

2011 JCO Orthodontic Practice Study

Part 3 Practice Growth and Staff Data

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In Part 1 of this series of articles on the 2011 JCO Orthodontic Practice Study (JCO, October 2011), we examined trends in orthodontic economics and practice administration over the 30 years since our first biennial survey, and we described the survey questionnaire and methodology. In Part 2 (JCO, November 2011), we discussed practice success in terms of net income and numbers of case starts.

This third of four parts covers practice growth over the past two years, as well as staffing patterns, salaries, and benefits in U.S. orthodontic practices. JCO subscribers can access the complete Practice Study tables by clicking on the link from this article in the Online Archive at www.jco-online.com.

Practice Growth

When asked to compare their 2010 case starts and gross income to those of 2009, respondents showed a slight indication of rebound from the recent recession: a higher percentage reported an increase in case starts and a lower percentage reported a decrease compared to the 2009 Study, in which far fewer practices indicated growth in both case starts and gross income than in any

previous survey (Table 18). Gross income continued to show a decline since the high-water growth mark recorded in the 1999 Study, as might be expected due to the built-in delay in receipts from financing new starts. Nevertheless, growth in both categories was higher than predicted by respondents to the 2009 survey—the opposite of the situation two years ago, when growth did not measure up to previous expectations.

As a further sign of improvement, at least half of the respondents in every age category between 2 and 15 years in practice showed growth in both case starts and gross income between 2009 and 2011 (Table 19). No other subgroup showed a majority of practices with increased case starts, however, and the West South Central region was the only other category in which a majority reported increased gross income. Majorities of respondents in practice for 26 or more years, low net income practices, and those in the South Atlantic region still reported decreased gross income compared to the previous year.

Expectations for 2011

Practices whose case starts or gross income increased, decreased, or stayed the same over the

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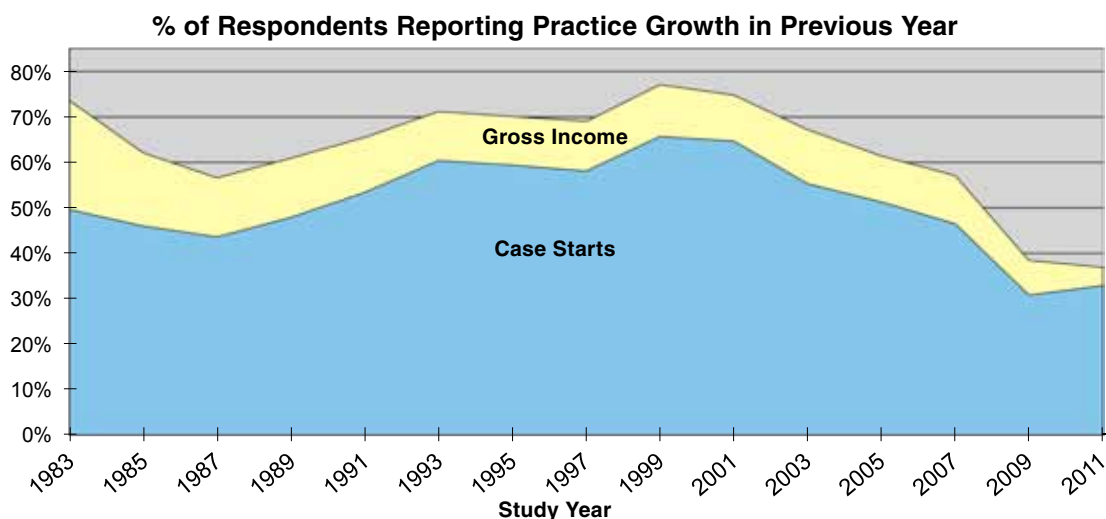


Mr. Vogels

past two years were the most likely to expect the same results in the following year, as in every Practice Study to date (Table 20). Nevertheless, all groups of respondents were more optimistic about future growth than the corresponding categories were in the 2009 Study.

That sense of optimism was borne out when respondents were subdivided into other categories

(Table 21). Although expectations for practice growth were still not as high as reported in the 2007 Study, they were markedly higher than in 2009. Only New England practices were less likely to predict growth in case starts than their counterparts were two years earlier, and only New England and West North Central practices were less likely to predict growth in gross income. The



**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
2009 Study	30.8	46.3	38.4	37.1
2011 Study	32.9	42.7	36.9	40.3

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

only categories in which more respondents predicted decreases than increases in case starts were those in practice for 26 more years and those in the Middle Atlantic region; no subgroup had more practices expecting a decline than an increase in gross income.

