

2007 JCO Orthodontic Practice Study

Part 3 Practice Growth and Staff Data

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In the first part of this series on the 2007 JCO Orthodontic Practice Study, we reported trends in orthodontic economics and practice administration over the quarter-century since the first biennial survey was conducted in 1981, and we outlined the Study methodology (JCO, October 2007). In Part 2, we described the factors that appear to be related to practice success, as reflected in net income and numbers of case starts (JCO, November 2007).

This month's installment will cover the growth in case starts and gross income that has been reported over the two years since the previous Study, as well as staffing patterns, salaries, and benefits. For the 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

In every Practice Study since 1983, we have asked orthodontists to indicate whether their practices increased, decreased, or stayed the same in terms of case starts and gross income, compared to the previous year. In this case, the respondents were comparing their figures from 2006 to those of 2005.

For the fourth consecutive survey, the percentages of practices reporting growth in both

case starts and gross income declined from the previous Study (Table 18). Fewer than half of the respondents indicated growth in case starts between 2005 and 2006, and the percentage of practices reporting decreases in gross income was the highest ever.

As in every survey to date, growth tended to decline as practices grew older (Table 19). The only exception was that 11-to-15-year-old practices reported more growth than 6-to-10-year-old practices. Respondents who charged the highest fees showed more growth in gross income than those who charged the lowest fees, although they showed less growth in case starts. Practices with high net income reported the most growth in both categories, but the differences between high and moderate net income practices were less pronounced than in previous surveys. The only categories in which more growth was reported in both case starts and gross income in this Study than in the 2005 survey were 2-to-5-year-old and 21-to-25-year-old practices; low-fee practices; and East South Central, West North Central, and Mountain practices. The percentages of respondents reporting declines in gross income in the New England, Middle Atlantic, East North Central, and Pacific regions were all the highest ever recorded in a Practice Study.

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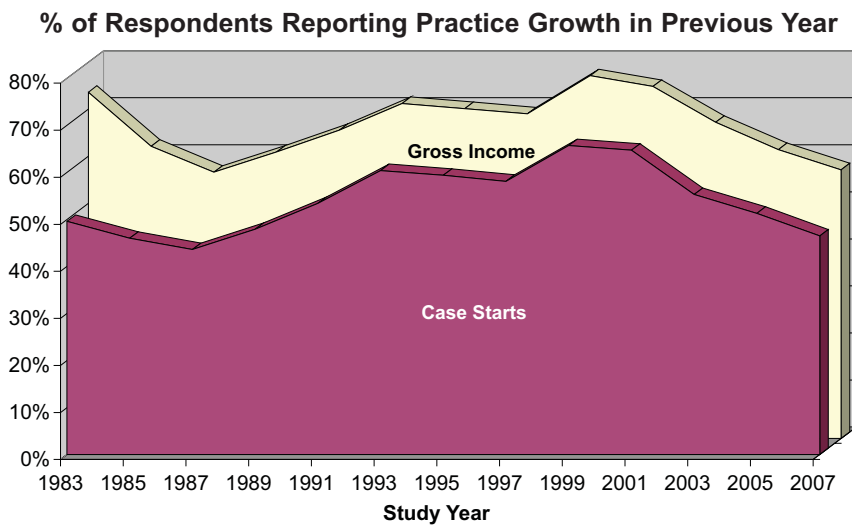
Mr. Vogels

Expectations for 2007

Practices that reported increasing, decreasing, or staying the same in either case starts or gross income in the present survey were the most likely to expect the same results in the next year, as in every Practice Study to date (Table 20). Those who reported increases in 2006, however, were

more optimistic than those who reported increases in the previous Study.

Signs of a possible economic turnaround could be seen in respondents' expectations for 2007, which were more optimistic about future growth than in either of the past two surveys (Table 21). Only high net income practices predicted less growth in both case starts and



**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
2007 Study	46.5	28.0	57.1	24.1

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

gross income compared to the 2005 Study.

Reasons for Lack of Growth

In each Practice Study, respondents who did not report increased case starts have been asked to

rate the influence of various factors on their lack of growth (Table 22). The list in the present survey was virtually unchanged from the 2005 Study, with local economic conditions continuing to be rated no more important than competition from orthodontists and other dentists.

