

8th Annual Salary and Expense Survey

Measuring personal and professional progress

BY LINDA SEGALL

It's not news to you: Chiropractic is a great career. It offers you personal satisfaction in helping others while providing you the opportunity for economic gain.

According to *Fast Company*, chiropractic ranks fourth in the magazine's top 25 careers in America, as judged by job growth and salary potential. (See "*Fast Company* ranks chiropractic No. 4 job, Vol. 51, Issue 4, p. 8.)

For the eighth consecutive year, *Chiropractic Economics* set out to measure if and how chiropractic is growing and changing, from the perspective of the individual practitioner. Our survey asked questions about practice demographics, income sources, billings, collections and expenses. Our goal in conducting the annual salary and expense survey was to gather, analyze and provide information that would help you make decisions about running your practice.

We invited subscribers to the magazine and

ChiroEcoNewsflash.com, as well as individuals from chiropractic associations and other sources, to complete the survey. We've taken the information they provided and have tried to answer questions we hear every day, such as:

- "Which is better — practicing as a solo practitioner or in a group?"
- "How much does a typical chiropractor earn?"
- "How much does it cost to run a typical practice?"
- "Which services and products do most chiropractors offer their patients?"

As we looked at the data you provided in your survey responses, we were able to come up with the answers to these questions — and more. You will find the answers to on the following pages.

We'd like to thank everyone who participated in this survey. The time you spent completing the form helps serve as a benchmark for you and others as you set your personal and professional goals for growth and development. ☺

Linda Segall is editor-in-chief of Chiropractic Economics. She can be reached by e-mail at lsegall@chiroeco.com.

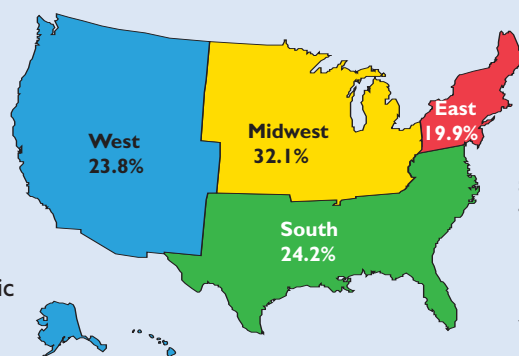
About the survey

In February 2005, *Chiropractic Economics* asked chiropractors to complete a confidential Web-based survey on salaries and expenses. The invitation was extended by e-mail to practicing chiropractors or their designated assistants through lists provided by *Chiropractic Economics*, the American Chiropractic Association, International Chiropractors Association, Association of New Jersey Chiropractors, Pennsylvania Chiropractic Association, Chiropractic Marketing Solutions and Chiroview Presents. Respondents were also encouraged to pass the invitation on to other colleagues to complete.

• **Respondents.** A total of 494 individuals completed the survey.

• Regional representation.

Survey participants came from all states plus Puerto Rico and Washington, D.C., except for West Virginia, Delaware and Vermont. More



responses came from the Midwest (32.1 percent) than other regions of the country (West, 23.8 percent; South, 24.2 percent; East, 19.9 percent).

• Statistics used.

Throughout the survey you will find reference to a number of statistical terms: mean, median, mode and standard deviation.

The mean average was calculated by dividing the sum for that question by the number of individuals who answered the question.

The median is the number in the middle of a set of values — half are above and half below the stated value. The mode is the most repetitive number in a set of values.

The standard deviation is a number that shows the relationship of the sample to the mean. (A small standard deviation shows a close, reliable relationship.)

We report the statistics that are appropriate for each question. ☺

Few changes in economics from last year

A look at this year's data, compared to data from last year (and sometimes the year before) shows very little change in the economics of chiropractic. Here are a few highlights:

- **DC salaries are up.**

Chiropractors on the whole experienced a 6.8 percent increase in salaries. In 2004 the mean average was \$97,702; this year, it was \$104,363.

- **Slightly fewer 'soloists.'** In 2003, 73.8 percent of respondents were solo practitioners (defined as the only chiropractor in the practice). In 2004, the number declined to 69.5 percent. This year again saw a slight decline to 68.7 percent.

