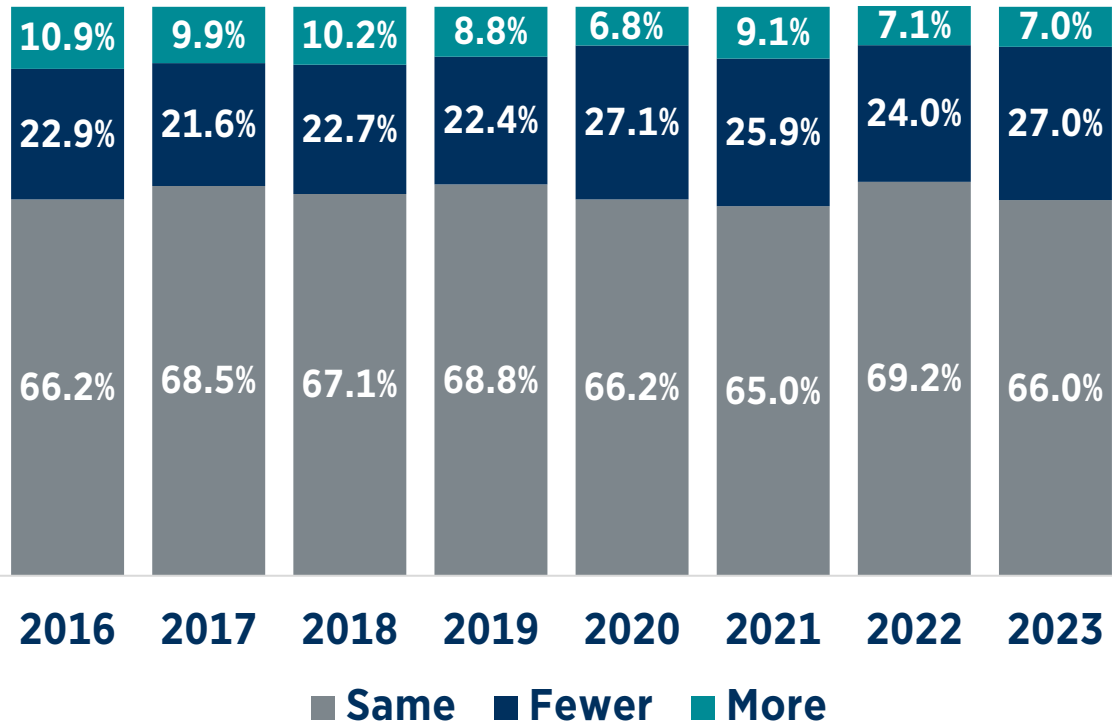
Number of hours worked per week (full- and part-time combined)

Source: 2023 AVMA Census of Veterinarians

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Two Thirds of Veterinarians Content with Work Hours

If you could, would you:



Primary reason

More hours for more compensation		Fewer hours for less compensation	
To make more money	47.4%	Improve my mental health	32.4%
Concerned about retirement finances	13.5%	Better work-life balance	31.9%
Current or anticipated financial problems	13.5%	Feel overworked at current rate	10.3%
I enjoy working	12.8%	Taking care of children	9.6%
Other	7.5%	Nearing retirement	6.6%
To gain more experience	4.5%	Other	6.0%
Spouse/significant other job changes or issue	0.8%	Too busy with other activities	3.0%

Source: 2023 AVMA Census of Veterinarians

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# **Poll #3: What can AVMA Veterinary Economics do to help veterinarians in your region?**

# The Clients: The Market for Pets

# Pet Ownership and Demographics Sourcebook

American Veterinary Medical Association

**PDS  
Publications:**

**2022**

**2024  
(Coming  
Soon)**



2022 AVMA  
PET OWNERSHIP  
AND DEMOGRAPHICS  
SOURCEBOOK



# Pet Ownership and Demographic Survey: Leveraging the Data

## Pet Ownership Trends



- Tracks pet populations (primarily cats & dogs).
- Identifies who pet owners are and what they value.

## Veterinary Visit Insights



- Cost of last visit.
- Detailed wait times by appointment type.
- Services utilized.
- Client satisfaction and reasons why veterinarian not seen.