Reasons for Lack of Growth

Respondents who had fewer case starts in 2010 than in 2009 were asked to rate the influence of various factors on their lack of growth (Table 22). As in the 2009 Study, local economic condi-

**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	68.2%	13.6%	18.2%	72.7%	9.1%	18.2%
6-10 years	72.0	16.0	12.0	68.0	20.0	12.0
11-15 years	50.0	26.5	23.5	58.8	29.4	11.8
16-20 years	21.6	43.2	35.1	36.1	41.7	22.2
21-25 years	28.3	45.0	26.7	25.8	43.5	30.6
26 or more years	17.9	58.9	23.2	22.5	52.3	25.2
<i>Legal Status</i>						
Sole proprietorship	26.2	50.8	23.0	32.2	46.3	21.5
Professional corporation	37.9	36.7	25.4	41.2	35.3	23.5
<i>Child Fee (permanent dentition)</i>						
Low (less than \$4,800)	20.8	52.8	26.4	24.5	43.4	32.1
High (more than \$5,500)	39.5	40.7	19.8	44.8	40.2	14.9
<i>Net Income</i>						
Low (\$50,000-250,000)	28.1	56.3	15.6	24.6	55.4	20.0
Moderate (\$325,000-525,000)	39.0	33.9	27.1	44.1	30.5	25.4
High (\$600,000 and more)	42.6	29.5	27.9	45.2	30.6	24.2
<i>Community Size</i>						
Rural (less than 20,000)	37.0	43.5	19.6	34.1	38.6	27.3
Small city (20,000-50,000)	26.8	43.9	29.3	38.6	36.1	25.3
Large city (50,000-500,000)	33.7	41.8	24.5	39.8	41.8	18.4
Metropolitan (more than 500,000)	36.4	43.9	19.7	32.8	46.3	20.9
<i>Geographic Region</i>						
New England	30.0	50.0	20.0	40.0	35.0	25.0
Middle Atlantic	20.5	46.2	33.3	27.5	42.5	30.0
South Atlantic	40.4	42.6	17.0	30.6	51.0	18.4
East South Central	41.7	41.7	16.7	45.5	27.3	27.3
East North Central	28.6	40.5	31.0	40.5	35.7	23.8
West North Central	26.7	53.3	20.0	40.0	40.0	20.0
Mountain	43.3	33.3	23.3	40.0	36.7	23.3
West South Central	45.5	30.3	24.2	53.1	21.9	25.0
Pacific	28.3	45.7	26.1	37.8	44.4	17.8
COMPOSITE	32.9	42.7	24.4	36.9	40.3	22.7

**TABLE 20
EXPECTATIONS FOR 2011 BY 2010 PRACTICE GROWTH**

	Expected Case Starts			Expected Gross Income		
	Increase	Decrease	Same	Increase	Decrease	Same
<i>2010</i>						
Increase	74.2%	8.2%	17.5%	69.7%	9.2%	21.1%
Decrease	28.0	43.2	28.8	33.1	47.5	19.5
Same	35.2	12.7	52.1	35.8	14.9	49.3

