

How Does Your Dental Practice Compare?
2019 Edition



About Cain Watters & Associates

The relationship makes us different.

Many financial services firms work with dentists, the CWA difference is the relationship we build with our clients. Long-term financial success is a journey that plays out through a series of decisions throughout the course of your life. Our goal is to empower you through education, and support you with sound guidance using the knowledge we've gained from working with dental professionals across the nation for more than 35 years.

Our specialized services include:

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

KNOW WHAT'S NEXT

As we emerge from these uncertain times, one thing is clear.

Knowing where to take your practice next is key to starting strong and maintaining momentum.

That's why the new Dental Practice Comparison Report is more important than ever. Comparing your pre-shutdown numbers to your peers is essential to knowing where to go from here.

For over 35 years, Cain Watters & Associates advisors have helped dentists of every specialty navigate the road to professional and personal wealth.

Through their tireless work on this report and decades of experience, the CWA team empowers business owners with the knowledge they need to overcome uncertainty and reach their goals.

It is our privilege to be able to share this with the dental community.

Sincerely,

The CWA Team
972.233.3323



 **CWA**
CAIN WATTERS & ASSOCIATES

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General Dentist 1 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$1,319,495	100.00%	\$1,237,351	100.00%
Direct Expenses				
Salaries - Office	98,373	7.46%	80,482	6.50%
Salaries - Hygiene	118,779	9.00%	106,813	8.63%
Salaries - Chairside/Other	79,739	6.04%	76,860	6.21%
Payroll Tax Expense	36,459	2.76%	33,140	2.68%
Lab Fees	84,653	6.42%	72,018	5.82%
Drugs & Supplies	96,585	7.32%	87,195	7.05%
Office Supplies/Expense	34,165	2.59%	29,921	2.42%
Total Direct Costs	<u>548,753</u>	<u>41.59%</u>	<u>486,429</u>	<u>39.31%</u>
Gross Profit	770,742	58.41%	750,922	60.69%
Fixed Expenses				
Legal & Accounting	24,096	1.83%	20,899	1.69%
Advertising & Promotion	27,129	2.06%	25,526	2.06%
Continuing Education	7,697	0.58%	7,198	0.58%
Credit Card & Bank Fees	20,630	1.56%	14,304	1.16%
Insurance Practice	19,140	1.45%	16,536	1.34%
Meals & Entertainment	12,258	0.93%	10,303	0.83%
Rent	59,863	4.54%	46,865	3.79%
Telephone & Utilities	17,251	1.31%	14,923	1.21%
Travel & Lodging	11,231	0.85%	9,280	0.75%
Other Fixed Costs*	58,963	4.47%	43,975	3.55%
Total Administrative Costs	<u>258,258</u>	<u>19.58%</u>	<u>209,809</u>	<u>16.96%</u>
Net Income	<u>\$512,484</u>	<u>38.83%</u>	<u>\$541,113</u>	<u>43.73%</u>
(Before Non-Operating & Doctor Costs)				

General Dentist 2 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$2,349,296	100.00%	\$2,315,425	100.00%
Direct Expenses				
Salaries - Office	159,625	6.79%	150,230	6.49%
Salaries - Hygiene	219,408	9.34%	212,010	9.16%
Salaries - Chairside/Other	158,072	6.73%	149,441	6.45%
Payroll Tax Expense	50,359	2.14%	48,917	2.11%
Lab Fees	136,004	5.79%	128,250	5.54%
Drugs & Supplies	168,197	7.16%	154,419	6.67%
Office Supplies/Expense	42,285	1.80%	36,881	1.59%
Total Direct Costs	933,950	39.75%	880,148	38.01%
Gross Profit	1,415,346	60.25%	1,435,277	61.99%
Fixed Expenses				
Legal & Accounting	30,871	1.31%	23,747	1.03%
Advertising & Promotion	44,749	1.90%	41,331	1.79%
Continuing Education	8,063	0.34%	8,844	0.38%
Credit Card & Bank Fees	32,422	1.38%	30,080	1.30%
Insurance Practice	25,943	1.10%	26,930	1.16%
Meals & Entertainment	10,159	0.43%	8,775	0.38%
Rent	102,984	4.38%	87,247	3.77%
Telephone & Utilities	19,815	0.84%	19,041	0.82%
Travel & Lodging	6,307	0.27%	7,739	0.33%
Other Fixed Costs*	68,296	2.91%	66,089	2.85%
Total Administrative Costs	349,609	14.86%	319,823	13.81%
Net Income	\$1,065,737	45.39%	\$1,115,454	48.18%
(Before Non-Operating & Doctor Costs)				

INSIGHT: Rent

The average rent expenses for two-doctor general practices experienced a significant increase year over year. Although this may be influenced by offices located in very expensive geographic areas, it could be due to doctor-owned buildings paying inflated rent costs as a cash flow or tax-planning strategy.

