



Future Veterinary Workforce Needs

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Future Veterinary Workforce Needs

More than just the number of veterinarians



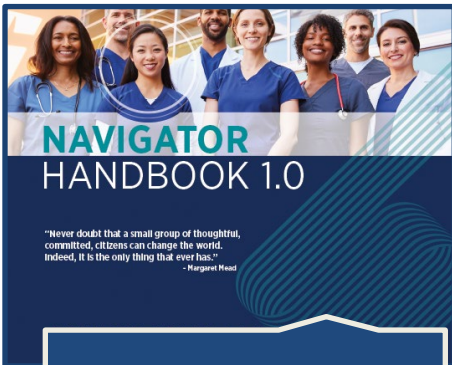
Veterinarian-Led
Teams



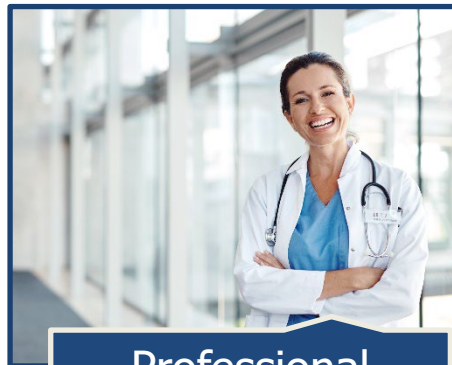
System and
Process Efficiency



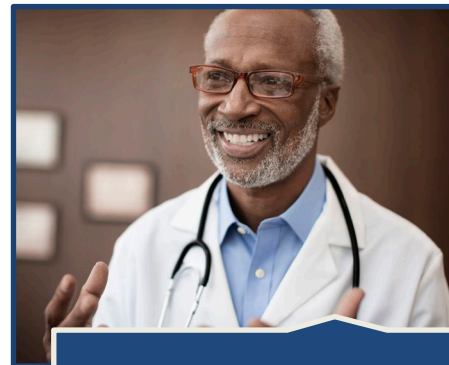
Technology
Utilization



Workplace Culture



Professional
Wellbeing



Retention



Sector Nuances

Future Veterinary Workforce Needs

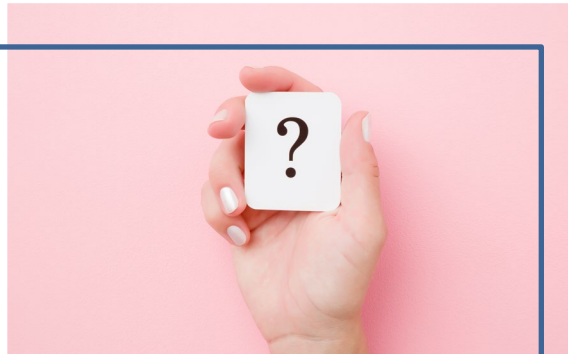
Critically evaluating workforce estimates



Demand



Supply

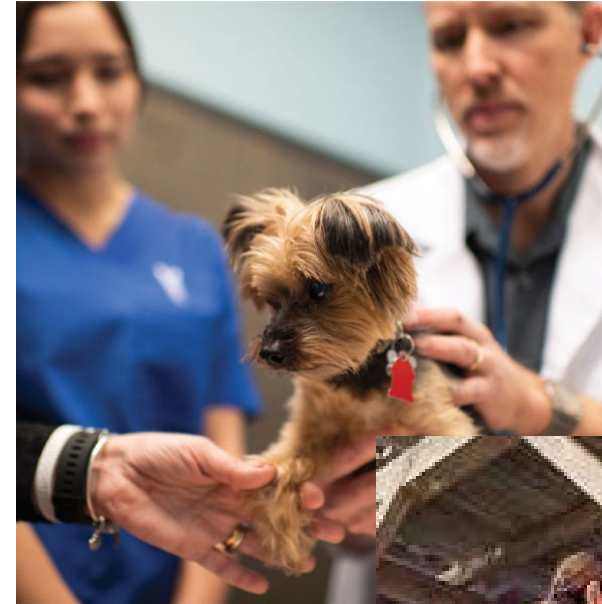


Assumptions

Future Veterinary Workforce Needs

Demand

- Five key drivers of demand
 - Income of buyers
 - Prices of goods and services
 - Tastes and preferences of consumers
 - Consumer expectations
 - Number of consumers
- Demand is nuanced—Macroeconomic factors and those specific to each practice type combine to create demand for veterinary services within each sector of the profession



