

2016 AOA Survey of Optometric Practice

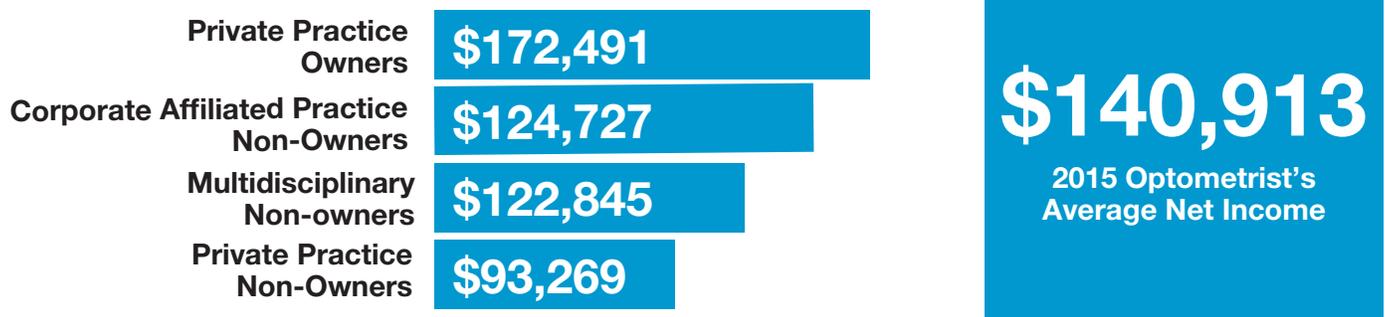
Income from Optometry

Income from Optometry is derived from the *Survey of Optometric Practice*. The intent of the survey is to gather key information about optometric practice characteristics such as income, gross billings, practice expenses, number and frequency of patient visits, and hours worked by optometrists and paraoptometricians. The *2016 Survey of Optometric Practice: Income from Optometry* report presents statistics and analysis of net income and annual gross billings of optometrists as a primary occupation in 2015. Data is presented for all optometrists by employment situation, practice type, years in practice, age, gender, AOA membership status and U.S. Census Region. This executive summary provides a general overview of survey results, with a primary focus on owner optometrists in private or corporate practice. Net income for employed optometrists and independent contractors/lessees is also reported where the number of responses was large enough to allow for reliable statistical analysis. The full report, *2016 Survey of Optometric Practice: Income from Optometry*, can be purchased through the AOA Marketplace at store.aoa.org.

NET INCOME FROM PRIMARY PRACTICE: PRACTICE TYPE & OWNERSHIP STATUS

Optometrists in private practice made up the majority of respondents in 2015 at 58%. Of these, the vast majority (78%) are owners. Twenty-three percent of all responding optometrists reported being affiliated with corporate practices; 31% of these respondents were independent contractors/lessees. Fifteen percent reported being in multidisciplinary practice settings with the majority (97%) being employees. Finally, five percent reported being in other practice settings, with 34% of these in education and 66% in government.

Figure 1: Optometrists' Average Income from Primary Practice by Practice Type & Ownership Status, 2015



The average net income for all responding optometrists in 2015 was \$140,913, an increase of 8.7% from \$129,692 in 2014. Owner optometrists reported higher net income than non-owner optometrists (\$172,356 versus \$115,204, respectively). Owner optometrists in private practice reported an average net income of \$172,491, an increase of 12.5% from \$153,380 in 2014. Among non-owner optometrists, those in corporate affiliated practices reported the highest net income at \$124,727. Non-owner optometrists in private practice reported the lowest average net income at \$93,269.

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NET INCOME BY AGE & YEARS IN PRACTICE

Owner optometrists tend to report higher net income than non-owner optometrists. This is also true in terms of age, particularly the typical age at which net income peaks. In 2015, owner and non-owner optometrists reported that their net income reached an apex between the ages of 50 and 59. Owners in this age group reported earning \$58,848 more in net income than non-owner optometrists of similar age. The majority of respondents (52%) to the 2015 survey were under the age of 50. Twenty-four percent were between the ages of 50 and 59; 24% were 65 years or older. Across all age groups, owner optometrists earned \$55,907 more in 2015 net income as compared to non-owners. The smallest difference in net income is seen between owner and non-owner optometrists 65 years or older, with owners reporting an additional \$51,780 in net income.