## Acquisition Information

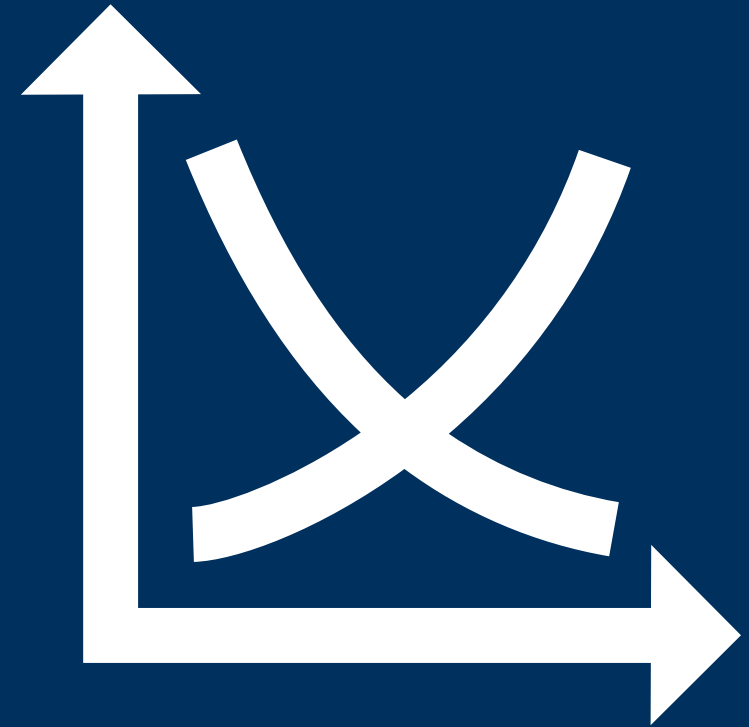


- Provides attributes of people most likely to acquire pets in immediate future.
- Determines where people are acquiring pets from.



# Five Factors of Demand

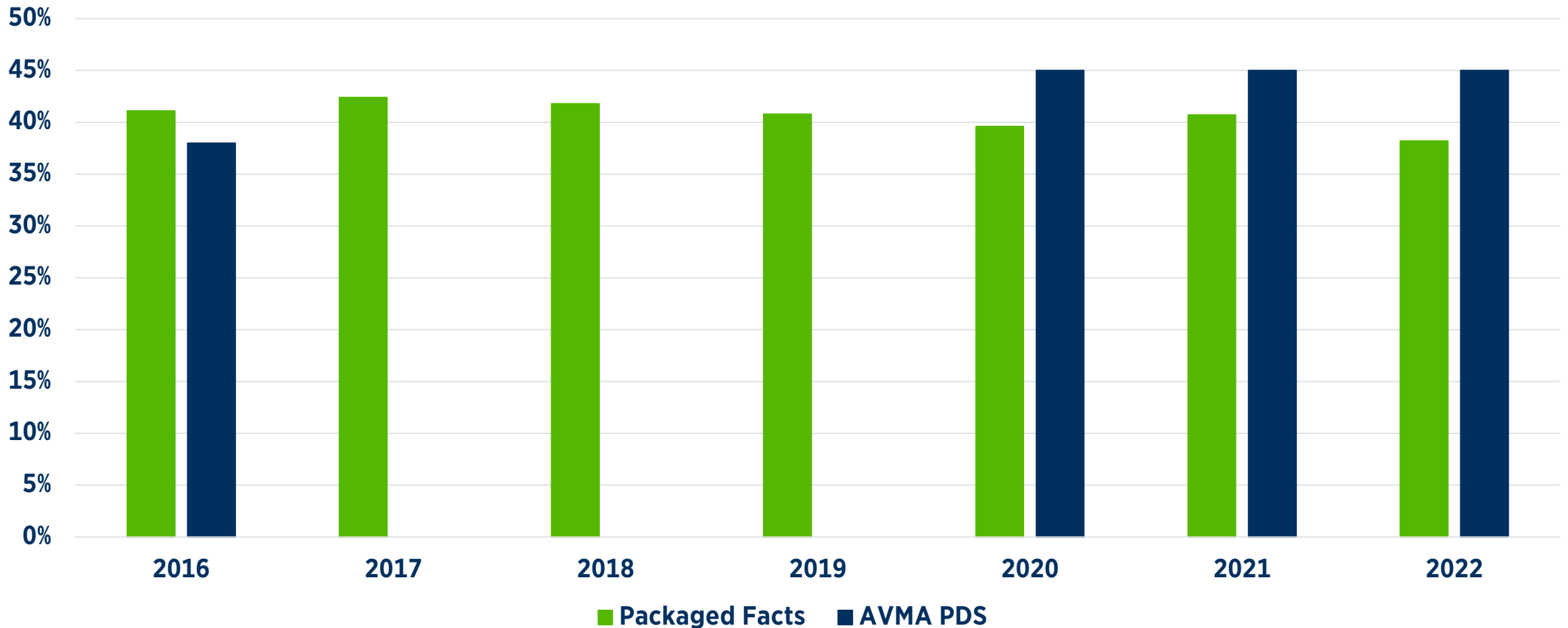
- **Income**
- **Price of goods & services**
- **Tastes and preferences**
- **Consumer expectations**
- **Number of consumers**



