

**How Does Your Dental Practice Compare?**  
2023 Edition

There's

# POTENTIAL

hiding in every practice.

You just need to know where to look.

Even in today's challenging economic environment, every practice has the potential to improve. The key is knowing which areas of your practice to prioritize.

Good news is, you've already taken the first step by diving into the *How Does Your Practice Compare?* Report.

With comprehensive comparative data broken out by size and specialty, this annual benchmarking tool makes it easy to glean insights that can help you power past your projections.

We hope it becomes the catalyst to unlocking the full potential in your practice this year and beyond.

Looking for a deeper dive into the data?  
Don't hesitate to reach out to a Cain Watters  
advisor for a complimentary consultation.  
972.233.3323





# POWERING YOUR POTENTIAL FOR **40 YEARS.**

Through four decades of serving dentists nationwide, we take pride in crafting individualized strategies to unlock your full financial potential. CWA offers a suite of services that can respond to your practice's needs while catering to your personal financial goals. We are committed to becoming a true partner along your journey to reach your goals.

## **Our specialized services include:**

- Personal business financial planning
- Personal and business budgeting
- Pension planning strategies
- Practice overhead and production analysis
- Strategic tax planning
- Tax preparation and filing services
- Accounting services
- Practice acquisition and expansion
- New doctor business planning
- Investment strategies and solutions
- DSO services

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	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$1,331,290</b>	<b>100.00%</b>	<b>\$1,265,276</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	107,469	8.07%	99,106	7.83%
Salaries - Hygiene	119,947	9.01%	118,345	9.35%
Salaries - Chairside/Other	85,778	6.44%	83,088	6.57%
Payroll Tax Expense	39,746	2.99%	37,714	2.98%
Drugs & Supplies	89,847	6.75%	89,509	7.07%
Office Supplies/Expense	34,781	2.61%	35,013	2.77%
Lab Fees	78,083	5.87%	79,678	6.30%
Total Direct Costs	555,651	41.74%	542,453	42.87%
Gross Profit	775,639	58.26%	722,823	57.13%
<b>Fixed Expenses</b>				
Legal & Accounting	32,375	2.43%	28,873	2.28%
Advertising & Promotion	20,332	1.53%	20,455	1.62%
Continuing Education	7,172	0.54%	6,669	0.53%
Credit Card & Bank Fees	23,098	1.74%	20,765	1.64%
Insurance Practice	18,298	1.37%	16,532	1.31%
Meals & Entertainment	14,141	1.06%	13,182	1.04%
Rent	68,345	5.13%	59,838	4.73%
Telephone & Utilities	16,531	1.24%	16,043	1.27%
Travel & Lodging	9,727	0.73%	10,867	0.86%
Other Fixed Costs*	54,244	4.07%	59,330	4.69%
Total Administrative Costs	264,263	19.84%	252,555	19.97%
<b>Net Income</b>	<b>\$511,376</b>	<b>38.42%</b>	<b>\$470,268</b>	<b>37.16%</b>
(Before Non-Operating & Doctor Costs)				

## General Dentist 2 Doctor Practice

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$2,323,294</b>	<b>100.00%</b>	<b>\$2,297,567</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	159,426	6.86%	164,494	7.16%
Salaries - Hygiene	211,160	9.09%	206,102	8.97%
Salaries - Chairside/Other	169,156	7.28%	164,602	7.16%
Payroll Tax Expense	58,381	2.51%	56,983	2.48%
Drugs & Supplies	154,534	6.65%	170,391	7.42%
Office Supplies/Expense	44,096	1.90%	44,616	1.94%
Lab Fees	130,231	5.61%	137,312	5.98%
Total Direct Costs	926,984	39.90%	944,500	41.11%
Gross Profit	1,396,310	60.10%	1,353,067	58.89%
<b>Fixed Expenses</b>				
Legal & Accounting	29,666	1.28%	30,460	1.33%
Advertising & Promotion	28,277	1.22%	34,294	1.49%
Continuing Education	9,310	0.40%	8,727	0.38%
Credit Card & Bank Fees	38,929	1.68%	37,106	1.62%
Insurance Practice	24,885	1.07%	28,052	1.22%
Meals & Entertainment	12,623	0.54%	10,970	0.48%
Rent	95,479	4.11%	93,159	4.05%
Telephone & Utilities	20,094	0.86%	20,708	0.90%
Travel & Lodging	7,492	0.32%	7,554	0.33%
Other Fixed Costs	74,257	3.20%	73,518	3.20%
Total Administrative Costs	341,012	14.68%	344,548	15.00%
<b>Net Income</b>	<b>\$1,055,298</b>	<b>45.42%</b>	<b>\$1,008,519</b>	<b>43.89%</b>
(Before Non-Operating & Doctor Costs)				

### INSIGHT: Top Line Growth

General dentistry practices increased collections by implementing growth strategies like moving to a fee-for-service model, adding an associate, or increasing marketing. Growing the top line is the best way to maintain profitability when costs are on the rise.