**TABLE 19
PRACTICE GROWTH BY SELECTED VARIABLES**

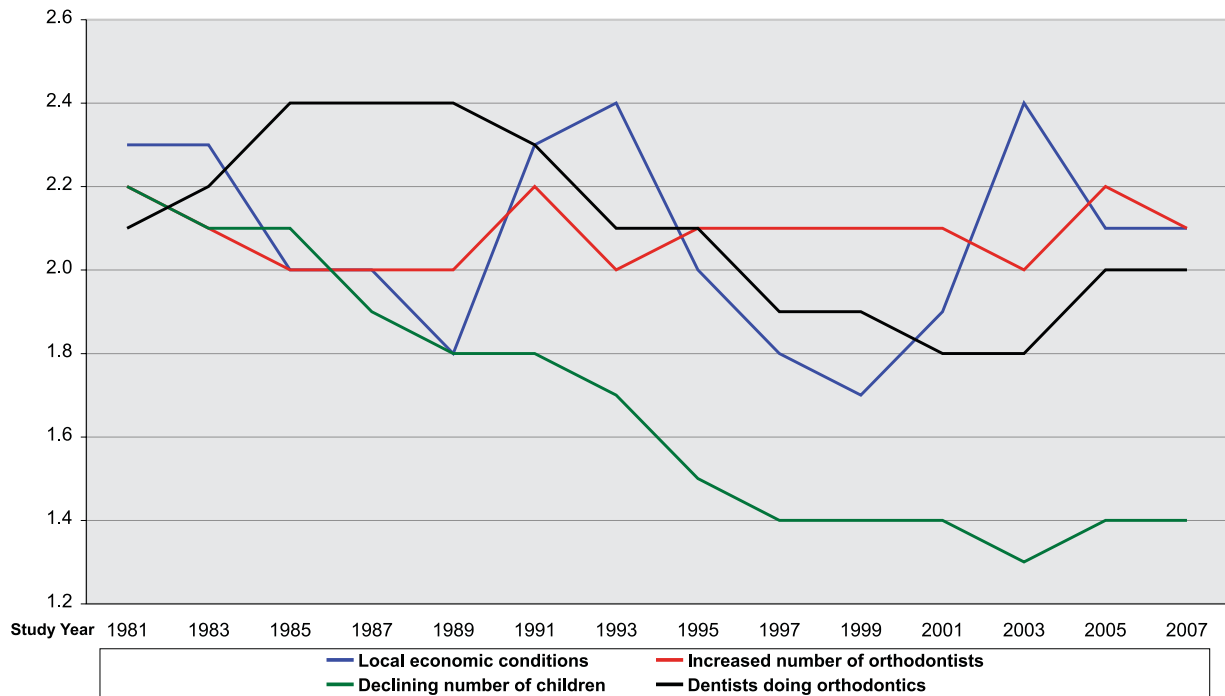
	Case Starts			Gross Income		
	Increase	Decrease	Same	Increase	Decrease	Same
<i>Years in Orthodontic Practice</i>						
2-5 years	83.3%	10.4%	6.3%	81.3%	8.3%	10.4%
6-10 years	52.2	23.9	23.9	65.2	19.7	15.2
11-15 years	58.3	18.1	23.6	67.1	16.4	16.4
16-20 years	42.4	28.2	29.4	57.1	23.8	19.0
21-25 years	37.0	35.6	27.4	52.1	27.4	20.5
26 or more years	34.3	34.9	30.8	45.2	31.5	23.2
<i>Legal Status</i>						
Sole proprietorship	41.3	33.7	25.0	52.2	28.0	19.8
Professional corporation	49.0	25.1	26.0	59.3	22.1	18.6
<i>Child Fee (permanent dentition)</i>						
Low (less than \$4,600)	48.5	25.0	26.5	54.6	24.6	20.8
High (more than \$5,300)	44.4	33.9	21.8	56.9	28.5	14.6
<i>Net Income</i>						
Low (\$25,000-250,000)	36.6	36.6	26.7	41.4	36.4	22.2
Moderate (\$325,000-525,000)	45.1	30.4	24.5	62.7	21.6	15.7
High (\$600,000 and more)	48.1	20.4	31.5	63.9	14.8	21.3
<i>Community Size</i>						
Rural (less than 20,000)	53.1	23.4	23.4	60.7	21.3	18.0
Small city (20,000-50,000)	43.9	26.5	29.5	55.6	23.7	20.7
Large city (50,000-500,000)	46.7	29.5	23.8	59.1	24.0	16.8
Metropolitan (more than 500,000)	44.1	30.5	25.4	52.9	26.9	20.2
<i>Geographic Region</i>						
New England	42.9	33.3	23.8	47.4	31.6	21.1
Middle Atlantic	43.9	29.8	26.3	54.4	28.1	17.5
South Atlantic	52.8	27.4	19.8	63.0	19.4	17.6
East South Central	60.0	8.0	32.0	72.0	12.0	16.0
East North Central	34.6	32.1	33.3	51.3	27.5	21.3
West North Central	50.0	23.5	26.5	67.6	20.6	11.8
Mountain	53.2	25.5	21.3	66.0	19.1	14.9
West South Central	56.9	26.2	16.9	58.7	22.2	19.0
Pacific	38.2	32.9	28.9	48.1	29.9	22.1
COMPOSITE	46.5	28.0	25.5	57.1	24.1	18.8