General Dentist 3 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$3,625,740	100.00%	\$3,545,184	100.00%
Direct Expenses				
Salaries - Office	248,420	6.85%	245,427	6.92%
Salaries - Hygiene	364,008	10.04%	360,010	10.15%
Salaries - Chairside/Other	254,288	7.01%	253,292	7.14%
Payroll Tax Expense	78,975	2.18%	74,937	2.11%
Lab Fees	209,611	5.78%	190,143	5.36%
Drugs & Supplies	249,188	6.87%	244,340	6.89%
Office Supplies/Expense	59,924	1.65%	49,262	1.39%
Total Direct Costs	1,464,414	40.38%	1,417,411	39.96%
Gross Profit	2,161,326	59.62%	2,127,773	60.04%
Fixed Expenses				
Legal & Accounting	29,538	0.81%	27,875	0.79%
Advertising & Promotion	68,234	1.88%	73,167	2.06%
Continuing Education	9,675	0.27%	8,581	0.24%
Credit Card & Bank Fees	54,912	1.51%	47,188	1.33%
Insurance Practice	41,401	1.14%	38,503	1.09%
Meals & Entertainment	13,376	0.37%	9,362	0.26%
Rent	134,212	3.70%	129,783	3.66%
Telephone & Utilities	27,147	0.75%	25,287	0.71%
Travel & Lodging	8,349	0.23%	5,106	0.14%
Other Fixed Costs*	115,256	3.18%	106,274	3.00%
Total Administrative Costs	502,100	13.84%	471,126	13.28%
Net Income	\$1,659,226	45.78%	\$1,656,647	46.76%
(Before Non-Operating & Doctor Costs)				

General Dentist 4+ Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$4,777,712	100.00%	\$4,255,419	100.00%
Direct Expenses				
Salaries - Office	315,758	6.61%	276,872	6.51%
Salaries - Hygiene	486,516	10.18%	412,228	9.69%
Salaries - Chairside/Other	352,936	7.39%	317,610	7.46%
Payroll Tax Expense	100,749	2.11%	86,324	2.03%
Lab Fees	317,100	6.64%	256,577	6.03%
Drugs & Supplies	328,589	6.88%	309,350	7.27%
Office Supplies/Expense	87,923	1.84%	71,629	1.68%
Total Direct Costs	<u>1,989,571</u>	<u>41.65%</u>	<u>1,730,590</u>	<u>40.67%</u>
Gross Profit	2,788,141	58.35%	2,524,829	59.33%
Fixed Expenses				
Legal & Accounting	40,800	0.85%	29,452	0.69%
Advertising & Promotion	77,389	1.62%	65,358	1.54%
Continuing Education	10,133	0.21%	9,239	0.22%
Credit Card & Bank Fees	67,928	1.42%	56,630	1.33%
Insurance Practice	51,136	1.07%	48,281	1.13%
Meals & Entertainment	14,084	0.29%	10,296	0.24%
Rent	163,626	3.42%	138,329	3.25%
Telephone & Utilities	32,344	0.68%	29,450	0.69%
Travel & Lodging	5,797	0.12%	2,827	0.07%
Other Fixed Costs*	116,700	2.44%	109,516	2.57%
Total Administrative Costs	<u>579,937</u>	<u>12.12%</u>	<u>499,378</u>	<u>11.73%</u>
Net Income	<u>\$2,208,204</u>	<u>46.23%</u>	<u>\$2,025,451</u>	<u>47.60%</u>
(Before Non-Operating & Doctor Costs)				

INSIGHT: Lab fees

Lab fees for both three- and four-doctor practices have increased over the prior year. This number may be higher due to more general dentists placing implants or aligner treatments. These types of services should be considered for an accurate comparison. Additionally, doctors should shop lab prices annually to ensure they are getting the lowest price.