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$3,954,594</b>	<b>100.00%</b>	<b>\$3,656,476</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	258,176	6.53%	232,399	6.36%
Salaries - Hygiene	351,143	8.88%	352,669	9.65%
Salaries - Chairside/Other	278,169	7.03%	256,053	7.00%
Payroll Tax Expense	89,999	2.28%	81,621	2.23%
Drugs & Supplies	269,396	6.81%	271,417	7.42%
Office Supplies/Expense	67,707	1.71%	53,062	1.45%
Lab Fees	213,932	5.41%	212,755	5.82%
Total Direct Costs	1,528,522	38.65%	1,459,976	39.93%
Gross Profit	2,426,072	61.35%	2,196,500	60.07%
<b>Fixed Expenses</b>				
Legal & Accounting	41,470	1.05%	40,808	1.12%
Advertising & Promotion	63,378	1.60%	33,430	0.91%
Continuing Education	7,847	0.20%	8,177	0.22%
Credit Card & Bank Fees	63,399	1.60%	49,670	1.36%
Insurance Practice	50,294	1.27%	47,190	1.29%
Meals & Entertainment	22,606	0.57%	17,319	0.47%
Rent	121,398	3.07%	123,606	3.38%
Telephone & Utilities	27,572	0.70%	30,172	0.83%
Travel & Lodging	10,808	0.27%	7,304	0.20%
Other Fixed Costs	127,348	3.22%	119,402	3.27%
Total Administrative Costs	536,120	13.55%	477,078	13.05%
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<b><u>\$1,889,952</u></b>	<b><u>47.80%</u></b>	<b><u>\$1,719,422</u></b>	<b><u>47.02%</u></b>

## General Dentist 4+ Doctor Practice

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$5,684,143</b>	<b>100.00%</b>	<b>\$5,414,869</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	394,249	6.94%	361,063	6.67%
Salaries - Hygiene	505,549	8.89%	508,807	9.40%
Salaries - Chairside/Other	442,687	7.79%	425,428	7.86%
Payroll Tax Expense	132,210	2.33%	126,811	2.34%
Drugs & Supplies	374,264	6.58%	397,387	7.34%
Office Supplies/Expense	88,004	1.55%	97,699	1.80%
Lab Fees	374,371	6.59%	375,570	6.94%
Total Direct Costs	2,311,334	40.67%	2,292,765	42.35%
Gross Profit	3,372,809	59.33%	3,122,104	57.65%
<b>Fixed Expenses</b>				
Legal & Accounting	46,709	0.82%	41,998	0.78%
Advertising & Promotion	79,531	1.40%	79,366	1.47%
Continuing Education	14,635	0.26%	11,915	0.22%
Credit Card & Bank Fees	94,020	1.65%	88,011	1.63%
Insurance Practice	60,445	1.06%	48,246	0.89%
Meals & Entertainment	26,897	0.47%	23,206	0.43%
Rent	195,022	3.43%	197,147	3.64%
Telephone & Utilities	37,946	0.67%	34,746	0.64%
Travel & Lodging	11,100	0.20%	9,504	0.18%
Other Fixed Costs	190,525	3.35%	173,515	3.20%
Total Administrative Costs	756,830	13.31%	707,654	13.08%
<b>Net Income</b>	<b>\$2,615,979</b>	<b>46.02%</b>	<b>\$2,414,450</b>	<b>44.57%</b>
(Before Non-Operating & Doctor Costs)				

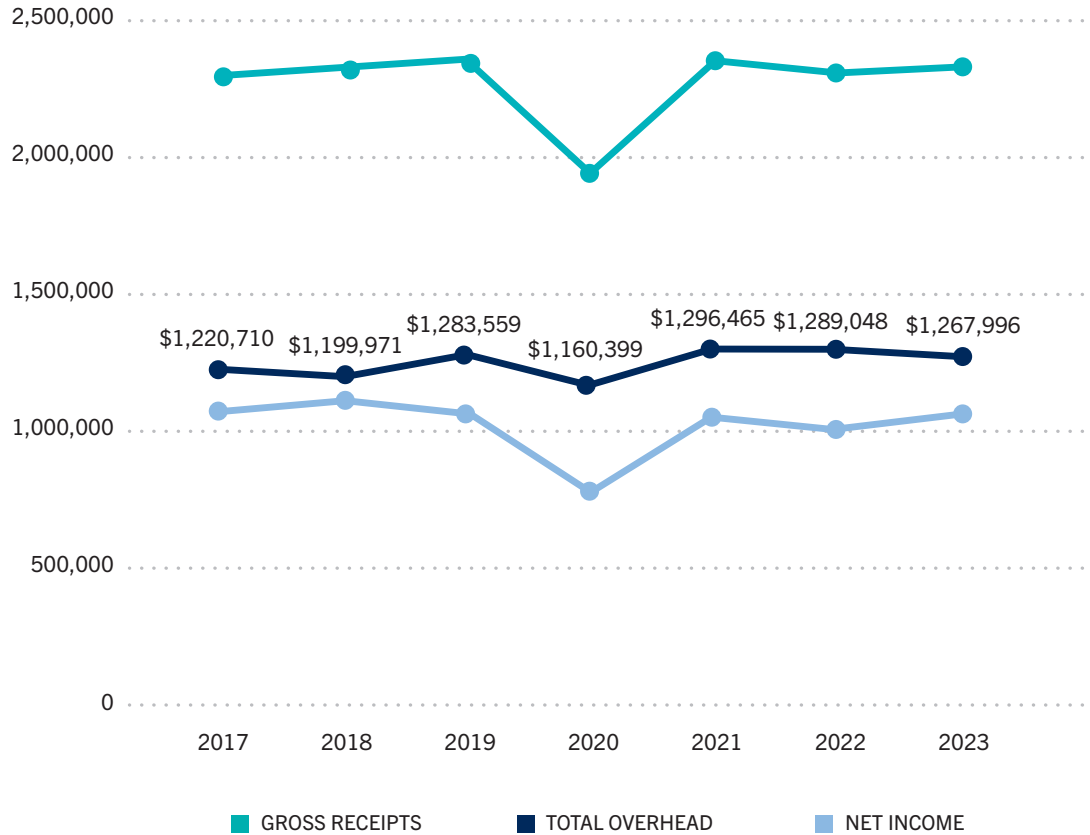
### INSIGHT: Trim Excess

Three- and four-doctor general practices maintained profitability by creating budgets and sticking to them. While expenses like staff salaries and advertising did increase, these categories likely contributed to growing revenue.



