

2025 DAG Annual Survey



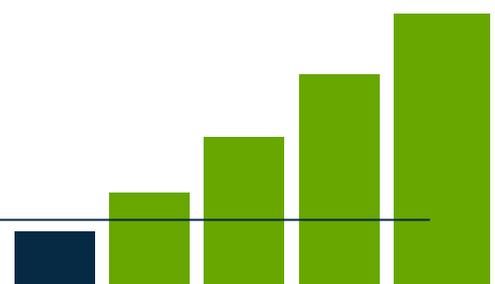
 Dental Accounting Group

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This document provides business, financial planning, and tax information to clients of our firm.

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About the Survey

The 2025 Dental Practice Financial Survey Results are based on Year End 2024 numbers.

The Dental Accounting Group conducts an annual in-depth financial survey of general & specialty dental practices in Washington State to benchmark norms and identify trends in our region. The Dental Accounting Group has been performing the annual practice survey for over 2 decades!

The survey is designed to help clients improve the financial success of their business by better understanding and managing their overhead costs, and helps us assist in devising creative means to actually grow profitability. This involves looking closely at their direct overhead costs, which includes:

- Staff Compensation
- Direct Operating Costs
- Facility Costs





About the Survey

2025



Developing Key Performance Indicators (KPI's) is the primary purpose of the survey. Armed with KPI's developed from similar sized practices in your practice area is an extremely valuable tool that allows us and you to quickly assess the financial strengths and weaknesses of your practice. Such analysis lends itself to formulating plans to achieve proper profitability given your practice configuration, style and goals.

Deviation or variance from your KPI's or "norms" helps to identify practice strengths and weaknesses, the latter representing targets for improvement. These same norms, applied and customized for your practice, can also become a powerful measurement tool.

By measuring what is important and establishing a system for monitoring, you will be able to focus on achieving your goals and focus attention on those areas needing improvement.

Terminology

MEAN

Another name for average. Not always the most reliable as the mean can be skewed by outlying data points.

MEDIAN

The point at which one-half of the data observations are above and one-half below (the “middle”). The median is often more reliable than the mean.

VARIABLE VS FIXED EXPENSE

Variable expenses such as clinical supplies, lab fees, business taxes, office expenses and bank charges tend to increase proportionately with production and collections. Accordingly, one analyzes variable expenses as a percentage of practice production or collections.

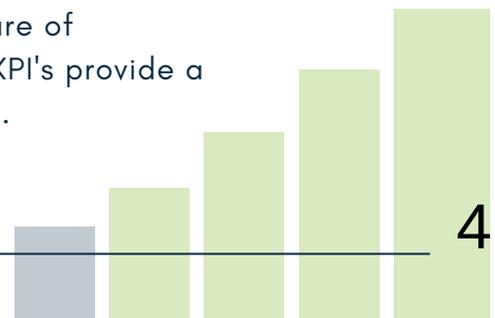
Fixed expenses do not change directly with increases or decreases in practice productivity. Rent would be a good example of a fixed expense.

Staff costs are generally “fixed” at a given range of productivity, but will ultimately increase or decrease at a certain level of growth or contraction.

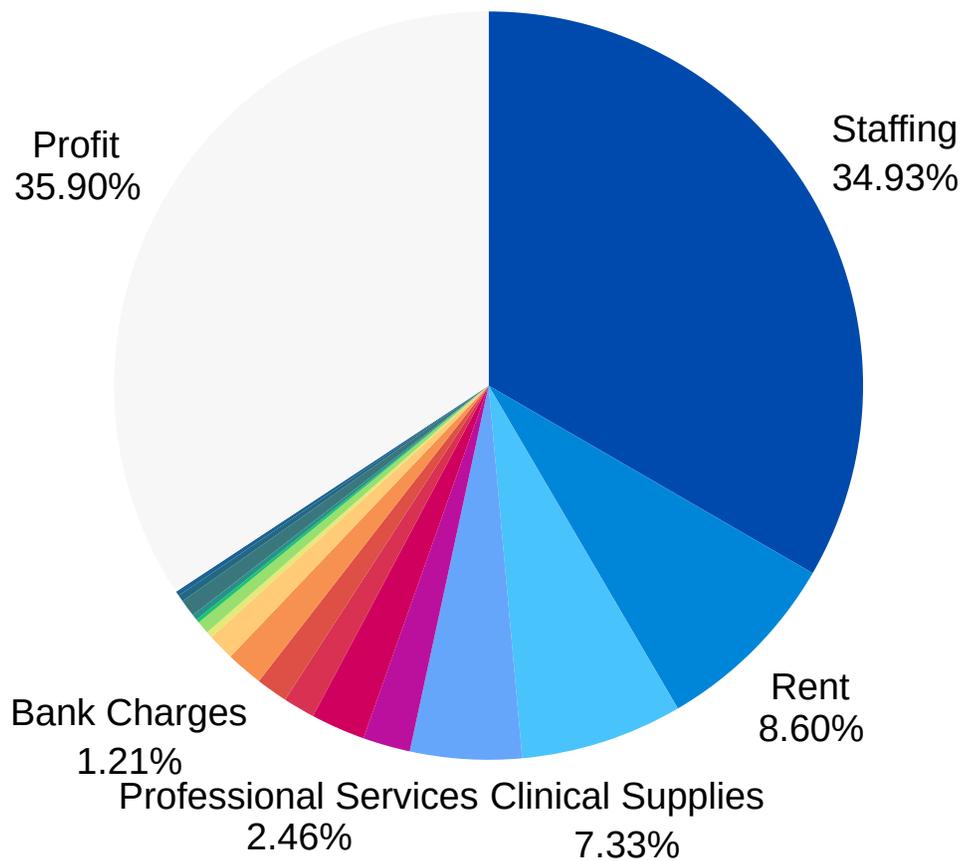
Expenses such as telephone and professional fees will tend to increase as a practice grows but not proportional to productivity. We think of these as semi-fixed costs.

KPI

Key Performance Indicator: a quantifiable measure of performance over time for a specific objective. KPI's provide a focus for strategic and operational improvement.