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Macroeconomic disruptors

Large-scale, disruptive macroeconomic events can significantly, but temporarily, alter demand for veterinary services. Two recent global events are notable examples


Demand for veterinary services fell away and remained depressed for several years following the Great Recession.

Economic concerns push AVMA into action

Leadership conference inspires, informs members

By R. Scott Nolen, Malinda Larkin, and Susan C. Kahler

Published on February 15, 2012


 This article is more than 3 years old

Veterinary economics a priority in 2014

Leadership conference sets the stage for upcoming AVMA initiatives

By Malinda Larkin

Published on February 12, 2014

 This article is more than 3 years old

JAVMAnews


August 15, 2020

Pandemic takes global toll on profession

Veterinarians around the world strive to continue providing essential services

By Katie Burns

Published on July 22, 2020

 This article is more than 3 years old

Conversely, a combination of events during the pandemic significantly, but temporarily, increased demand for companion animal veterinary services.

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Macroeconomic indicators of demand

- Pandemic tailwinds falling away
- Continuing macroeconomic uncertainty
- Increasing value-seeking behavior on the part of consumers
- Expect a medium to longer term moderation of demand for companion animal veterinary services



Facing economic uncertainty, clients delay veterinary visits

Clients report increasing price sensitivity

By R. Scott Nolen
November 28, 2023



Economic headwinds could impact veterinary practices, says economic futurist

Growth opportunities exist in learning from clients and paying attention to investors