- **No change in median billings and collections.** Median gross billings remained at \$250K-\$349K, the same as 2004. Likewise, median collections remained at the same level (\$200K-\$249K) as last year.

However, fewer respondents (67.0 percent, compared to 71.5 percent in 2004) said that billings were increasing. Fewer respondents (61.3 percent, compared to 70.0 percent) also said that collections were increasing.

- **No change in median income.** Overall median personal income (salary plus other income from a practice) for chiropractors remained at the same level as in the last two years: \$75K-\$89.9K.

- **Group practitioners earn more.** The median personal income levels of DCs in groups or partnerships was \$120K-\$134K and 31.8 percent of respondents indicated they earned \$175K+.

- **Little change in numbers of women.** This year, 15.6 percent of chiropractors who responded were women, compared to 16.6 percent last year.


A profile of survey participants

Personal Characteristics	2005	2004	2003
Mean Age	41.0	41.4	42.0
Male	84.4%	83.4%	85.3%
Female	15.6%	16.6%	14.7%
Years in practice	12.8	N/A	12.1
Practice Characteristics			
Solo practice	68.7%	69.5%	73.8%
Group or partnership	23.0%	30.5%*	21.8%
As an associate	6.5%	—	4.4%
Owner of a franchise	1.8%		
Clinics owned	1.2	1.2	1.1
* In 2004 survey, "group or partnership" included associates.			
Clinic operations			
Suburban	60.2%	60.8%	54.2%
Urban	22.7%	26.1%	26.5%
Rural	17.1%	13.1%	19.3%
Hrs/wk providing patient care	30-39	30-39	30-39
New patients per week	6.1	6.4	6
Employees per clinic	3.5	4.6	3.6
Income			
Median gross billings	\$250K-\$349K	\$250K-\$349K	\$250K-\$349K
Gross billings increasing	67.0%	71.5%	78.0%
Median gross collections	\$200K-\$249K	\$200K-\$249K	\$200K-\$249K
Gross collections increasing	61.3%	70.0%	69.4%
Median individual income	\$75K-\$89K	\$75K-\$89K	\$75K-\$89K

EXPENSES AS % OF TOTAL EXPENSES REPORTED

Business expenses	2005	2004
Advertising/marketing	11.0%	11.9%
Business supplies	11.4%	10.9%
Computers/software	3.5%	3.2%
Staff training	2.5%	—
Continuing education/professional travel	4.8%	4.7%
Equipment leases	8.3%	7.3%
Malpractice insurance	3.7%	2.7%
Office space	26.5%	27.6%
Professional services (CPAs, etc)	4.6%	3.2%
Business loans	19.2%	17.0%
Diagnostics	4.4%	11.7%
Totals	100.0%	100.0%

- **Rural practices gain.** The biggest change in locality demographics was in rural practices. This year, 17.1 percent of respondents were in rural areas. Last year 13.1 percent claimed rural locations. Since

the suburbs remained constant with 60.2 percent of respondents (compared to 60.8 percent of clinics in 2004), the change was in urban clinics. This year 22.7 respondents were from urban areas, compared to 26.1 last year. 

A look at billings and collections


This year's survey showed that nationwide median billings remain at the \$250K-\$349K level, the same as for 2004 and 2003, and nationwide median collections remain at the \$200K-\$249K level, the same as for previous years.

Although the median averages remained the same, billings and collections did experience some changes. The greatest positive change in billings occurred in the \$100K-\$149K range. In 2003, 9.3 percent of respondents reported billings at this level. In 2005, this percentage increased to 13.5.

