

2005 JCO Orthodontic Practice Study

Part 3 Practice Growth and Staff Data

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Part 1 of this series of reports on the 2005 JCO Orthodontic Practice Study (JCO, November 2005) discussed trends in orthodontic economics and practice administration since our biennial survey was first conducted in 1981. It also described the methodology of the current survey. Part 2 (JCO, December 2005) covered factors that seem to be related to practice success, as reflected in net income and numbers of case starts. In this third part, we will examine the growth that has occurred in case starts and gross income over the past two years. Information on staff numbers and their salaries and benefits will also be presented.

For a more complete set of Practice Study tables, click on the link from this article in the JCO Online Archive at our website, www.jco-online.com.

Practice Growth

As in every survey since 1983, we asked respondents to indicate whether their practices had increased, decreased, or stayed the same in case starts and gross income compared to the previous year. In the present survey, they were comparing 2004 to 2003.

The percentages of practices reporting growth in case starts and gross income dropped

for the third Practice Study in a row, reaching the lowest levels since 1989 (Table 18). A bare majority of respondents showed growth in case starts between 2003 and 2004.

Growth declined with the age of the practice, as in every report to date, except that respondents who had been in practice for 26 years or longer showed more growth than those in the 21-to-25-year group (Table 19). Orthodontists with higher fees and net income also reported more growth than others did, especially in terms of gross income. Compared to the 2003 Study, growth percentages were lower in every category except 11-to-15-year-old and West South Central practices; 26-or-more-year-old and low net income practices (case starts only); and Middle Atlantic respondents (gross income only). Half or fewer of the orthodontists in the New England, East South Central, East North Central, West North Central, and Mountain regions reported increased case starts over the previous year.

Expectations for 2005

Respondents who increased, decreased, or stayed the same in case starts or gross income in 2004 were more likely than other practitioners to predict the same results in 2005, as in every Practice Study to date (Table 20). Those who

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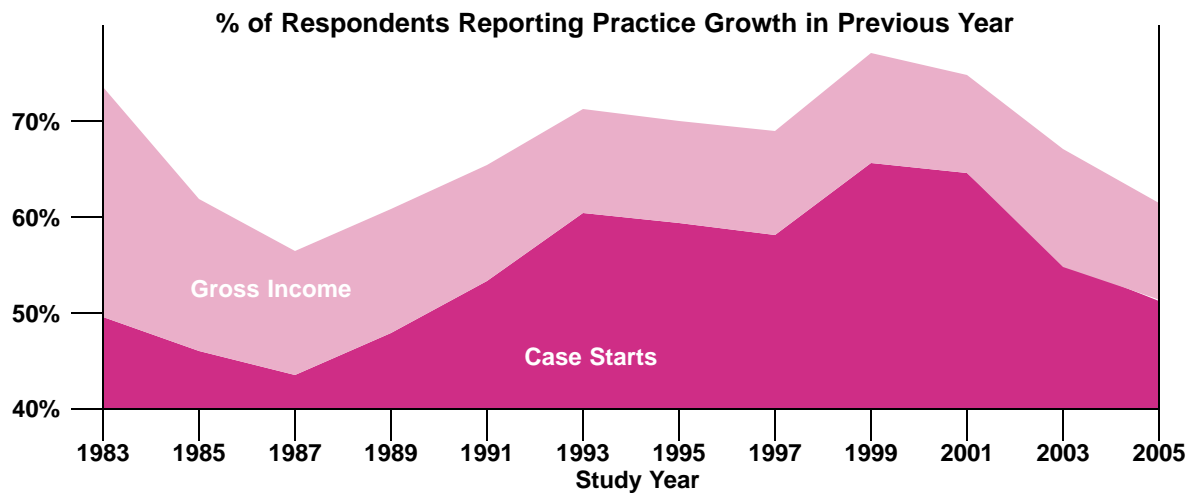
Mr. Vogels

2005 JCO Orthodontic Practice Study

increased or stayed the same in the present survey seemed slightly more optimistic about the following year than the corresponding groups were in the 2003 Study.