# Are We Seeing an Increase in Customers?

(And subsequently an increase in demand?) \*Preliminary estimates\*

## Percentage of Dog Owning Households



Source: Packaged Facts & 2023 AVMA Pet Ownership and Demographics Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# Pet Ownership and Demographics Survey

\*Preliminary data\*

2016 Total  
Number of  
Dogs: **76.8M**



2022 Total  
Number of  
Dogs: **86M**

Compound  
Annual Growth  
Rate,  
Dog Population  
2016-2022:  
**1.94%**

2016 Total  
Number of  
Cats: **58.4M**



2022 Total  
Number of  
Cats: **66M**

Compound  
Annual Growth  
Rate,  
Cat Population  
2016-2022:  
**2.05%**

Source: AVMA Pet Ownership and Demographics Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Is an Increase in Spending the Same as an Increase in Demand?

\*Preliminary estimates\*

## Veterinary Spending for Dog Owning Households (in dollars)



Spending for veterinary services only. Medication expenditures reported separately.

Source: Packaged Facts & 2023 AVMA Pet Ownership and Demographics Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

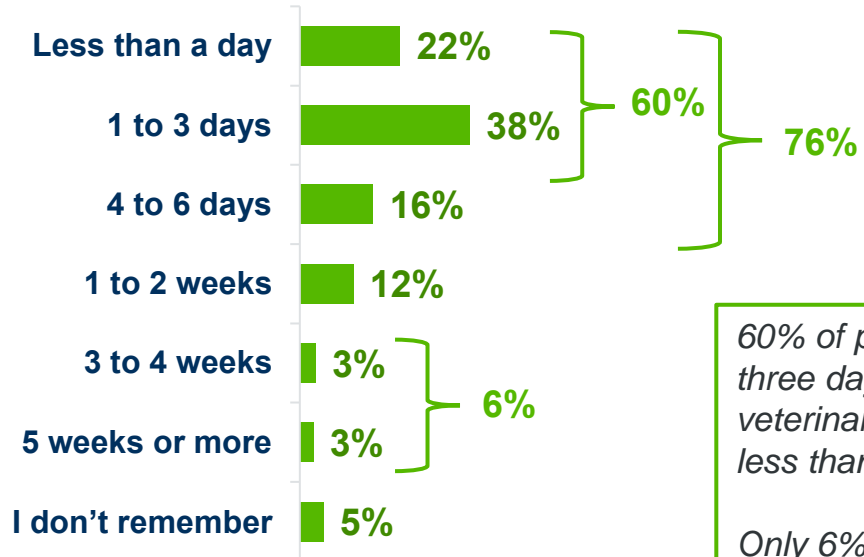


# Wait Times for Veterinary Appointments

## Supplemental Survey Data

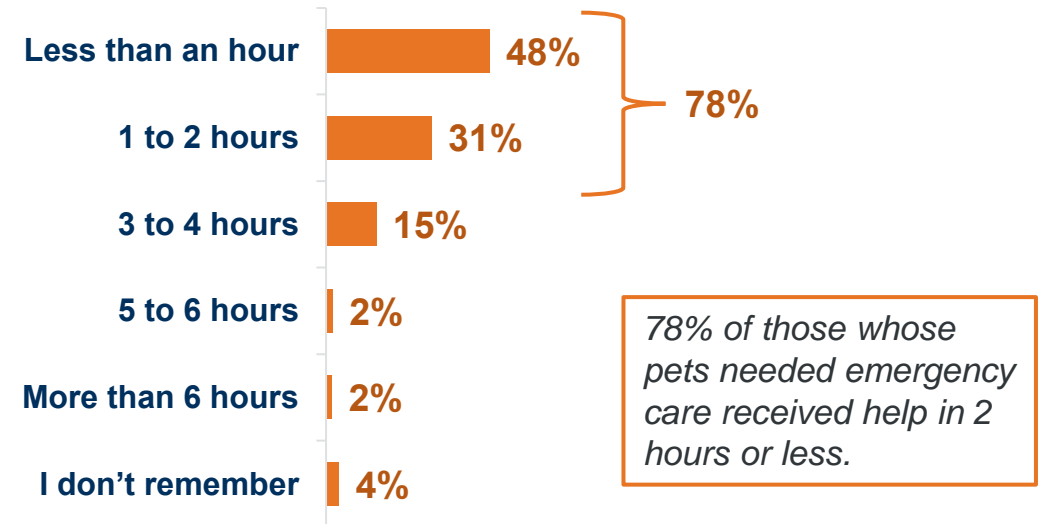
### For Routine Care or an Injury

Length of Appointment Wait Time (Non-Emergency)  
(n=976)



### For Emergency Situations

Length of Wait Time to Receive Emergency Help  
(n=480)



Source: 2023 AVMA Pet Owner Attitude Survey

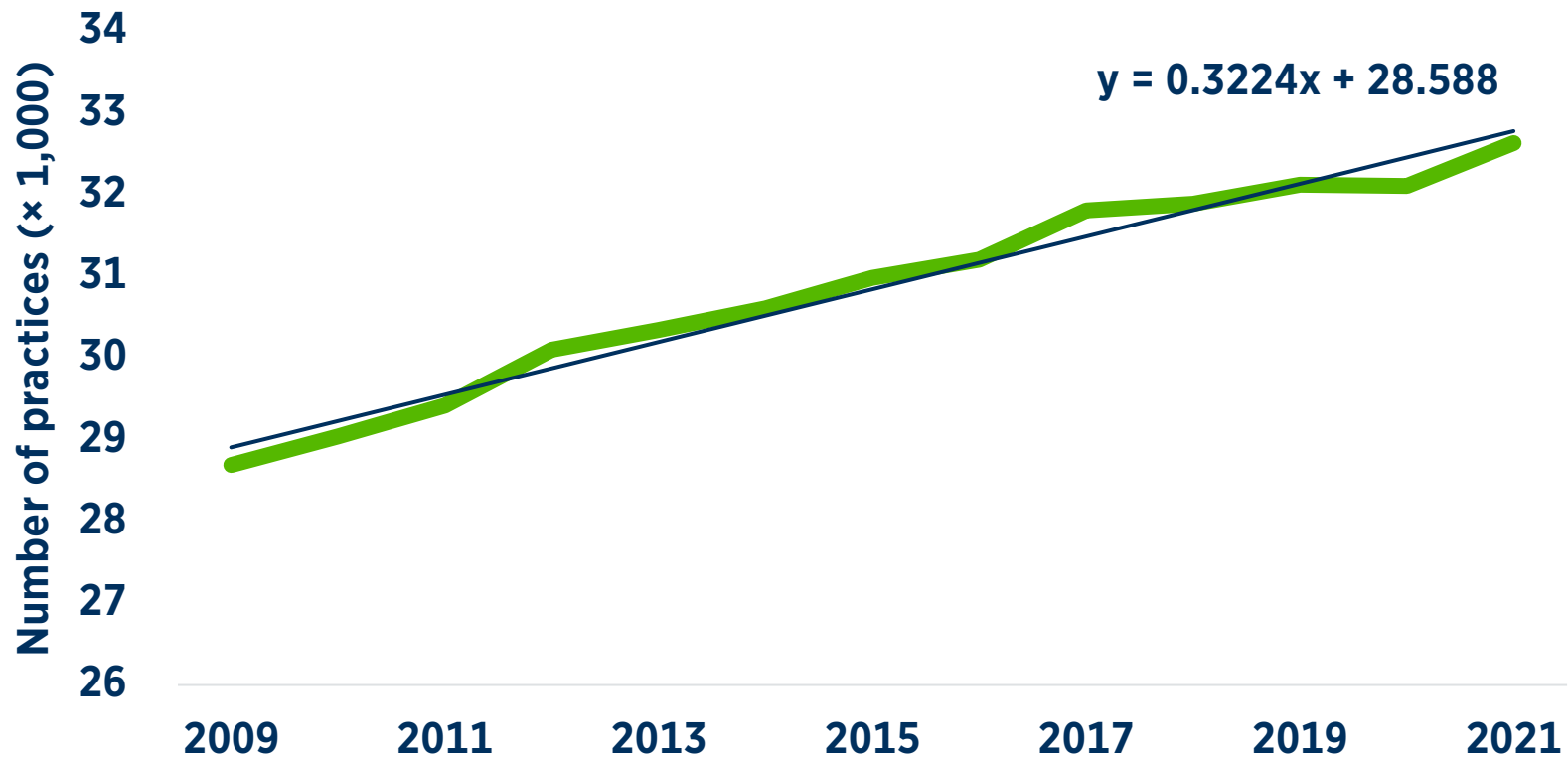
© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# The Businesses: The Market for Veterinary Services