Overhead Benchmarking



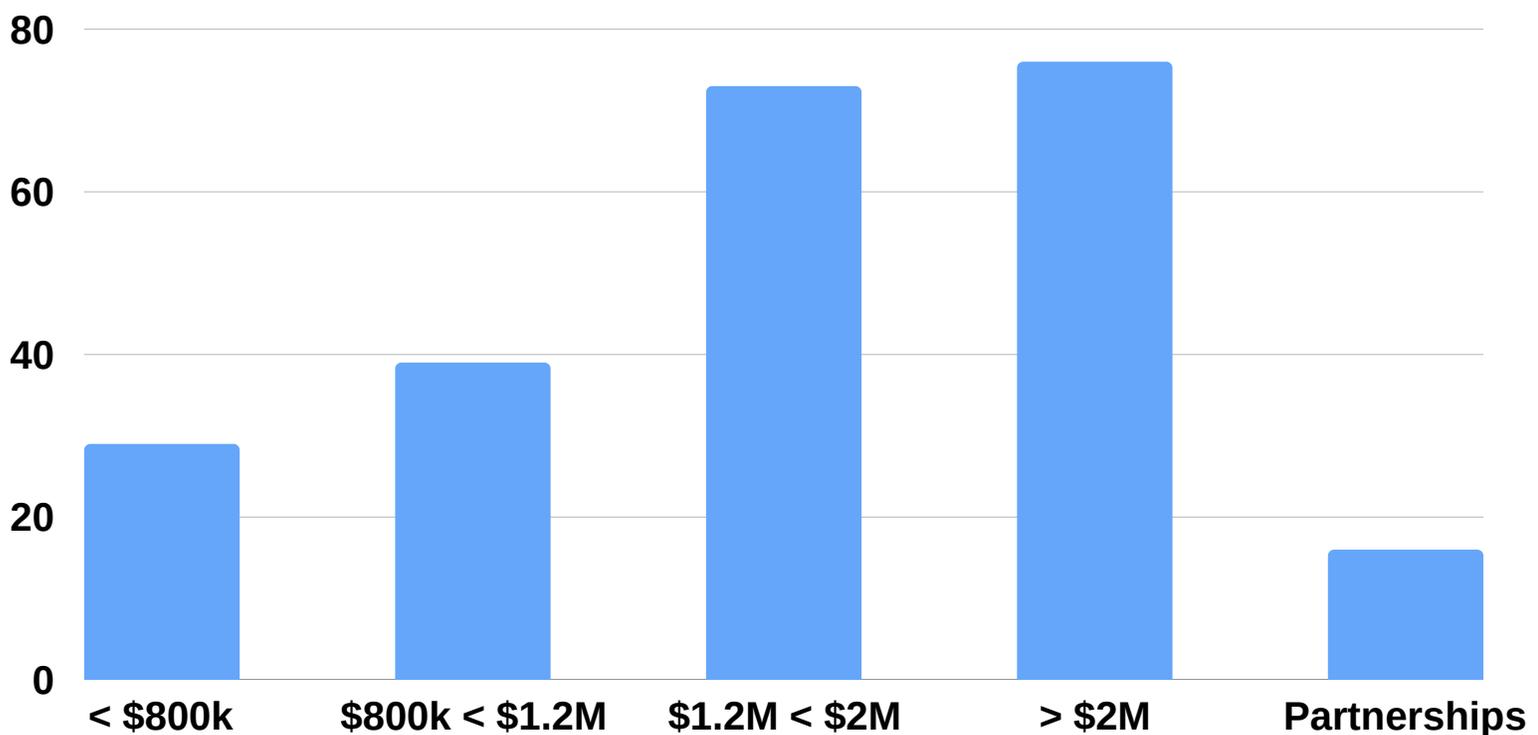
90/10 Rule:

Based on our experience with successful practices, focusing on increasing productivity and revenue (i.e. marketing to grow the patient base; implementing more efficient workflow procedures) is, in almost all cases, the best way to increase profitability.

We advise focusing 90% of your time and effort on increasing productivity and revenue, and 10% on cost control. Certainly, there are practices that are spending ineffectively and it is important to manage overhead, but to paraphrase Tom Peters, "you can't cut your way to greatness."

Results by Practice Size

The financial survey includes 224 dental practices excluding start-up and partial year outliers. Sourced from our bookkeeping and practice analysis client groups. Our results are broken down into revenue sub-groups.