Pediatric Dentist 1 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$1,228,737	100.00%	\$1,236,495	100.00%
Direct Expenses				
Salaries - Office	95,418	7.77%	94,739	7.66%
Salaries - Hygiene	76,983	6.27%	61,947	5.01%
Salaries - Chairside/Other	96,803	7.88%	83,593	6.76%
Payroll Tax Expense	37,391	3.04%	35,376	2.86%
Lab Fees	4,241	0.35%	5,782	0.47%
Drugs & Supplies	66,341	5.40%	76,810	6.21%
Office Supplies/Expense	32,291	2.63%	29,994	2.43%
Total Direct Costs	409,468	33.34%	388,241	31.40%
Gross Profit	819,269	66.66%	848,254	68.60%
Fixed Expenses				
Legal & Accounting	25,668	2.09%	24,539	1.98%
Advertising & Promotion	17,385	1.41%	16,374	1.32%
Continuing Education	1,566	0.13%	3,282	0.27%
Credit Card & Bank Fees	13,046	1.06%	11,129	0.90%
Insurance Practice	18,547	1.51%	22,021	1.78%
Meals & Entertainment	13,085	1.06%	11,600	0.94%
Rent	73,103	5.95%	67,142	5.43%
Telephone & Utilities	17,728	1.44%	15,795	1.28%
Travel & Lodging	10,870	0.88%	10,602	0.86%
Other Fixed Costs*	64,249	5.23%	54,387	4.40%
Total Administrative Costs	255,247	20.76%	236,871	19.16%
Net Income	\$564,022	45.90%	\$611,383	49.44%
(Before Non-Operating & Doctor Costs)				

Pediatric Dentist 2 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$2,245,313	100.00%	\$2,216,943	100.00%
Direct Expenses				
Salaries - Office	184,743	8.23%	177,965	8.03%
Salaries - Hygiene	139,968	6.23%	104,679	4.72%
Salaries - Chairside/Other	182,807	8.14%	227,501	10.26%
Payroll Tax Expense	56,555	2.52%	56,226	2.54%
Lab Fees	10,366	0.46%	21,801	0.98%
Drugs & Supplies	117,371	5.23%	114,548	5.17%
Office Supplies/Expense	46,304	2.06%	50,877	2.29%
Total Direct Costs	<u>738,114</u>	<u>32.87%</u>	<u>753,597</u>	<u>33.99%</u>
Gross Profit	1,507,199	67.13%	1,463,346	66.01%
Fixed Expenses				
Legal & Accounting	22,740	1.01%	24,907	1.12%
Advertising & Promotion	41,018	1.83%	43,112	1.94%
Continuing Education	6,248	0.28%	6,023	0.27%
Credit Card & Bank Fees	15,358	0.68%	15,542	0.70%
Insurance Practice	25,900	1.15%	29,079	1.31%
Meals & Entertainment	9,052	0.40%	5,802	0.26%
Rent	110,941	4.94%	113,852	5.14%
Telephone & Utilities	19,675	0.88%	21,959	0.99%
Travel & Lodging	5,508	0.25%	16,074	0.73%
Other Fixed Costs*	70,126	3.12%	80,200	3.62%
Total Administrative Costs	<u>326,566</u>	<u>14.54%</u>	<u>356,550</u>	<u>16.08%</u>
Net Income	<u>\$1,180,633</u>	<u>52.59%</u>	<u>\$1,106,796</u>	<u>49.93%</u>
(Before Non-Operating & Doctor Costs)				

INSIGHT:

Other fixed costs

One-doctor pediatric practices experienced an increase in other fixed costs. Further scrutinization of this group points to consultant fees contributing most to this increase. Although consultants can be expensive, in many cases the future benefit justifies the cost.

Pediatric Dentist 3+ Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$4,622,210	100.00%	\$4,313,311	100.00%
Direct Expenses				
Salaries - Office	456,203	9.87%	344,501	7.99%
Salaries - Hygiene	238,667	5.16%	233,011	5.40%
Salaries - Chairside/Other	413,054	8.94%	341,776	7.92%
Payroll Tax Expense	115,958	2.51%	98,819	2.29%
Lab Fees	3,616	0.08%	16,845	0.39%
Drugs & Supplies	298,815	6.46%	274,420	6.36%
Office Supplies/Expense	100,625	2.18%	79,443	1.84%
Total Direct Costs	<u>1,626,938</u>	<u>35.20%</u>	<u>1,388,815</u>	<u>32.19%</u>
Gross Profit	2,995,272	64.80%	2,924,496	67.81%
Fixed Expenses				
Legal & Accounting	32,164	0.70%	29,629	0.69%
Advertising & Promotion	70,712	1.53%	63,138	1.46%
Continuing Education	5,470	0.12%	4,591	0.11%
Credit Card & Bank Fees	37,702	0.82%	34,337	0.80%
Insurance Practice	55,303	1.20%	61,720	1.43%
Meals & Entertainment	16,342	0.35%	12,831	0.30%
Rent	213,167	4.61%	207,500	4.81%
Telephone & Utilities	50,650	1.10%	46,995	1.09%
Travel & Lodging	9,490	0.21%	13,318	0.31%
Other Fixed Costs*	134,255	2.90%	116,854	2.71%
Total Administrative Costs	<u>625,255</u>	<u>13.54%</u>	<u>590,913</u>	<u>13.71%</u>
Net Income	<u>\$2,370,017</u>	<u>51.26%</u>	<u>\$2,333,583</u>	<u>54.10%</u>
(Before Non-Operating & Doctor Costs)				

