If you are exploring your orthodontic career options, this document can be used to compare each practice modality and identify which option is right for you. Listed below are common and general traits for each practice modality.

Please note: This document is for your informational use and not intended to replace the advice of professional advisors and specialists.

**Practice Start-Up**
- Orthodontist owns 100% of the practice
- High financial risk
- High start-up and overhead costs
- Can be more difficult to obtain financing with high levels of student debt
- May require other household income (e.g., spouse income or other associate arrangement) to secure financing
- Will experience lower income in early years
- May experience greater income potential over time
- Will have autonomy and control over practice decisions
- Can build the practice from scratch (e.g., office design, type of equipment and technology, systems)
- Can choose the location of the practice
- Will have managerial and administrative responsibilities
- Will have more flexibility to set work hours
- Systems must be created (e.g., business plan, processes, policies, computer systems, workflow systems, insurance filing systems, fee structure, training, marketing)
- Requires a significant amount of dedication toward building relationships and establishing a referral base with local dentists and staff
- Will need to hire and train new employees
- May encounter administrative difficulties with limited support and practice management experience
- Can be more difficult to delegate with a small staff
- Can be more difficult to take extended time off

**Practice Purchase**
- Orthodontist owns 100% of the practice
- May consider associate agreement with phased buy-out option – the associate purchases partial interest over a predetermined period of time until the practice is completely sold
- High financial risk
- Acquisition cost
- Monthly operating costs
- Immediate income and cash flow
- May experience greater income potential over time
- Purchase will likely include functioning facility and operating equipment
- Will have autonomy and control over practice decisions
- Will have more flexibility to set work hours
- Established patient and referral base
- Established processes and procedures
- Existing experienced staff
- Potential to learn from an experienced doctor
- Replace a competitor in the area
- Will have managerial and administrative responsibilities
- Requires a significant amount of dedication toward building relationships and maintaining a referral base with local dentists and staff
- May inherit issues that need to be addressed (e.g., office or location, equipment, employees, processes, reputation)
- Can be more difficult to delegate with a small staff
- Can be more difficult to take extended time off
Practice Modalities Comparison

Partner (Private Practice)

- Orthodontist shares ownership of a practice by purchasing a partial interest
- May consider associate agreement with phased buy-in option – the associate purchases a partial interest (less than 100 percent)
- Buy-in can be complicated due to tax implications, income distribution and financial structuring
- Medium to high financial risk
- Base income
- Shared overhead expenses and profits
- Opportunity to learn from a colleague in practice
- Shared managerial and administrative responsibilities
- Increased work/life flexibility over practice start-up or purchase due to shared coverage of practice
- Must establish trust, mutual respect, and a willingness to compromise
- Differences in opinion may lead to disagreements
- May be jointly or solely liable for all business activities

Associate (Private Practice)

- Orthodontist employed by a private practice on a full- or part-time basis
- Does not have any ownership or equity in the practice
- Low financial risk
- May provide a fixed income or a percentage of collections or productions
- May receive benefits such as vacation and sick leave, health insurance, life insurance, disability, retirement plan, professional dues, continuing education reimbursement, liability and malpractice insurance, etc. (excludes most part-time positions)
- May deduct business expenses
- Utilizes W-2 tax form
- Income, social security, and Medicare taxes withheld
- No ownership rights to patients’ records
- Employer may require a restrictive covenant, prohibiting the employee from joining a competing practice within a certain time period
- Enter a community where establishing or purchasing a practice may be difficult or unavailable
- Requires little to no managerial and administrative responsibility
- Opportunity to obtain clinical, technical and practice management experience
- May work closely with and learn from an experienced doctor
- May experience greater work/life flexibility and freedom of movement
- May include flexible scheduling for part-time positions
- Increased attention to patient care without managerial and administrative responsibilities
- May have limited input in determining practice philosophy, policies, fees and patient scheduling
- Employer has financial and behavioral control over patient care, performance, systems, policies and procedures, staff, tools, equipment, and supplies
### Practice Modalities Comparison