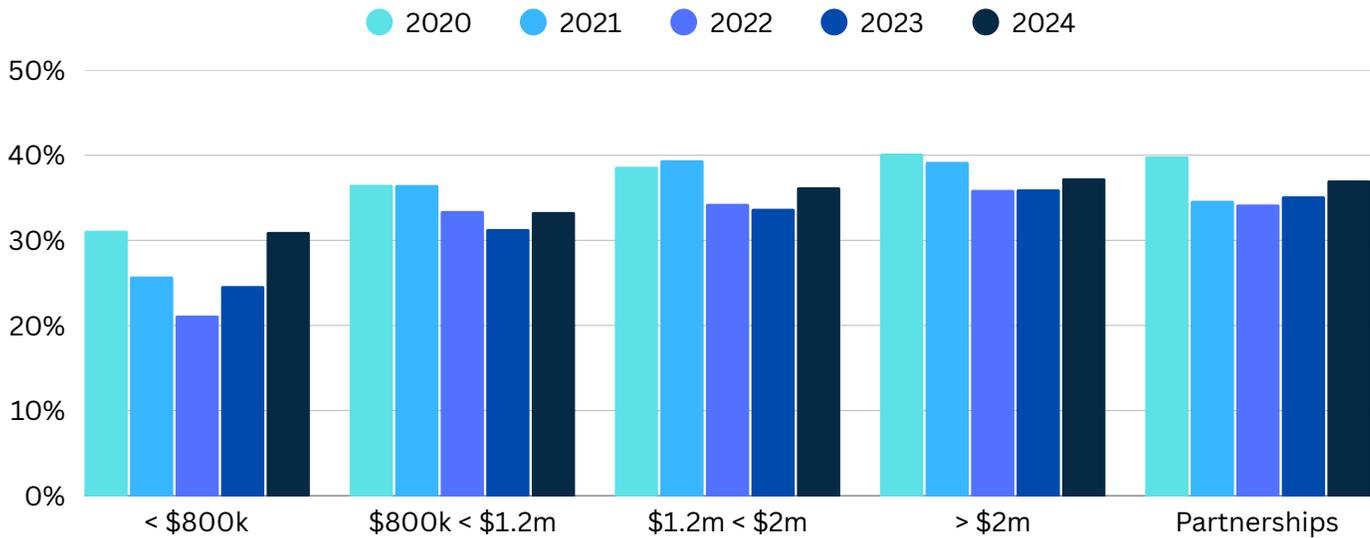


General Practice Overview

	< \$800k	\$800k < \$1.2m	\$1.2m < \$2m	> \$2m	Partnerships
Staff Costs %	31.56%	35.54%	34.56%	34.50%	35.97%
Clinical Expenses %					
Dental Supplies	5.41%	5.59%	6.30%	6.09%	6.34%
Implant Supplies	0.19%	0.04%	0.27%	0.54%	0.49%
Lab Fees	5.24%	4.41%	4.57%	4.25%	3.90%
Ortho Fees	0.07%	0.27%	0.69%	0.74%	0.78%
Sleep Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Total Clinical Expenses %	10.91%	10.31%	11.83%	11.62%	11.51%
Total Direct Operating %	14.94%	11.02%	10.75%	9.87%	9.06%
Facility Costs %	10.93%	9.53%	7.58%	6.14%	6.73%
Total Operating Overhead	69.01%	66.67%	63.76%	62.71%	62.96%
Note: Profit Margin & Operating Profit is Before Associate Compensation for Comparison Purposes					
Profit Margin: Current Year 2024	30.99%	33.33%	36.24%	37.29%	37.04%
Profit Margin: Prior Year 2023	24.63%	31.33%	33.71%	35.99%	35.99%
Operating Profit: Current Year 2024	\$203,840	\$335,452	\$589,337	\$1,041,927	\$1,135,662
Operating Profit: Prior Year 2023	\$158,959	\$308,330	\$535,664	\$975,908	\$1,042,843
Operating Profit Percentage Increase	28.23%	8.80%	10.02%	6.76%	8.90%

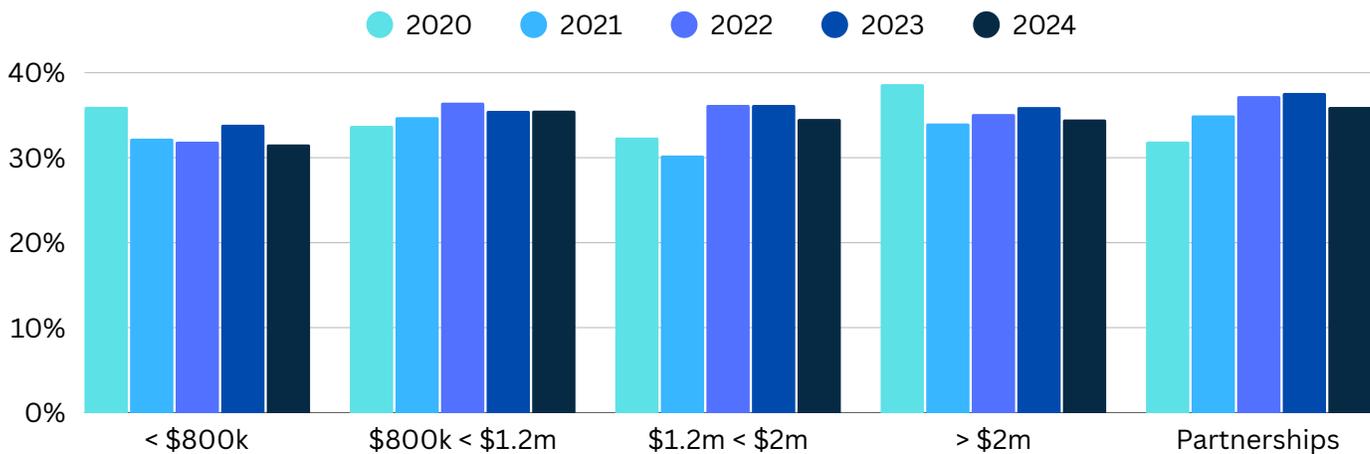
General Practice Trends

PROFIT MARGIN %



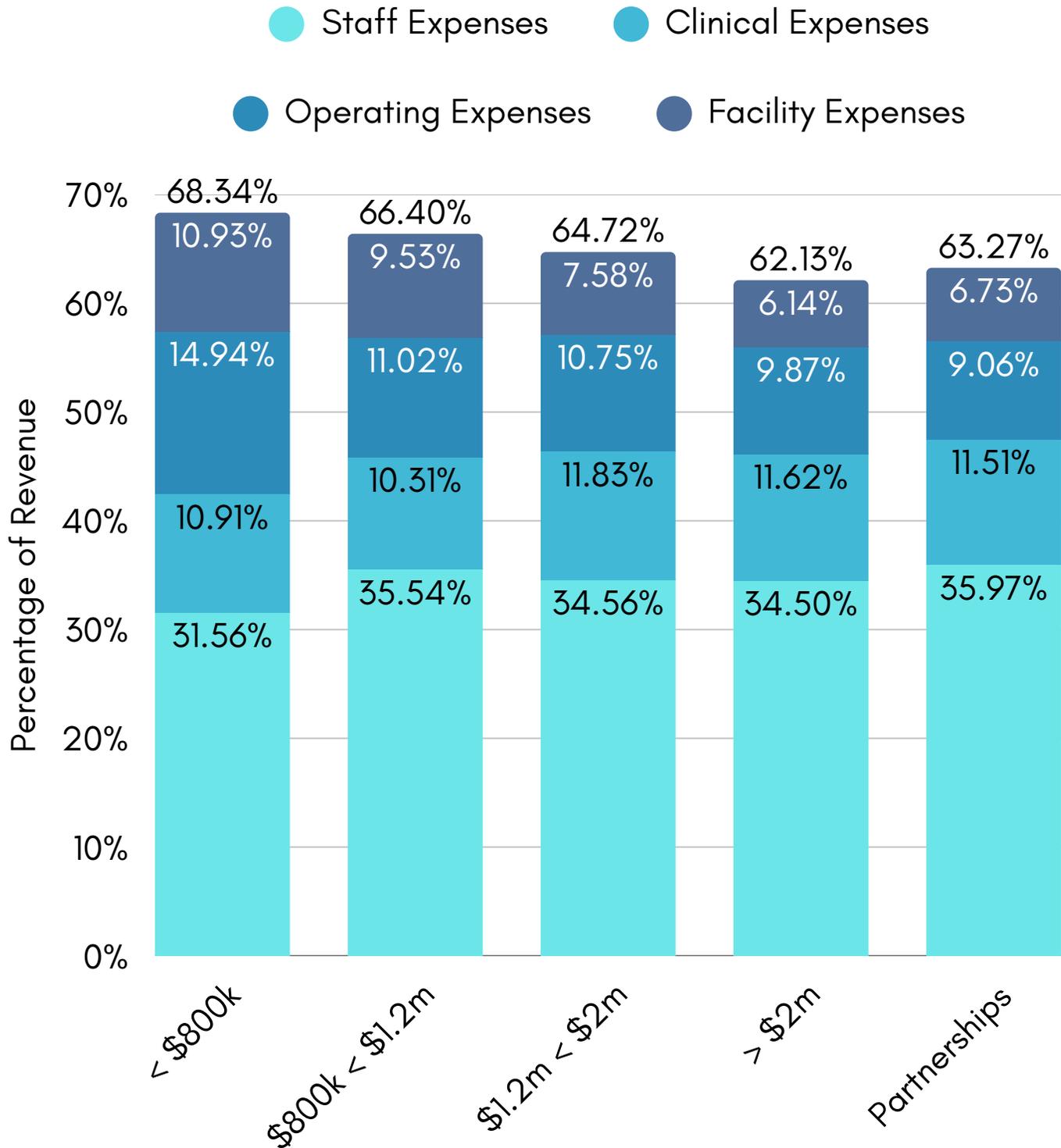
Profit Margins have stabilized and increased for the majority of practices in 2024 compared to 2023 & 2022.

