

Contribution of veterinary technicians to veterinary business revenue, 2007

- Results of regression analysis suggested that the typical veterinarian's gross income increased by \$93,311 for each additional credentialed veterinary technician per veterinarian in the practice.

In early April 2008, the 2008 AVMA Biennial Economic Survey of US veterinarians was distributed to a random sample of veterinarians in all work categories in the United States. Veterinarians who owned private practices were asked to complete the section of the survey regarding business income and operations. Among data gathered was information regarding the number of employees and positions within the practice in 2007, including veterinarians (owners and associates), veterinary technicians (credentialed [licensed, registered, or certified] and noncredentialed), veterinary assistants, and all other staff.

Collected data were analyzed to determine whether a relationship existed between veterinary practice revenue and characteristics of veterinary technicians, including education level and qualifications. Specifically, an ordinary least squares regression model was used to evaluate the relationship between gross revenue of private veterinary practices and the number of veterinary technicians employed per veterinarian. Only data from respondents that provided information on gross practice revenue, number of full-time-equivalent veterinarians, and number of full-time-equivalent credentialed technicians and noncredentialed technicians were included in the analysis. In addition, only data from practices that had been in business for > 1 year and that were considered full-time practices were included. The 2009 edition of the *AVMA Report on Veterinary Practice Business Measures*¹ provides a more detailed analysis of the financial portion of the survey.

Results

Three hundred twenty-eight veterinarians responded fully to the questions on gross practice revenue and staff; their responses were included in the analysis. Results indicated that in 2007, the number of credentialed veterinary technicians per veterinarian in a practice had a significant ($P = 0.02$) impact on gross practice revenue, such that the average veterinary practice generated \$161,493 more gross revenue for each unit increase in the number of credentialed veterinary technicians per veterinarian (Table 1). On the other hand, the number of noncredentialed veterinary technicians per veterinarian was not significantly associated with gross practice revenue.

The mean number of full-time-equivalent veterinarians per practice in the sample was 1.73. To evaluate the economics of the relationship between the number

Table 1—Results of an ordinary least squares regression model to evaluate the effects of staffing on gross revenue in private veterinary practices in the United States, 2007.

Variable	Gross revenue (\$)	SE	P value*
Intercept	38,445	51,248	0.454
No. of full-time-equivalent veterinarians	318,545	14,555	< 0.001
Ratio of credentialed veterinary technicians to veterinarians	161,493	69,568	0.021
Ratio of noncredentialed veterinary technicians to veterinarians	10,567	11,021	0.338

*A value of $P < 0.05$ was considered significant.
Credentialed veterinary technicians include those that were credentialed through an accredited veterinary technician program.

of credentialed veterinary technicians per veterinarian and gross practice revenue, results were normalized to a nominal practice size of 1 veterinarian. These normalized results indicated the average veterinarian's gross revenue would be increased by \$93,311 ($\$161,493/1.73$) for each additional credentialed veterinary technician per veterinarian. Additionally, normalized results suggested each additional veterinarian within a practice generated \$318,545 of gross revenue. The adjusted coefficient of determination (R^2) for this regression analysis was 0.60, indicating that the number of credentialed veterinary technicians and the number of veterinarians explained approximately 60% of the variation in gross revenue in the model.

Conclusion

The analysis of Biennial Economic Survey data for relationships between gross practice revenue and the use of credentialed veterinary technicians revealed a positive relationship between the number of credentialed technicians employed and gross practice revenue. There are obvious reasons such a relationship would exist in terms of efficiencies within the realm of practice management. For instance, employing technicians with greater skill sets would allow technicians to do work that otherwise might be performed by veterinarians, freeing veterinarians to perform work requiring a different degree of expertise or skill. It follows that the more work veterinary technicians are qualified to do, the more veterinarians can leverage their time within the practice, generating additional revenue; however, the survey data did not include information that would allow an investigation of practice efficiency.

Reference

1. AVMA. *AVMA report on veterinary practice business measures*. 2009 ed. Schaumburg, Ill: AVMA, 2009.

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