**Associate (Dental Support Organization)**
- Orthodontist employed by a dental service organization on a full- or part-time basis
- Does not have any ownership or equity in the practice
- Ownership buy-in opportunities may be available
- Low financial risk
- May provide a fixed income plus incentive bonuses
- May receive benefits such as vacation and sick leave, health insurance, life insurance, disability, retirement plan, professional dues, continuing education reimbursement, liability and malpractice insurance, etc. (excludes most part-time positions)
- May deduct business expenses
- Utilizes W-2 tax form
- Income, social security, and Medicare taxes withheld
- No ownership rights to patients’ records
- Employer may require a restrictive covenant, prohibiting the employee from joining a competing practice within a certain time period
- May not be as receptive to modifications or provisions to the employment agreement
- Enter a community where establishing or purchasing a practice may be difficult or unavailable
- Does not require managerial and administrative responsibility
- Opportunity to obtain clinical, technical and practice management experience
- May experience greater work/life flexibility and freedom of movement
- Increased attention to patient care without managerial and administrative responsibilities
- May have limited input in determining practice philosophy, policies, fees and patient scheduling
- Philosophy of care may be more generalized for all dental specialties within the organization
- Employer controls staff hiring and training
- Employer has financial and behavioral control over patient care, performance, systems, policies and procedures, staff, tools, equipment, and supplies
- May require a production quota
- Employer manages staff performance evaluations

**Independent Contractor (Private Practice or Dental Support Organization)**
- Self-employed orthodontist working within a contractual agreement
- May be short-term or long-term
- Medium financial risk
- Income is not guaranteed and often provided on a per diem basis
- Does not receive employer benefits
- Generally compensates the owner for the use of the facilities
- Furnishes own instruments and equipment
- Business expenses may not be reimbursed
- Utilizes 1099 tax form
- Responsible for paying income, social security, and Medicare taxes
- Responsible for professional liability and malpractice insurance
- Often owns patient records
- Often has the freedom to determine hours, fees, patient scheduling and treatment planning
- May hire chairside employees
- Will require greater financial and management responsibilities than associate arrangements
- May be responsible for establishing patient pool
## Practice Modalities Comparison

### Academic
- Multiple tracks and pathways including clinical or tenure-track, cleft and craniofacial, orthodontic faculty, program director, or chair at either a hospital or university-based program
- May be full-time, part-time, or voluntary
- May allow autonomy to maintain a private practice or a practice within the program’s clinic
- Low financial risk, though less opportunity for substantial financial return
- Stable income, though income is generally lower than private practice and may not apply for less than full-time appointments
- High job security for tenured faculty
- Full-time faculty receive extensive benefit packages including vacation and sick leave, health insurance, life insurance, disability, retirement plan, etc.
- May receive reimbursement/coverage of professional dues, continuing education, etc. (excludes most part-time faculty positions)
- May receive significant start-up funds (particularly tenure track faculty) to launch a research career and increase success with future grant submissions
- May deduct business expenses or have some expenses paid by the institution

### Utilizes W-2 tax form
- Employer portion of income, social security, and Medicare taxes withheld
- Requires clinical or didactic teaching, research, and administrative responsibilities
- Opportunity to develop innovations in orthodontics and develop future generations of academic and practicing orthodontic professionals
- Engage in life-long learning and professional growth opportunities
- Collaborate with like-minded colleagues on research
- Can blend an academic and private practice career (mostly for part-time faculty and may vary by institution)
- Requires ability to balance multiple priorities and responsibilities
- Academic research is competitive
- May spend majority of time lecturing, writing, and reviewing literature
- Work/life flexibility may appear to be limited, but this is offset by paid vacation time and time allowances to attend professional meetings
- May have less choice in tasks, work hours, or effort distribution

### Military
- Opportunities available to service members in the United States Army, Navy and Air Force
- Requires permanent U.S. residency
- Includes a two-year residency program
- Requires a three-year Active Duty Service Commitment (ADSC; also known as payback) after training, which typically occurs overseas
- Low financial risk
- Provides full military pay and benefits (includes bonuses, 30 days paid vacation, loan repayment, and retirement plan)
- May receive pay for continuing education, clinical specialization and residencies
- No debt incurred during training or payback years
- Established patient base
- Does not require malpractice insurance

### Offers clinical, research, and administrative experience
- May consult with experts in both the military and private sector
- May participate in humanitarian missions and provide care to underserved patients around the world
- Flexible schedule
- May remain in the service or pursue other practice opportunities after the ADSC is met
- May not be assigned to preferred location
- May be required to relocate
- Will be required to wear military uniform in public
- Little financial and behavioral control over orthodontic practice
References


