Demographics and Practice Transitions in Orthodontics

How Demographics Predict Success

1. Sufficient Population to Sustain Practice

2,000 12-to-18 year olds per orthodontist in a middle income area typical. Number is changing to 2,200+.
How Demographics Predict Success

1. Sufficient Population to Sustain Practice
2. Demographic Character Will Affect Practice Type
   - Education, Ethnicity/Culture,
   - Income, Housing Type
3. Value of Practice by Demographics
How Demographics Predict Success

Demographics of Buyer and Seller must match to guarantee transfer of “good will.”

Truths About Ortho Demographics

- Demographic Character of Population will Affect the Threshold of Sufficient Population to Sustain a Practice.
- The Size of the Average Practice is 3 to 5 Zip Codes.
- Personal Attributes of the Doctor Can Positively or Negatively Affect Practice Potential.
- There Will **ALWAYS** Be Demand For Dental Care BUT the **Manifestation** of the Demand May Vary.

- The Demographics of the Doctors In a Given Market Will Affect Demand and Need.
- The More You Know About Yourself and the Potential Patient Base, the Better Will Be Your Selection of a Positive Site.
- [www.DoctorDemographics.com](http://www.DoctorDemographics.com) (**Where to Put a Practice, Part 1**)
### Truths About Dental Referral Bases

1. General Dentists are becoming resistant to refer ANYTHING to ANYONE.
2. The skill of diagnosis is declining.
3. This will harm them (GPs) in the long run because they don’t understand the tech.
4. Internal Referral will become increasingly important.
5. Tolerance for Orthodontists advertising has grown exponentially as risks decline.

### Trends to Track

- Population Size
- Changes in Size
- Character of Change
- Employment Rate & Type
- Consumption Potential
- Demographic Character
- Churning
Demographic Character

- Age
- Income
  - (Median, Average, Per Capita)

Demographic Character

- Age
- Income
- Education
- Housing
  - Type
  - Price
  - Renter versus Owner
  - Population Per Household
Demographic Character

- Age
- Income
- Education
- Housing
- Race/Ethnicity/Culture/Languages

Short Term Demographic Trends

- People NOT Moving
- People NOW Moving
- Re-distribution of Population
  - Michigan – Losing Pop.
  - Ohio & New York – Low Growth Rate
  - Illinois, New Jersey, PA in Trouble
Short Term Demographic Trends

- People NOT Moving
- People NOW Moving
- Re-distribution of Population

**Housing Crisis Continues**
- Arizona & Nevada Worst
- Florida & California Hurt

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Short Term Demographic Trends

- People NOT Moving
- People NOW Moving
- Re-distribution of Population
- Housing Crisis Continues
- Lower Immigration Rate
- Less Long-Term Treatment and More Patchwork Care

- Right-To-Work States Big Winners
- Rural Areas in Need while Suburban Areas Get Glutted

**High Employment will Mean Demand but NOT Higher Revenue.**
Long-Term Demographic Trends

- Birthrate Decline
- Older Retirement Age
- America Still Growing
- Tax Rates Will Determine Market Potential
- Manufacturing Jobs Continue Decline
- Public Section Employee Revolution

- Race Mix and Race Separation
- Bad Credit Far More Common in Future
- Arizona, Nevada, and Florida See Upswing in Recovery
- Significant Difference in State Growth Rates

Scott McDonald & Associates

DOCTORDEMOGRAPHICS.COM
SITE ANALYSIS & DEMOGRAPHICS
(800) 424-6222