

National Highlights 2003 AOA Economic Survey¹

1. **Optometric Income.** Optometrists practice in a wide range of private and corporate practice settings, where some earn income from self-employment and some as the employees of others. Other optometrists earn professional income in both self-employed and employed arrangements. The 2003 AOA Economic Survey provides estimates for the year 2002 of the total individual net income of ODs, taking into account all employment sources. Income estimates are also provided separately for self-employed optometrists and for ODs employed by other professionals or organizations.

Median and mean (average) income data are provided below. The median income—or 50th percentile—is the level below and above which lie one-half of all incomes reported. Although median income probably best represents the “typical” optometrist’s earnings, the incomes of individuals may vary substantially from the median. The distribution of incomes of professionals tends to be skewed toward a small proportion of very large incomes and this is what, in most instances, causes mean (or average) income data to exceed the median.

2. **Self-Employed Optometrists.** Approximately 82.5 percent of optometrists in 2002, who participated in the most recent AOA Economic Survey, designated themselves as primarily self-employed. More than six of every ten respondents were in solo practice or in two-member groups or partnerships.

Average gross income from optometric practice among the self-employed leveled off in 2002 to \$630,890, down slightly from \$648,923 reported in 2000. Median gross income from practice was \$480,000, compared with \$490,000 two years before. Mean (average) gross income per OD in 2002 was \$523,608, up substantially from \$415,263 in 2000. However, median gross income per OD in 2002 was \$372,000, down \$11,000 from the median \$383,000 reported in 2000.

Self-Employed Mean Gross Income, 1996-2002

	1996	1998	2000	2002
Practice	\$ 494,117	\$ 523,645	\$ 648,923	\$ 630,890
OD	\$ 348,134	\$ 364,942	\$ 415,623	\$ 523,608

Self-Employed Median Gross Income, 1996-2002

	1996	1998	2000	2002
Practice	\$ 383,000	\$ 345,000	\$ 490,000	\$ 480,000
OD	\$ 325,000	\$ 307,000	\$383,000	\$ 372,000

¹ Unless otherwise indicated, data are reported for calendar year 2002. The previous AOA Economic Survey was conducted in April 2001.

Mean (average) net income from self-employed practice in 2002 rose to \$213,776 in 2002, up sharply from \$187,107 in 2000. Median net income in 2002 from practice rose more than nine percent to \$155,000, up from \$142,000. Mean (average) net income from self-employment per optometrist was \$132,813, virtually the same as the \$132,826 reported in 2000. In 2002, median net income per OD was \$114,500, slightly less than the \$116,000 reported in 2000.

Self-Employed Mean Net Income, 1996-2002

	1996	1998	2000	2002
Practice	\$ 118,801	\$ 143,961	\$ 187,107	\$ 213,776
OD	\$ 92,637	\$ 112,365	\$ 132,826	\$ 132,813

Self-Employed Median Net Income, 1996-2002

	1996	1998	2000	2002
Practice	\$ 90,000	\$ 105,000	\$ 142,000	\$ 155,000
OD	\$ 85,000	\$ 98,000	\$ 116,000	\$ 114,500

3. **Employed Optometrists.** The 2003 Economic Survey gathered information about the overall compensation of optometrists in 2002, who were in the employ of others. Employed ODs were asked to report their professional income and to estimate the value of non-cash benefits (health insurance, life insurance, employer pension contributions, etc.) made on their behalf by their employers. Respondents were also asked to estimate the amount of salary reduction contributions to a retirement program, if any, made during the year.

Compensation of Employed Optometrists, 1998-2002

Category	Mean			Median		
	1998	2000	2002	1998	2000	2002
Employ. Income	\$84,313	\$113,183	\$91,913	\$80,000	\$92,000	\$90,000
Non-cash benefits	\$7,397	\$10,322	\$8,160	\$5,000	\$10,000	\$6,000
Ret. salary reduct.	\$5,687	\$9,322	\$5,609	\$5,000	\$8,500	\$6,000

4. **Total Individual Net Income.** The biennial Economic Survey provides total individual net income estimates, taking into account self-employed individual net income and income from employment. In 2002, median total income was \$110,000, slightly less than the amount reported in 2000. During the period 1988-2002, the median net incomes of the profession of optometry have outpaced inflation by 20.6 percent.

