Compensation and Benefits

Who is making more and who is making less? What benefits are popular? See trends over the past 12 years.

by Carleen Brice

Are you better off now than you were 4 years ago? It’s a common question asked during election years. Owners and staff at veterinary practices might ask themselves similar questions at various points throughout their careers. Is my income keeping up with inflation? Are my salary and benefits on track with my peers? How might my overall compensation change if I make the move from associate to owner?

To answer these questions and more, AAHA conducts biannual national surveys of member and nonmember practices. The results are published in Compensation & Benefits: Vital Statistics for Your Veterinary Practice.

AAHA Press published the results of the first survey in 1998; the sixth edition was published in the autumn of 2010.

Read on to learn how salaries and benefits have changed between 1997 and 2009.

Associate pay up 87%

All employee categories showed an increase in salaries between 1997 and 2009 (Table 1). The big story is that full-time associate veterinarians reported the highest increase.

Their salaries showed an 87% increase from an average of $44,268 to an average of $83,013. Nikki L. Quenette, CPA, CMA, of Quenette Veterinary Consulting, says the large increase in associate wages may result from three causes: associates are graduating with a large debt burden, recent graduates have learned some contract negotiation skills, and there is competition among practices to hire the best graduates.

Quenette notes that associates’ salaries as a percentage of practice income are increasing. She points to AAHA’s Financial & Productivity Pulsepoints 3rd edition (2004) that showed associates’ salaries were 8.8% of practice income. The Pulsepoints 6th edition, published in 2010, reports that associates’ salaries are 10.4% of practice income.

Not all associate veterinarians are recent graduates, of course. An intriguing question posed by the trend away from practice ownership is this: Has associate compensation increased over the past 12 years as associates remain associates for longer periods of time, and therefore earn higher rates of pay as their experience and productivity increase? The data does not answer this question.

The Biggest

Winners: Since 1998, full-time associate salaries have increased 87%. 

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Owners also up

Owner salaries increased 38% between 1997 and 2009. However, salaries for owner veterinarians declined between 2007 and 2009.

It is important to note that owner salaries do not equal their total compensation. Owners have many ways of structuring their total compensation. To reduce taxes, it is possible that owners opted for other forms of compensation to supplement the salary increases.

During the recessionary years 2007–2009, salaries for owners and nonregistered/noncertified technicians did not keep pace with inflation. According to the 2010 edition of Compensation & Benefits: Vital Statistics for Your Veterinary Practice:

- The national compound rate of inflation for the 2-year period between the collection of data in 2007 and 2009 was 4.1%, based on the Consumer Price Index.
- Of the five job titles we reviewed, the salaries for associate veterinarians, registered/certified technicians and receptionists increased at a rate equal to or greater than the compound rate of inflation for that time period.
- On average, the compensation for owner veterinarians and nonregistered/noncertified technicians [veterinary assistants] did not keep pace with inflation.

Again, it is possible that owners used other forms of compensation to supplement their salaries; this is not likely to be true for veterinary assistants.

Technicians make more than assistants

Salaries for noncredentials technicians increased by 57% between 1997 and 2009, whereas full-time veterinary technicians saw a 44% increase in salary.

However, full-time credentialed technicians still make an average of $4,700 a year more than their noncredential counterparts.

More vacation days

Overall, benefits increased over the years. The number of paid vacation days increased for all staff between 1997 and 2009.

Associate veterinarians currently receive an average of 10 vacation days, and other staff receive between 6 and 14 days off, depending on their tenure at the practice.

In the 1998 survey, the average number of paid days off for associates and staff was 4.
Practices switch from SEPs to IRAs

In 1998, 53% of practices offered retirement plans, such as simplified employee pensions (SEPs), profit-sharing and 401(k)s. With the recent decline in the financial markets, it would be an easy assumption that the number of practices offering this benefit would decline.

However, just the opposite is true. In 2010, 74% of practices reported that they offered a retirement plan to their employees.