## Average Gross Receipts, Overhead and Net Income Over Time

Illustrated for General Dentist 2 Doctor Practices 2017-2023



Two-doctor general dentistry practices' gross receipts and overhead averages remained relatively flat year over year. Practice owners should remain diligent in increasing fees annually to ensure gross receipts align with inflation increases while also focusing on keeping overhead costs low by utilizing buying groups like ELITE Dental Alliance and other strategies to increase the profitability of the practice.

## Orthodontist 1 Doctor Practice

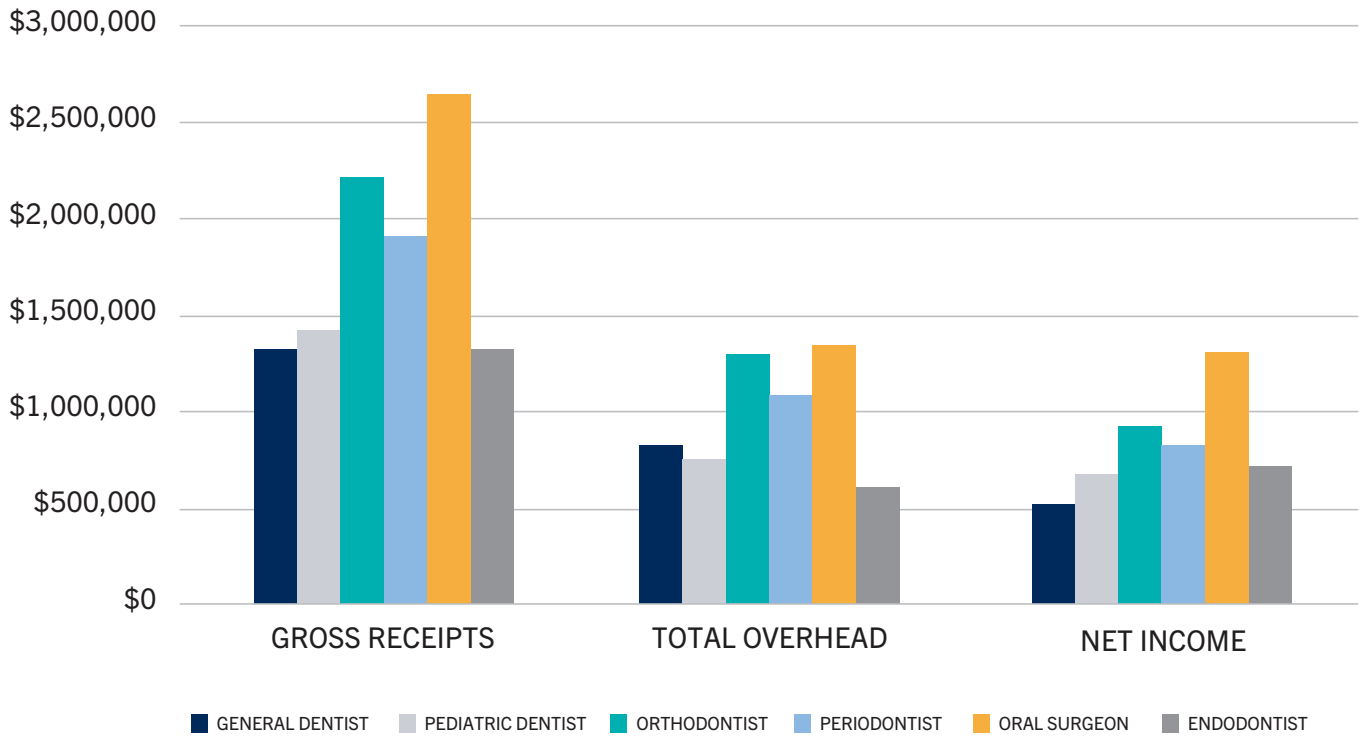
	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$2,213,150</b>	<b>100.00%</b>	<b>\$ 2,122,748</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	198,762	8.98%	180,745	8.51%
Salaries - Chairside/Other	208,160	9.41%	197,190	9.29%
Payroll Tax Expense	52,530	2.37%	48,993	2.31%
Drugs & Supplies	160,651	7.26%	172,995	8.15%
Office Supplies/Expense	62,126	2.81%	54,895	2.59%
Lab Fees	146,753	6.63%	134,597	6.34%
Total Direct Costs	828,982	37.46%	789,415	37.19%
Gross Profit	1,384,168	62.54%	1,333,333	62.81%
<b>Fixed Expenses</b>				
Legal & Accounting	36,158	1.63%	32,842	1.55%
Advertising & Promotion	53,442	2.41%	46,403	2.19%
Continuing Education	6,031	0.27%	5,003	0.24%
Credit Card & Bank Fees	51,519	2.33%	41,633	1.96%
Insurance Practice	31,925	1.44%	25,255	1.19%
Meals & Entertainment	25,770	1.16%	23,260	1.10%
Rent	127,205	5.75%	118,622	5.59%
Telephone & Utilities	25,908	1.17%	24,515	1.15%
Travel & Lodging	16,604	0.75%	17,270	0.81%
Other Fixed Costs	83,971	3.79%	92,614	4.36%
Total Administrative Costs	458,533	20.70%	427,417	20.14%
<b>Net Income</b>	<b>\$925,635</b>	<b>41.84%</b>	<b>\$905,916</b>	<b>42.67%</b>
(Before Non-Operating & Doctor Costs)				