On the whole, the practitioners were about as pessimistic as they were two years ago, which was the least optimistic survey since 1987 (Table 21). A slightly higher percentage expected in-

creased case starts compared to the 2003 Study, but a slightly lower percentage expected higher gross income. The only groups in which more respondents predicted growth in both cases and income in 2005 than in 2003 were those in practice for 6-20 years, high net income and rural practices, and those in the West South Central region.



**TABLE 18
PRACTICE GROWTH IN PREVIOUS YEAR**

	Case Starts		Gross Income	
	Increase	Decrease	Increase	Decrease
1983 Study	49.6%	24.6%	73.6%	11.2%
1985 Study	46.0	29.7	62.1	19.7
1987 Study	43.6	34.8	56.6	23.7
1989 Study	47.9	29.7	60.9	20.6
1991 Study	53.4	23.5	65.5	17.1
1993 Study	60.4	20.1	71.2	15.3
1995 Study	59.4	20.5	70.1	14.3
1997 Study	58.1	19.0	69.0	15.2
1999 Study	65.7	13.0	77.1	10.1
2001 Study	64.7	14.6	74.8	11.4
2003 Study	55.3	21.4	67.2	15.6
2005 Study	51.3	25.0	61.4	19.3

Percentages of respondents who "stayed the same" are not shown.

Reasons for Lack of Growth

As in previous surveys, the respondents who did not report increased case starts were asked to rate the influence of various factors on their lack of growth (Table 22). Economic condi-

tions were seen to be less influential than in the 2003 Study, while a declining child population was only slightly more important than it was two years ago. On the other hand, competition from

(text continued on p. 22)