Median Total Individual Net Income, Current and CPI Adjusted, 1988-2002

Year	Current Median Income	1988 Income CPI-Adjusted	Difference (in current \$)	Income in 1988 Dollars	Difference (in 1988 \$)
1988	\$ 60,000	\$ 60,000	\$ 0	\$ 60,000	\$ 0
1990	\$ 68,000	\$ 66,289	\$ 1,711	\$ 61,549	\$ 1,549
1992	\$ 75,000	\$ 71,158	\$ 3,842	\$ 63,239	\$ 3,239
1994	\$ 80,000	\$ 75,165	\$ 4,835	\$ 63,860	\$ 3,860
1996	\$ 85,000	\$ 79,527	\$ 5,473	\$ 64,089	\$ 4,089
1998	\$ 90,000	\$ 82,671	\$ 7,329	\$ 65,319	\$ 5,319
2000	\$115,000	\$ 87,337	\$27,663	\$ 79,004	\$19,004
2002	\$110,000	\$ 91,243	\$18,757	\$ 66,221	\$ 6,221

While median total individual net income of ODs in 2002 was \$110,000, the distribution of total individual net earnings varied widely. One-fourth of optometrists (those in the lowest quartile) had median net incomes of \$82,500 or less, while another fourth (in the highest quartile) reported total individual net incomes of \$156,500 or more.

In 2002, the mean (average) total individual net income was \$130,273, or nearly double the amount in 1988 in nominal dollars. During the period 1988-2002, average individual net income rose by 29.6 percent faster than inflation.

Mean Total Individual Net Income, Current and CPI-Adjusted, 1988-2002

Year	Current Mean Income	1988 Income CPI-Adjusted	Difference (in current \$)	Income in 1988 Dollars	Difference (in 1998 \$)
1988	\$ 66,110	\$ 66,110	\$ 0	\$ 66,110	\$ 0
1990	\$ 74,846	\$ 73,040	\$ 1,805	\$ 67,744	\$ 1,634
1992	\$ 81,571	\$ 78,404	\$ 3,167	\$ 68,780	\$ 2,670
1994	\$ 88,690	\$ 82,819	\$ 5,871	\$ 70,796	\$ 4,686
1996	\$ 92,637	\$ 87,681	\$ 4,956	\$ 69,847	\$ 3,737
1998	\$108,262	\$ 91,090	\$ 17,172	\$ 78,573	\$ 12,463
2000	\$138,846	\$ 96,231	\$ 42,615	\$ 95,386	\$ 29,276
2002	\$130,273	\$100,534	\$ 29,739	\$ 85,666	\$ 19,556

5. **Type of Practice.** Optometrists during 2002, who were self-employed in solo, group and partnership arrangements, had mean and median total individual net incomes that were generally higher than those who were in employed arrangements.

Total Individual Net Income by Practice Type, 2002

	Mean Net Income	Median Net Income
Self-Employed		
Solo	\$116,620	\$106,000
Partnership or group (2-person)	\$150,170	\$140,000
Partnership or group (3-5 person)	\$194,478	\$156,000
Partnership of group (6 or more)	\$ 93,250	\$ 87,500
Optical chain franchise or lease	\$130,600	\$110,000
Independent contractor	\$ 72,455	\$ 75,000
Other self-employed	\$181,000	\$181,000
Employed By		
Optometrist(s)	\$ 90,438	\$ 86,500
Ophthalmologist(s)	\$128,480	\$125,000
HMO	\$ 91,500	\$ 91,500
Hosp/clinic/other multi-disciplin.	\$119,333	\$117,000
Optical chain	\$ 87,000	\$ 89,000
Armed forces, VA, USPHS	\$ 92,917	\$ 92,000
Other employed*	---	---

* insufficient data

6. **Years in Practice.** The average (mean) incomes of optometrists rise with the number of years in practice, reaching their peak between 21 and 25 years. Median incomes also increase with experience in a similar manner.

Total Individual Net Income by Years in Practice, 2002

Years in Practice	Mean Net Income	Median Net Income
5 or less*	---	---
6 to 10	\$117,857	\$120,000
11 to 15	\$116,254	\$ 89,000
16 to 20	\$131,410	\$115,000
21 to 25	\$143,743	\$124,000
26 to 30	\$126,265	\$119,000
31 to 35	\$122,200	\$105,000
36 to 40	\$141,938	\$ 82,500
41 or more	\$ 99,750	\$101,000

* insufficient data

7. **Gender.** An examination of total individual net income by gender continues to show disparities between the earnings of male and female optometrists. In 2002, median total individual net income for male ODs was \$115,000, compared to \$90,000 for female optometrists. Women thus earned about 22 percent less in 2002

than their male counterparts, compared with 25 percent in 2000. In 1992, females earned 31 percent less than male ODs; in 1994, 29 percent less; in 1996, 27 percent less; and in 1998, 24 percent less.

Total Individual Net Income by Gender, 2000-2002

Gender	Mean Net Income		Median Net Income	
	2000	2002	2000	2002
Male	\$ 140,230	\$131,760	\$ 116,000	\$115,000
Female	\$ 119,209	\$111,291	\$ 87,000	\$ 90,000

Two factors help explain most of these imbalances in incomes by gender. First, and probably more important, is the length of time that male and female optometrists, who responded to the Economic Surveys, have been in practice. The median number of years in practice for male respondents at the end of 2002 was 24 years; for female optometrists, the median number was 18.5 only years. For example, a comparison of OD median incomes for optometrists, who were in the practice cohort 26-30 years, shows that the income gender gap closes to only about 18 percent. The average (mean) income of female ODs in practice cohort 11-15 years actually exceeded the mean income of the male ODs in the same practice cohort. A second factor affecting the gender gap is that female ODs are more likely than their male counterparts to be employed by others and, as noted, employed ODs generally earn less than self-employed optometrists.