### INSIGHT: Cost Barrier

Orthodontists see treatment costs becoming an overall barrier to case acceptance. Cases paid in full are decreasing, and patients are most receptive to payment periods extending the entire treatment length. While practices can offer creative payment options and reduce down payment amounts, they should also continue to increase fees gradually.

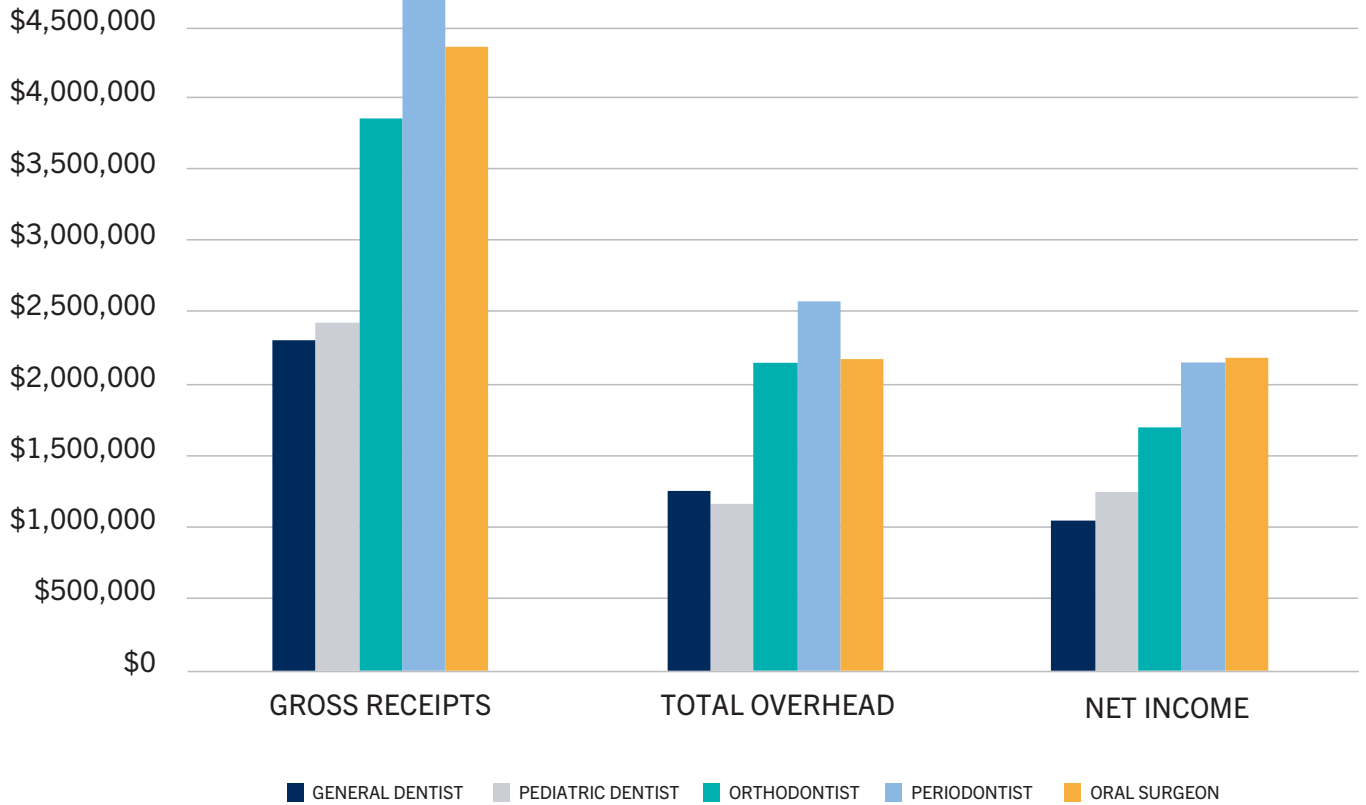
	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$3,864,297</b>	<b>100.00%</b>	<b>\$3,980,579</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	330,838	8.56%	287,729	7.23%
Salaries - Chairside/Other	433,745	11.22%	394,390	9.91%
Payroll Tax Expense	75,722	1.96%	72,987	1.83%
Drugs & Supplies	311,163	8.05%	349,788	8.79%
Office Supplies/Expense	88,317	2.29%	90,289	2.27%
Lab Fees	270,543	7.00%	291,114	7.31%
Total Direct Costs	1,510,328	39.08%	1,486,297	37.34%
Gross Profit	2,353,969	60.92%	2,494,282	62.66%
<b>Fixed Expenses</b>				
Legal & Accounting	27,727	0.72%	32,238	0.81%
Advertising & Promotion	96,788	2.50%	100,283	2.52%
Continuing Education	7,677	0.20%	3,955	0.10%
Credit Card & Bank Fees	80,199	2.08%	79,562	2.00%
Insurance Practice	66,982	1.73%	48,507	1.22%
Meals & Entertainment	28,917	0.75%	28,052	0.70%
Rent	174,892	4.53%	157,219	3.95%
Telephone & Utilities	35,217	0.91%	33,750	0.85%
Travel & Lodging	11,995	0.31%	19,396	0.49%
Other Fixed Costs	111,203	2.88%	136,115	3.42%
Total Administrative Costs	641,597	16.61%	639,077	16.06%
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<b><u>\$1,712,372</u></b>	<b><u>44.31%</u></b>	<b><u>\$1,855,205</u></b>	<b><u>46.60%</u></b>