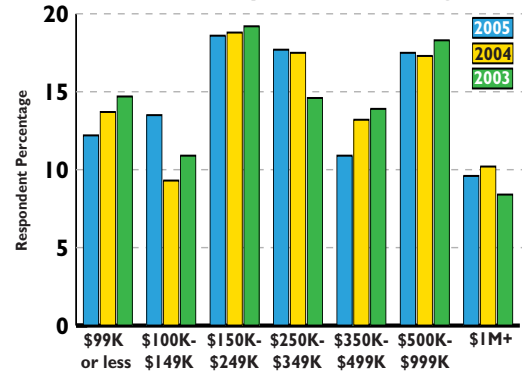
Collections experienced increases over last year. The most significant increase was in the \$90K-\$139K level. In 2004, 15.8 percent of respondents had collections at this level. In 2005, that rose to 18.1 percent. Other levels of collections remained fairly constant, except for the \$250K-\$499K level (the median level). In 2004, 26.2 percent of respondents said their collections fell into this category. In 2005, that number fell to 19.0 percent.

Perhaps most significant, however, is the response to our question, "Compared to last year, are your (billings or collections) increasing, decreasing or remaining the same?"

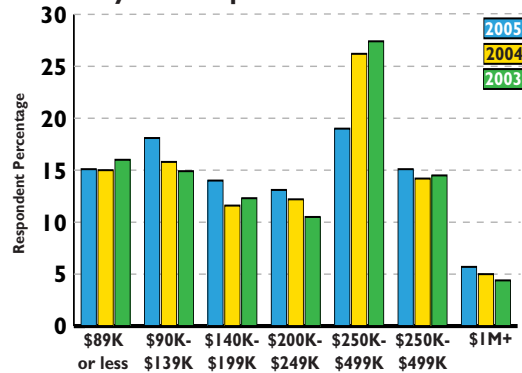
Most chiropractors report that billings and collections are increasing. However, over the last three years, fewer respondents say their billings are increasing. In 2003, the percent was 78.0; in 2004, it was 71.5; in 2005 it was 67.0.

A similar trend may be happening in collections: In 2003, the percent observing that collections were increasing was 61.3. That increased to 70.0 in 2004. But in 2005, it decreased to 61.3 percent. 

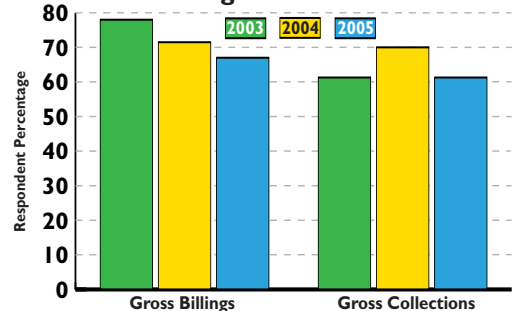
3-year comparison of billings



3-year comparison of collections



% reporting increasing billings & collections




	2005	2004	2003
Median gross billings	\$250K-\$349K	\$250K-\$349K	\$250K-\$349K
Median gross collections	\$200K-\$249K	\$200K-\$249K	\$200K-\$249K

What is your clinic called?

Last year we asked, for the first time, what you call your clinic. Because of a perceived trend toward integrated healthcare and a focus on wellness, we were curious to see if names were keeping pace.

Name of clinic	2005	2004
Chiropractic clinic	77.1%	74.7%
Medical spa	0.8%	1.0%
Wellness center	15.4%	18.8%
Rehabilitation center	6.7%	5.5%

The label “chiropractic clinic” is still the most popular name for a practice (77.1 percent) — and actually gained a bit in popularity over last year (74.7 percent). Rehab center gained a bit in popularity (up to 6.7 percent from 5.5 percent). Wellness center declined, from 18.8 percent in 2004 to 15.4 percent this year.


Least popular was “medical spa.” Less than 1 percent of respondents said their clinics bore that label. 