**TABLE 19
PRACTICE GROWTH BY SELECTED VARIABLES**

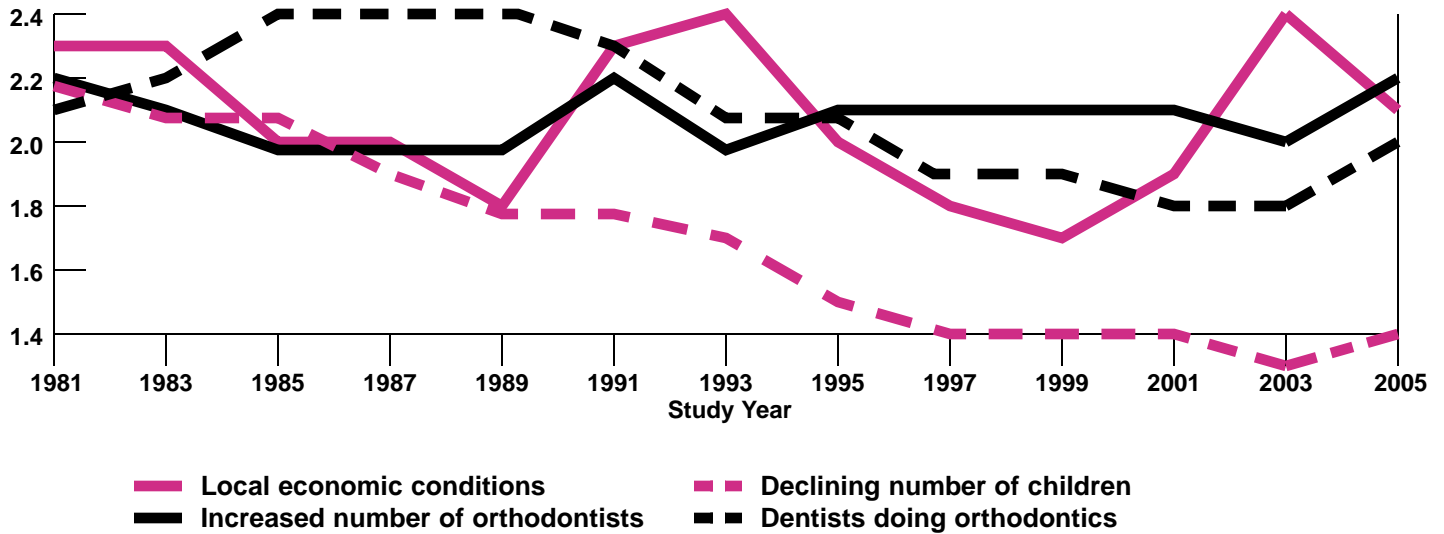
	Case Starts			Gross Income		
	Increase	Decrease	Same	Increase	Decrease	Same
<i>Years in Orthodontic Practice</i>						
2-5 years	71.4%	9.5%	19.0%	71.4%	9.5%	19.0%
6-10 years	67.9	15.1	17.0	71.7	13.2	15.1
11-15 years	64.6	17.7	17.7	82.1	10.3	7.7
16-20 years	52.4	25.0	22.6	65.0	19.0	15.5
21-25 years	33.3	33.3	33.3	43.9	35.1	21.1
26 or more years	37.9	30.7	31.4	48.0	24.0	28.0
<i>Legal Status</i>						
Sole proprietorship	50.3	27.7	22.0	61.5	21.3	17.2
Professional corporation	51.4	21.8	26.9	61.1	18.4	20.5
<i>Child Fee (permanent dentition)</i>						
Low (less than \$4,300)	46.2	27.9	26.0	53.4	25.2	21.4
High (\$5,000 and more)	52.8	22.8	24.4	65.6	19.2	15.2
<i>Net Income</i>						
Low (\$25,000-235,000)	43.6	30.9	25.5	47.9	29.8	22.3
Moderate (\$300,000-475,000)	46.7	35.9	17.4	56.0	25.3	18.7
High (\$550,000 and more)	57.3	14.6	28.2	74.5	8.8	16.7
<i>Community Size</i>						
Rural (less than 20,000)	49.2	20.8	30.8	63.1	20.0	16.9
Small city (20,000-50,000)	54.5	22.7	22.7	64.9	13.7	21.4
Large city (50,000-500,000)	49.4	25.3	25.3	59.6	23.5	16.9
Metropolitan (more than 500,000)	51.4	24.8	23.9	57.9	19.6	22.4
<i>Geographic Region</i>						
New England	50.0	20.8	29.2	66.7	12.5	20.8
Middle Atlantic	52.3	20.0	27.7	71.9	12.5	15.6
South Atlantic	53.4	27.3	19.3	59.1	22.7	18.2
East South Central	46.7	20.0	33.3	66.7	6.7	26.7
East North Central	46.0	28.6	25.4	50.0	27.4	22.6
West North Central	40.0	36.0	24.0	52.0	28.0	20.0
Mountain	50.0	37.5	12.5	59.0	30.8	10.3
West South Central	51.0	24.5	24.5	63.3	18.4	18.4
Pacific	56.0	13.1	31.0	65.1	12.0	22.9
COMPOSITE	51.3	23.7	25.0	61.4	19.3	19.3

**TABLE 20
EXPECTATIONS FOR 2005 BY 2004 PRACTICE GROWTH**

	Expected Case Starts			Expected Gross Income		
	Increase	Decrease	Same	Increase	Decrease	Same
<i>2004</i>						
Increased	73.4%	6.1%	20.5%	74.7%	6.3%	19.1%
Decreased	35.4	35.4	29.2	37.4	34.1	28.6
Stayed the Same	34.5	16.0	49.6	41.8	20.9	37.4