By R. Scott Nolen and Malinda Larkin
December 05, 2023
Updated December 8, 2023



AVMA VETERINARY BUSINESS
AND ECONOMIC FORUM

Keynote presenter Andrew Busch,
Economic futurist and author



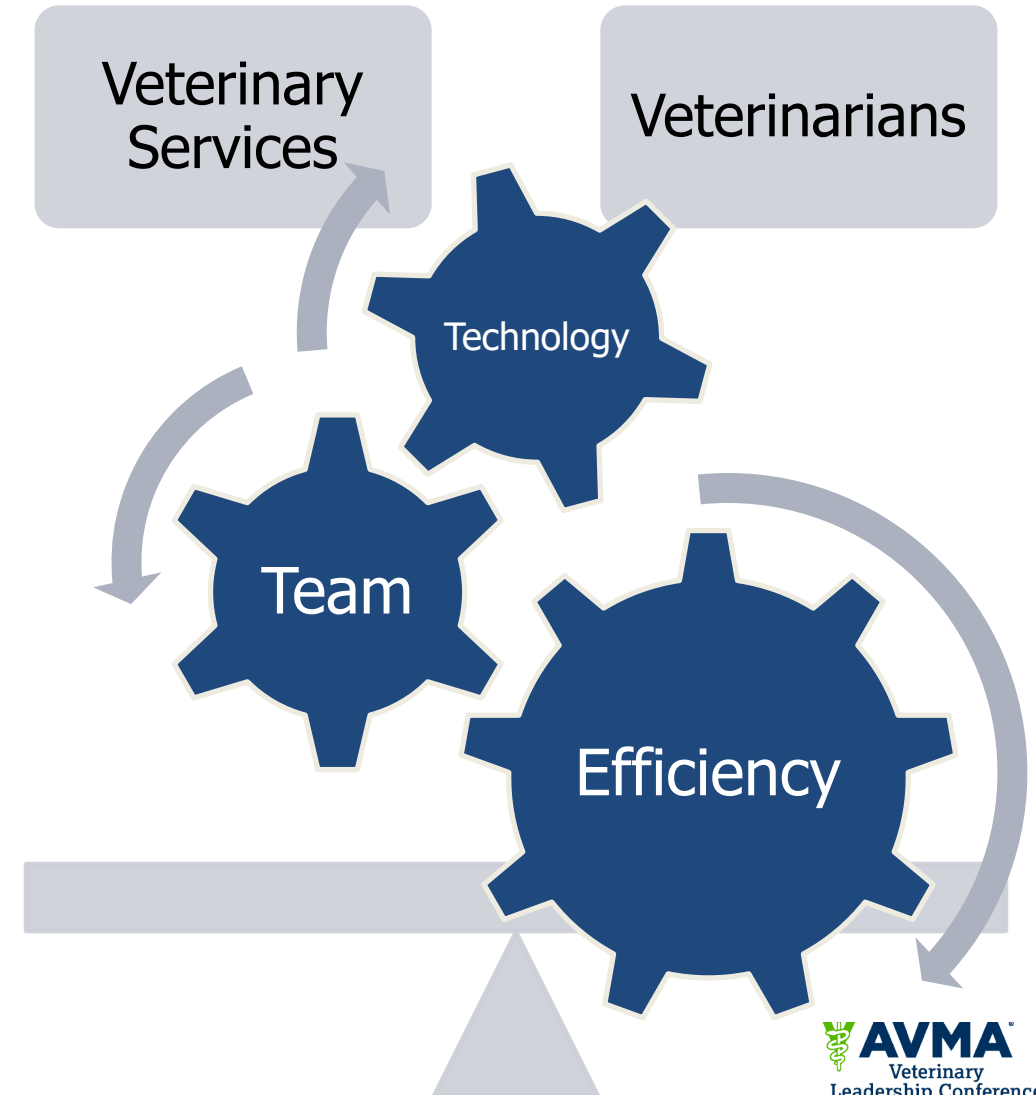
#AVMAEcon



Future Veterinary Workforce Needs

Demand for veterinary services \neq demand for veterinarians

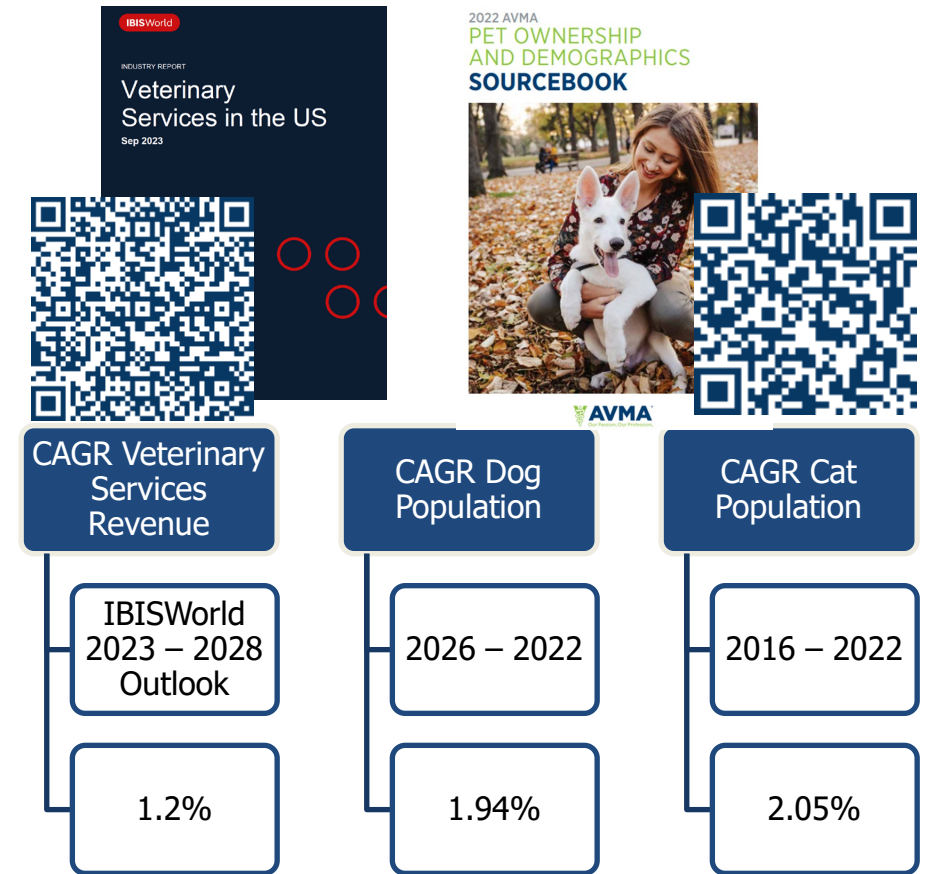
- Veterinary economists consider there to be four distinct, but interrelated veterinary markets.
- When considering future workforce needs, a key question is how demand for veterinary services translates into demand for veterinarians. This translation is impacted by:
 - Engagement of the veterinarian-led **team**
 - Operational system and process **efficiency**
 - How **technology** is utilized