Personal income: On the rise

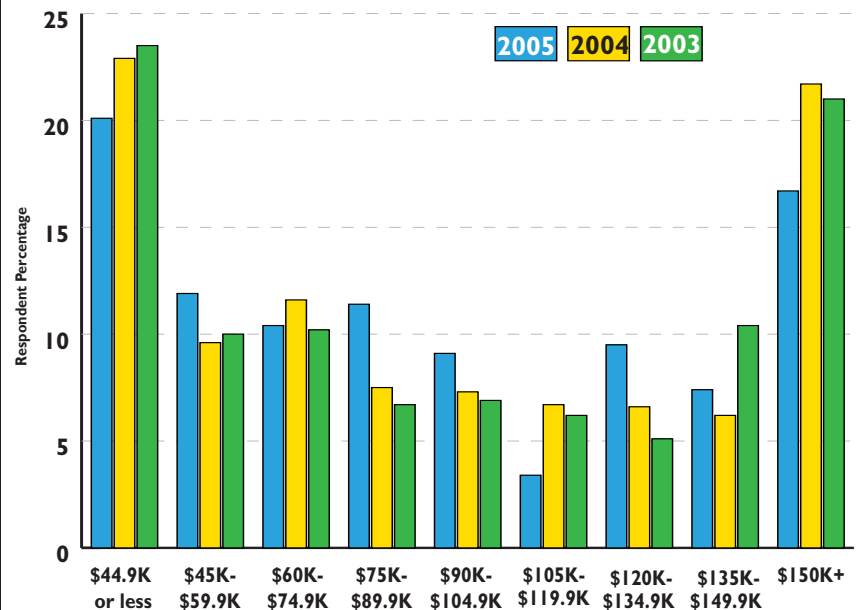
The survey shows good news with regard to personal income. Although the median income level has remained flat for three years (\$75K-\$89.9K), income is shifting from lower levels to higher levels.

For example: At the \$44.9K or less level, this year’s survey shows 20.1 percent respondents, compared to 22.9 percent last year. The shift accounts for the increase in the next income level, \$45K-\$59.9K, which had 9.6 respondents last year and 11.9 this year.

The largest change occurred in the \$75K-\$89.9K level: In 2004, this category had 7.5 percent. This year, this level increased to 11.4 percent. Another category that showed a significant change was the \$120K-\$134.9K level. In 2004, 6.6 percent of respondents claimed this income level. This year, the number increased to 9.5 percent.

The largest decrease in respondents was in the \$150K+ category. In 2004, 21.7 percent fell into this category. This year, the number was 16.7 percent. 

Trends in personal income



Which is better — solo or group?

If you are solo practitioner, have you wondered if being in a group would be more lucrative?

We did a comparison of hours worked, billings, collections and individual income, by solo, group or partnership and franchised clinic.

• **Hours spent in patient care.** The median hours worked for all three groups was the same: 30-39 hours. However, more solo practitioners (46.6 percent) reported this level of patient-work activity, compared to 43.6 percent in groups or partnerships and 33.3 percent in franchises.

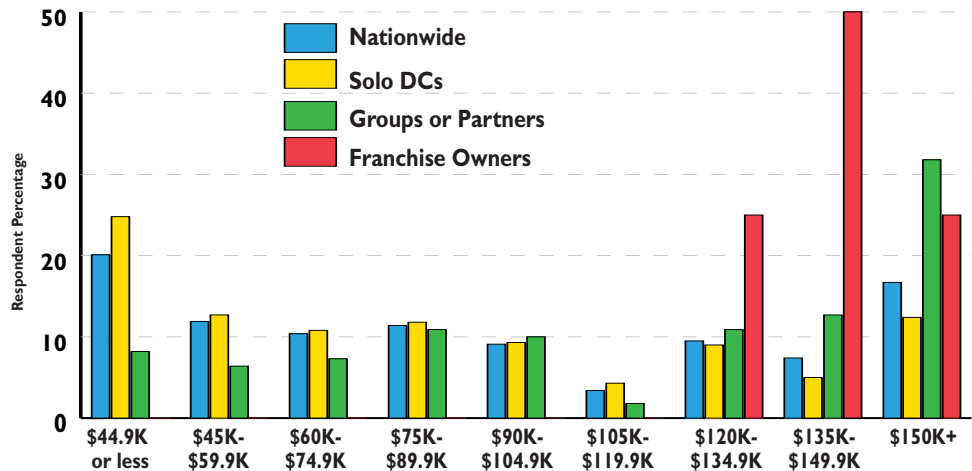
• **Billings.** Solo practitioners had median billings at the \$150K-\$249K level (per clinic), while the median billings for groups/partners as well as for franchisees were at the \$500K-\$999K level. These levels represented median, mean and mode.