**TABLE 21
EXPECTATIONS FOR PRACTICE GROWTH BY SELECTED VARIABLES**

	Case Starts			Gross Income		
	Increase	Decrease	Same	Increase	Decrease	Same
<i>Years in Orthodontic Practice</i>						
2-5 years	73.9%	8.7%	17.4%	73.9%	8.7%	17.4%
6-10 years	67.9	7.5	24.5	69.2	7.7	23.1
11-15 years	57.0	11.4	31.6	70.5	10.3	19.2
16-20 years	63.1	11.9	25.0	66.7	11.9	21.4
21-25 years	40.7	20.3	39.0	45.8	20.3	33.9
26 or more years	42.7	22.9	34.4	51.3	20.1	28.6
<i>Legal Status</i>						
Sole proprietorship	54.9	13.0	32.1	59.9	12.1	28.0
Professional corporation	54.7	17.0	28.3	62.0	15.8	22.2
<i>Child Fee (permanent dentition)</i>						
Low (less than \$4,300)	46.8	14.7	38.5	50.0	14.8	35.2
High (\$5,000 and more)	58.9	16.3	24.8	66.1	13.4	20.5
<i>Net Income</i>						
Low (\$25,000-235,000)	56.3	17.7	26.0	58.3	17.7	24.0
Moderate (\$300,000-475,000)	52.2	17.4	30.4	58.2	15.4	26.4
High (\$550,000 and more)	56.3	12.6	31.1	70.6	8.8	20.6
<i>Community Size</i>						
Rural (less than 20,000)	52.9	25.0	22.1	61.8	22.1	16.2
Small city (20,000-50,000)	53.7	15.7	30.6	61.7	13.5	24.8
Large city (50,000-500,000)	55.4	13.7	30.9	59.5	13.3	27.2
Metropolitan (more than 500,000)	56.8	11.7	31.5	63.6	11.8	24.5
<i>Geographic Region</i>						
New England	40.0	20.0	40.0	52.0	20.0	28.0
Middle Atlantic	49.3	17.9	32.8	65.2	16.7	18.2
South Atlantic	55.6	15.6	28.9	62.2	13.3	24.4
East South Central	43.8	12.5	43.8	43.8	6.3	50.0
East North Central	54.7	20.3	25.0	57.1	20.6	22.2
West North Central	50.0	11.5	38.5	61.5	11.5	26.9
Mountain	58.1	16.3	25.6	61.0	17.1	22.0
West South Central	60.8	11.8	27.5	64.7	9.8	25.5
Pacific	62.1	11.5	26.4	65.1	11.6	23.3
COMPOSITE	55.1	15.2	29.7	61.4	14.2	24.4



**TABLE 22
DEGREE OF INFLUENCE OF FACTORS
CITED FOR LACK OF GROWTH**

	None (1)	Some (2)	High (3)	Mean Rating
Increased number of orthodontists in your area	18.5%	42.8%	38.7%	2.2
Local economic conditions	19.6	47.5	32.9	2.1
Increased number of dentists doing orthodontics in your area	24.1	55.7	20.3	2.0
Loss of contact with younger dentists	27.9	56.2	15.9	1.9
Low-fee competition	32.4	54.7	12.9	1.8
Ineffective practice-building methods	33.3	54.7	12.0	1.8
Advertising dentists in your area	41.0	49.1	9.8	1.7
Ineffective practice management	46.6	47.5	5.9	1.6
Personal decision not to increase size of practice	58.6	26.3	15.1	1.6
Managed care (closed-panel) dental programs	50.2	44.9	4.8	1.5
Management service organizations	58.9	36.4	4.7	1.5
Declining number of children in the local population	66.7	25.0	8.3	1.4
Quality of staff	74.0	20.5	5.5	1.3
Retail store clinics	78.7	19.9	1.4	1.2

other orthodontists, general dentists, and low-fee practices, along with a loss of contact with younger dentists, appeared to grow in relative influence.

Staff Data

The mean total number of full-time staff members declined slightly for the first time since the 1985 Study, when these figures were first surveyed (Table 23). The drop was evident in both front-office and clinical positions. On the other hand, the mean total number of part-time staff remained about the same as it has been since 1985. (Other positions listed on the questionnaire—

dental hygienist, new-patient coordinator, treatment coordinator, bookkeeper, office manager, and non-owner orthodontist—each showed mean numbers of less than .3 full-time and .2 part-time and therefore were not subdivided for further analysis.)

As in the past, the number of full-time staff members increased with the size of the practice, but the number of part-time employees was far more variable (Table 24). Slightly lower percentages of respondents employed full-time staff than in the 2003 Study, but higher percentages employed part-time chairside assistants and laboratory technicians.