# Veterinary Practices in the U.S.

Steady growth in the number of veterinary practices

Number of veterinary practices in the U.S.



2009 – 2021

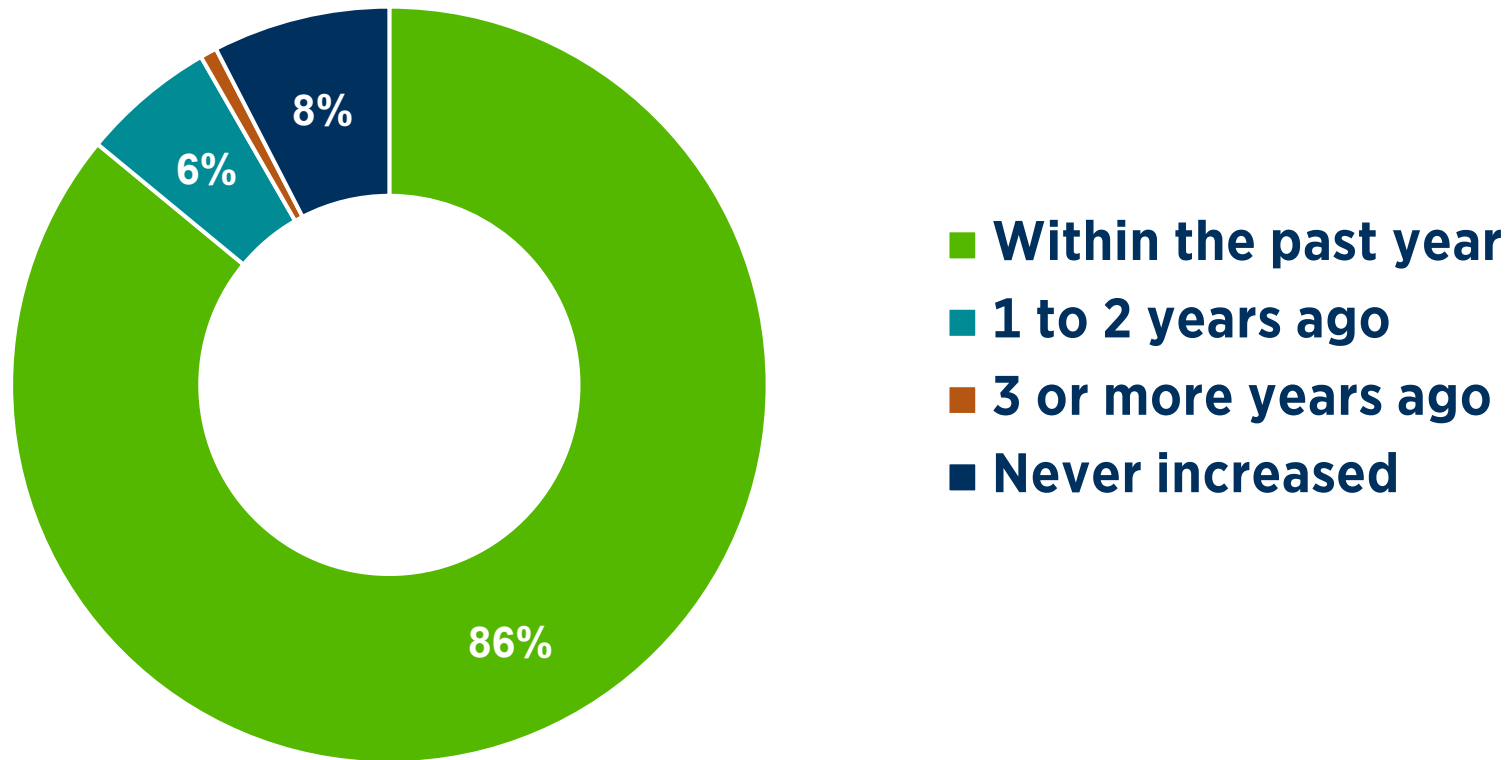
Compound Annual Growth Rate (CAGR) = **1.0%**

