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DENTAL ECONOMICS ®

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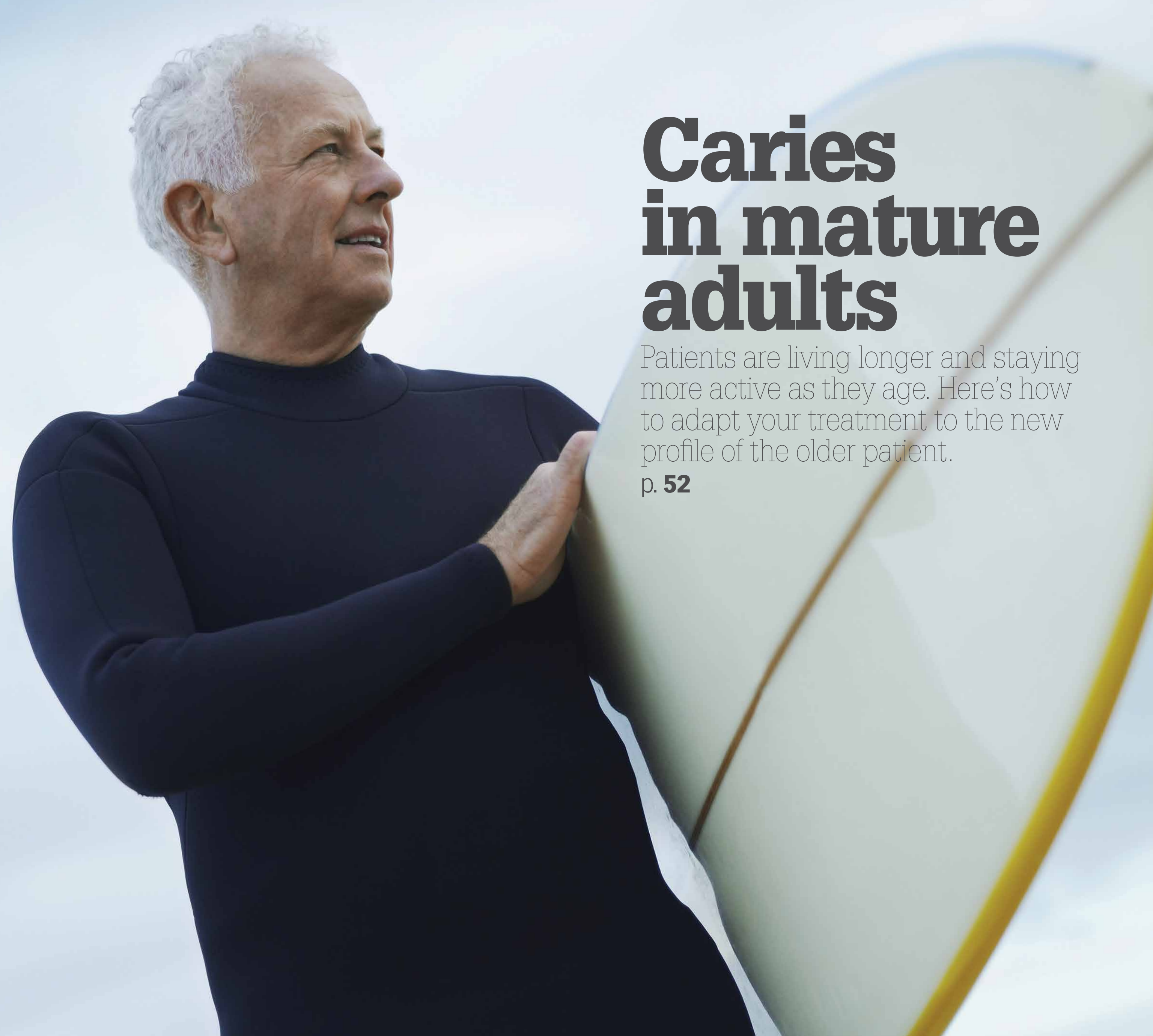

Caries in mature adults

Patients are living longer and staying more active as they age. Here's how to adapt your treatment to the new profile of the older patient.

p. **52**

Many positive practice changes, but still a time of slow growth

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THE DENTAL ECONOMY continues to show signs of recovery, but the rate of production growth for general dental practices remains a sluggish 1.7%, according to respondents to this year's Dental Economics / Levin Group Annual Practice Survey.

The good news is that nearly two-thirds of practices (64%) are increasing production, which matches the figure from the 2014 survey. Other positive indicators include:

- **Lower stress—**Doctors reporting high and extremely high stress dropped from 38.3% last year to 31.4% this year. Still, about one-third of dentists are highly stressed.
- **Increased elective treatment—**These procedures now make up 28.5% of production, an 8% increase over last year's mark.
- **More active patients—**56% of surveyed GPs increased their number of active patients this year.
- **Expected growth—**63.6% said they expected they would finish the year with higher production than the year before.

Conversely, many dentists are still struggling to grow practices in the aftermath of the Great Recession:

- **Decreased production—**33.5% of doctors said increasing production was their biggest challenge, and more than a third (35.8%) are experiencing actual declines in production.
- **System issues—**32.3% said identifying improvements for inefficient systems was their most difficult problem as a practice owner.
- **Working harder—**90.2% of responding dentists are working full-time (defined as 3.5 days or more a week), a 10% increase from last year.
- **Flat collections—**Dentists collected 94.3% of their fees, the same percentage as last year.
- **Business-challenged—**While 44.4% said they enjoyed being their own boss, only 6.5% said they liked managing the business aspects of the practice.

Mastering the business of dentistry is still the greatest challenge faced by today's dentists, This lack of business knowledge and skills prevents doctors from reaching their full income potential, costing them hundreds of thousands in lost earnings throughout their career.