In the last two years, mean monthly salaries

**TABLE 23
MEAN NUMBERS OF SELECTED AND TOTAL STAFF**

	Receptionist/ Secretary		Chairside Assistant		Lab Technician		Business Manager		TOTAL	
	Full- Time	Part- Time	Full- Time	Part- Time	Full- Time	Part- Time	Full- Time	Part- Time	Full- Time	Part- Time
<i>Case Starts</i>										
Less than 150	0.8	0.4	1.3	0.8	0.1	0.1	0.1	0.1	2.7	1.7
150-200	1.1	0.3	2.3	0.8	0.2	0.1	0.2	0.1	4.4	1.6
201-250	1.2	0.3	2.8	0.8	0.2	0.1	0.1	0.1	5.4	1.5
251-350	1.5	0.3	3.5	0.8	0.4	0.1	0.4	0.0	7.2	1.6
More than 350	2.0	0.4	4.5	1.4	0.5	0.1	0.2	0.1	9.2	2.3
<i>Active Patients</i>										
Less than 300	0.8	0.4	1.2	0.7	0.1	0.1	0.0	0.1	2.5	1.6
300-450	1.0	0.4	2.0	0.9	0.2	0.1	0.1	0.0	4.0	1.7
451-550	1.4	0.1	3.0	0.8	0.3	0.1	0.3	0.1	6.0	1.3
551-750	1.5	0.4	3.2	0.9	0.3	0.2	0.2	0.0	6.5	1.8
More than 750	1.9	0.4	4.7	1.3	0.5	0.1	0.3	0.0	9.4	2.3
<i>Net Income Level</i>										
Low	0.8	0.4	1.7	0.7	0.1	0.1	0.1	0.0	3.1	1.5
Moderate	1.2	0.3	2.4	1.1	0.2	0.2	0.2	0.1	4.6	1.9
High	1.6	0.4	3.8	0.9	0.5	0.1	0.3	0.1	7.9	1.9
<i>Number of Chairs</i>										
3-5	1.0	0.4	1.8	0.9	0.1	0.1	0.1	0.7	3.5	1.7
6-10	1.4	0.3	3.4	0.9	0.4	0.1	0.2	0.0	6.8	1.7
COMPOSITE	1.2	0.4	2.6	0.9	0.3	0.1	0.2	0.0	5.3	1.8

increased by only 6% for full-time receptionist/secretaries and 5% for full-time chairside assistants (Table 25). This was less than the 10% increase reported in the past two surveys, but similar to the raises found in the 1999 and 1997 Studies. Combined with the slight drop in the total number of employees, the relatively modest salary increases could help account for the 1% decline in median overhead rate since the 2003 Study.

Significant differences in salary levels were found according to fees charged, net income, and geographic region (Table 26). Regionally, the greatest two-year mean salary increases for receptionist/secretaries were seen in New Eng-

land (18%), and for chairside assistants, in the New England, East North Central, and West North Central regions (all about 10%). Salaries in the Pacific region remained at or near the highest, but did not increase as dramatically over the past two years as in other regions.

The percentages of respondents providing various staff benefits were generally about the same as in the last Practice Study, although slightly fewer orthodontists offered paid sick leave, retirement plans, continuing education, and orthodontic benefits (Table 27). Percentages providing benefits tended to increase with the

(text continued on p. 26)

**TABLE 24
PERCENTAGES OF PRACTICES EMPLOYING SELECTED STAFF**

	Receptionist/ Secretary		Chairside Assistant		Lab Technician		Business Manager	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<i>Case Starts</i>								
Less than 150	70%	32%	72%	45%	11%	9%	4%	7%
150-200	84	25	84	45	19	11	18	7
201-250	86	25	93	42	20	10	12	5
251-350	92	25	97	47	42	13	36	1
More than 350	100	28	97	56	43	12	24	6
<i>Active Patients</i>								
Less than 300	71	29	70	45	10	6	5	7
301-450	79	28	84	48	19	12	12	3
451-550	98	14	97	46	29	7	31	8
550-750	89	31	95	43	29	16	21	4
More than 750	94	31	96	49	43	12	25	4
<i>Net Income Level</i>								
Low	74	28	81	43	13	11	8	4
Moderate	86	26	88	46	16	14	16	8
High	93	32	96	44	42	9	28	6
<i>Number of Chairs</i>								
3-5	77	29	81	50	14	10	10	7
6-10	93	24	94	43	33	10	25	3
COMPOSITE	84	28	86	47	24	11	18	5