• **Collections.** Solo DCs (18.0 percent) had median collections of \$140K-\$199K, although the mode for soloists (21.5 percent) was the \$90K-\$139K level.

Groups and partners collected at the median \$250K-\$499K level (18.5 percent), although the mode for this group was \$500K-\$999K (30.6 percent).

Franchisees experienced median collections of \$500K-


Comparison of personal income levels by practice type



\$999K with 44.4 percent reporting this level, which was also their mode.

• **Individual income.** Personal income (defined as the salary you pay yourself, plus any other income from your practice) varies considerably among the different classifications. The median individual income for solo practitioners was \$75K-\$89.9K, with 11.8 percent earning at this level. (The income level having the most solo practitioners, however, was \$44.9K or less, with 24.8 percent.)


Chiropractors in groups or partnerships had a median income level of \$120K-\$134K (10.9 percent). However, 31.8 percent of respondents indicated they earned \$175K+.

The median — and mode — personal income level for franchise owners was \$150K-\$174.9K, which claimed 50.0 percent of respondents. 

What is your PVA?

In this year's survey, we asked, "What is your clinic's patient visit average (PVA)? To calculate PVA, divide the number of regular office visits by new patients. If you own more than one clinic, give the average per clinic."

The mean PVA reported was 30.9; the median was 25.

Respondents also told us how many *new* patients came into their clinic each week. The answer: a mean of 6.14, median 5.0. 

Male vs. female

In this year's survey 84.4 percent of chiropractors who responded were male, 15.6 percent female. The survey surfaced some interesting differences between the genders:


• The median and mean income level for male chiropractors was \$75K-\$89.9K, with 18.0 percent earning at the mode level of \$44.9K or less.

The median income level of female chiropractors was \$45K-\$59.9K (20.6 percent). The mean, however, was \$60K-\$74.9K (13.2 percent) and the mode was \$44.9K or less (32.4 percent). (Standard deviation was 2.7.)

• The average age of male chiropractors is 41.54. The average age of females is 38.5.

• Women have been in practice on average 9.2 years, while their male counterparts have practiced for 13.3 years.


• Men have a patient visit average (PVA) of 29.6, while the PVA for women is 33.6.

• Both men and women provide patient care 30-39 hours per week. However, 47.3 percent of men fall into that hours-worked category, compared to 41.2 percent of women. 

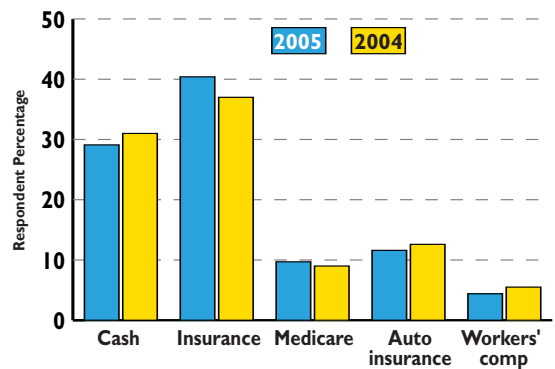
What is the focus of practice?

The survey asked respondents to identify the focus of their practice as indicated by percent of income. That is, respondents broke down their total practice income into a number of different categories: cash, insurance, Medicare, auto insurance, Medicaid, workers' compensation, consulting, lecturing, teaching, retail products, diagnostic testing or other sources.

The survey showed an increase in insurance revenues from 2004 (40.4 percent in 2005, compared to 37.0 percent in 2004), while average revenues from cash were down slightly from 31.0 in 2004 to 29.1 percent this year.


The other top sources of revenues were auto insurance (11.6 percent average revenues), Medicare (9.7 percent) and workers' compensation (4.4 percent). 

Revenue sources as average % of total income



More than chiropractic

People who visit chiropractors get more than their backs adjusted. Chiropractors offer a number of different services, ranging from physical therapy to acupuncture to weight management.