**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	59.1%	13.6%	27.3%	59.1%	13.6%	27.3%
6-10 years	77.8	14.8	7.4	77.8	14.8	7.4
11-15 years	76.5	8.8	14.7	76.5	8.8	14.7
16-20 years	36.6	26.3	36.8	39.5	31.6	28.9
21-25 years	37.1	22.6	40.3	38.7	27.4	33.9
26 or more years	32.1	33.0	34.8	36.3	32.7	31.0
<i>Legal Status</i>						
Sole proprietorship	34.7	32.3	33.1	35.5	34.7	29.8
Professional corporation	52.3	17.4	30.2	55.5	19.1	25.4
<i>Child Fee (permanent dentition)</i>						
Low (less than \$4,800)	40.4	26.9	32.7	40.4	26.9	32.7
High (more than \$5,500)	46.0	25.3	28.7	46.0	27.6	26.4
<i>Net Income</i>						
Low (\$50,000-250,000)	47.1	25.0	27.9	48.5	25.0	26.5
Moderate (\$325,000-525,000)	44.1	20.3	35.6	47.5	20.3	32.2
High (\$600,000 and more)	50.0	21.0	29.0	53.2	22.6	24.2
<i>Community Size</i>						
Rural (less than 20,000)	37.0	30.4	32.6	39.1	32.6	28.3
Small city (20,000-50,000)	41.2	25.9	32.9	45.9	28.2	25.9
Large city (50,000-500,000)	46.5	23.2	30.3	48.5	24.2	27.3
Metropolitan (more than 500,000)	55.2	17.9	26.9	54.4	20.6	25.0
<i>Geographic Region</i>						
New England	25.0	15.0	60.0	35.0	20.0	45.0
Middle Atlantic	34.1	36.6	29.3	36.6	41.5	22.0
South Atlantic	59.6	17.0	23.4	60.4	16.7	22.9
East South Central	66.7	0.0	33.3	58.3	0.0	41.7
East North Central	37.2	30.2	32.6	39.5	32.6	27.9
West North Central	43.8	18.8	37.5	43.8	18.8	37.5
Mountain	53.3	20.0	26.7	56.7	20.0	23.3
West South Central	52.9	17.6	29.4	52.9	17.6	29.4
Pacific	47.8	23.9	28.3	50.0	26.1	23.9
COMPOSITE	45.3	23.7	31.0	47.5	25.6	26.9