**TABLE 25
MEAN MONTHLY SALARIES FOR
FULL-TIME STAFF BY SELECTED VARIABLES**

	Receptionist/ Secretary	Chairside Assistant
<i>Years in Orthodontic Practice</i>		
2-5 years	\$2,279	\$2,174
6-10 years	2,370	2,275
11-15 years	2,407	2,294
16-20 years	2,377	2,388
21-25 years	2,602	2,543
26 or more years	2,691	2,522
<i>Legal Status</i>		
Sole proprietorship	2,398	2,356
Professional corporation	2,545	2,420
<i>Child Fee (permanent dentition)</i>		
Low (less than \$4,300)	2,258*	2,129*
High (\$5,000 and more)	2,813	2,768
<i>Net Income</i>		
Low (\$25,000-235,000)	2,328	2,122*
Moderate (\$300,000-475,000)	2,653	2,456
High (\$550,000 and more)	2,539	2,561
<i>Community Size</i>		
Rural (less than 20,000)	2,272	2,494
Small city (20,000-50,000)	2,521	2,275
Large city (50,000-500,000)	2,484	2,402
Metropolitan (more than 500,000)	2,636	2,496
<i>Geographic Region</i>		
New England	2,750*	2,763*
Middle Atlantic	2,746	2,604
South Atlantic	2,360	2,261
East South Central	2,315	2,282
East North Central	2,310	2,299
West North Central	2,498	2,558
Mountain	2,299	2,257
West South Central	2,303	2,190
Pacific	2,846	2,655
COMPOSITE	2,500	2,399

*Differences between these groups are statistically significant at or below the .01 probability level.

TABLE 26
MEAN MONTHLY SALARIES FOR
FULL-TIME STAFF BY GEOGRAPHIC REGION

	Receptionist/ Secretary	Chairside Assistant
New England		
(CT,ME,MA,NH,RI,VT)	\$2,750	\$2,763
Less than 20,000	NA	NA
20,000-50,000	2,507	2,558
50,000-500,000	NA	NA
More than 500,000	NA	NA
Middle Atlantic		
(NJ,NY,PA)	2,746	2,603
Less than 20,000	2,463	2,841
20,000-50,000	2,959	2,442
50,000-500,000	2,781	2,568
More than 500,000	NA	NA
South Atlantic		
(DE,DC,FL,GA,MD,NC,SC,VA,WV)	2,357	2,255
Less than 20,000	2,301	2,152
20,000-50,000	2,387	2,143
50,000-500,000	2,298	2,220
More than 500,000	2,445	2,498
East South Central		
(AL,KY,MS,TN)	2,315	2,282
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	2,314	2,397
More than 500,000	NA	NA
East North Central		
(IL,IN,MI,OH,WI)	2,326	2,303
Less than 20,000	2,024	2,474
20,000-50,000	2,166	2,131
50,000-500,000	2,256	2,218
More than 500,000	2,903	2,535
West North Central		
(IA,KS,MN,MO,NE,ND,SD)	2,498	2,558
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	2,561	2,914
More than 500,000	2,693	NA
Mountain		
(AZ,CO,ID,MT,NV,NM,UT,WY)	2,299	2,257
Less than 20,000	NA	NA
20,000-50,000	2,308	2,322
50,000-500,000	2,339	2,169
More than 500,000	2,284	2,354
West South Central		
(AR,LA,OK,TX)	2,303	2,190
Less than 20,000	NA	NA
20,000-50,000	2,242	2,042
50,000-500,000	2,214	2,199
More than 500,000	2,489	2,308
Pacific		
(AK,CA,HI,OR,WA)	2,846	2,655
Less than 20,000	NA	NA
20,000-50,000	2,832	2,538
50,000-500,000	2,811	2,649
More than 500,000	3,165	2,725

NA = too few respondents for accurate data (less than 1% of entire sample).

age of the practice, but dropped off somewhat in the oldest practices. Professional corporations provided more benefits than sole proprietorships, and practices with higher net income and lower turnover were also more likely to offer benefits than others were. Community size and geograph-

ic region were not appreciably related to the staff benefits offered.