Estimating Demand

Approach proxy variables with caution

- Advantage of a proxy variable—using a single variable as a proxy for demand dramatically simplifies math
- Disadvantages of a proxy variable
 - A blunt tool that misses the complexity involved in translating demand for veterinary services into demand for veterinarians
 - Highly variable outcomes, depending on
 - Proxy variable chosen
 - Appropriateness of the proxy variable for the practice sector
 - Compound annual growth rate (CAGR) selected
- For multiple reasons, including failure to consider the impacts of price and service type, using veterinary services revenue CAGR is a challenging choice
- Risk erroneously inflating future demand



Some analyses forecast a 3 – 4% veterinary services revenue growth rate to 2030, but this level of optimism isn't supported by other sources. Different growth rates can translate into differences in the thousands of FTEs.

Future Veterinary Workforce Needs

Supply of veterinarians

Pipeline

Graduates from US
Veterinary Colleges

US Citizen Graduates
from AVMA-COE
Accredited
International
Veterinary Colleges

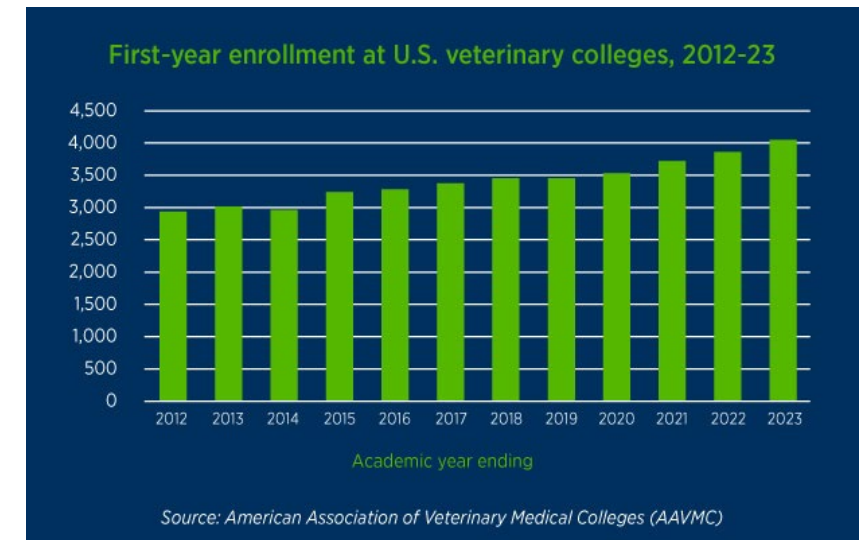
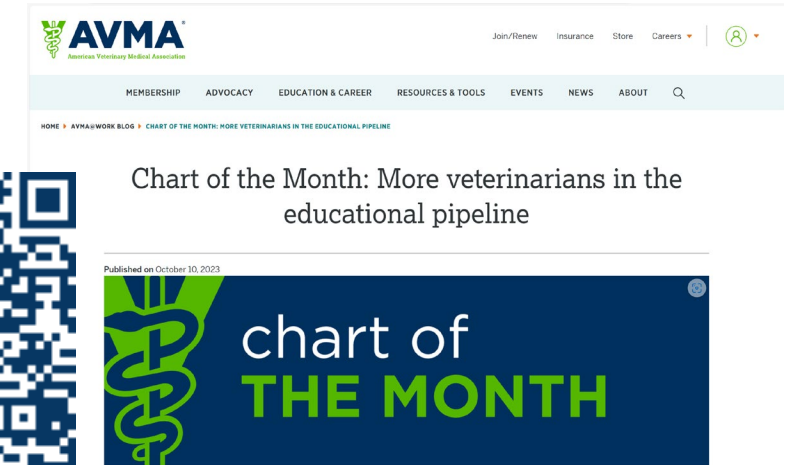
ECFVG and PAVE
Certificate Holders