Average of **322** veterinary practices added per year

Source: U.S. Census Bureau

# Most Veterinary Practices Raised Wages Within the Last Year

When did you last raise wages for your employees?



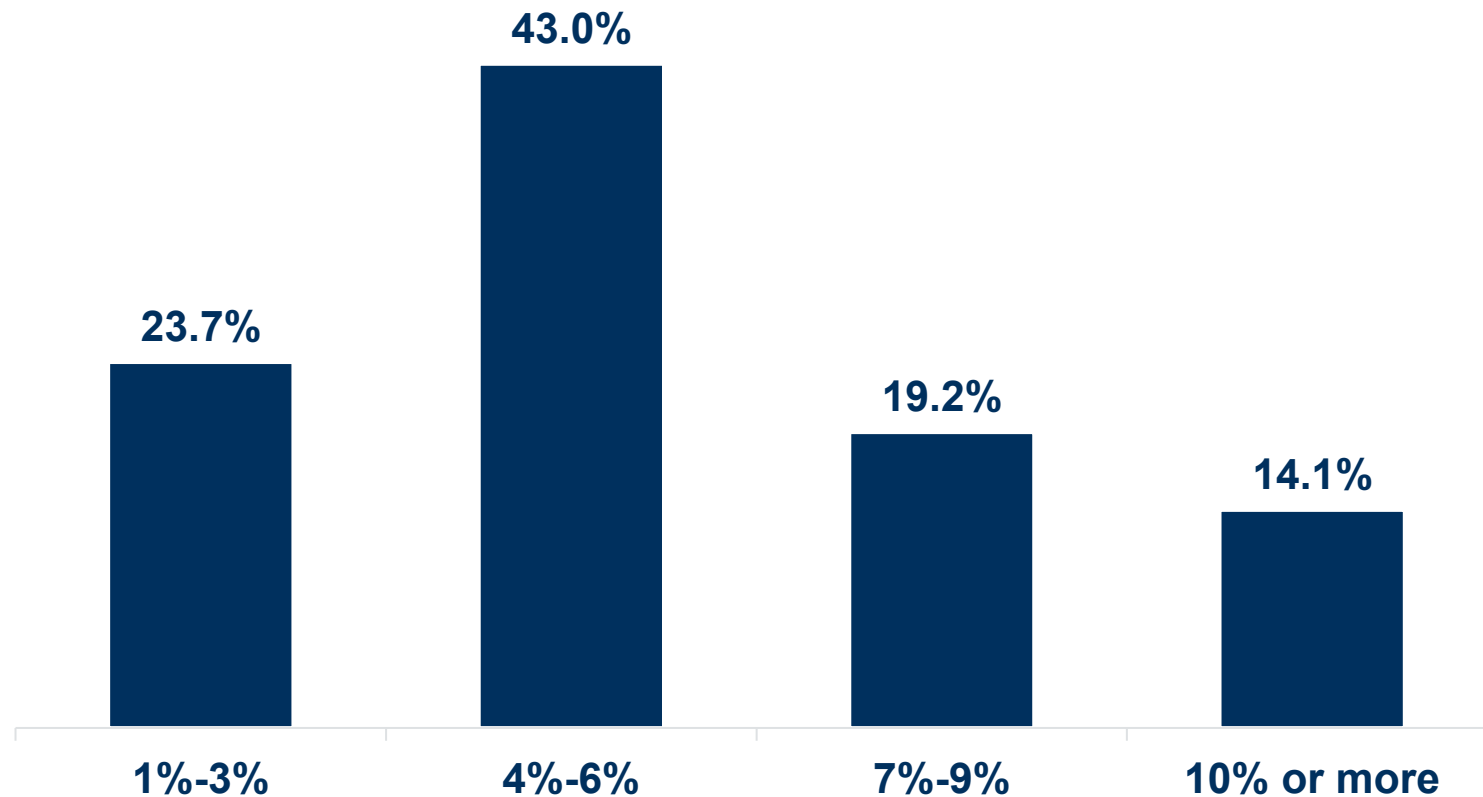
Source: 2023 AVMA Practice Owners Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# Most Raised Wages by 1% to 6%