**TABLE 20
EXPECTATIONS FOR 2007 BY 2006 PRACTICE GROWTH**

	Expected Case Starts			Expected Gross Income		
	Increase	Decrease	Same	Increase	Decrease	Same
<i>2006</i>						
Increased	79.2%	3.7%	17.1%	79.9%	5.4%	14.8%
Decreased	45.3	26.4	28.4	44.1	26.0	29.9
Stayed the Same	32.6	11.9	55.6	43.9	7.1	49.0

**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	84.3%	5.9%	9.8%	90.2%	2.0%	7.8%
6-10 years	65.7	7.5	26.9	74.6	7.5	17.9
11-15 years	58.7	5.3	36.0	64.8	4.2	31.0
16-20 years	61.6	11.9	26.7	67.1	9.4	23.5
21-25 years	50.7	22.7	26.7	54.7	21.3	24.0
26 or more years	45.6	13.5	40.9	55.0	12.3	32.7
<i>Legal Status</i>						
Sole proprietorship	56.1	14.4	29.4	61.6	13.0	25.4
Professional corporation	58.2	10.6	31.2	65.9	9.2	24.9
<i>Child Fee (permanent dentition)</i>						
Low (less than \$4,600)	52.2	12.7	35.1	62.1	10.6	27.3
High (more than \$5,300)	64.0	14.4	21.6	68.0	12.0	20.0
<i>Net Income</i>						
Low (\$25,000-250,000)	60.8	10.8	28.4	62.3	10.2	27.6
Moderate (\$325,000-525,000)	62.1	10.7	27.2	70.9	9.7	19.4
High (\$600,000 and more)	54.6	15.7	29.6	62.0	14.8	23.1
<i>Community Size</i>						
Rural (less than 20,000)	56.3	14.1	29.7	69.4	11.3	19.4
Small city (20,000-50,000)	52.9	10.3	36.8	61.9	8.2	29.9
Large city (50,000-500,000)	60.5	13.5	26.0	63.8	12.2	23.9
Metropolitan (more than 500,000)	60.2	9.8	30.1	68.5	9.7	21.8
<i>Geographic Region</i>						
New England	47.6	23.8	28.6	50.0	15.0	35.0
Middle Atlantic	50.9	21.1	28.1	60.7	17.9	21.4
South Atlantic	59.6	10.1	30.3	63.0	11.1	25.9
East South Central	57.7	7.7	34.6	76.9	3.8	19.2
East North Central	48.1	12.3	39.5	59.3	12.3	28.4
West North Central	67.6	11.8	20.6	70.6	8.8	20.6
Mountain	62.0	6.0	32.0	71.4	2.0	26.5
West South Central	71.2	4.5	24.2	70.8	6.2	23.1
Pacific	59.3	12.3	28.4	65.9	11.0	23.2
COMPOSITE	57.7	11.8	30.4	64.8	10.4	24.8