Orthodontist 1 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$1,924,595	100.00%	\$1,949,164	100.00%
Direct Expenses				
Salaries - Office	145,693	7.57%	145,739	7.48%
Salaries - Chairside/Other	189,145	9.83%	222,236	11.40%
Payroll Tax Expense	42,159	2.19%	43,555	2.23%
Lab Fees	117,765	6.12%	102,478	5.26%
Drugs & Supplies	144,035	7.48%	141,257	7.25%
Office Supplies/Expense	53,525	2.78%	57,344	2.94%
Total Direct Costs	692,322	35.97%	712,609	36.56%
Gross Profit	1,232,273	64.03%	1,236,555	63.44%
Fixed Expenses				
Legal & Accounting	27,471	1.43%	23,589	1.21%
Advertising & Promotion	46,616	2.42%	56,548	2.90%
Continuing Education	3,852	0.20%	5,821	0.30%
Credit Card & Bank Fees	35,751	1.86%	35,103	1.80%
Insurance Practice	22,773	1.18%	21,484	1.10%
Meals & Entertainment	19,936	1.04%	15,020	0.77%
Rent	116,276	6.04%	111,631	5.73%
Telephone & Utilities	22,731	1.18%	20,455	1.05%
Travel & Lodging	15,954	0.83%	17,025	0.87%
Other Fixed Costs*	82,212	4.27%	89,118	4.57%
Total Administrative Costs	393,572	20.45%	395,794	20.30%
Net Income	\$838,701	43.58%	\$840,761	43.14%
(Before Non-Operating & Doctor Costs)				

INSIGHT: Direct expenses

Classification of costs associated with dental supplies and lab seem to vary year over year, especially for two-doctor orthodontic practices. Looking at them as a combined data point can offer clarity and shows that these categories have decreased almost 2% as a percentage of collections since last year.

Orthodontist 2 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$4,018,793	100.00%	\$3,968,435	100.00%
Direct Expenses				
Salaries - Office	256,666	6.39%	265,759	6.70%
Salaries - Chairside/Other	425,409	10.59%	367,594	9.26%
Payroll Tax Expense	70,996	1.77%	68,277	1.72%
Lab Fees	130,474	3.25%	263,690	6.64%
Drugs & Supplies	425,377	10.58%	345,837	8.71%
Office Supplies/Expense	107,376	2.67%	67,240	1.69%
Total Direct Costs	<u>1,416,298</u>	<u>35.25%</u>	<u>1,378,397</u>	<u>34.72%</u>
Gross Profit	2,602,495	64.75%	2,590,038	65.28%
Fixed Expenses				
Legal & Accounting	34,016	0.85%	24,927	0.63%
Advertising & Promotion	144,832	3.60%	115,090	2.90%
Continuing Education	11,595	0.29%	6,794	0.17%
Credit Card & Bank Fees	48,296	1.20%	47,138	1.19%
Insurance Practice	28,504	0.71%	26,321	0.66%
Meals & Entertainment	28,303	0.70%	13,716	0.35%
Rent	148,680	3.70%	145,106	3.66%
Telephone & Utilities	31,862	0.79%	33,260	0.84%
Travel & Lodging	18,003	0.45%	12,638	0.32%
Other Fixed Costs*	150,922	3.76%	148,124	3.73%
Total Administrative Costs	<u>645,013</u>	<u>16.05%</u>	<u>573,114</u>	<u>14.45%</u>
Net Income	<u>\$1,957,482</u>	<u>48.70%</u>	<u>\$2,016,924</u>	<u>50.83%</u>
(Before Non-Operating & Doctor Costs)				