In response to a changing economic landscape, many of the GPs surveyed are making adjustments to their business operations. They're adding specialty procedures to their service mix, incorporating social media into their marketing efforts, and expanding the use of patient financing to make treatment more affordable:

- 59.5% of responding dentists report offering orthodontic services in their practices.
- 38.5% of GPs said they surgically place dental implants, with nearly all (95.19%) saying they restore implants.
- 73.7% of doctors are using social media to promote their practices.
- 39.6% said they are increasing the use of third-party financing.

Anticipated production for 2015

ABOUT THE SURVEY

This year marks the ninth edition of the Dental Economics / Levin Group Annual Survey and Research Report. A record number of doctors participated in the 2015 survey, indicating how much dentists value this yearly benchmark regarding their profession. By gathering and presenting meaningful data about the state of dentistry, the survey and report enable dentists to measure their performance in critical areas and use that information to spur positive changes in their practices.

As in previous years, Levin Group designed the survey and collected responses. Next, the Levin Group Data Center™ analyzed the results and compared them against relevant benchmarks. This year, the survey posed 36 questions in five broad areas:

1. Practice overview
2. Practice production
3. Collections and billings
4. Procedure mix
5. Doctor satisfaction

Levin Group thanks all the dentists who participated in this year's survey. Your responses enable Levin Group to take a detailed X-ray of the profession and gain greater insight into the challenges and benefits of owning and operating a general dental practice.

THIS YEAR'S RESPONDENTS

The report represents a broad cross-section of US general dentists, from solo practitioners (58.3%) to multi-doctor practices (41.7%), with offices in rural areas, small towns, suburbs, and large cities. More than one-third of our respondents (37.2%) were from medium-sized towns, defined as localities with a population of 10,000 to 100,000. Doctors who practiced in major metro areas (500,000+) and large cities/towns (100,000 to 500,000) comprised 28.9% and 23.9% of our survey respondents, respectively. Practitioners in small towns (less than 10,000) represented about 10% (9.9%) of participating dentists.

Nearly one-third of responding dentists were female (31.4%), an increase of 4% from last year's total (26.8%). This reflects the growing number of women entering the dental profession. Last year, 14.5% of responding dentists were in the 35-or-under age category. This year, that number dropped to 10.3%. In fact, dentists aged 56 and older made up 42.3% of this year's respondents, and 8% were over 65. Also, nearly half of respondents (49.6%) had more than 25 years of experience in dentistry.

RETIREMENT EXPECTATIONS

Nearly nine out of 10 dentists (88%) said they expect to be 61 or older when they retire, an increase of 12% from last year's survey response of 76%, and 29% more than in the 2013 survey.

Dentists expecting to be 61 years or older when they retire

In the wake of the Great Recession, many doctors are practicing longer, in some cases much longer, in order to make up for insufficient practice income and retirement savings.

PRACTICE PRODUCTION AND NEW PATIENTS

Overall production gains were modest. Average total production for all general practices, both solo and multi-doctor offices, increased by 1.7% to $1,259,862 compared to last year's total of $1,238,715. Last year's respondents experienced a slightly higher growth rate of 4.4% compared to this year.

Looking at revenues per full-time doctor, we see a small increase from $625,278 to $630,968, while average gross production per hygienist declined slightly from $176,582 last year to $174,696 this year.

Total production was up for 64.1% of surveyed practices, almost matching last year's 64.4%, although many (45%) reported only modest gains of 1% to 10%. While a majority of respondents (63.6%) expect to increase production in 2015, nearly a quarter (23.9%) say they will remain flat, and 12.6% are projecting they will decline.

While the average number of new patients per month remained flat at 27 for the fifth year in a row, 56% of survey respondents reported an increase in the total number of patients.

Based on the data from this year's survey, it has become even more apparent that the dental profession as a whole is mired in a production plateau. That doesn't mean individual practices are unable to grow production, but practice growth now requires a higher level of business knowledge and skills than in the past.

Outside of patient care, what do you like the most about being a dentist?

MORE SERVICES, MORE MARKETING

To spur growth, we found that general dentists are performing more specialty treatment, with 59.5% of responding dentists performing orthodontics and 38.5% surgically placing implants. Survey respondents also reported that elective treatment comprises 28% of their production, an 8% increase from last year. With the number of new patients flat, general dentists are focusing on their current patients, offering and performing a wider range of services than in the past.

Attracting and retaining patients requires different methods than in the past. Nearly three quarters of surveyed dentists (73.7%) said they are using social media to promote their practices. Our analysis revealed a positive correlation between social media usage and the number of new patients. Users of social media outperformed non-users in the acquisition of new patients by 37.5%. Our interpretation of this metric is that dentists who are actively marketing their services are using a variety of promotional vehicles, including social media.

AN EXPANDED WORKWEEK

Last year we found that 80% of doctors worked 3.5 days or more, which was an increase of 6% from the previous year. Now, nine out of 10 (90.2%) dentists are working full-time, a 10% increase from last year. In fact, nearly half of respondents (49%) are working four days a week.

We've entered a more competitive era. The days of working three days a week and growing 15% annually are over. In addition, patients are looking for convenience. If that means offering Saturday or evening hours, many dentists are willing to do it.

CONCLUSION

There is much good news in this year's survey—the majority of general dental practices are growing, fewer dentists are experiencing high stress, and most doctors are feeling optimistic about their projected growth for the rest of the year. However, challenges remain in terms of increasing the number of new patients, improving collections, and finding ways to decrease high stress. **DE**

For more survey results, visit levingroup.com/delg-survey or dentistryiq.com.