(TO BE CONTINUED)

**TABLE 27
BENEFITS PROVIDED FOR EMPLOYEES BY SELECTED VARIABLES**

	<i>Paid Vacation</i>	<i>Paid Sick Leave</i>	<i>Paid Holidays</i>	<i>Health Insurance</i>	<i>Retirement Plan</i>	<i>Uniform Allowance</i>	<i>Continuing Education</i>	<i>Dental Benefits</i>	<i>Orthodontic Benefits</i>	<i>Cafeteria Plan</i>	<i>Direct Reimbursement</i>
<i>Years in Orthodontic Practice</i>											
2-5 years	90.7%	65.1%	90.7%	53.5%	51.2%	79.1%	58.1%	20.9%	81.4%	7.3%	11.6%
6-10 years	90.6	56.6	88.7	56.6	81.1	84.9	64.2	32.1	94.3	7.7	9.4
11-15 years	98.7	69.3	94.7	68.0	89.3	81.3	69.3	29.3	89.3	10.0	8.0
16-20 years	96.3	70.4	98.8	65.4	87.7	84.0	67.9	22.2	90.1	10.0	12.4
21-25 years	96.3	71.2	93.2	50.9	86.4	88.1	76.3	23.7	93.2	16.9	18.6
26 or more years	100.0	81.4	93.1	64.1	72.4	86.9	68.3	23.5	91.0	13.4	15.9
<i>Legal Status</i>											
Sole proprietorship	94.3	70.1	91.4	54.0	74.1	78.4	61.5	23.6	88.5	11.7	10.9
Professional corporation	97.6	80.0	94.1	65.0	80.8	87.4	71.0	25.2	90.9	10.8	14.0
<i>Turnover Rate</i>											
1-24 months	81.6	39.5	76.3	57.9	42.1	81.6	57.9	18.4	84.2	2.6	10.5
25-36 months	98.9	62.9	95.5	67.4	78.7	85.4	68.5	24.7	87.6	8.3	6.7
37 or more months	98.2	77.7	94.9	60.8	82.2	84.9	69.6	25.6	91.9	12.9	14.8
<i>Net Income</i>											
Low (\$25,000-235,000)	94.1	62.4	98.0	54.1	62.4	81.2	62.4	18.8	89.4	8.2	10.6
Moderate (\$300,000-475,000)	96.6	71.9	93.3	69.7	88.8	84.3	67.4	24.7	89.9	8.0	11.2
High (\$550,000 and more)	98.0	74.0	90.6	69.0	92.0	91.0	77.0	29.0	95.0	10.2	16.0
<i>Community Size</i>											
Rural (less than 20,000)	98.3	66.7	91.2	66.7	73.7	92.9	75.4	19.3	93.0	9.3	15.8
Small city (20,000-50,000)	96.9	74.4	92.3	60.5	83.7	86.8	67.4	21.7	89.9	7.1	10.9
Large city (50,000-500,000)	94.6	68.9	95.8	56.3	79.0	77.8	63.5	21.6	89.8	9.2	10.2
Metropolitan (> 500,000)	97.3	73.4	90.8	67.0	72.5	86.2	69.7	36.7	89.0	19.8	18.4
<i>Geographic Area</i>											
New England	100.0	91.3	91.3	69.6	87.0	82.6	56.5	21.7	100.0	14.3	17.4
Middle Atlantic	96.7	83.3	91.7	76.7	81.7	83.3	71.7	25.0	88.3	8.5	11.7
South Atlantic	95.2	77.4	94.1	51.9	69.1	86.9	63.1	33.3	89.3	15.9	15.5
East South Central	100.0	78.6	100.0	50.0	85.7	92.9	85.7	42.9	100.0	14.3	28.6
East North Central	96.1	72.9	94.9	62.7	89.8	91.5	66.1	17.0	89.8	8.9	18.6
West North Central	96.2	46.2	92.3	65.4	80.8	88.5	69.2	19.2	92.3	16.0	15.4
Mountain	90.9	52.3	84.1	65.9	84.1	86.4	65.9	27.3	79.6	11.6	11.4
West South Central	98.0	65.3	95.9	40.8	71.4	79.6	65.3	22.5	93.8	8.2	10.2
Pacific	97.6	68.3	95.1	65.9	75.6	75.6	73.2	20.7	87.8	13.0	11.3
COMPOSITE	96.3	71.2	93.1	61.3	78.1	84.3	67.5	24.9	90.1	11.0	13.1