## Average Revenue and Overhead for 1 Doctor Practices in 2023



2023	GROSS RECEIPTS \$	TOTAL OVERHEAD \$	% OVERHEAD	NET INCOME \$	% NET INCOME
GENERAL DENTIST	1,331,290	819,914	61.58%	511,376	38.42%
PEDIATRIC DENTIST	1,418,344	746,125	52.60%	672,219	47.40%
ORTHODONTIST	2,213,150	1,287,515	58.16%	925,635	41.84%
PERIODONTIST	1,907,343	1,086,409	56.99%	820,934	43.01%
ORAL SURGEON	2,639,924	1,344,631	50.92%	1,295,293	49.08%
ENDODONTIST	1,314,117	603,710	45.94%	710,407	54.06%

## Average Revenue and Overhead for 2 Doctor Practices in 2023



2023	GROSS RECEIPTS \$	TOTAL OVERHEAD \$	% OVERHEAD	NET INCOME \$	% NET INCOME
GENERAL DENTIST	2,323,294	1,267,996	54.58%	1,055,298	45.42%
PEDIATRIC DENTIST	2,436,163	1,170,016	48.04%	1,266,147	51.96%
ORTHODONTIST	3,864,297	2,151,925	55.69%	1,712,372	44.31%
PERIODONTIST	4,725,914	2,561,650	54.23%	2,164,264	45.77%
ORAL SURGEON	4,372,752	2,183,537	49.94%	2,189,215	50.06%

# Pediatric Dentist 1 Doctor Practice

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$1,418,344</b>	<b>100.00%</b>	<b>\$1,241,707</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	112,195	7.91%	103,477	8.33%
Salaries - Hygiene	69,756	4.92%	74,804	6.02%
Salaries - Chairside/Other	122,314	8.62%	104,870	8.45%
Payroll Tax Expense	40,325	2.84%	37,290	3.00%
Drugs & Supplies	78,376	5.53%	79,103	6.37%
Office Supplies/Expense	34,467	2.43%	29,923	2.41%
Lab Fees	1,254	0.09%	1,576	0.13%
Total Direct Costs	458,687	32.34%	431,043	34.71%
Gross Profit	959,657	67.66%	810,664	65.29%
<b>Fixed Expenses</b>				
Legal & Accounting	29,974	2.11%	27,467	2.21%
Advertising & Promotion	16,081	1.13%	12,994	1.05%
Continuing Education	3,241	0.23%	2,083	0.17%
Credit Card & Bank Fees	15,000	1.06%	12,052	0.97%
Insurance Practice	28,304	2.00%	23,491	1.89%
Meals & Entertainment	15,331	1.08%	13,766	1.11%
Rent	78,921	5.56%	83,621	6.73%
Telephone & Utilities	15,665	1.10%	15,170	1.22%
Travel & Lodging	16,870	1.19%	11,397	0.92%
Other Fixed Costs	68,051	4.80%	58,413	4.70%
Total Administrative Costs	287,438	20.26%	260,454	20.97%
<b>Net Income</b>	<b>\$672,219</b>	<b>47.40%</b>	<b>\$550,210</b>	<b>44.32%</b>
(Before Non-Operating & Doctor Costs)				

## INSIGHT: Rising Staff Costs

While both direct and fixed expenses increased this year, the rise in chairside salaries was the most significant for pediatric practices of all sizes. Many doctors gave raises and bonuses in 2023 to keep staff on board and incentivize higher collections.

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$2,436,163</b>	<b>100.00%</b>	<b>\$2,362,952</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	221,910	9.11%	231,043	9.78%
Salaries - Hygiene	128,929	5.29%	135,937	5.75%
Salaries - Chairside/Other	186,963	7.67%	152,738	6.46%
Payroll Tax Expense	56,206	2.31%	52,467	2.22%
Drugs & Supplies	118,065	4.85%	135,034	5.71%
Office Supplies/Expense	56,187	2.31%	52,220	2.21%
Lab Fees	16,205	0.67%	15,451	0.65%
Total Direct Costs	<u>784,465</u>	<u>32.21%</u>	<u>774,890</u>	<u>32.78%</u>
Gross Profit	1,651,698	67.79%	1,588,062	67.22%
<b>Fixed Expenses</b>				
Legal & Accounting	29,346	1.20%	26,560	1.12%
Advertising & Promotion	28,383	1.17%	32,850	1.39%
Continuing Education	4,122	0.17%	3,827	0.16%
Credit Card & Bank Fees	23,075	0.95%	19,284	0.82%
Insurance Practice	36,401	1.49%	36,203	1.53%
Meals & Entertainment	16,963	0.70%	13,857	0.59%
Rent	128,088	5.26%	141,665	6.00%
Telephone & Utilities	22,040	0.90%	19,401	0.82%
Travel & Lodging	11,249	0.46%	9,479	0.40%
Other Fixed Costs	85,884	3.53%	71,465	3.02%
Total Administrative Costs	<u>385,551</u>	<u>15.83%</u>	<u>374,591</u>	<u>15.85%</u>
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<u><b>\$1,266,147</b></u>	<u><b>51.96%</b></u>	<u><b>\$1,213,471</b></u>	<u><b>51.37%</b></u>