The most popular service offered is physical or rehab therapy (61.7 percent), followed by exercise programs (58.1 percent), nutritional counseling (55.9 percent), massage (51.4 percent), weight management (19.0 percent), acupuncture (14.6 percent) and homeopathy (11.5 percent). 

Services offered to patients

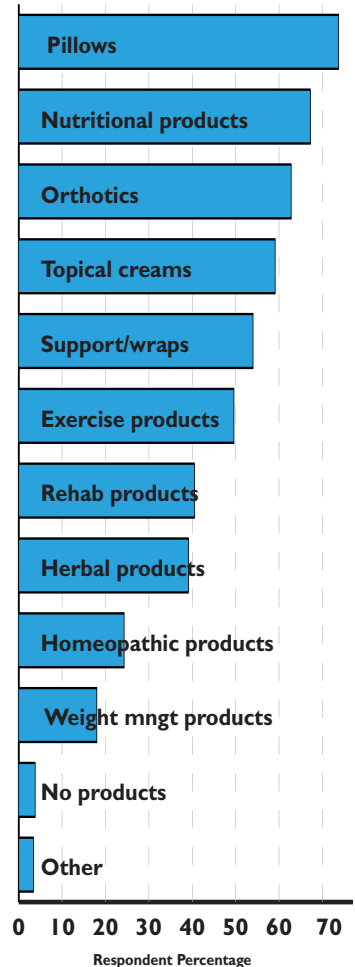


What is popular in retail products?

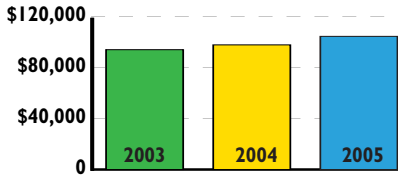
Most chiropractors offer retail products, not only as a convenience for patients, but also as a source of income.

The most popular item by chiropractors who carry products? Pillows (73.7 percent), followed by nutritional products (67.2 percent), orthotics (62.8 percent), topical creams and ointments (59.1 percent), supports and wraps (54.0 percent), exercise products (49.6 percent), herbal products (39.1 percent), homeopathic products (24.3 percent) and weight management products (18.3 percent). ^{CE}

Retail products carried in clinics



Trend in DC salaries



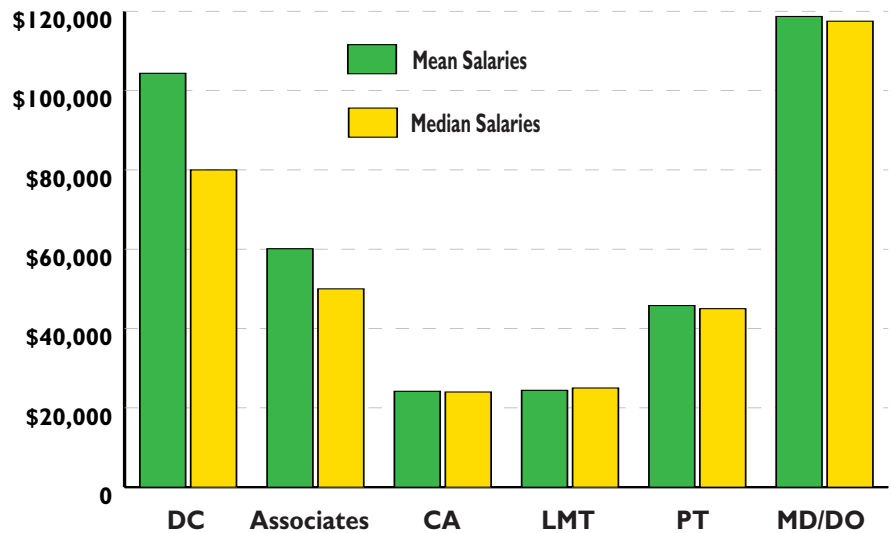
A look at salaries

Our survey asked respondents to calculate the average pay per job classification by dividing total salaries earned in each category by the number of individuals within each category.


