

Economic Outlook and Emerging Issues in Dentistry

*Insights from Data from Q4 2024
Plus: A Look Ahead into 2025*

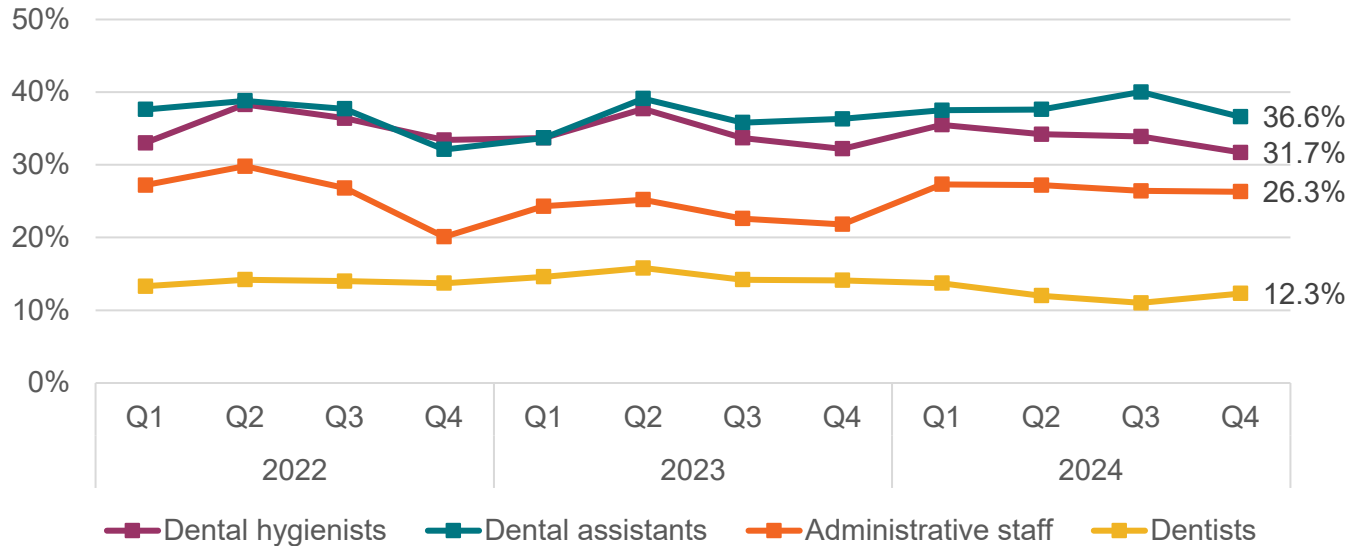
Emerging Issues Polling

- Distributed to nearly 2,500 panel members; 901 dentists in private practice participated in Q4 2024.
- Data was collected December 9 – 15, 2024.
- Core measures: economic confidence, patient wait times, busyness levels, recruitment needs and challenges, recent practice decisions.
- Question of the quarter: top challenges for 2025.
- Complete reports with breakdowns available at [ADA.org/HPI](https://ada.org/HPI).

Looking back at 2024...

Dental Team Recruitment

Currently, or at any time during the last 3 months, have you recruited any of the following positions?* (Percentages indicating “Yes.”)

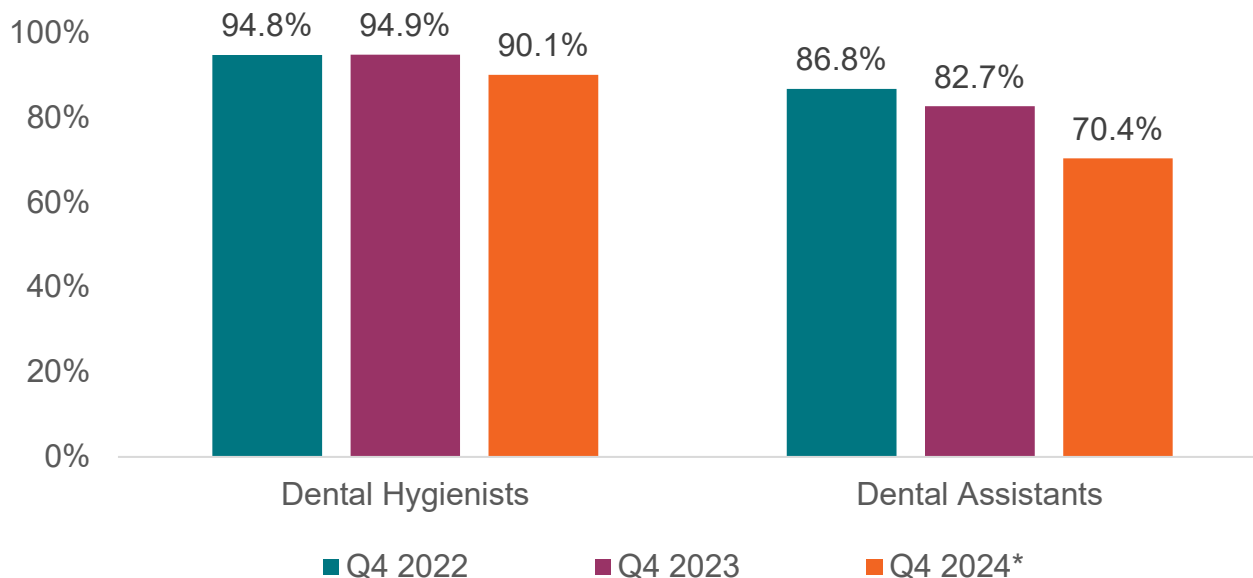


Recruitment needs remained steady throughout 2024; more than one-third of dentists recruited a DA in the prior 3 months, and a slightly smaller proportion recruited a DH.