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$5,223,772</b>	<b>100.00%</b>	<b>\$5,430,060</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	437,263	8.37%	452,980	8.34%
Salaries - Hygiene	304,780	5.83%	265,751	4.89%
Salaries - Chairside/Other	471,363	9.02%	481,293	8.86%
Payroll Tax Expense	139,505	2.67%	138,189	2.54%
Drugs & Supplies	296,677	5.68%	320,417	5.90%
Office Supplies/Expense	111,928	2.14%	115,076	2.12%
Lab Fees	18,585	0.36%	37,060	0.68%
Total Direct Costs	1,780,101	34.07%	1,810,766	33.33%
Gross Profit	3,443,671	65.93%	3,619,294	66.67%
<b>Fixed Expenses</b>				
Legal & Accounting	37,804	0.72%	38,190	0.70%
Advertising & Promotion	56,004	1.07%	66,470	1.22%
Continuing Education	5,851	0.11%	8,604	0.16%
Credit Card & Bank Fees	50,993	0.98%	44,023	0.81%
Insurance Practice	62,565	1.20%	63,156	1.16%
Meals & Entertainment	18,945	0.36%	18,366	0.34%
Rent	269,047	5.15%	246,070	4.53%
Telephone & Utilities	55,883	1.07%	53,389	0.98%
Travel & Lodging	6,715	0.13%	7,053	0.13%
Other Fixed Costs	164,194	3.14%	185,964	3.42%
Total Administrative Costs	728,001	13.93%	731,285	13.45%
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<b><u>\$2,715,670</u></b>	<b><u>52.00%</u></b>	<b><u>\$2,888,009</u></b>	<b><u>53.22%</u></b>



## Endodontist 1 Doctor Practice

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$1,314,117</b>	<b>100.00%</b>	<b>\$1,270,545</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	106,874	8.13%	96,014	7.56%
Salaries - Chairside/Other	101,825	7.75%	99,756	7.85%
Payroll Tax Expense	29,753	2.26%	27,695	2.18%
Drugs & Supplies	98,170	7.47%	106,731	8.40%
Office Supplies/Expense	34,100	2.59%	34,654	2.73%
Lab Fees	518	0.04%	255	0.02%
Total Direct Costs	<u>371,240</u>	<u>28.24%</u>	<u>365,106</u>	<u>28.74%</u>
Gross Profit	942,877	71.76%	905,439	71.26%
<b>Fixed Expenses</b>				
Legal & Accounting	33,891	2.58%	28,738	2.26%
Advertising & Promotion	10,167	0.77%	8,182	0.64%
Continuing Education	2,207	0.17%	744	0.06%
Credit Card & Bank Fees	25,235	1.92%	25,594	2.01%
Insurance Practice	16,764	1.28%	20,976	1.65%
Meals & Entertainment	21,909	1.67%	17,408	1.37%
Rent	48,482	3.69%	48,817	3.84%
Telephone & Utilities	18,003	1.37%	17,656	1.39%
Travel & Lodging	4,313	0.33%	8,331	0.66%
Other Fixed Costs	51,499	3.92%	54,399	4.28%
Total Administrative Costs	<u>232,470</u>	<u>17.70%</u>	<u>230,844</u>	<u>18.16%</u>
<b>Net Income</b>	<b><u>\$710,407</u></b>	<b><u>54.06%</u></b>	<b><u>\$674,595</u></b>	<b><u>53.10%</u></b>
(Before Non-Operating & Doctor Costs)				

### INSIGHT: Net Income

2023 was a consistent year for endodontic practices. Collections gradually increased while both direct and fixed expenses as a dollar amount stayed flat. This allowed practices to realize growth in net operating income.

## Periodontist 1 Doctor Practice

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$1,907,343</b>	<b>100.00%</b>	<b>\$2,067,840</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	174,638	9.16%	169,803	8.21%
Salaries - Hygiene	84,990	4.46%	100,956	4.88%
Salaries - Chairside/Other	130,205	6.83%	169,637	8.20%
Payroll Tax Expense	48,435	2.54%	49,698	2.40%
Drugs & Supplies	180,412	9.46%	243,385	11.77%
Office Supplies/Expense	50,099	2.63%	55,108	2.66%
Lab Fees	23,794	1.25%	19,681	0.95%
Total Direct Costs	692,573	36.33%	808,268	39.09%
Gross Profit	1,214,770	63.67%	1,259,572	60.91%
<b>Fixed Expenses</b>				
Legal & Accounting	37,709	1.98%	31,178	1.51%
Advertising & Promotion	27,473	1.44%	24,175	1.17%
Continuing Education	5,718	0.30%	9,494	0.46%
Credit Card & Bank Fees	42,156	2.21%	45,716	2.21%
Insurance Practice	24,921	1.31%	31,525	1.52%
Meals & Entertainment	37,493	1.97%	25,932	1.25%
Rent	84,024	4.41%	90,967	4.40%
Telephone & Utilities	19,661	1.03%	17,607	0.85%
Travel & Lodging	19,540	1.02%	22,345	1.08%
Other Fixed Costs	95,141	4.99%	81,704	3.95%
Total Administrative Costs	393,836	20.66%	380,642	18.41%
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<b><u>\$820,934</u></b>	<b><u>43.01%</u></b>	<b><u>\$878,930</u></b>	<b><u>42.50%</u></b>