STAFFING COST %



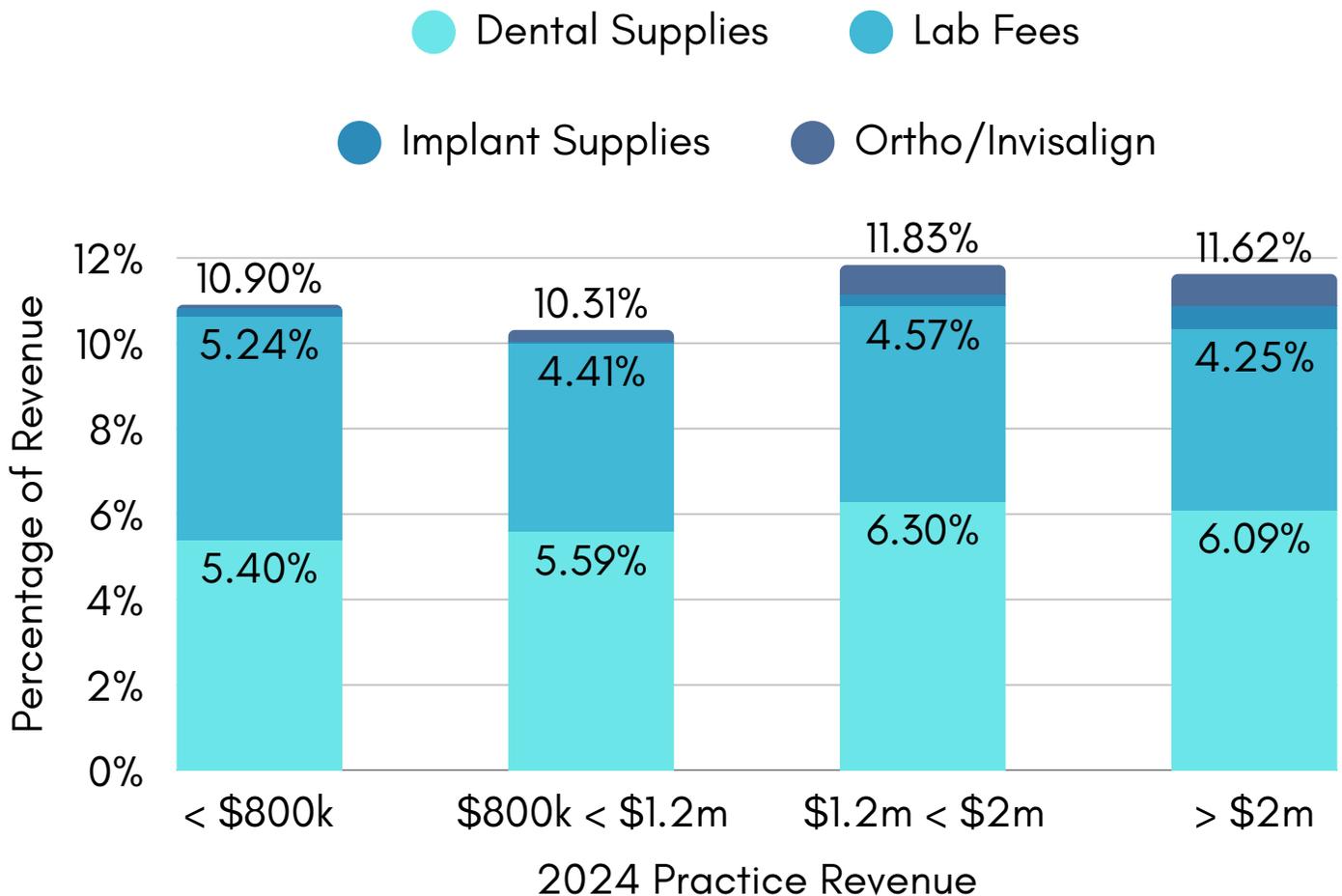
Staffing costs have stabilized, but continue to be above national averages.