**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	20.3%	47.5%	32.2%	2.1
Local economic conditions	23.7	47.2	29.1	2.1
Increased number of dentists doing orthodontics in your area	21.2	58.9	19.9	2.0
Loss of contact with younger dentists	35.2	48.8	16.0	1.8
Ineffective practice-building methods	29.9	56.9	13.2	1.8
Low-fee competition	33.8	54.6	11.6	1.8
Advertising dentists in your area	39.2	52.8	8.0	1.7
Ineffective practice management	46.5	47.2	6.4	1.6
Personal decision not to increase size of practice	63.9	23.2	13.0	1.5
Managed care (closed-panel) dental programs	55.1	40.1	4.9	1.5
Declining number of children in the local population	64.6	29.2	6.3	1.4
Quality of staff	69.5	25.2	5.3	1.4
Management service organizations	62.3	33.8	3.9	1.4
Retail store clinics	77.3	21.2	1.4	1.2

Staff Data

After the first drop in the total number of full-time staff was reported in the 2005 Practice Study, staff employment bounced back in the current survey to the highest level ever (Table 23). Increases were shown in both front-desk and clinical positions; for the first time, the largest practices in terms of case starts reached a mean of 10 full-time staff members. Numbers of part-time staff remained about the same as they have since this area was first surveyed in 1985. (The other staff positions listed on the questionnaire—dental hygienist, new-patient coordinator, treatment coordinator, bookkeeper, business manager, and non-

owner orthodontist—were all employed at mean levels of less than .3 full-time and .2 part-time, and therefore were not subdivided for further analysis in these tables.)

As in every previous Study, mean numbers of full-time employees tended to increase according to the size of the practice, while numbers of part-time staff remained fairly constant. The percentages of respondents employing at least one full-time receptionist-secretary and one full-time chairside assistant were higher in most categories than in the 2005 survey (Table 24). Full-time lab technicians and office managers were each employed by 28% of the practices, but many more practices reported using part-time lab technicians

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

	Receptionist/ Secretary		Chairside Assistant		Lab Technician		Office 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	0.3	1.6	0.9	0.1	0.1	0.2	0.0	3.0	1.5
150-200	1.1	0.2	2.2	0.9	0.3	0.1	0.2	0.1	4.3	1.5
201-250	1.3	0.5	2.6	0.8	0.2	0.2	0.3	0.0	5.3	1.9
251-350	1.4	0.4	3.6	0.8	0.5	0.1	0.3	0.0	7.1	1.6
More than 350	2.0	0.4	4.9	1.0	0.6	0.3	0.5	0.0	10.0	2.2
<i>Active Patients</i>										
Less than 300	0.9	0.3	1.5	0.8	0.1	0.1	0.2	0.1	3.2	1.4
300-425	1.0	0.3	2.2	0.7	0.2	0.1	0.2	0.0	4.3	1.4
426-550	1.2	0.4	3.6	0.9	0.4	0.1	0.3	0.0	5.2	1.7
551-750	1.4	0.5	3.6	0.7	0.4	0.2	0.4	0.1	7.2	1.7
More than 750	1.9	0.5	4.7	1.2	0.7	0.2	0.5	0.0	9.5	2.4
<i>Net Income Level</i>										
Low	0.8	0.3	1.6	0.9	0.1	0.1	0.2	0.0	3.3	1.5
Moderate	1.3	0.5	3.0	1.1	0.4	0.2	0.3	0.1	6.1	2.1
High	1.7	0.4	4.3	0.9	0.5	0.1	0.4	0.0	8.5	1.9
<i>Number of Chairs</i>										
3-5	1.0	0.4	2.0	0.9	0.1	0.1	0.2	0.0	3.9	1.6
6-10	1.4	0.4	3.5	0.8	0.4	0.2	0.3	0.0	7.0	1.7
COMPOSITE	1.3	0.4	2.9	0.8	0.3	0.1	0.3	0.0	5.8	1.7

than part-time office managers.

The gap between mean monthly salaries of full-time receptionist/secretaries and chairside assistants has narrowed in recent years, but virtually disappeared in this Study (Table 25). Mean front-office salaries increased by only 4% over the past two years, compared to 8% for clinical staff. Overall, the raises were consistent with those reported in the 2005 Study, but less than those seen in the 2003 and 2001 surveys.

As in previous years, there were significant differences in mean monthly salaries according to fees charged, net income level, and (for receptionist/secretaries) geographic region. Mean salaries for receptionist/secretaries actually declined

over the past two years in the New England, Middle Atlantic, and East South Central regions; the greatest increase (11%) was found among West South Central practices (Table 26). Average salaries for chairside assistants also declined in the New England and East South Central regions, with the greatest increases occurring in the West South Central (15%) and East North Central (13%) regions.