Periodontist 1 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$2,070,581	100.00%	\$1,904,359	100.00%
Direct Expenses				
Salaries - Office	193,436	9.34%	134,281	7.05%
Salaries - Hygiene	98,448	4.75%	107,022	5.62%
Salaries - Chairside/Other	108,053	5.22%	91,279	4.79%
Payroll Tax Expense	45,535	2.20%	38,756	2.04%
Lab Fees	15,019	0.73%	22,796	1.20%
Drugs & Supplies	218,084	10.53%	223,858	11.76%
Office Supplies/Expense	50,986	2.46%	43,815	2.30%
Total Direct Costs	<u>729,561</u>	<u>35.23%</u>	<u>661,807</u>	<u>34.76%</u>
Gross Profit	1,341,020	64.77%	1,242,552	65.24%
Fixed Expenses				
Legal & Accounting	34,982	1.69%	22,859	1.20%
Advertising & Promotion	32,875	1.59%	36,750	1.93%
Continuing Education	9,493	0.46%	6,119	0.32%
Credit Card & Bank Fees	52,956	2.56%	37,474	1.97%
Insurance Practice	36,973	1.79%	25,951	1.36%
Meals & Entertainment	30,889	1.49%	12,194	0.64%
Rent	78,932	3.81%	85,327	4.48%
Telephone & Utilities	20,654	1.00%	12,577	0.66%
Travel & Lodging	20,967	1.01%	45,348	2.38%
Other Fixed Costs*	61,540	2.97%	57,097	3.00%
Total Administrative Costs	<u>380,261</u>	<u>18.37%</u>	<u>341,696</u>	<u>17.94%</u>
Net Income	<u>\$960,759</u>	<u>46.40%</u>	<u>\$900,856</u>	<u>47.30%</u>
(Before Non-Operating & Doctor Costs)				

INSIGHT: Staff salaries

For both one- and two-doctor periodontal practices, total staff wages are within target range. Practices should stay below 20% of gross receipts, regardless of the number of working doctors. Rule of thumb: for every dollar of wages paid, the practice should collect at least \$5.

Periodontist 2 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$3,684,524	100.00%	\$3,450,915	100.00%
Direct Expenses				
Salaries - Office	233,580	6.34%	235,382	6.82%
Salaries - Hygiene	187,559	5.09%	159,121	4.61%
Salaries - Chairside/Other	302,256	8.20%	282,528	8.19%
Payroll Tax Expense	67,639	1.84%	69,558	2.02%
Lab Fees	14,936	0.41%	15,966	0.46%
Drugs & Supplies	490,076	13.30%	489,295	14.18%
Office Supplies/Expense	62,256	1.69%	73,016	2.12%
Total Direct Costs	<u>1,358,302</u>	<u>36.87%</u>	<u>1,324,866</u>	<u>38.40%</u>
Gross Profit	2,326,222	63.13%	2,126,049	61.60%
Fixed Expenses				
Legal & Accounting	19,252	0.52%	20,891	0.61%
Advertising & Promotion	35,682	0.97%	32,320	0.94%
Continuing Education	18,011	0.49%	10,950	0.32%
Credit Card & Bank Fees	57,756	1.57%	53,913	1.56%
Insurance Practice	47,467	1.29%	42,926	1.24%
Meals & Entertainment	17,585	0.48%	14,905	0.43%
Rent	158,561	4.30%	143,876	4.17%
Telephone & Utilities	18,399	0.50%	25,599	0.74%
Travel & Lodging	5,133	0.14%	5,090	0.15%
Other Fixed Costs*	81,306	2.21%	94,349	2.73%
Total Administrative Costs	<u>459,152</u>	<u>12.47%</u>	<u>444,819</u>	<u>12.89%</u>
Net Income	<u>\$1,867,070</u>	<u>50.66%</u>	<u>\$1,681,230</u>	<u>48.71%</u>
(Before Non-Operating & Doctor Costs)				

