

TABLE OF CONTENTS

3	TABLE OF CONTENTS
3	INTRODUCTION
5	THE MARKET FOR VETERINARY EDUCATION
5	2018 graduating class
7	Descriptive statistics for graduates
11	New veterinarian incomes
15	Factors affecting income for new veterinarians
17	New veterinarian debt
18	Distribution of debt
20	Factors affecting the debt of new veterinarians
21	New veterinarian debt-to-income ratio
26	THE MARKET FOR VETERINARIANS
27	Descriptive statistics of veterinarians
30	Veterinarian incomes
33	Veterinarian employment
35	Underemployment
39	Veterinarian job market
42	Veterinarian wellbeing
46	Veterinary market key performance indicator: Net present value
48	THE MARKET FOR VETERINARY SERVICES
48	Veterinary workforce
54	Veterinary practice
63	Veterinary services
66	SUMMARY & ADDITIONAL READING
66	Appendix

INTRODUCTION

Economic forces influence every facet of our economy, and the veterinary profession is no exception. The supply of veterinarians continues to expand as veterinary schools grow the number of graduates and new veterinary schools open. Record unemployment rates for veterinarians continue to challenge practice owners looking to fill open positions. Pet-owner demand for veterinary services remains strong, with household expenditure at veterinary clinics and hospitals estimated at \$28 billion in 2016, up 8% from 2012 (*2017-2018 Edition AVMA Pet Ownership & Demographic Sourcebook*). While the U.S. economy continues to see record growth, the longest economic expansion in history will inevitably peak and begin to slowdown.

This report provides a summary of the economic state of the veterinary profession and examines the major trends in veterinary education, veterinary employment, and veterinary services. A general overview is provided, laying a solid foundation to support decision-makers in the veterinary profession by describing where we are and where we need to go with respect to the economic trends and practice profitability. The report is organized by the three major economic markets that make up the veterinary profession:

- *The Market for Veterinary Education*
- *The Market for Veterinarians*
- *The Market for Veterinary Services*

The market for veterinary education is the beginning of the pipeline to the market for veterinary services and encompasses characteristics of veterinary college applicants, the supply and demand for veterinary education, and the performance of the market in providing new veterinarians. The market for veterinarians explores the demographics and employment of the veterinary profession: where veterinarians are located, what type of work they do, how much they are compensated, and how is their wellbeing. This market also takes account of unemployment and underemployment and identifies the contributing factors, and explores the performance of the market, based on the value of the DVM degree. Lastly, the market for veterinary services, which examines the financial performance of veterinary practices and includes an assessment of staff utilization, practice efficiency, and capacity utilization. The key objective of this report is to succinctly inform leaders, practice owners, senior executives, managers, and practicing veterinarians in the veterinary profession about the key economic trends influencing the supply and demand in each of the three veterinary markets.

This report is organized as follows. The first section of the report, the market for veterinary education, assesses the debt, postgraduate plans, income, and debt-to-income ratio of the 2018 graduating class. Aggregated communication from university officials affirm that 2,774 new graduates matriculated through 30 U.S. veterinary colleges. Survey data on these graduates allow us to estimate the impact of location, practice type and other demographic variables on debt and income. The response rate for U.S. colleges was 88.3 percent. Among the 2018 graduates, 94.7 percent were made a post-graduate offer to either pursue a fulltime position or continue their education and 57 percent opted to pursue a fulltime position. The companion animal exclusive sector was the most popular with over one third of the class selecting this practice type in 2018. Among public practice, uniformed services were the most selected by 0.9 percent of the class. Almost 30 percent of the 2018 class reported opting to pursue an internship.

The second section of the report, the market for veterinarians, provides an update on the supply chain of the veterinary service industry. In 2018 there were an estimated total of 113,394 veterinarians actively engaged in the profession in the United States, in public or private practice. The largest segment of the profession provides medical services to animals in private and corporate practices. Of these practices, companion animal practices employed the largest number of veterinarians (59.9 percent), followed by food animal (4.8 percent), equine (4.5 percent) and mixed animal practices (4.5 percent). In public practice, colleges and universities employ the most veterinarians, followed by industry, and state and local governments.

The final section of the report, the market for veterinary services, describes the veterinary workforce over the past 10 years (2008- 2018). Specifically, key statistics and trends related to the current veterinary workforce will be presented and discussed. Data used for this analysis are from the AVMA central database. The purpose of the workforce analysis is to help understand the supply for veterinary services, inform the veterinary leadership about potential shortages of veterinarians, and guide the decision on potential policies that might affect efficiencies in the supply of animal health care services. Key statistics about veterinary practices are also presented in this section. Lastly, this section provides statistics on the number of veterinary establishments, the ratio of veterinary establishment to household units, and the ratio of DVM to household units.

The Economic State of the Veterinary Profession is essential reading and a key resource for those veterinary students about to enter the veterinary workforce, for practicing veterinarians seeking to enhance their understanding of the economic forces and trends that are impacting their profession, for educational leaders responsible for managing the schools of veterinary medicine, and for business and industry leaders working in the veterinary sector.