Summary of Veterinary Profession Studies

Karen E. Felsted, CPA, MS, DVM, CVPM
CEO-National Commission on Veterinary Economic Issues
Studies

- “Future Directions for Veterinary Medicine” (“Pew report”)
- “The Current and Future Market for Veterinarians and Veterinary Medical Services in the United States” (“KPMG study”)
- “Nontechnical Competencies Underlying Career Success as a Veterinarian” (“PDI study”)
- “Brakke Management and Behavior Study” (“Brakke study”)
- “AVMA-Pfizer Business Practices Study”
- “Envisioning the Future of Veterinary Medical Education” (“Foresight report”)
“Future Directions for Veterinary Medicine” (“Pew report”) - 1989

- Areas covered
  - Research
  - Practice
  - Education
“Future Directions for Veterinary Medicine” (“Pew report”) - 1989

• Overall recommendations
  – Change focus of profession from animal disease to animal health in all dimensions
  – Abandon concept of a “universal veterinarian” who can minister to health needs of all species
“Future Directions for Veterinary Medicine” (“Pew report”) - 1989

• Education recommendations
  – Strengthen the general education of veterinarians
  – Focus education and practice of veterinary medicine on ability to find/use information
  – Strengthen basic biological science content of professional curriculum
  – Make educational, experiential, cultural, racial and ethnic diversity a goal of veterinary education
“Future Directions for Veterinary Medicine” (“Pew report”) - 1989

- Education recommendations
  - Enable students to elect in-depth instruction and clinical experience with one or a limited species, rather than require all students to obtain experience with all species
  - Change emphasis in education from primarily clinical practice to include public sector needs for veterinarians
  - Move towards a national perspective/strategy of veterinary medical education
“Future Directions for Veterinary Medicine” ("Pew report")-1989

• Outcomes
  – Increased focus on the future when making curriculum decisions
  – Pew grants for strategic planning training for veterinary schools, Tufts human-animal bond project and other activities
  – Some increased focus on species tracking programs by veterinary schools
  – Development of some centers of excellence—VA-MD Corporate & Public Practice program
“The Current and Future Market for Veterinarians and Veterinary Medical Services in the US”
(“KPMG study”) - 1999

• Primary focus on economics & viability, particularly private practice
• Income of veterinarians seriously lags behind other similar professions
• Pricing may not be appropriate relative to cost of services and value
• Income of women is seriously below that of men—may be reducing income of all veterinarians
• Substantial opportunity to increase consumer demand for veterinary services
“The Current and Future Market for Veterinarians and Veterinary Medical Services in the US”
(“KPMG study”)-1999

• Potentially significant market exists for veterinarians in nontraditional and non-private practice arenas
• Highly fragmented and inefficient delivery system for animal care
• Excess of veterinarians, mismatch between supply and demand characteristics
• Modifications in education will enable profession to capitalize on emerging markets and create new services
“The Current and Future Market for Veterinarians and Veterinary Medical Services in the US”
(“KPMG study”) - 1999

- Scientific and clinical skills of profession very high
- Veterinarians lack some skills and aptitudes that result in economic success
- Veterinarians self perception of abilities and contributions to society potentially limit professional and economic growth of profession
“The Current and Future Market for Veterinarians and Veterinary Medical Services in the US”
(“KPMG study”)-1999

• Outcomes
  – Formation of NCVEI
  – Higher prices charged for veterinary services
  – Increased incomes for veterinarians in all fields
  – Increased focus on needs for veterinarians in nontraditional and non-private practice arenas
  – PDI study regarding nontechnical competencies needed for success as a veterinarian in any area of the profession

- Focus on private practice environment
- Private practice incomes heavily influenced by practice ownership, gender, community size, practice area household income, and hours worked
- Good business skills also highly associated with increased incomes
- Low use of standard business practices by veterinary hospitals
- High self-esteem/low fear of negative evaluation associated with higher incomes
- Veterinarians have a tendency to judge spending capacity of clients and alter recommendations based on this perception

• Outcomes
  – Increased awareness of importance of business skills
  – Fees increased dramatically
  – Small # of practices changed significantly
  – Little change in business operations at most practices
  – Recession has driven more veterinarians to focus on business skills
2009 Private Practice Profitability

- Average profit margin 9.78%
- Median profit margin 10.40%

- >18% (Superior) 10.4%
- 16-18% (Above average) 9.4%
- 13-16% (Average) 17.8%
- 8-13% (Below average) 31.2%
- < 8% (Poor) 31.2%

(1/3 are negative)
Questions?

www.ncvei.org
kfelsted@ncvei.org
847-925-1230