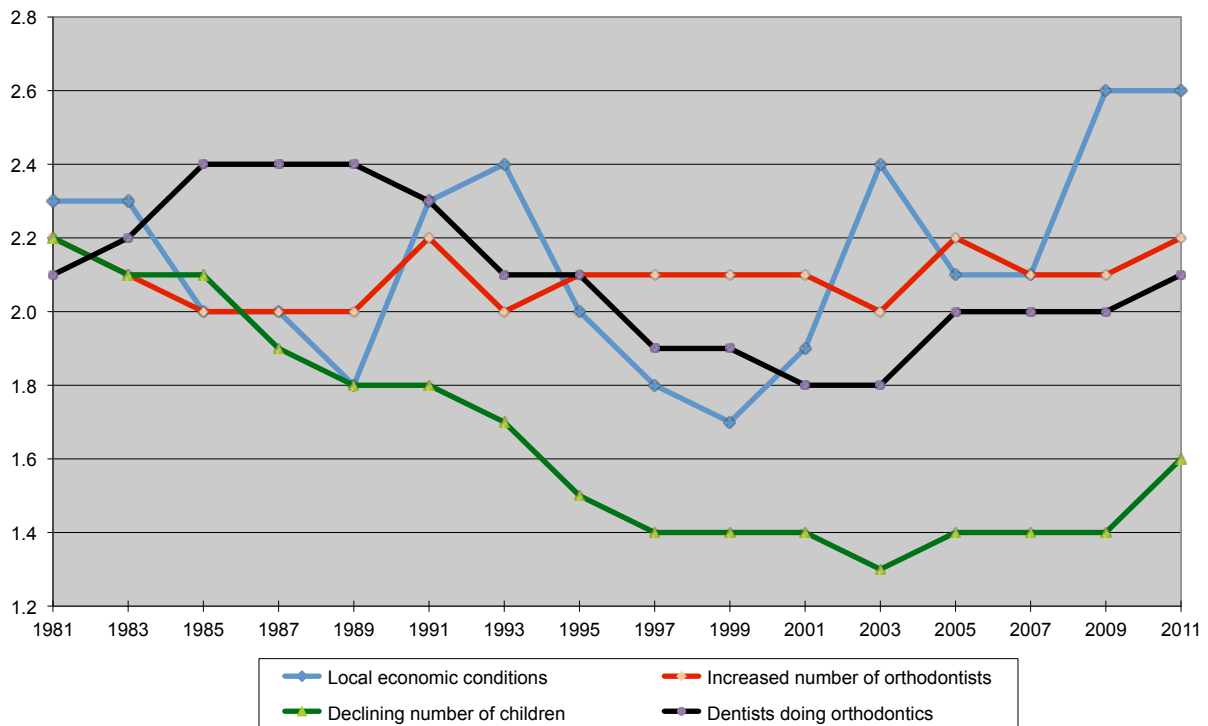


TABLE 22
DEGREE OF INFLUENCE OF FACTORS
CITED FOR LACK OF GROWTH

	None (1)	Some (2)	High (3)	Mean Rating
Local economic conditions	2.8%	29.9%	67.3%	2.6
Increased number of orthodontists in your area	17.4	43.7	39.0	2.2
Increased number of dentists doing Invisalign in your area	13.9	56.5	29.6	2.2
Increased number of dentists doing orthodontics in your area	17.2	58.1	24.7	2.1
Low-fee competition	29.0	49.8	21.3	1.9
Loss of contact with younger dentists	37.7	47.8	14.5	1.8
Advertising dentists in your area	40.5	50.6	8.9	1.7
Ineffective practice-building methods	38.8	52.2	9.0	1.7
Declining number of children in the local population	52.5	36.9	10.6	1.6
Managed care (closed-panel) dental programs	53.0	40.9	6.1	1.5
Ineffective practice management	54.5	38.5	7.0	1.5
Management service organizations	57.9	36.4	5.6	1.5
Personal decision not to increase size of practice	80.6	10.7	8.7	1.3
Quality of staff	74.6	18.9	6.5	1.3
Retail store clinics	78.7	18.8	2.5	1.2

tions were by far the most important concern, although the percentage ranking their influence as “high” was slightly lower than it was two years ago. Overall, the effects of competition from other orthodontists and dentists were considered slightly more impactful than they were in the previous survey, as were ineffective practice building and declining numbers of children in the local population. Other factors were generally thought to be insignificant.

Staff Data

Orthodontic staffing levels remained about the same as in the 2009 Study, which had shown

a decrease compared to 2007 (Table 23). Although there was a slight uptick in the number of full-time receptionist/secretaries, other full-time positions showed exactly the same numbers. (There were too few employees in the other categories listed on the questionnaire—dental hygienist, new-patient coordinator, treatment coordinator, bookkeeper, business manager, and non-owner orthodontist—to allow subdivision for analysis in this report.)

The largest practices seemed to have hired more staff over the past two years, with a mean increase of two full-time employees for respondents with more than 350 case starts since the 2009 Study. Staff size remained about the same for other practices, and overall numbers of part-

**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	0.9	0.3	1.4	0.7	0.1	0.1	0.1	0.1	3.0	1.5
150-200	1.1	0.3	2.1	0.7	0.2	0.1	0.2	0.1	4.3	1.3
201-250	1.1	0.4	3.1	0.8	0.3	0.2	0.2	0.0	5.9	1.6
251-350	1.5	0.3	3.4	0.7	0.3	0.2	0.3	0.1	7.0	1.7
More than 350	2.1	0.3	4.8	1.0	0.7	0.3	0.3	0.0	10.2	2.1
<i>Active Patients</i>										
Less than 300	0.8	0.3	1.2	1.0	0.2	0.1	0.1	0.1	2.8	1.9
300-425	1.0	0.3	2.2	0.5	0.1	0.1	0.1	0.0	4.1	1.1
426-550	1.3	0.3	3.1	0.7	0.4	0.1	0.2	0.1	6.3	1.3
551-750	1.5	0.3	3.2	0.9	0.2	0.2	0.2	0.0	6.3	2.0
More than 750	1.9	0.3	4.7	0.7	0.6	0.3	0.4	0.0	9.9	1.6
<i>Net Income Level</i>										
Low	1.0	0.3	1.9	0.7	0.2	0.1	0.2	0.1	3.8	1.3
Moderate	1.3	0.4	2.8	0.7	0.2	0.1	0.3	0.1	5.9	1.5
High	1.7	0.3	4.1	0.9	0.4	0.2	0.2	0.0	8.0	1.8
<i>Number of Chairs</i>										
3-5	1.0	0.3	2.0	0.7	0.2	0.1	0.1	0.1	4.0	1.4
6-10	1.5	0.3	3.3	0.9	0.3	0.2	0.3	0.1	6.8	1.9
COMPOSITE	1.3	0.3	2.7	0.8	0.3	0.1	0.2	0.0	5.6	1.6

time staff stayed at about the same level as they have since this category was first measured in the 1985 survey.