Oral Surgery 1 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$2,005,762	100.00%	\$1,903,419	100.00%
Direct Expenses				
Salaries - Office	183,405	9.14%	200,080	10.51%
Salaries - Chairsides/Other	124,651	6.21%	112,162	5.89%
Payroll Tax Expense	39,775	1.98%	37,554	1.97%
Lab Fees	7,932	0.40%	3,516	0.18%
Drugs & Supplies	234,187	11.68%	235,935	12.40%
Office Supplies/Expense	52,808	2.63%	43,546	2.29%
Total Direct Costs	642,758	32.04%	632,793	33.24%
Gross Profit	1,363,004	67.96%	1,270,626	66.76%
Fixed Expenses				
Legal & Accounting	29,321	1.46%	27,160	1.43%
Advertising & Promotion	30,802	1.54%	47,282	2.48%
Continuing Education	5,115	0.26%	9,392	0.49%
Credit Card & Bank Fees	31,733	1.58%	37,641	1.98%
Insurance Practice	38,417	1.92%	35,613	1.87%
Meals & Entertainment	22,822	1.14%	15,198	0.80%
Rent	93,756	4.67%	86,349	4.54%
Telephone & Utilities	16,069	0.80%	16,801	0.88%
Travel & Lodging	17,266	0.86%	14,248	0.75%
Other Fixed Costs*	70,734	3.53%	106,002	5.57%
Total Administrative Costs	356,035	17.76%	395,686	20.79%
Net Income	\$1,006,969	50.20%	\$874,940	45.97%
(Before Non-Operating & Doctor Costs)				

INSIGHT: Gross profit

Compared to 2017 performance, oral surgeons have seen a decline in gross profit as a percentage of collections. With fixed costs consistent and collections increasing, direct expenses such as salaries and supplies are the likely culprit. This category must continue to be monitored to increase practice profitability.

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$3,873,184	100.00%	\$3,592,407	100.00%
Direct Expenses				
Salaries - Office	338,174	8.73%	173,996	4.84%
Salaries - Chairsides/Other	312,662	8.07%	406,316	11.31%
Payroll Tax Expense	71,765	1.85%	57,588	1.60%
Lab Fees	27,531	0.71%	23,184	0.65%
Drugs & Supplies	435,712	11.25%	393,549	10.96%
Office Supplies/Expense	71,070	1.83%	70,246	1.96%
Total Direct Costs	<u>1,256,914</u>	<u>32.44%</u>	<u>1,124,879</u>	<u>31.32%</u>
Gross Profit	2,616,270	67.56%	2,467,528	68.68%
Fixed Expenses				
Legal & Accounting	42,176	1.09%	43,627	1.21%
Advertising & Promotion	41,479	1.07%	40,780	1.14%
Continuing Education	16,126	0.42%	9,429	0.26%
Credit Card & Bank Fees	71,724	1.85%	69,505	1.93%
Insurance Practice	81,921	2.12%	96,869	2.70%
Meals & Entertainment	29,051	0.75%	20,416	0.57%
Rent	176,451	4.56%	155,833	4.34%
Telephone & Utilities	30,386	0.78%	24,514	0.68%
Travel & Lodging	16,358	0.42%	48,169	1.34%
Other Fixed Costs*	124,902	3.22%	133,276	3.71%
Total Administrative Costs	<u>630,574</u>	<u>16.28%</u>	<u>642,418</u>	<u>17.88%</u>
Net Income	<u>\$1,985,696</u>	<u>51.28%</u>	<u>\$1,825,110</u>	<u>50.80%</u>
(Before Non-Operating & Doctor Costs)				

Endodontist 1 Doctor Practice

	2019 YEAR END		2018 YEAR END	
GROSS RECEIPTS	\$1,156,193	100.00%	\$1,181,660	100.00%
Direct Expenses				
Salaries - Office	90,543	7.83%	72,881	6.17%
Salaries - Chairside/Other	98,136	8.49%	84,004	7.11%
Payroll Tax Expense	31,582	2.73%	30,344	2.57%
Drugs & Supplies	80,109	6.93%	83,171	7.04%
Office Supplies/Expense	24,583	2.13%	20,152	1.71%
Total Direct Costs	<u>324,953</u>	<u>28.11%</u>	<u>290,552</u>	<u>24.60%</u>
Gross Profit	831,240	71.89%	891,108	75.40%
Fixed Expenses				
Legal & Accounting	26,551	2.30%	17,021	1.44%
Advertising & Promotion	8,852	0.77%	10,050	0.85%
Continuing Education	1,164	0.10%	2,837	0.24%
Credit Card & Bank Fees	22,288	1.93%	18,327	1.55%
Insurance Practice	20,277	1.75%	23,073	1.95%
Meals & Entertainment	16,164	1.40%	2,070	0.18%
Rent	57,859	5.00%	66,948	5.67%
Telephone & Utilities	18,953	1.64%	18,755	1.59%
Travel & Lodging	4,720	0.41%	24,775	2.10%
Other Fixed Costs*	42,014	3.63%	47,906	4.05%
Total Administrative Costs	<u>218,842</u>	<u>18.93%</u>	<u>231,762</u>	<u>19.62%</u>
Net Income	<u>\$612,398</u>	<u>52.96%</u>	<u>\$659,346</u>	<u>55.78%</u>
(Before Non-Operating & Doctor Costs)				