Overhead Analysis



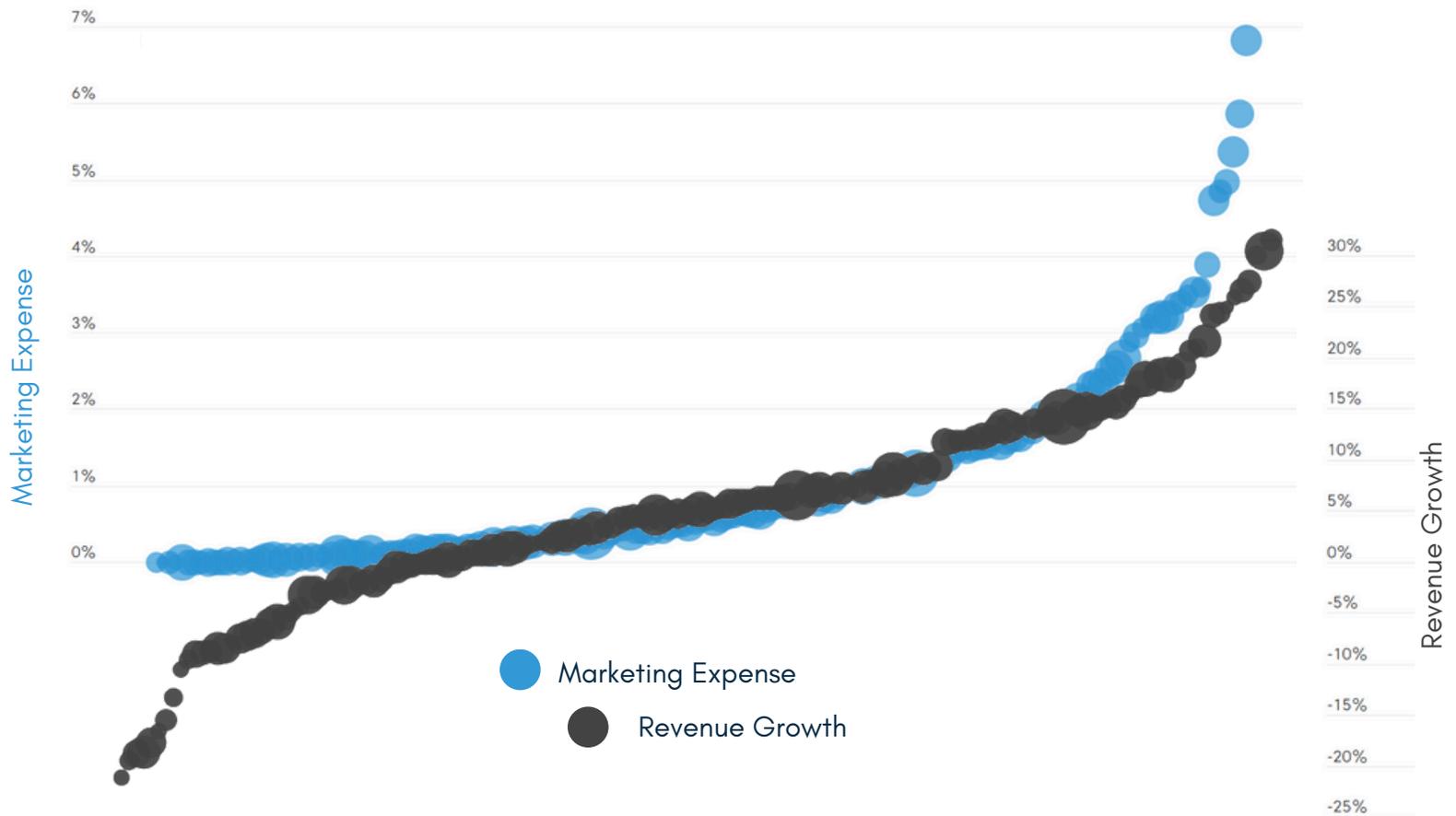
Clinical Supplies

Clinical Expenses %		< \$800k	\$800k < \$1.2m	\$1.2m < \$2m	> \$2m
	Dental Supplies	5.41%	5.59%	6.30%	6.09%
	Implant Supplies	0.19%	0.04%	0.27%	0.54%
	Lab Fees	5.24%	4.41%	4.57%	4.25%
	Ortho Fees	0.07%	0.27%	0.69%	0.74%
	Sleep Fees	0.00%	0.00%	0.00%	0.00%
Total Clinical Expenses %		10.91%	10.31%	11.83%	11.62%



Marketing Expense

Marketing Expense vs Year-Over-Year Revenue Growth

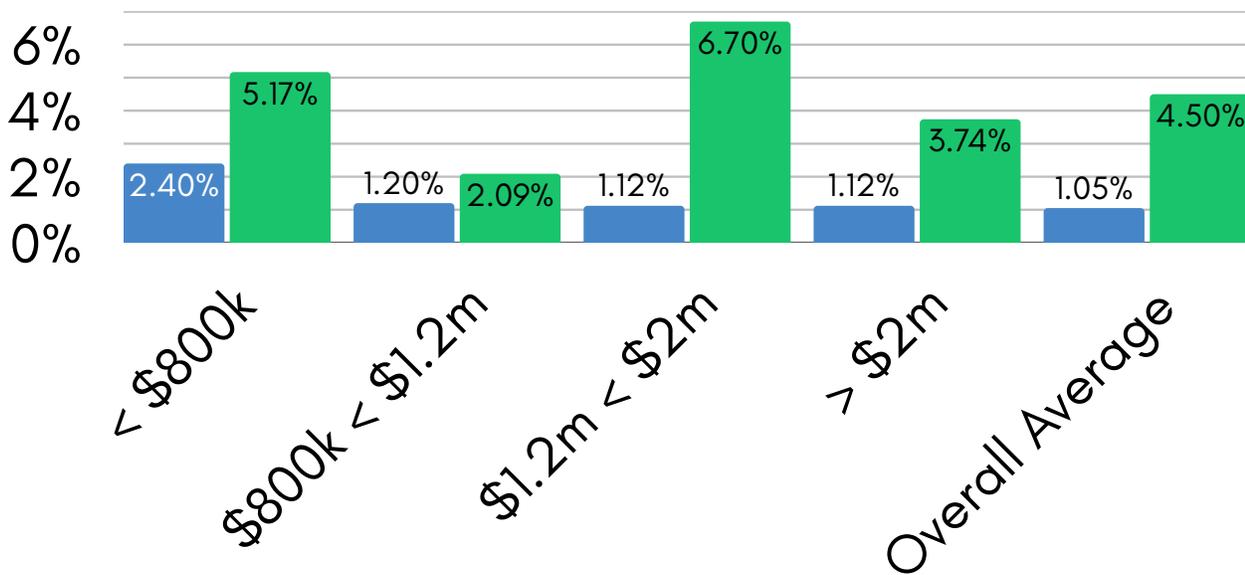


Those who reinvested into advertising & marketing saw higher revenue growth compared to those who did nothing.