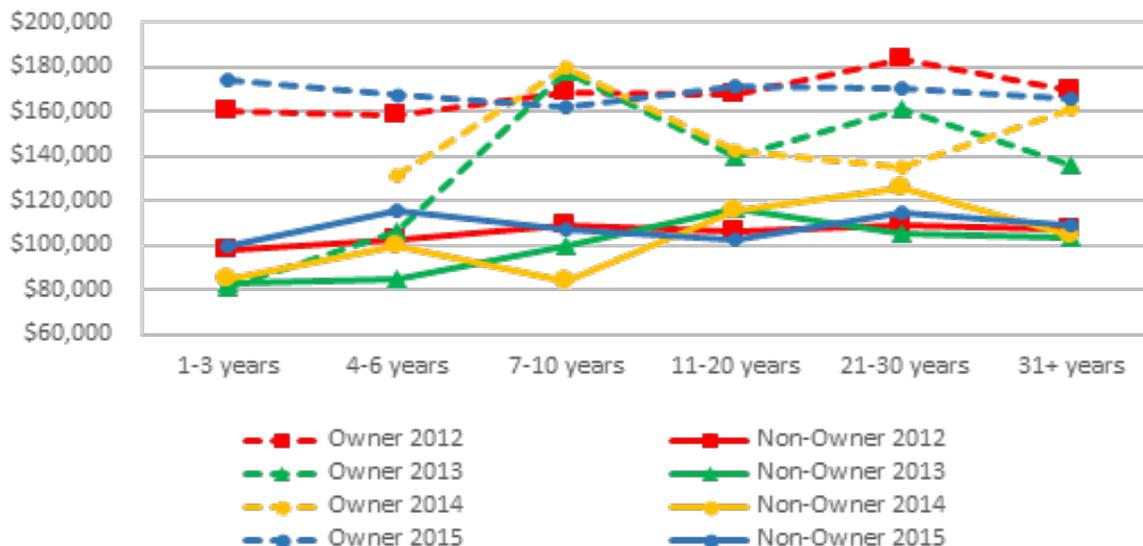
52% under age 50 in 2015

50-59 years of age when owner income peaks

27% in practice for 30+ years in 2015

In terms of years in practice, the largest difference in net income is seen between owner and non-owner optometrists who have been in practice one to three years. In 2015, owner optometrists reported earning, on average, \$57,000 more than non-owner optometrists who have been in practice for the same length of time. Twenty-seven percent of responding optometrists reported having been in practice for more than 30 years. Twenty-two percent have been in practice for 21 to 30 years; 26% reported having been in practice for 11 to 20 years.

Figure 2: Net Income from Primary Practice of Responding Optometrists by Years in Practice, 2012-2015

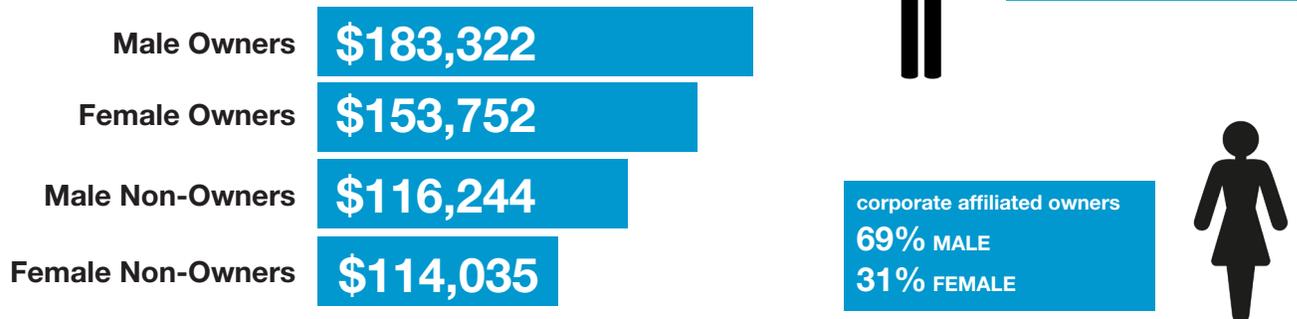


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NET INCOME BY GENDER

Figure 3: Optometrists' Average Income from Primary Practice by Gender & Ownership Status, 2015



There are significant differences in income between gender and employment situation. There are higher numbers of male owner optometrists in all practice settings. Among private practice owners, 61% were male; 39% were female. The majority (52%) of non-owner optometrists in private practice were male; 48% were female. The majority of non-owner optometrists in corporate affiliated practice were male (52%). Male owners averaged 55 years of age, compared to female owners who averaged 45 years of age. Male non-owners were in practice 8.5 years longer than females and averaged nine years older. Across all practice types, male optometrists typically reported higher net incomes than female optometrists. Female owner optometrists working full-time (1,600 hours/year), averaged 1,745 patient care hours in 2015, compared to 1,827 patient care hours for male owner optometrists. Non-owner female optometrists who worked full-time reported an average of 1,789 patient care hours, compared to 1,819 patient care hours reported by full-time male non-owner optometrists. Male owner optometrists reported 19% higher net incomes (\$183,322) than female owner optometrists (\$153,752). Among non-owner optometrists, male optometrists reported an average net income of \$116,244, 2% higher than their female counterparts, who earned \$114,035.