Members
of the
Profession

Future Veterinary Workforce Needs

Growth in graduate numbers

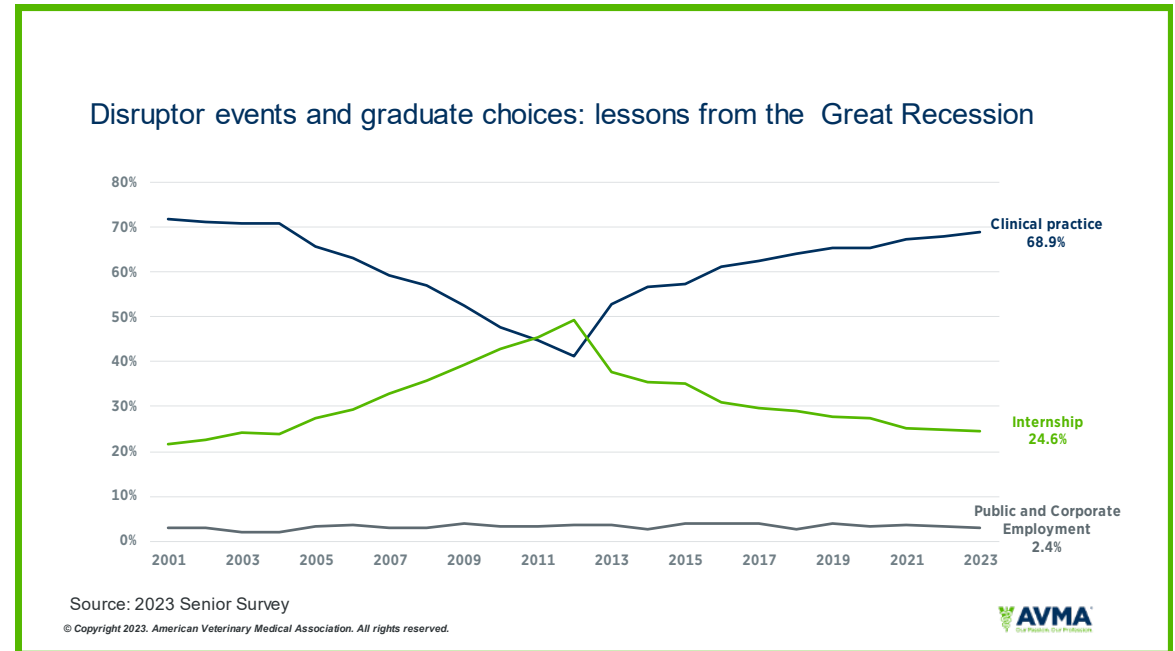
- + Projected growth in seats at existing colleges; in one US case almost doubling class size and in another adding an additional class
 - + 3 new colleges graduating veterinarians in 2023, 2024, and 2025
 - + ≥ 12 proposed veterinary colleges at various stages of development
- = **significant increase in the number of veterinarians entering the workforce into the 2030s**



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Practice type choices of new veterinarians

- Sectors with long-standing challenges include:
 - Emergency practice
 - Specialty practice
 - Shelter practice
 - Academia
 - Rural practice (food animal, equine)
 - Public health
- Recent history shows that excess capacity does not solve sector-specific challenges
- Addressing long-standing sector challenges requires tailored solutions that address identified recruitment and retention barriers

