**Income from Optometry**

### 2010 Census of Optometric Practice

The 2010 Census of Optometric Practice was conducted by the American Optometric Association (AOA) Research and Information Center in the fourth quarter of 2010 to gather key information about the practice of optometry. The Census collected information about private and corporate practice, and other employment situations in which optometrists practiced in 2009. Respondents answered questions using information from the previous year of operation, not 2010. The 2010 Census of Optometric Practice was sent to all professionally active AOA member optometrists who had a valid address on file with the AOA.

The 2010 Census of Optometric Practice focused on practice characteristics such as patient visits, hours worked by optometrists and paraoptometrics, and economic information. Results from the Census will be released in three reports: 1) Income from Optometry; 2) Employment of Paraoptometrics; and 3) Practicing Optometrists and their Patients. The 2010 Census of Optometric Practice is the first step in obtaining current practice and economic information on an annual basis for optometry in the United States. The 2011 Survey of Optometric Practice is currently underway and information obtained will be used in conjunction with the census data to report trends within the profession beginning in late 2011.

This report focuses on the analysis of net income and annual gross billings of owner optometrists in private or corporate practice as a primary occupation in 2009. Net income for employed optometrists is also reported where the number of responses was large enough to allow for reliable statistical analysis.

### Net Income from the Primary Practice

The average net income from the primary practice of optometry was $130,856 in 2009, according to a recent AOA census of member optometrists. Optometrists who own all or a portion of their practice reported an average net income of $142,414 while optometrists employed by others reported average earnings of $98,393. (See Figure 1) Optometrists who own or share ownership in their practice earned $35,000 more in private practice than in corporate practice while employee optometrists earned $30,000 more in corporate practice than in private practice.

![Figure 1: Net Income from the Primary Practice of Optometrists, 2009](image)
While the overall net income of optometrists in the United States averaged $130,856, incomes vary by what division of the country the optometrist is practicing in from $110K to $166K. Optometrists reporting the highest average income from primary practice were located in the East South Central division of the U.S. ($166,553) followed by those in the West South Central division ($149,881). Optometrists in the Mountain division reported the lowest average net income across the country ($110,157) followed by those in the South Atlantic states ($120,750). Figure 2 shows the states within each of the nine U.S. Census divisions and the average net income reported by optometrists practicing within that region. Incomes are also reported for owner and employed optometrists within the U.S. Census division where the number of responses was large enough to allow for reliable statistical analysis.

Net Income by Age

New practitioners (defined as optometrists who graduated from optometry school within the last ten years) reported earning $106,957 if they own, or share ownership in the practice and $88,139 if they are an employee. Figure 3 shows the average reported income for owner and employed optometrists by age. Not surprisingly, income continues to increase with age and as seen for owner optometrists, the maximum income occurs between the ages of 50 and 59 years. Although net income for employed optometrists 50 years of age and older are not shown because the number of respondents in these categories was too few to allow for reliable statistical analysis.
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**Net Income by Years in Practice**

According to survey results, optometrists who own all or a portion of their practice would appear to consistently be earning higher net income than their employed counterparts. Survey results indicate and Figure 4 illustrates that employed optometrists had higher net income on average than owner optometrists for the first six years after graduating optometry school. Between seven and 10 years after graduation, owner optometrists reported net income of $30,000 more than employed doctors, and their income continues to remain higher than that of employed optometrists through the following years.

**Gross Billings and Practice Expenses**

In 2009, optometrists billed an average of $842,269 for vision care services and collected 87.8% of these billings. Gross billings per owner optometrist averaged $615,653 and the average billings per optometrist in the practice were $459,494. Figure 5 shows total fees charged, gross billings per optometrists and gross billings per owner by practice type for 2009. Practice expenses averaged 60% of total gross billings for all practice types, practice expenses for private practices accounted for 61% of total gross billings and in corporate practices expenses averaged 48% of total gross billings in 2009.

Optometrists in the U.S. collected 88% of total fees billed for vision services in 2009. Doctors in private practices collected 87% of total billings on average and corporate practices collected 93% of total billings in 2009. Figure 6 displays the total gross billings collected and charged in 2009 by practice type.

**Sources of Gross Billings Received**

In 2009, direct patient payment accounted for 30% of total gross billings received by optometrists. As seen in Figure 7, government programs such as Medicare and Medicaid accounted for 20% of collected billings, VSP accounted for 18 percent, private medical insurance accounted for 16% and self-directed vision plans accounted for 13% of total gross billings received. Other sources of payment accounted for the remaining 3% of gross billings collected in 2009.
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While VSP accounted for an average of 18% of gross billings received nationally, optometrists practicing in the Pacific division of the U.S. reported 32% of total gross billings collected in 2009 were from VSP. The Pacific division not only accounted for the highest percentage of VSP payments, but optometrists located in these states reported the lowest percentage of payments from direct patient payment (24%) and government programs (15%). Direct patient payment was highest in the East North Central division, government programs paid a larger percentage of total billings in the East South Central division, and the largest payments by private medical insurance were in the New England division.

Figure 8 shows the percentage of billings collected by source of payment for each of the nine U.S. Census divisions.

Respondent Demographics

Nearly eight in 10 (77%) respondents were practicing in major metropolitan areas, 14% were practicing in micropolitan areas (population more than 10,000 but less than 50,000) and 9% were practicing in rural areas. About two-thirds (70%) of respondents were male and 30% were female. Geographically – 30% of respondents were located in the Midwest, 15% in the Northeast, 29% in the South and 26% in the West.

Three-fourths of their primary practice type was private practice, 8.6% were in corporate practices and 16.4% were in other practice types such as employed by ophthalmologists, hospitals or educational institutions. The majority of optometrists in private practice (84%) were owner optometrists and non-owner optometrists comprised the majority (51%) of responding corporate practice optometrists. Employment by ophthalmologists comprised 40% of respondents in other practice types. Optometrists who have been in practice for more than 30 years accounted for 27.6% of respondents, 27.2% of respondents have been in practice for 10 years or less, 24.4% have been in practice for 21 to 30 years and 20.8% have been in practice for 11 to 20 years.

About the Census

The full report, Income from Optometry, 2009 focuses on the analysis of net income and annual gross billings of owner optometrists in private or corporate practice as a primary occupation in 2009. Net income for employed optometrists is also reported where the number of responses was large enough to allow for reliable statistical analysis. Income, expenses and billings are presented in detail by practice type, hours worked, gender, solo or non-solo owners and various employment types. Detailed analysis of the Income from Optometry may be obtained by contacting the AOA Order Department or by visiting the web site at: www.aoa.org/store.

Several limitations of this study should be noted: (1) AOA member optometrists were invited to complete the paper survey which was distributed by the U.S. Postal Service. Incorrect addresses or delays in delivering the survey instrument may have excluded doctors from participating in, or receiving, the survey. (2) Member optometrists who chose to participate in this survey were self-selected, which may mean that the survey attracted responses from optometrists whose practices are doing exceptionally well. (3) Only AOA members were invited to participate in this survey and therefore results of this study may not be generalizable to the entire profession of optometry.

For questions about this survey, or other surveys conducted by the AOA, please contact the Research & Information Center at RIC@aoa.org.