How much was your last raise (wage increase)?



2022 US annual  
inflation rate:

**6.5%**

Source. U.S. Labor Department

Source: 2023 AVMA Practice Owners Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Efficiency in US Veterinary Practices

What is efficiency, and how is it calculated?

**Efficiency:**  
Weighted sum  
of outputs/  
weighted sum  
of inputs

**Inputs:**

**Outputs**

Labor (hours  
worked)

Capital (fixed  
costs, number of  
exam rooms)

Gross revenue

Number of  
patients seen per  
year

Number of  
appointment  
slots per full-  
time equivalent  
(FTE)  
veterinarian per  
year

# AVMA 2023 Practice Owner Survey

Productivity metrics for companion animal exclusive practices

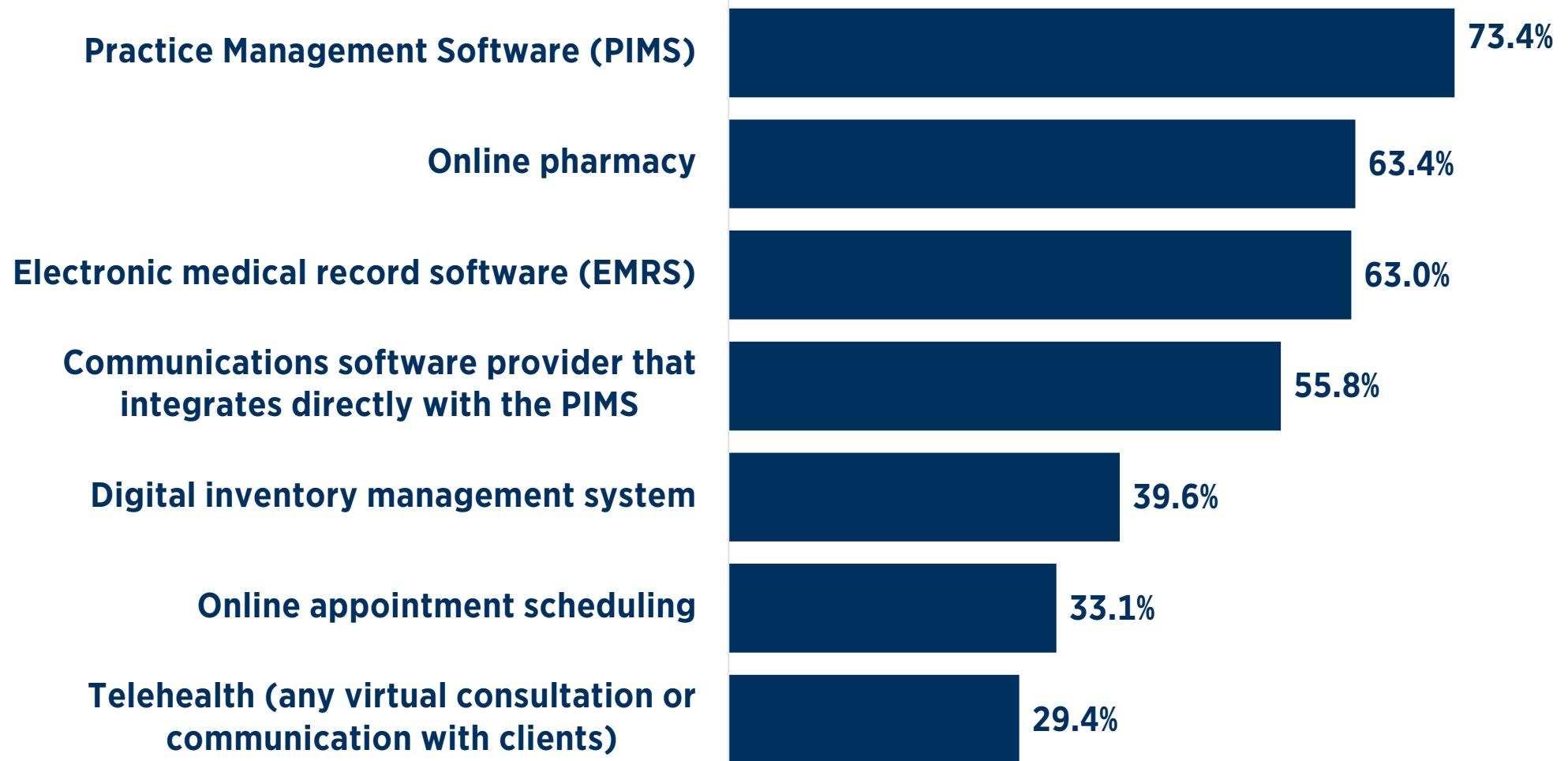
Metric	Lower quartile	Median	Upper quartile
Gross revenue per FTE veterinarian	\$431,667	\$557,102	\$740,000
Gross revenue per exam room	\$260,000	\$380,000	\$500,000
Gross revenue per square foot	\$278	\$424	\$587
Gross revenue per operation hour	\$435	\$619	\$851