INSIGHT:

Managing payroll costs

Salary related expenses experienced the largest year over year increase. As the single largest expense for any practice, it should be the most scrutinized. In order to keep this expense ratio in line, consider incentivizing your staff through production-based bonus goals in lieu of flat raises across the board.

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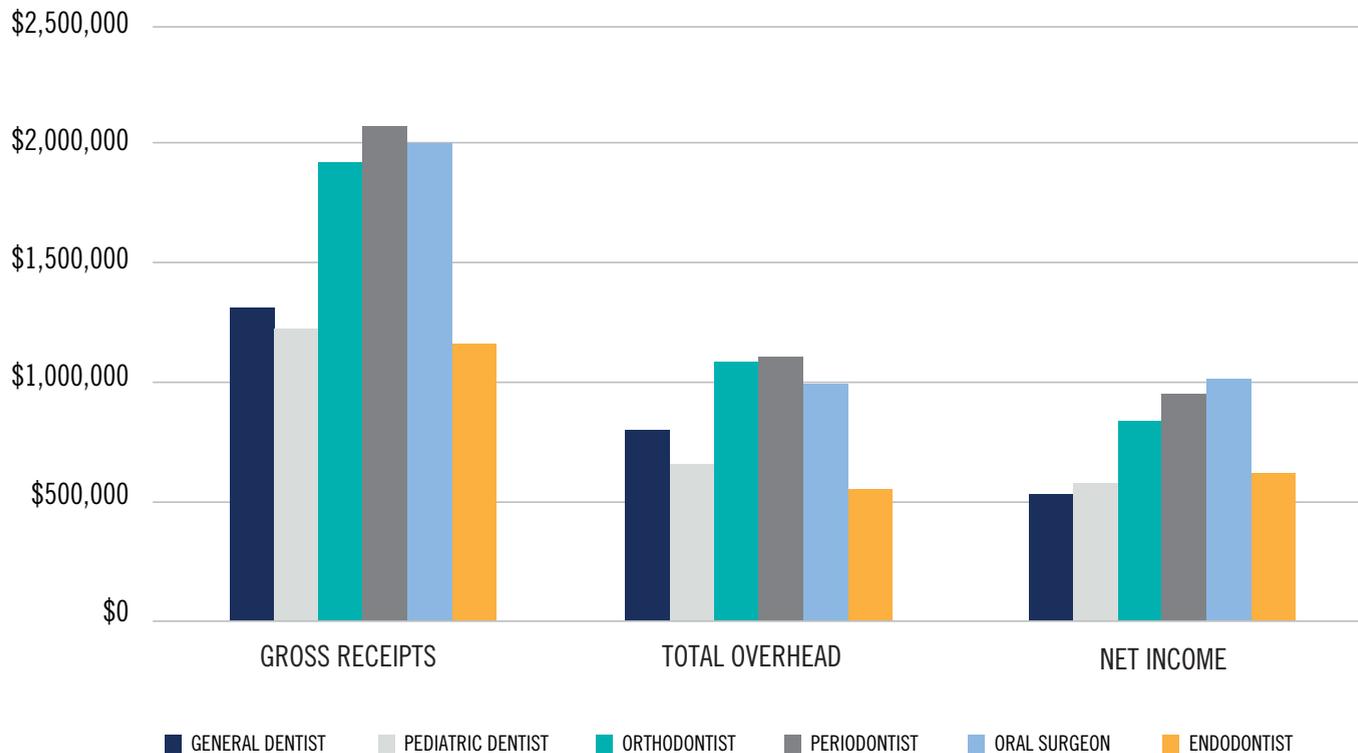
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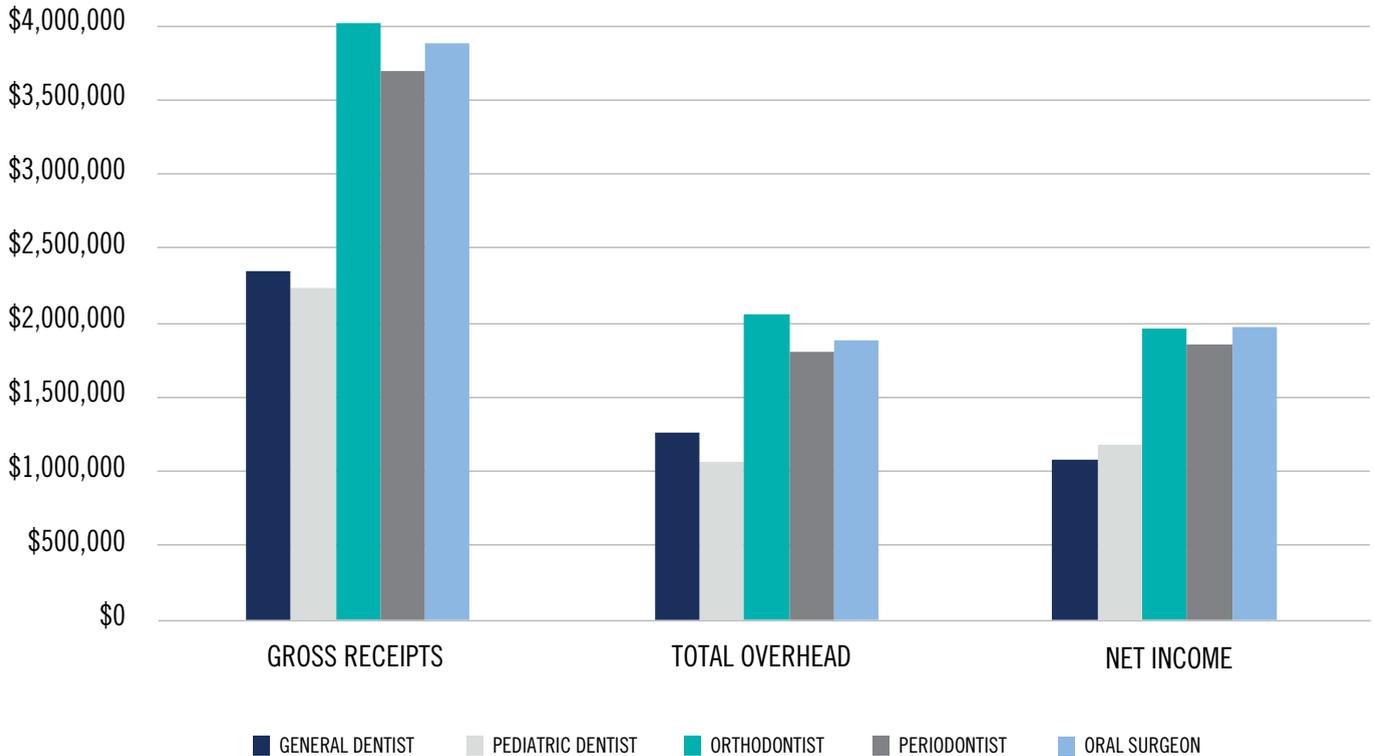
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Average Revenue and Overhead for 1 Doctor Practices in 2019