The percentage of respondents employing at least one full-time receptionist-secretary declined since 2009 (reverting to the 85% reported in the 2007 Study), but the percentages employing at least one full-time chairside assistant, lab technician, or office manager increased slightly (Table 24). Some practices may have converted part-time receptionist/secretary and chairside assistant positions to full-time, since the percentages employing at least one part-time employee in those positions dropped substantially over the past two years.

Mean monthly salaries for full-time recep-

tionist/secretaries and chairside assistants rose by 3.5% and 4.9%, respectively, over 2009, when they were virtually unchanged compared to the 2007 Study (Table 25). The highest salaries were reported by respondents in practice for 6-10 years, sole proprietorships, high-fee practices, and those with high net income. The lowest salaries, unsurprisingly, were paid by the newest practices and those with low fees or low net income.

Regionally, there was a significant difference in mean monthly salaries for chairside assistants, but not for receptionist/secretaries. The highest salaries for both positions were paid in the Middle Atlantic and Pacific regions, the lowest in the East South Central region. Salaries generally increased

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	79%	23%	71%	39%	13%	9%	9%	6%
150-200	83	26	83	34	17	7	16	7
201-250	84	25	98	36	27	16	23	5
251-350	88	25	94	38	31	19	31	6
More than 350	93	21	93	43	50	19	31	5
<i>Active Patients</i>								
Less than 300	74	24	61	50	19	9	11	7
301-450	81	25	88	27	12	6	13	4
451-550	92	31	100	44	44	13	23	10
550-750	91	22	89	33	20	20	24	4
More than 750	88	18	98	38	43	18	35	3
<i>Net Income Level</i>								
Low	79	21	79	39	18	6	16	6
Moderate	90	30	88	40	23	12	23	5
High	89	20	93	39	36	13	25	5
<i>Number of Chairs</i>								
3-5	80	26	87	37	18	7	14	5
6-10	89	21	92	41	30	16	26	7
COMPOSITE	85	23	87	39	25	12	21	6

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	\$2,687	\$2,624
6-10 years	3,078	2,972
11-15 years	2,539	2,533
16-20 years	2,782	2,689
21-25 years	2,785	2,930
26 or more years	2,743	2,653
<i>Legal Status</i>		
Sole proprietorship	2,904	2,871
Professional corporation	2,644	2,614
<i>Child Fee (permanent dentition)</i>		
Low (less than \$4,800)	2,552	2,519
High (more than \$5,500)	2,821	2,838
<i>Net Income</i>		
Low	2,644	2,499
Moderate	2,837	2,893
High	2,983	2,970
<i>Community Size</i>		
Rural (less than 20,000)	2,670	2,552
Small city (20,000-50,000)	2,743	2,651
Large city (50,000-500,000)	2,680	2,768
Metropolitan (more than 500,000)	2,902	2,840
<i>Geographic Region</i>		
New England	2,832	2,890*
Middle Atlantic	3,137	2,952
South Atlantic	2,844	2,869
East South Central	2,262	2,190
East North Central	2,403	2,278
West North Central	2,847	2,667
Mountain	2,605	2,407
West South Central	2,722	2,896
Pacific	2,963	3,081
COMPOSITE	2,747	2,722

*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)	\$2,832	\$2,890
Less than 20,000	2,724	2,872
20,000-50,000	2,861	NA
50,000-500,000	NA	NA
More than 500,000	NA	NA
Middle Atlantic		
(NJ,NY,PA)	3,137	2,952
Less than 20,000	NA	NA
20,000-50,000	3,256	2,991
50,000-500,000	NA	NA
More than 500,000	2,603	NA
South Atlantic		
(DE,DC,FL,GA,MD,NC,SC,VA,WV)	2,844	2,869
Less than 20,000	NA	NA
20,000-50,000	2,384	2,559
50,000-500,000	2,677	2,854
More than 500,000	3,276	3,113
East South Central		
(AL,KY,MS,TN)	2,262	2,190
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	NA	NA
More than 500,000	NA	NA
East North Central		
(IL,IN,MI,OH,WI)	2,403	2,278
Less than 20,000	2,396	2,091
20,000-50,000	2,522	2,345
50,000-500,000	2,216	2,266
More than 500,000	NA	NA
West North Central		
(IA,KS,MN,MO,NE,ND,SD)	2,847	2,667
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	NA	2,347
More than 500,000	NA	NA
Mountain		
(AZ,CO,ID,MT,NV,NM,UT,WY)	2,605	2,407
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	NA	NA
More than 500,000	2,693	2,638
West South Central		
(AR,LA,OK,TX)	2,722	2,896
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	2,747	3,166
More than 500,000	2,992	2,948
Pacific		
(AK,CA,HI,OR,WA)	2,963	3,081
Less than 20,000	NA	NA
20,000-50,000	NA	NA
50,000-500,000	2,797	2,998
More than 500,000	3,388	3,462