Practice Revenue Growth

● Marketing Expense

● New Revenue Growth

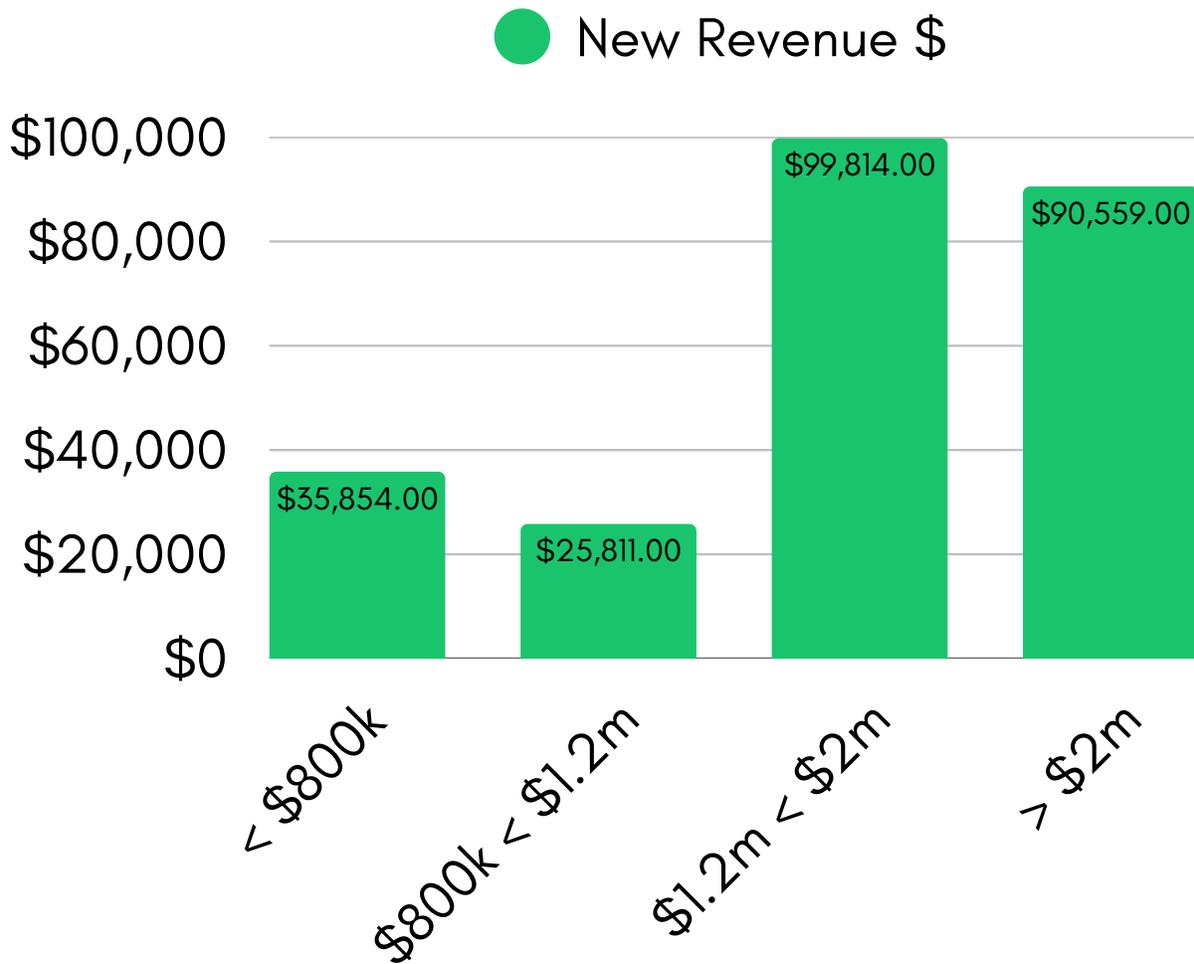


\$800

Average Patient Revenue Per Year

Keep in mind that natural patient attrition is 10-12 per month. You need to add at least this number to "breakeven." If you want to grow you should target at least 30 new patients per month.

Practice Revenue Growth



On Average practices added \$99,965 of revenue in 2024.

2024 Salary Survey



[Click Here to Access the 2024 Survey Dashboard!](https://claude.ai/public/artifacts/e6a3fb22-6ce0-4e28-b5df-97c02f1f5b38)

<https://claude.ai/public/artifacts/e6a3fb22-6ce0-4e28-b5df-97c02f1f5b38>

Washington Dental Practice Payroll Analytics

Analysis of 1,517 dental professionals across Washington State

Only extreme outliers removed (6 records total: 3 below \$10/hr, 1 office manager at \$16.35/hr, 2 dental assistants at \$60/hr and \$45/hr)

Total Employees

1,517



WA vs National

+46.3%



Hygienist Range

\$40-90/hr



Avg Hours/Year

1,766



<https://claude.ai/public/artifacts/e6a3fb22-6ce0-4e28-b5df-97c02f1f5b38>

Hourly Rate Statistics by Position

Front Office Admin

Average:	\$27.75/hr	Median:	\$28.00/hr
Mode:	\$30.00/hr	Range:	\$11.54 - \$45.00
10th-90th %ile:	\$19.50 - \$36.00	Avg Hours/Year:	1,872

Office Manager

Average:	\$38.84/hr	Median:	\$39.00/hr
Mode:	\$40.00/hr	Range:	\$26.00 - \$70.00
10th-90th %ile:	\$28.00 - \$50.00	Avg Hours/Year:	1,945

Dental Hygienist

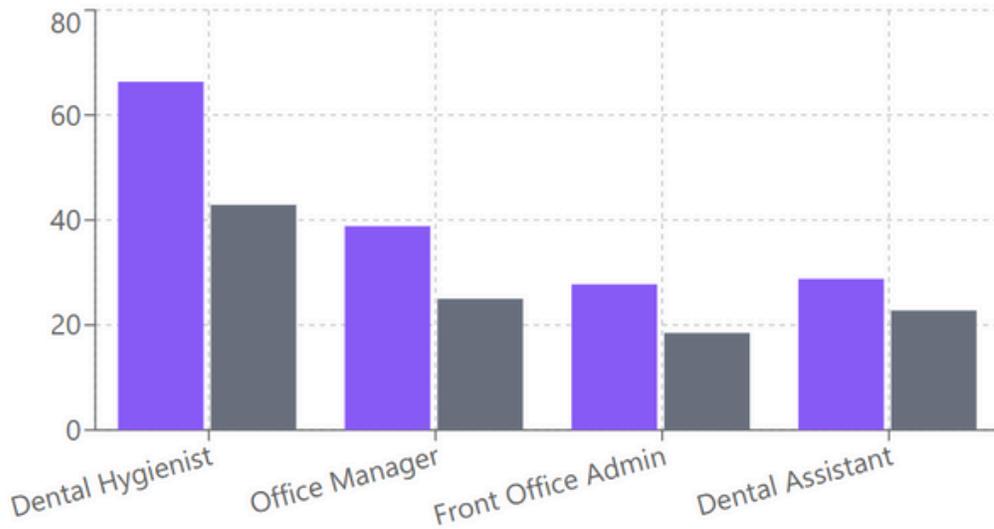
Average:	\$66.34/hr	Median:	\$67.00/hr
Mode:	\$70.00/hr	Range:	\$40.00 - \$90.00
10th-90th %ile:	\$55.00 - \$75.00	Avg Hours/Year:	1,456