What has changed is the type of retirement plan that is most common.

Pensions and simple 401(k) plans, never popular, have become a thing of the past. Profit-sharing plans have decreased significantly, whereas 401(k) plans have remained steady (see page 30).

The most dramatic changes can be seen in the differences between the years.

Table 1 Veterinary salaries 1997 to 2009 (US$)

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>Increase 1997 to 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>90,579</td>
<td>95,268</td>
<td>94,759</td>
<td>124,631</td>
<td>126,299</td>
<td>125,210</td>
<td>38%</td>
</tr>
<tr>
<td>Office manager</td>
<td>25,547</td>
<td>27,414</td>
<td>29,125</td>
<td>35,330</td>
<td>37,006</td>
<td>35,259</td>
<td>38%</td>
</tr>
<tr>
<td>Hospital manager/administrator</td>
<td>31,070</td>
<td>33,388</td>
<td>35,010</td>
<td>45,550</td>
<td>55,764</td>
<td>48,565</td>
<td>n/a</td>
</tr>
<tr>
<td>Practice administrator/manager**</td>
<td>37,007</td>
<td>42,458</td>
<td>38,582</td>
<td>54,655</td>
<td>44,831</td>
<td>45,765</td>
<td>n/a</td>
</tr>
<tr>
<td>Associate veterinarian</td>
<td>44,268</td>
<td>59,357</td>
<td>62,471</td>
<td>74,751</td>
<td>71,316</td>
<td>83,013</td>
<td>88%</td>
</tr>
<tr>
<td>Registered/certified tech</td>
<td>22,683</td>
<td>25,453</td>
<td>26,985</td>
<td>29,058</td>
<td>31,242</td>
<td>32,635</td>
<td>44%</td>
</tr>
<tr>
<td>Nonregistered tech</td>
<td>17,573</td>
<td>21,715</td>
<td>22,448</td>
<td>24,690</td>
<td>26,478</td>
<td>27,518</td>
<td>57%</td>
</tr>
<tr>
<td>Receptionist</td>
<td>17,378</td>
<td>19,827</td>
<td>20,831</td>
<td>21,778</td>
<td>24,398</td>
<td>25,522</td>
<td>47%</td>
</tr>
<tr>
<td>Kennel assistant</td>
<td>14,573</td>
<td>16,437</td>
<td>17,082</td>
<td>17,472</td>
<td>19,282</td>
<td>20,051</td>
<td>38%</td>
</tr>
</tbody>
</table>

*In 2007, the survey replaced the job title "hospital manager" with the title "hospital administrator"; this makes it impossible to compare salaries over the full 12-year span.

**In 2007, the survey replaced the job title "practice administrator" with "practice manager"; this makes it impossible to compare salaries over the full 12-year span.
in practices offering SEPs and individual retirement accounts (IRAs). In 1998, 31% of practices offered SEPs and the number of practices that offered simple IRAs was negligible. In 2010, that is reversed: Only 11% of practices offered SEPs. The most common retirement plan offered is a simple IRA, with 33% of practices offering it to employees.

CE flat

For the 1998 edition, respondents were asked to record the annual dollar allowance of CE for each staff category. Full-time associates were given an average of $947, full-time technicians were given $406 and full-time office managers were given $648.

Twelve years later, respondents reported that full-time associates received $1,239, full-time technicians received $531 and managers (both practice managers and office managers) received $767.

This is far below the rate of inflation.

Health insurance remains popular

More veterinary practices are offering health insurance as a benefit.

In 1998, only 70% of practices reported offering medical insurance to their employees. The most recent Compensation & Benefits: Vital Statistics for Your Veterinary Practice shows that number has increased to 83% for full-time employees.

Eleven percent of practices currently offer health insurance to part-time employees.

As health insurance costs rise, employees pay more of the premiums now than in past years. In 1998, practices paid, on average, 83% of their full-time employees’ premiums. By 2010, practices were only paying 71% of their full-time employees’ premiums.

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