Our survey found that the mean salary of associates rose overall to \$61,122 from \$51,737 in 2004. Mean CA salaries increased to \$24,185 from \$23,886 and the mean salary for licensed massage therapists rose from \$22,985 in 2004 to \$24,420 this year.

Reported mean salaries for medical doctors on staff of chiropractor clinics declined from \$130,625 in 2004 to \$118,687 this year. Chiropractors, however, earned higher salaries. The mean salary for chiropractors was \$104,363,

Employee salaries



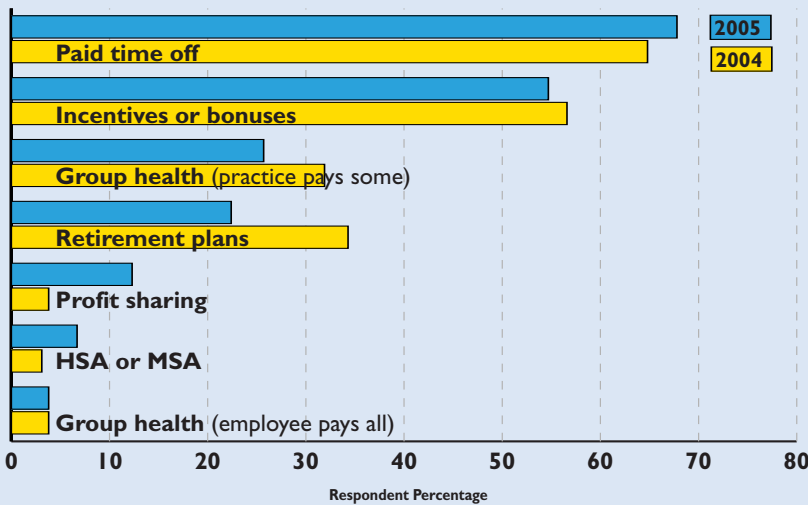
compared to \$97,702 reported last year.

Which area of the country pays best? Except for MD/DO pay, the Midwest heads the list with mean salaries of \$110,699 (DCs), \$65,464 (associates), \$24,808 (CAs), \$26,814 (LMTs), \$43,636 (PTs). MDs in the Midwest fared less. 

COMPARISON OF MEAN SALARIES BY REGION OF THE COUNTRY

	DC	Associate	MD/DO	CA	LMT	PT
West	\$102,298	\$59,120	\$220,000	\$23,636	\$21,118	\$35,666
South	\$101,898	\$59,111	\$88,000	\$24,126	\$25,080	\$52,000
Midwest	\$110,699	\$65,454	\$133,333	\$24,808	\$26,814	\$43,636
East	\$98,782	\$51,500	\$175,000	\$24,061	\$27,000	\$75,000
Nationwide	\$104,363	\$60,122	\$118,686	\$24,185	\$24,420	\$45,789

Employee benefits



Healthcare and other benefits

Although the amount of money in a paycheck is a deciding factor in employee retention, benefits also play an important part. If you are experiencing high turnover, benefits may be a factor.

This year's survey found that 67.8 percent of respondents provide paid time off (vacation and/or sick days); 54.7 percent offer incentives or bonuses and 12.3 percent, profit sharing; and 25.7 percent pay for some portion of group health insurance.

Does age matter?

The older you get, the better life is. Or so it would seem, according to our survey. Respondents under age 30 earned the least (median income, \$45K-\$59.9K) and had the lowest median salary (\$53.5K). They also had the lowest level of median billings (\$150K-\$249K) and collections (\$90K-\$139K).

Respondents who were between the ages of 30 and 39 had the highest median salary (\$91K), while respondents 40-49, 50-59 and 60+ tied for the highest median personal income (\$90K-\$104.9K).

Median averages only tell part of the story. The mode (the most frequently appearing value) tells more. In the

under-30 age group, 44.4 percent of respondents had a personal income mode of \$44.9K. In the 30-39 age group, the mode was \$44.9K, with 16.2 percent. However, 13.0 percent in this group had an average personal income of \$175K or more.