Dental Assistant

Average:	\$28.78/hr	Median:	\$28.50/hr
Mode:	\$30.00/hr	Range:	\$16.00 - \$42.00
10th-90th %ile:	\$22.00 - \$36.00	Avg Hours/Year:	1,789

<https://claude.ai/public/artifacts/e6a3fb22-6ce0-4e28-b5df-97c02f1f5b38>

Washington vs National Wage Comparison



Dental Hygienist

+54.6%

Average: \$66.34 vs \$42.89

Median: \$67.00 (+56.2%)

+\$23.45/hour difference

Office Manager

+55.4%

Average: \$38.84 vs \$25.00

Median: \$39.00 (+56.0%)

+\$13.84/hour difference

Front Office Admin

+50.0%

Average: \$27.75 vs \$18.50

Median: \$28.00 (+51.4%)

+\$9.25/hour difference

Dental Assistant

+26.4%

Average: \$28.78 vs \$22.77

Median: \$28.50 (+25.2%)

+\$6.01/hour difference

Hygienist County Rankings

1. King (2.2% growth)

2. Snohomish (1.7% growth)

3. Pierce (1.0% growth)

4. Whatcom (1.0% growth)

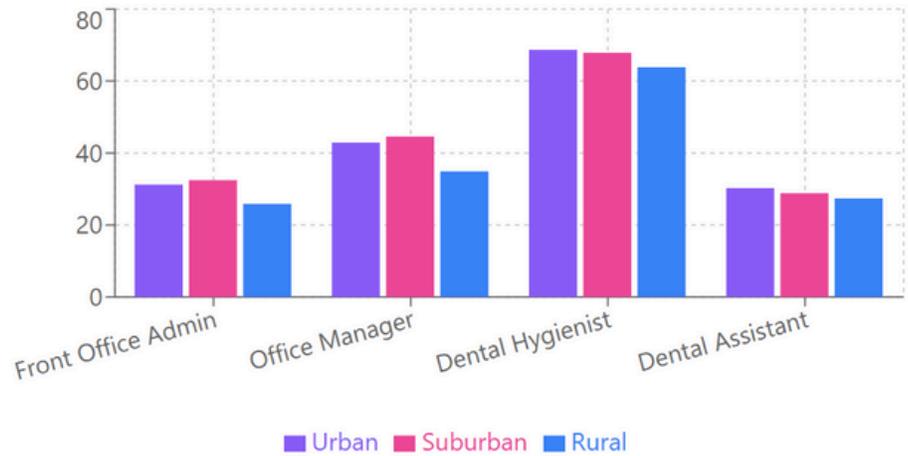
5. Kitsap (0.8% growth)

6. Grays Harbor (0.5% growth)

7. Spokane (1.4% growth)

8. Clark (1.7% growth)

Average Hourly Rates by Location Type



County Wage Variation & Population Growth

Hygienist Wages by County

King County hygienists earn \$70.06/hr average, 38% higher than Clark County's \$50.83/hr. This intra-state variation reflects local economic conditions.

- Western WA: \$61-70/hr range
- Eastern WA: \$51/hr average
- Coastal counties: \$60-61/hr

Population Growth Impact

Washington's population reached 8.04 million in 2024, with projections of 8.74 million by 2033.

- King County: +43,398 residents (2.2%)
- Clark County: +7,892 residents (1.7%)
- Snohomish: +13,816 residents (1.7%)

Market Dynamics & Outlook

Washington Market Reality

- 38% wage gap between highest/lowest counties
- Western WA commands 20-30% premium over Eastern
- Population growth driving demand in key counties
- Tech corridor effect strongest in King/Snohomish

National Context

- WA consistently 25-57% above national averages
- COVID workforce losses impacting nationwide
- Insurance reimbursements stagnant for decade
- Structural factors maintain WA premium

Forecast: With 8.74M projected population by 2033 and continued workforce shortages, expect sustained wage pressure, particularly in high-growth counties like King, Clark, and Snohomish.

COVID-19 Workforce Impact (National)

Nationally, the pandemic significantly reduced the dental workforce: 7.9% of hygienists left employment in 2020, with only half returning by 2021. An estimated 3,300 hygienists permanently left the profession nationwide. This workforce shortage drives wage competition as practices compete for limited talent.