8. **Practice Expenses.** The 2003 Economic Survey also yields data about the relative costs of conducting an optometric practice. The median percentages of gross income reported for each of the major cost components of a practice—laboratory expenses, wages paid to employees (other than employed ODs and officers), rent (including utilities and telephone) during 2002 did not vary significantly from previous survey results.

Median Percentage of OD Gross Practice Income
Selected Expense Categories, 1994-2002*

Expense	1996	1998	2000	2002
Laboratory	28.0%	26.8%	28.0%	27.7%
Non-OD wages	15.3%	15.3%	16.4%	17.3%
Rent	6.7%	6.8%	6.3%	6.5%

- Median percentages not additive

9. Complete Eye Examinations. On average, doctors of optometry engaged in practice 49.1 weeks during 2002 and were available to see patients an average of 38.3 hours each week. ODs worked about the same number of hours during 2002 compared with 2000, but performed slightly fewer total complete eye examinations over the same period. The average (mean) number of complete eye examinations (including refractions) performed in 2002 was 2,104. The average number of complete eye exams per hour worked (1.12) declined slightly.

Mean Weeks/Hours Worked & Mean Volume of Examinations, 1990-2002

Variable	1990	1992	1994	1996	1998	2000	2002
	Time Worked						
Weeks worked/year	49.4	49.4	49.5	49.5	49.4	49.0	49.1
Hours worked/week	40.4	40.1	40.6	40.3	39.3	38.3	38.3
Hours worked/year	1,996	1,981	2,010	1,995	1,941	1,877	1,881
	Complete Eye Examinations						
Complete exams/year	1,867	1,987	2,123	2,176	2,235	2,168	2,104
Complete exams/week	37.8	40.2	42.9	44.0	45.2	44.2	42.9
Complete exams/hour	.94	1.00	1.06	1.09	1.15	1.16	1.12
	Other Examinations						
Other exams/year	947	940	919	896	994	1,073	963
Other exams/week	19.2	19.0	18.6	18.1	20.1	21.9	19.6
Other exams/hour	.47	.47	.46	.45	.51	.57	.51

The mean number of all other visits performed by optometrists during 2002 (excluding complete exams and visits for eyewear dispensing adjustments, but including treatment of medical eye conditions) declined by 10 percent to levels more generally in line with historical trends for such services. However, the median number of eye examinations and other visits performed by optometrists in 2002 varied widely by type of practice.

Median Eye Examination & Other Visits, 2002

SELF-EMPLOYED	EYE EXAMS	OTHER VISITS
Solo	1,800	556
Partnership/group (2-person)	2,000	702.5
Partnership/group (3-5 person)	2,124	950
Partnership/group (6 or more)	3,300	1,200
Optical chain franchise	2,500	560
Independent contractor	2,475	300
Other self-employed	1,950	400

Median Eye Examination & Other Visits, 2002 (cont.)

EMPLOYED	EYE EXAMS	OTHER VISITS
Optometrist(s)	2,500	900
Ophthalmologist(s)	2,454	1,500
HMOs	3,700	1,200
Hosp/clinic/other, multidisc.	3,000	800
Optical chain	2,300	*
Armed forces/VA/USPHS	1,735	400
Other employed	1,000	*

* insufficient data

10. Staffing of Optometric Offices. AOA's 2003 Economic Survey confirms that the size of the typical non-optometric full-time equivalent (FTE) office staff continues to grow, the median number of non-OD office staff rising to four, doubling during the last decade. Data were also collected on the allocation of non-OD staff to the administrative, clinical, optical dispensing and optical laboratory activities within the office. Increased office "paper work" has undoubtedly contributed to the need for more non-professional employees in optometric offices. Likewise, optometrists have increased the delegation of routine testing, when appropriate.

Non-OD Office Staff (FTEs)
Employed in Primary Practice Setting, 1990-2002

Year	Median Staff (FTEs)	Mean Staff (FTEs)
2002	4.0	5.9
2000	4.0	6.4
1998	3.5	5.5
1996	3.0	4.0
1994	3.0	3.7
1992	3.0	3.4
1990	2.0	3.1

Non-OD Staff (FTEs), by Activity, 2002

Activity	Median Staff (FTEs)	Mean Staff (FTEs)
All	4.0	5.9
Administrative	1.2	3.4
Clinical	1.0	2.9
Optical dispensing	1.5	2.7
Optical laboratory	0.5	1.1