Percentages of respondents providing various staff benefits were slightly higher across the board than in the 2005 Study, except for health insurance, dental benefits, and direct reimbursement for medical expenses—all possibly related to the rising costs of health care (Table 27). Benefits generally

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

	Receptionist/ Secretary		Chairside Assistant		Lab Technician		Office Manager	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<i>Case Starts</i>								
Less than 150	71%	29%	78%	50%	10%	6%	15%	3%
150-200	89	18	92	47	23	13	22	5
201-250	88	34	93	43	19	13	28	7
251-350	90	27	97	46	42	8	33	2
More than 350	89	30	99	49	49	24	41	4
<i>Active Patients</i>								
Less than 300	70	28	80	49	13	9	13	6
300-425	86	24	92	44	16	11	21	4
426-550	93	28	91	47	26	7	28	4
551-750	88	32	99	40	38	16	34	5
More than 750	90	32	96	54	53	19	41	3
<i>Net Income Level</i>								
Low	73	26	80	46	13	6	18	4
Moderate	89	30	95	49	34	17	29	8
High	89	30	97	47	39	13	34	3
<i>Number of Chairs</i>								
3-5	81	27	86	46	15	9	22	3
6-10	87	26	95	43	37	16	30	4
COMPOSITE	85	27	91	45	28	12	28	3

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	\$2,545	\$2,626
6-10 years	2,492	2,545
11-15 years	2,419	2,283
16-20 years	2,692	2,666
21-25 years	2,570	2,609
26 or more years	2,691	2,723
<i>Legal Status</i>		
Sole proprietorship	2,642	2,665
Professional corporation	2,565	2,539
<i>Child Fee (permanent dentition)</i>		
Low (less than \$4,600)	2,347*	2,375*
High (more than \$5,300)	2,880	2,903
<i>Net Income</i>		
Low	2,331*	2,340*
Moderate	2,708	2,698
High	2,678	2,687
<i>Community Size</i>		
Rural (less than 20,000)	2,379	2,624
Small city (20,000-50,000)	2,640	2,541
Large city (50,000-500,000)	2,565	2,588
Metropolitan (more than 500,000)	2,716	2,647
<i>Geographic Region</i>		
New England	2,624*	2,567
Middle Atlantic	2,730	2,719
South Atlantic	2,417	2,456
East South Central	2,283	2,235
East North Central	2,495	2,600
West North Central	2,543	2,645
Mountain	2,459	2,527
West South Central	2,566	2,519
Pacific	3,092	2,960
COMPOSITE	2,596	2,595

*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)	\$2,624	\$2,567
Less than 20,000	NA	NA
20,000-50,000	3,118	2,722
50,000-500,000	NA	NA
More than 500,000	NA	NA
Middle Atlantic		
(NJ,NY,PA)	2,730	2,719
Less than 20,000	2,730	2,908
20,000-50,000	2,861	2,808
50,000-500,000	2,295	2,290
More than 500,000	2,836	2,674
South Atlantic		
(DE,DC,FL,GA,MD,NC,SC,VA,WV)	2,417	2,456
Less than 20,000	2,461	NA
20,000-50,000	2,320	2,163
50,000-500,000	2,263	2,446
More than 500,000	2,696	2,745
East South Central		
(AL,KY,MS,TN)	2,283	2,235
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	2,839	2,453
More than 500,000	NA	NA
East North Central		
(IL,IN,MI,OH,WI)	2,493	2,597
Less than 20,000	2,669	3,619
20,000-50,000	2,494	2,427
50,000-500,000	2,464	2,503
More than 500,000	2,417	2,442
West North Central		
(IA,KS,MN,MO,NE,ND,SD)	2,543	2,645
Less than 20,000	NA	NA
20,000-50,000	2,675	NA
50,000-500,000	2,312	2,622
More than 500,000	NA	2,669
Mountain		
(AZ,CO,ID,MT,NV,NM,UT,WY)	2,486	2,531
Less than 20,000	2,600	2,467
20,000-50,000	NA	NA
50,000-500,000	2,431	2,587
More than 500,000	2,575	2,500
West South Central		
(AR,LA,OK,TX)	2,566	2,518
Less than 20,000	NA	NA
20,000-50,000	2,611	2,611
50,000-500,000	2,445	2,485
More than 500,000	2,845	2,521
Pacific		
(AK,CA,HI,OR,WA)	3,071	2,952
Less than 20,000	NA	NA
20,000-50,000	3,189	3,030
50,000-500,000	3,010	2,887
More than 500,000	3,316	3,251

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

tended to increase with the age of the practice, as in previous surveys, but to drop off among the older practices. Professional corporations, offices with low staff turnover, and respondents with higher net income were generally more likely to offer benefits than others were. There were no noticeable

patterns in benefits offered according to community size or geographic region.