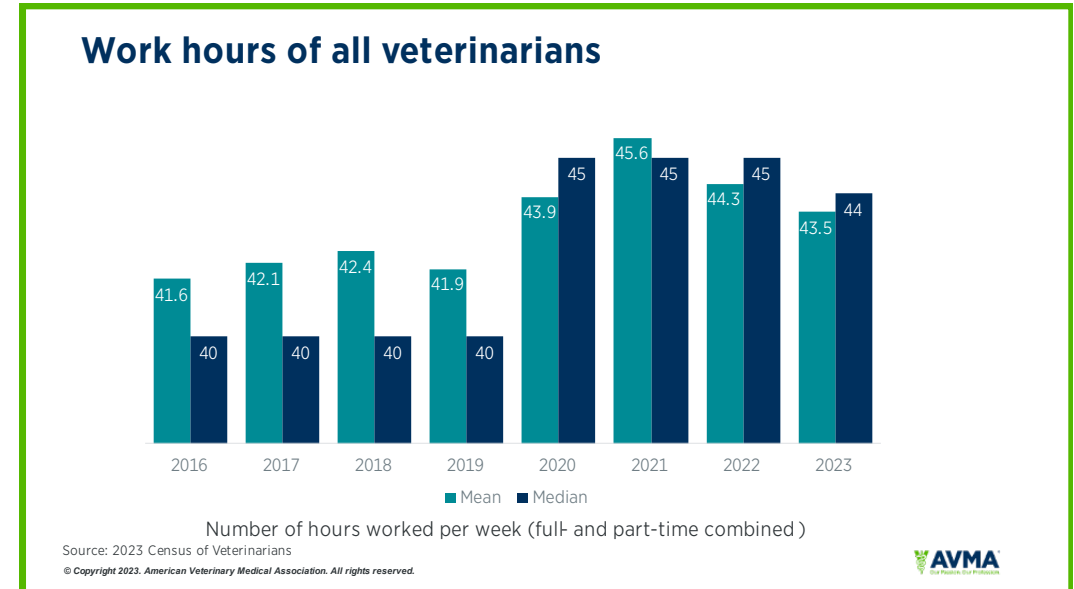


During the excess capacity era following the Great Recession, graduating veterinarians delayed entering the workforce, opting for advanced education.

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Behavior of veterinarians in the profession

- In addition to new veterinarians entering the profession, how labor is supplied by veterinarians already in the profession must be considered
- It is reasonable to ask how veterinarians' preferences for work and working hours may change in the future
- To date, data on hours worked from the AVMA Census of Veterinarians does not support change at a professional level, rather, **hours worked by all veterinarians (full-time and part-time combined) remain elevated compared to before the pandemic, and above 1.0 FTE per week**
- Analyses that assume a substantive change in working hours risk a substantive underestimate of future supply of veterinarians in the labor market



Although a proportion of veterinarians responded affirmatively to the question “***if you could, would you reduce your working hours?***,” data on actual hours worked at a national level tells a different story.

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Examining assumptions

- How is **demand** calculated?
 - How complex is the estimation of demand?
 - Are macroeconomic disruptors considered and how?
 - Are features unique to the sector of interest considered?
 - How is demand for veterinary services translated to demand for veterinarians?
 - Are proxies used? Are they appropriate? Is the proposed growth rate realistic?
- How is **supply** calculated?
 - Is the totality of supply considered?
 - How are practice type choices considered?
 - Is the behavior of those in the profession properly considered?
- What are the **assumptions** (they are a feature of every analysis)?
 - Are they disclosed?
 - How optimistic/realistic/pessimistic is the analysis?
 - Is past behavior used to predict the future or are intent datapoints or other assumptions used?
 - What time horizon is under consideration?

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Solutions to current challenges

- Given that our careful review of currently circulating workforce numbers doesn't support recently proposed service delivery and regulatory changes (i.e., a midlevel position and relaxing the VCPR), what can we do?
- Tangible actions can be taken today that will have immediate and long-term positive impacts on the veterinary workforce across the profession
 - Fully leveraging the veterinarian-led team
 - Focusing on improvements to workplace culture
 - Increasing staff retention to create operational continuity
 - Closing system and process efficiency gaps
 - Responsible adoption of technology





THANK YOU