NET INCOME BY AOA MEMBERSHIP

On average, AOA member optometrists reported ten percent higher net income than non-AOA member optometrists in 2015. AOA member net income was reported at \$147,116 compared to non-members at \$133,770. Additionally, AOA members reported higher levels of net income as measured by practice type at younger ages.

\$147,116
2015 Net Income, AOA Members

\$140,913
2015 Net Income, All Optometrists

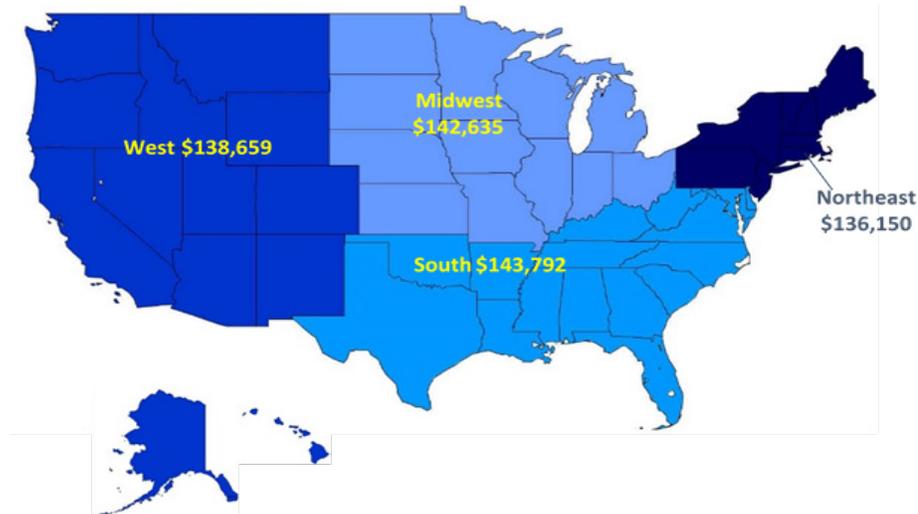
\$133,770
2015 Net Income, Non-AOA Members

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NET INCOME BY REGION

Figure 4: Optometrists' Average Income from Primary Practice by U.S. Census Region, 2015



GROSS BILLINGS, PRACTICE EXPENSES & SOURCES OF PAYMENT

In 2015, optometrists billed \$1,334,075 for vision care services and collected 84% of these billings. Gross billings per owner optometrist averaged \$958,333; the average billings per optometrist in the practice were \$700,782. Practice expenses averaged 45% of total gross billings for all practice types. Among owner optometrists, practice expenses averaged \$453,132 in 2015, a 30% increase from the reported expenses of \$349,270 in 2014. Owner optometrists collected, on average, \$845,541 in gross receipts in 2015. The top two sources of payment were direct patient payment and government programs, as seen in Figure 5.

Figure 5: Sources of Gross Billings Received from Primary Practice of Owner Optometrists, 2015

30% Direct Patient Payment

20% Government Programs

18% Vision Service Plan (VSP)

15% Private Medical Insurance

15% Self-Directed Vision Plans

2% Other Payment Sources

About the 2016 Survey of Optometric Practice:

The 2016 *Survey of Optometric Practice* was conducted by the American Optometric Association (AOA) Research and Information Center in July 2016. Results from the survey are being released in three volumes: 1) *Income from Optometry*, 2) *Employment of Optometric Staff*, and 3) *Practicing Optometrists and their Patients*.

Several limitations of this study should be noted: (1) optometrists received a paper invitation to complete the survey, either online or a paper version, which was distributed by the U.S. Postal Service. Incorrect addresses or delays in delivering the survey instrument may have excluded doctors from participating in, or receiving, the survey. (2) Optometrists who chose to participate in this survey were self-selected, which may mean that the survey attracted responses from optometrists whose practices were doing exceptionally well.

For questions about this or other surveys conducted by the AOA, please contact the Research & Information Center at ric@aoa.org.