### INSIGHT: Net Growth

Periodontal one-doctor practices remained relatively stable, while periodontal two-doctor practices saw a rise in gross receipts in 2023. To offset rising costs, practices must remain vigilant in raising fees to increase the bottom line.

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$4,725,914</b>	<b>100.00%</b>	<b>\$4,542,282</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	366,775	7.76%	397,644	8.75%
Salaries - Hygiene	281,704	5.96%	287,863	6.34%
Salaries - Chairside/Other	307,450	6.51%	281,648	6.20%
Payroll Tax Expense	117,188	2.48%	107,565	2.37%
Drugs & Supplies	489,492	10.36%	537,112	11.82%
Office Supplies/Expense	87,058	1.84%	96,997	2.14%
Lab Fees	83,028	1.76%	83,688	1.84%
Total Direct Costs	1,732,695	36.67%	1,792,519	39.46%
Gross Profit	2,993,219	63.33%	2,749,764	60.54%
<b>Fixed Expenses</b>				
Legal & Accounting	44,673	0.95%	44,903	0.99%
Advertising & Promotion	65,027	1.38%	88,670	1.95%
Continuing Education	23,628	0.50%	17,923	0.39%
Credit Card & Bank Fees	89,087	1.89%	74,339	1.64%
Insurance Practice	52,726	1.12%	63,143	1.39%
Meals & Entertainment	65,060	1.38%	37,400	0.82%
Rent	240,739	5.09%	204,823	4.51%
Telephone & Utilities	42,001	0.89%	41,160	0.91%
Travel & Lodging	28,715	0.61%	7,735	0.17%
Other Fixed Costs	177,299	3.75%	152,399	3.36%
Total Administrative Costs	828,955	17.56%	732,496	16.13%
<b>Net Income</b>	<b><u>\$2,164,264</u></b>	<b><u>45.77%</u></b>	<b><u>\$2,017,268</u></b>	<b><u>44.41%</u></b>
(Before Non-Operating & Doctor Costs)				

## Oral Surgery 1 Doctor Practice

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$2,639,924</b>	<b>100.00%</b>	<b>\$2,693,214</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	205,847	7.80%	186,785	6.94%
Salaries - Chairside/Other	202,715	7.68%	185,114	6.87%
Payroll Tax Expense	49,351	1.87%	45,575	1.69%
Drugs & Supplies	312,684	11.84%	277,875	10.32%
Office Supplies/Expense	55,412	2.10%	55,309	2.05%
Lab Fees	25,675	0.97%	27,520	1.02%
Total Direct Costs	<u>851,684</u>	<u>32.26%</u>	<u>778,177</u>	<u>28.89%</u>
Gross Profit	1,788,240	67.74%	1,915,037	71.11%
<b>Fixed Expenses</b>				
Legal & Accounting	35,756	1.35%	31,243	1.16%
Advertising & Promotion	22,213	0.84%	22,789	0.85%
Continuing Education	6,921	0.26%	6,540	0.24%
Credit Card & Bank Fees	50,006	1.89%	44,472	1.65%
Insurance Practice	44,887	1.70%	43,425	1.61%
Meals & Entertainment	25,504	0.97%	30,280	1.12%
Rent	118,496	4.49%	123,102	4.57%
Telephone & Utilities	19,036	0.72%	20,413	0.76%
Travel & Lodging	16,669	0.63%	21,851	0.81%
Other Fixed Costs	153,459	5.81%	146,237	5.43%
Total Administrative Costs	<u>492,947</u>	<u>18.66%</u>	<u>490,351</u>	<u>18.20%</u>
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<u><b>\$1,295,293</b></u>	<u><b>49.08%</b></u>	<u><b>\$1,424,686</b></u>	<u><b>52.91%</b></u>