(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	96.0%	74.0%	96.0%	48.0%	60.0%	88.0%	78.0%	12.0%	98.0%	14.0%	8.0%
6-10 years	93.7	68.3	90.5	49.2	76.2	88.9	76.2	22.2	96.8	13.1	12.7
11-15 years	96.0	72.0	92.0	62.7	84.0	85.3	74.7	22.7	93.3	9.5	12.0
16-20 years	98.8	69.9	97.6	68.7	91.6	90.4	79.5	22.9	97.6	17.1	14.5
21-25 years	98.6	79.2	95.8	59.7	91.7	84.7	73.6	25.0	93.1	11.1	11.1
26 or more years	97.0	77.3	94.0	58.7	76.1	83.2	68.9	27.5	93.4	12.8	9.0
<i>Legal Status</i>											
Sole proprietorship	96.0	74.9	96.0	59.4	78.9	81.1	74.9	22.3	94.3	8.1	9.1
Professional corporation	97.4	74.1	93.2	58.3	80.6	87.9	72.7	23.5	95.6	14.9	11.8
<i>Turnover Rate</i>											
1-24 months	89.7	65.5	89.7	41.4	48.3	75.9	67.2	15.5	86.2	15.8	8.6
25-36 months	95.7	63.0	93.5	65.2	72.8	92.4	71.7	25.0	97.8	10.0	8.7
37 or more months	98.4	78.9	95.1	58.8	87.1	85.7	74.7	23.9	95.3	13.1	11.8
<i>Net Income</i>											
Low	95.7	79.8	95.7	47.9	60.6	77.7	72.3	18.1	88.3	8.5	10.6
Moderate	96.0	72.0	94.0	57.0	84.0	88.0	79.0	18.0	100.0	13.4	9.0
High	99.0	75.5	98.1	72.6	95.3	92.5	69.8	23.6	100.0	17.3	16.0
<i>Community Size</i>											
Rural	93.2	69.5	89.8	49.2	88.1	89.8	71.2	17.0	96.6	16.9	6.8
Small city	97.7	76.6	96.1	62.5	79.7	82.8	78.1	16.4	97.7	9.5	9.4
Large city	98.5	73.7	94.6	54.2	79.0	88.3	76.6	28.8	95.1	13.9	13.2
Metropolitan	95.2	76.0	93.6	63.2	76.8	83.2	66.4	25.6	90.4	13.0	11.2
<i>Geographic Region</i>											
New England	100.0	84.2	100.0	68.4	89.5	84.2	68.4	5.3	100.0	15.8	10.5
Middle Atlantic	98.2	77.8	90.7	63.0	77.8	83.3	66.7	22.2	94.4	7.4	5.6
South Atlantic	96.2	76.9	94.3	58.7	76.9	89.4	75.0	27.9	98.1	14.9	16.4
East South Central	92.6	74.1	96.3	51.9	85.2	81.5	70.4	22.2	85.2	7.4	3.7
East North Central	97.4	67.5	93.5	61.0	85.7	87.0	72.3	23.4	97.4	14.3	15.6
West North Central	97.1	82.4	100.0	70.1	82.4	85.3	76.5	20.6	91.2	25.0	20.6
Mountain	93.5	60.9	92.2	60.9	80.4	87.0	69.6	21.7	95.7	15.6	6.5
West South Central	96.9	85.9	92.2	37.5	76.6	87.5	81.3	21.9	89.1	4.7	4.7
Pacific	100.0	71.1	98.7	61.8	77.6	82.9	79.0	29.0	94.7	17.3	7.9
COMPOSITE	96.9	74.5	94.2	58.2	79.7	85.8	73.3	23.4	94.8	12.8	10.9