2019	GROSS RECEIPTS \$	TOTAL OVERHEAD \$	% OVERHEAD	NET INCOME \$	% NET INCOME
GENERAL DENTIST	1,319,495	807,011	61.17%	512,484	38.83%
PEDIATRIC DENTIST	1,228,737	664,715	54.10%	564,022	45.90%
ORTHODONTIST	1,924,595	1,085,894	56.42%	838,701	43.58%
PERIODONTIST	2,070,581	1,109,822	53.60%	960,759	46.40%
ORAL SURGEON	2,005,762	998,793	49.80%	1,006,969	50.20%
ENDODONTIST	1,156,193	543,795	47.04%	612,398	52.96%

Average Revenue and Overhead for 2 Doctor Practices in 2019



2019	GROSS RECEIPTS \$	TOTAL OVERHEAD \$	% OVERHEAD	NET INCOME \$	% NET INCOME
GENERAL DENTIST	2,349,296	1,283,559	54.61%	1,065,737	45.39%
PEDIATRIC DENTIST	2,245,313	1,064,680	47.42%	1,180,633	52.58%
ORTHODONTIST	4,018,793	2,061,311	51.29%	1,957,482	48.71%
PERIODONTIST	3,684,524	1,817,454	49.33%	1,867,070	50.67%
ORAL SURGEON	3,873,184	1,887,488	48.73%	1,985,696	51.27%

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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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