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

as community size increased, with practices in metropolitan areas paying the most for staff. Many of the community-size categories within the nine regions had too few respondents to permit meaningful breakdowns (Table 26).

An overall decline in provision of staff benefits was reported in the 2009 Study and continued with the present survey (Table 27). The only categories in which higher percentages of respondents provided benefits in 2011 than in 2009 were paid vacation and dental benefits. As in previous surveys, the percentages of practices providing ben-

efits for their employees generally increased with the net income and age of the practice, except for a slight decline among the oldest practices. Respondents with less employee turnover also tended to offer more benefits, although this distinction was less pronounced than in the past, and professional corporations were more likely to provide benefits in most categories than sole proprietorships were. Community size made no discernible difference in terms of staff benefits.

(TO BE CONTINUED)

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

	<i>Paid Vacation</i>	<i>Paid Sick Leave</i>	<i>Maternity 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	100.0%	63.6%	4.6%	77.3%	40.9%	54.6%	68.2%	50.0%	13.6%	95.5%	9.1%	27.3%
6-10 years	100.0	69.2	15.4	96.2	65.4	80.8	88.5	80.8	26.9	92.3	7.7	3.9
11-15 years	100.0	55.9	20.6	91.2	52.9	76.5	91.2	76.5	11.8	97.1	14.7	26.5
16-20 years	97.3	76.9	18.0	92.3	74.4	89.7	89.7	74.4	25.6	97.4	10.5	12.8
21-25 years	100.0	75.0	15.0	91.7	60.0	88.3	80.0	75.0	28.3	91.7	13.3	13.3
26 or more years	98.2	71.2	16.2	92.8	55.9	58.6	73.9	56.8	24.3	95.6	5.5	8.1
<i>Legal Status</i>												
Sole proprietorship	97.6	74.8	16.3	90.2	55.3	72.4	75.6	58.5	21.1	92.7	8.3	9.8
Professional corporation	98.8	66.5	15.2	92.7	60.4	73.2	84.2	72.6	24.4	96.3	9.1	14.6
<i>Turnover Rate</i>												
1-24 months	100.0	68.8	6.3	100.0	43.8	56.3	75.0	56.3	25.0	93.8	12.5	0.0
25-36 months	100.0	62.5	6.3	87.5	50.0	53.1	75.0	68.8	12.5	90.6	3.1	6.3
37 or more months	98.3	70.8	17.0	91.3	61.0	76.7	80.9	67.0	25.0	95.3	10.3	14.4
<i>Net Income</i>												
Low	98.3	67.8	15.3	89.8	47.5	59.3	79.7	55.9	25.4	93.2	10.3	10.2
Moderate	98.4	72.1	11.5	88.5	67.2	83.6	82.0	62.3	11.5	95.1	9.8	9.8
High	100.0	68.9	16.4	93.4	63.9	88.5	78.7	73.8	24.6	98.4	3.3	16.4
<i>Community Size</i>												
Rural (less than 20,000)	97.7	74.4	16.3	90.7	53.5	81.4	79.1	65.1	20.9	88.4	18.6	18.6
Small city (20,000-50,000)	100.0	77.4	19.1	95.2	60.7	79.8	83.3	73.8	26.2	98.8	6.0	10.7
Large city (50,000-500,000)	99.0	66.3	14.7	90.5	56.8	73.7	77.9	64.2	22.1	96.8	8.4	15.8
Metropolitan (more than 500,000)	95.6	66.2	13.2	88.2	61.8	75.4	79.4	63.2	22.1	91.2	9.0	8.8
COMPOSITE	98.3	70.2	15.8	91.4	58.6	72.6	80.1	66.8	23.3	94.9	9.3	13.0