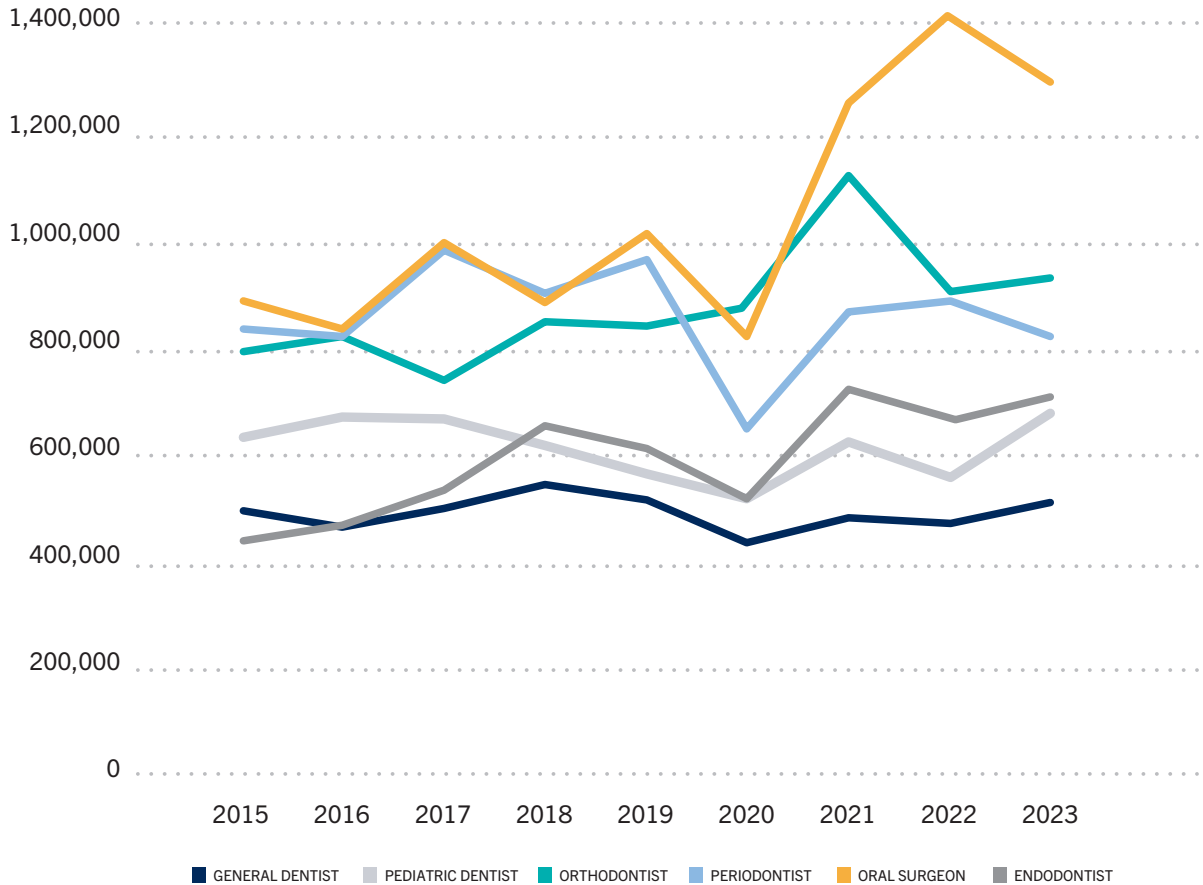
### INSIGHT: Drugs and Supplies

Oral surgery practices were diligent in keeping only an adequate amount of drugs and supplies on hand, yet higher unit costs still increased this category overall as a percent of collections. As inflation continues, practices must focus on consistently raising fees to combat rising direct expenses.

	2023 YEAR END		2022 YEAR END	
<b>GROSS RECEIPTS</b>	<b>\$4,372,752</b>	<b>100.00%</b>	<b>\$4,259,487</b>	<b>100.00%</b>
<b>Direct Expenses</b>				
Salaries - Office	375,148	8.58%	348,752	8.19%
Salaries - Chairside/Other	400,776	9.17%	371,818	8.73%
Payroll Tax Expense	83,743	1.92%	75,550	1.77%
Drugs & Supplies	494,276	11.30%	501,885	11.78%
Office Supplies/Expense	92,867	2.12%	88,502	2.08%
Lab Fees	31,454	0.72%	34,139	0.80%
Total Direct Costs	<u>1,478,264</u>	<u>33.81%</u>	<u>1,420,646</u>	<u>33.35%</u>
Gross Profit	2,894,488	66.19%	2,838,841	66.65%
<b>Fixed Expenses</b>				
Legal & Accounting	40,891	0.94%	31,915	0.75%
Advertising & Promotion	51,642	1.18%	34,348	0.81%
Continuing Education	10,949	0.25%	8,453	0.20%
Credit Card & Bank Fees	69,815	1.60%	66,580	1.56%
Insurance Practice	99,870	2.28%	86,019	2.02%
Meals & Entertainment	42,187	0.96%	33,511	0.79%
Rent	184,798	4.23%	153,464	3.60%
Telephone & Utilities	30,670	0.70%	31,563	0.74%
Travel & Lodging	18,454	0.42%	18,243	0.43%
Other Fixed Costs	155,997	3.57%	171,628	4.03%
Total Administrative Costs	<u>705,273</u>	<u>16.13%</u>	<u>635,723</u>	<u>14.93%</u>
<b>Net Income</b> (Before Non-Operating & Doctor Costs)	<u><b>\$2,189,215</b></u>	<u><b>50.06%</b></u>	<u><b>\$2,203,118</b></u>	<u><b>51.72%</b></u>

# Net Income by Practice Type Over Time

## 1 Doctor Practices 2015-2023



Specialty practices such as oral surgery, endodontics and orthodontics have all seen growth in net income, while general dentistry, pediatrics and periodontal practices have been flat over the past eight years. All practice owners should continue to evaluate fees, expenses, insurance reimbursements and other strategies to increase net income. To get a more in-depth look into your practice's health, contact our team at [cainwatters.com/contact](https://cainwatters.com/contact).

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*\*Other Fixed Costs* expense category is a representation of Consultant Fees, Dues and Subscriptions, Pension Administration, Repairs and Maintenance, Licenses and Taxes, as well as additional small costs that may have been unique to each individual practice.

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