<https://claude.ai/public/artifacts/e6a3fb22-6ce0-4e28-b5df-97c02f1f5b38>

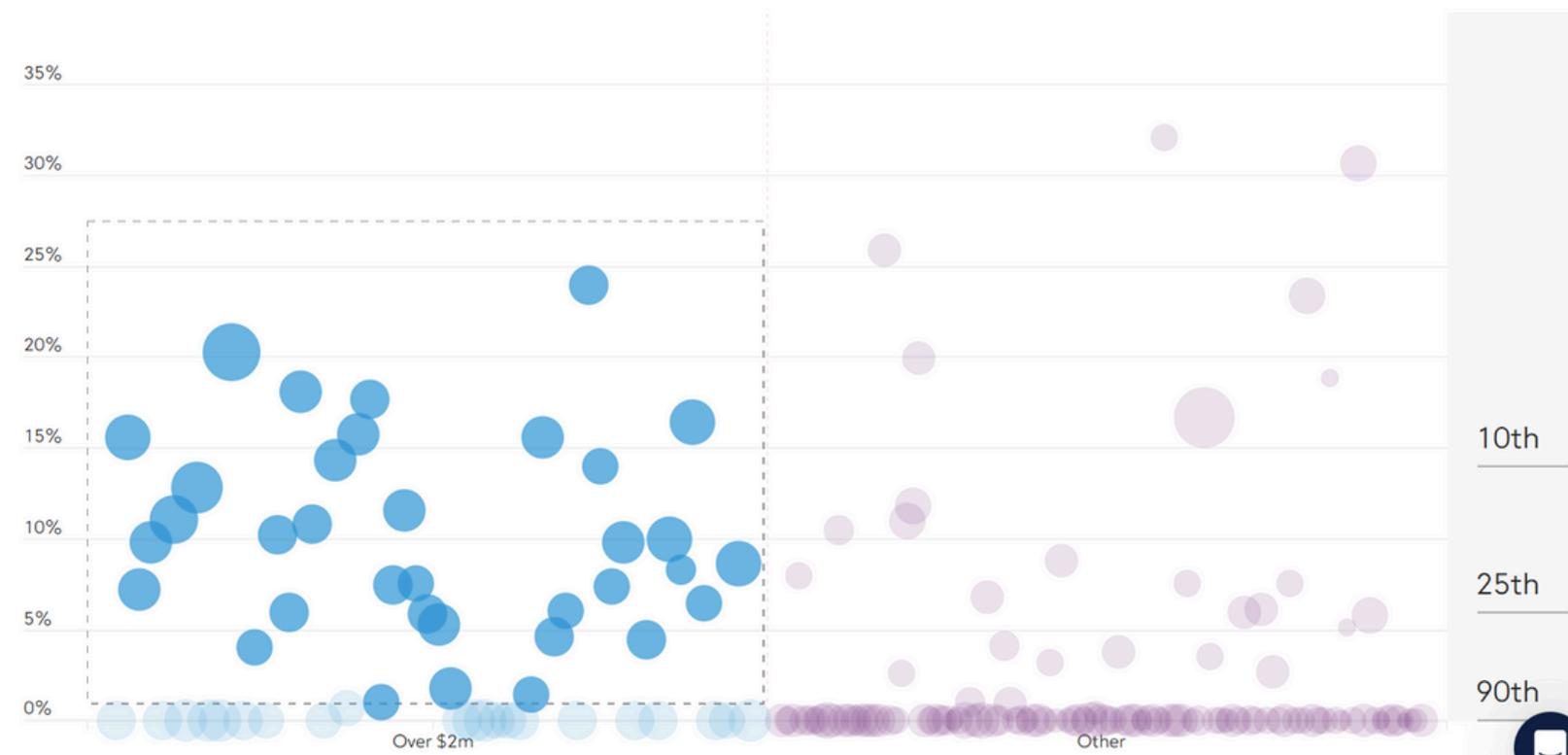
Associate Expense

Practices with over \$2m in revenue spent on average 10% of revenue on associate doctor wages

Compare

For the Year of 2024

Showing Associate Expenses highlighting Companies sorted by Over \$2m AVERAGE 10.05% ZOOM



Specialty Practices

Specialty	Endodontics	Pediatric	Orthodontic	Oral Surgery	Periodontic	Prosthodontic
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Staff Costs %	21.44%	29.87%	25.23%	22.11%	28.65%	29.44%
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Clinical Expenses %

Dental Supplies	7.85%	5.34%	0.93%	6.74%	4.69%	3.90%
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Implant Supplies	0.00%	0.00%	0.00%	3.23%	6.14%	0.00%
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Lab Fees	0.00%	0.55%	0.00%	0.15%	1.92%	8.73%
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Ortho Clinical Supplies & Fees	0.00%	0.00%	16.27%	0.00%	0.00%	0.00%
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Sleep Fees	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Total Clinical Expenses %	7.85%	5.89%	17.20%	10.12%	12.75%	12.63%
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Total Direct Operating %	9.87%	10.67%	14.84%	13.39%	10.49%	12.69%
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Facility Costs %	6.57%	9.76%	7.60%	7.53%	5.02%	8.42%
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Total Operating Overhead	49.32%	56.24%	65.74%	53.17%	56.92%	64.31%
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Profit Margin: Current Year 2024	50.68%	43.76%	34.26%	46.83%	43.08%	35.69%
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Profit Margin: Prior Year 2023	53.33%	42.78%	35.26%	45.40%	40.84%	37.15%
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Average Operating Profit: Current Year 2024	1,154,138	\$637,572	\$1,019,394	\$1,300,879	\$1,270,952	\$674,425
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Average Operating Profit: Prior Year 2023	1,051,087	\$558,191	\$937,694	\$1,313,012	\$638,224	\$673,832
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Specialty Practices

- **Endodontic Practices:** While the profit margins continue to be the highest of all specialties, even Endodontists are feeling the pain of increased wages and costs with profit margins dropping from 64.51% in 2020 to 57.72% in 2021 to 57.63% in 2022 to 53.33% in 2023 and ending 2024 with a 50.68% profit margin.
- **Pediatric Practices:** We are seeing a rebound in profits for pediatric practices. Profit margins have ended each year as follows: 32.70% in 2020; 50.50% in 2021; 35.22% in 2022; 42.78% in 2023 and are now 43.76% in 2024.
- **Orthodontic Practices:** Experiencing pressure both due to increased staffing costs but also the cost of supplies and Invisalign Fees, Profit Margins are down sharply from three years ago – 2020 of 59.99%, 2021 of 43.53%; 2022 of 38.05%; 2023 of 35.26% and 2024 with 34.26%.
- **Oral Surgery Practices:** Profit margins have rebound slightly for Oral Surgery practices in 2024. Profit margins are averaging 47.61% over the past five years with 2020 of 48.63%, 2021 of 47.95%; 2022 of 48.83%; 2023 of 45.83% and 2024 of 46.83%.
- **Periodontic Practices:** Coming in with profit margins mid-range of all the specialty practices at 43.08%, Periodontic Practices saw an increase in profits in 2024 compared to 40.84% in 2023.
- **Prosthodontic Practices:** Coming in with profit margins now closer to a general dental practice at 35.69%. Profit margins slightly decreased year-over-year for Prosthodontic practices due to increased overhead. Staffing for hygienists and office managers remains a challenge in urban markets.



Who We Are



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We exist to serve our clients - Our Mission is to help improve the financial success of private practice dentistry - By helping the next generation of dentists learn how to run a successful dental practice.



Dental Accounting Group

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PUGET SOUND BUSINESS JOURNAL



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