Source: 2023 AVMA Practice Owners Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.



# Utilization of Veterinary Practice Technology

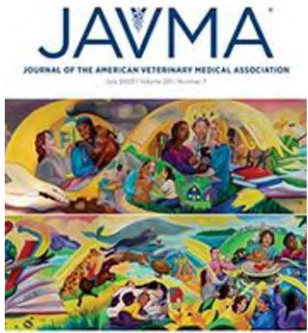


Source: 2023 AVMA Practice Owners Survey

© Copyright 2023. American Veterinary Medical Association. All rights reserved.

# Impact of Efficiency

JAVMA Paper



## Increased efficiency could lessen the need for more staff in companion animal practice

- Frederic B. Ouedraogo PhD, Peter Weinstein DVM, MBA, Sandra L. Lefebvre DVM, PhD



# Key Takeaways

# Key Takeaways

- ❑ **Monitor macroeconomic and veterinary industry trends**
- ❑ **New graduate incomes rising, debt stable, most entering companion animal practice**
- ❑ **Veterinarian real incomes stagnant, hours worked trending to pre-pandemic levels**
- ❑ **Pet population growing approximately 2% per year, most able to be seen by their veterinarian quickly**
- ❑ **Veterinary practices increasing wages in the face of inflation, consider strategies to improve efficiency**

**THANK YOU**

**Questions?**

**[cdohererty@avma.org](mailto:cdohererty@avma.org)**