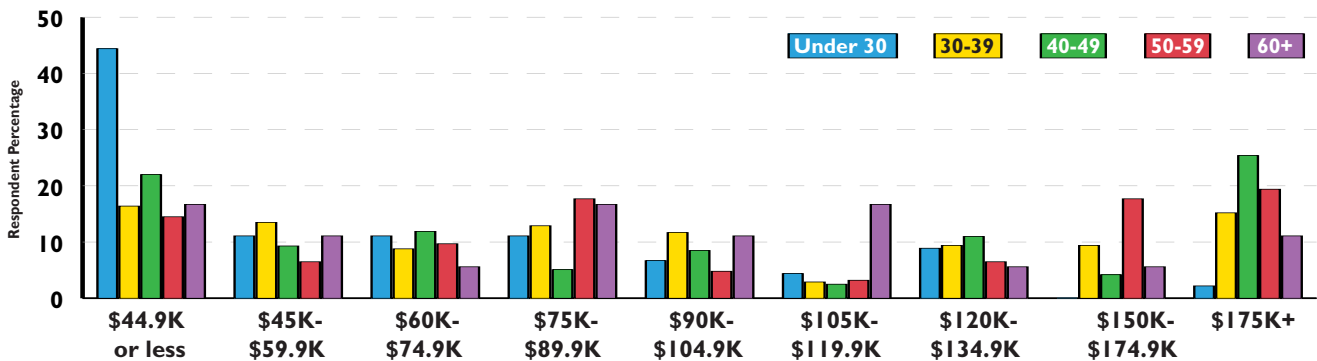
The picture changes in the group 40-49. The mode was \$175K+, with 27.5 percent of respondents. The same occurred in the group 50-59, with 19.4 percent earning a personal income of \$175K+.

Respondents 60 and older fell into three different modes, each with 16.7 percent: \$44.9K or less, \$75K-\$89.9K and \$105K-\$119.9K. ☎

THE INFLUENCE OF AGE

	Median billings	Median collections	Median personal income	Median Salary
Under 30	\$150K-\$249K (15.9%)	\$90K-\$139K (31%)	\$45K-\$59.9K (11.1%)	\$53.5K
30-39	\$250K-\$349K (20.0%)	\$200K-\$249K (10.8%)	\$75K-\$89.9K (12.9%)	\$91K
40-49	\$250K-\$349K (17.9%)	\$200K-\$249K (16.4%)	\$90K-\$104.9K (8.5%)	\$83K
50-59	\$250K-\$349K (18.0%)	\$200K-\$249K (11.9%)	\$90K-\$104.9K (4.8%)	\$82.5K
60+	\$150K-\$249K (30%)	\$140K-\$199K (26.3%)	\$90K-\$104.9K (16.7%)	\$80K

Personal income by age group



BUSINESS EXPENSES

	2005		2004	
Advertising/marketing	\$8,744	11.0%	\$9,883	11.6%
Business supplies	\$9,016	11.4%	\$9,056	10.6%
Computers/software	\$2,757	3.5%	\$2,685	3.1%
Staff training	\$2,012	2.5%	\$2,081	2.4%
Continuing education/ professional travel	\$3,831	4.8%	\$3,913	4.6%
Equipment leases	\$6,593	8.3%	\$6,043	7.1%
Malpractice insurance	\$2,908	3.7%	\$2,239	2.6%
Office space	\$20,999	26.5%	\$22,973	26.9%
Professional services (CPAs, etc)	\$3,633	4.6%	\$2,640	3.1%
Business loans	\$15,181	19.2%	\$14,175	16.6%
Diagnostic	\$3,513	4.4%	\$9,713	11.4%
Totals	\$79,187	100.0%	\$85,402	100.0%

The cost of running a business

How much does it cost to run a business — in terms of fixed and variable expenses?

Respondents reported overall lower expenses in comparable categories this year, \$79,187, from \$85,402 in 2004. The percent spent in each category of expenses was very similar, with the exception of diagnostics. In 2004, respondents reported that diagnostics accounted for approximately 11.4 percent of business expenses. This year, the amount was 4.4 percent. ☎