*See last slide for details about how the wording of this question changed starting Q1 2024.

Challenges Recruiting

How challenging has it been to recruit the position(s) below? (Among dentists recruiting in past 3 months; percentage indicating “Extremely Challenging” and “Very Challenging”)

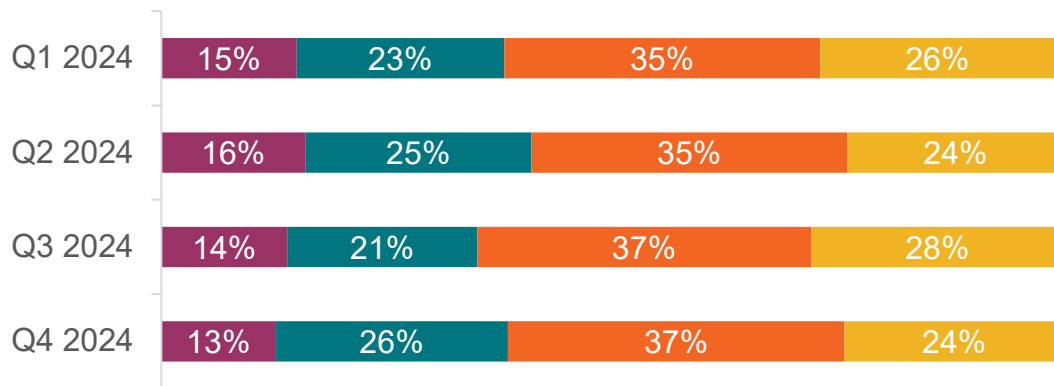


Among dentists who were recruiting at the time of the survey or in the prior 3 months, perceived difficulty in recruiting has slightly decreased in Q4 2024 when compared to the previous two years; more so for dental assistants than dental hygienists.

*See last slide for details about how the wording of this question changed starting Q1 2024.

Busyness

Which of the following best describe your general busyness level over the last 3 months?

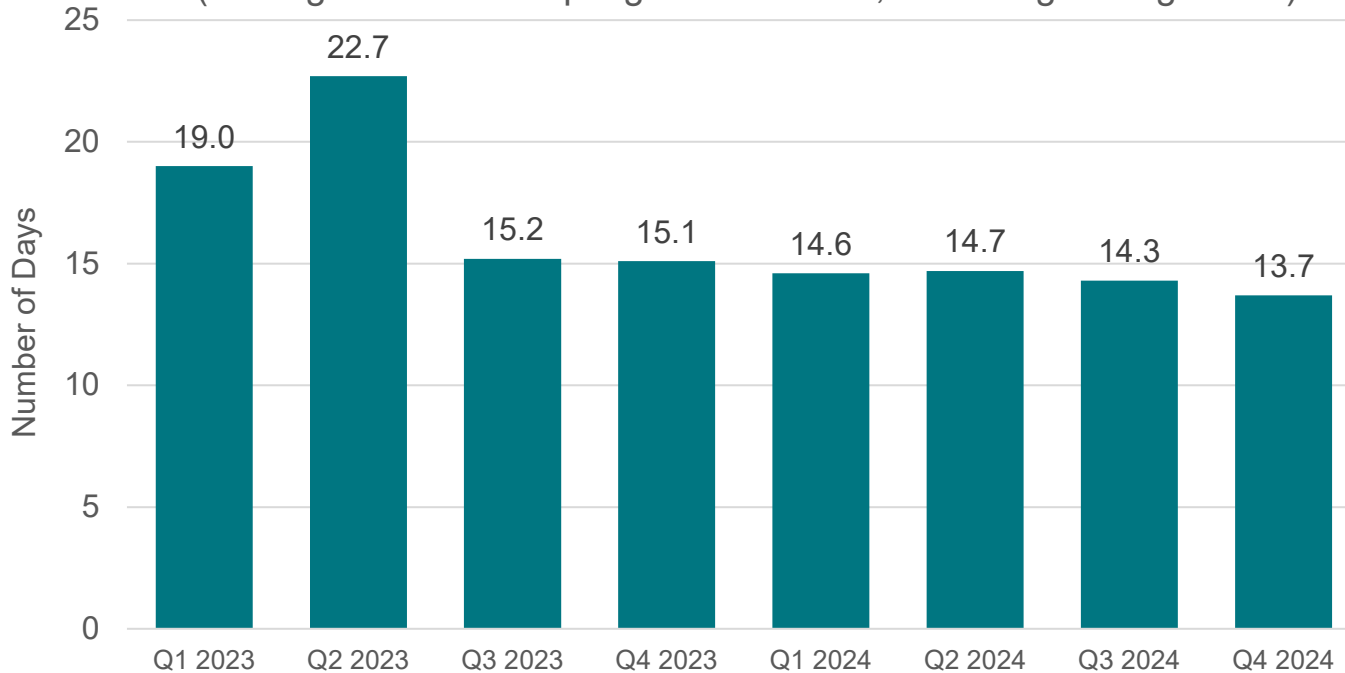


In Q4 2024, a slightly larger proportion of dentists reported treating all patients requesting care but being overworked and fewer indicated they were not busy enough compared to the previous quarter.

- Too busy to treat all patients requesting care
- Treated all patients requesting care but overworked
- Treated all patients requesting care, not overworked
- Not busy enough, could have treated more patients

Average Wait Times

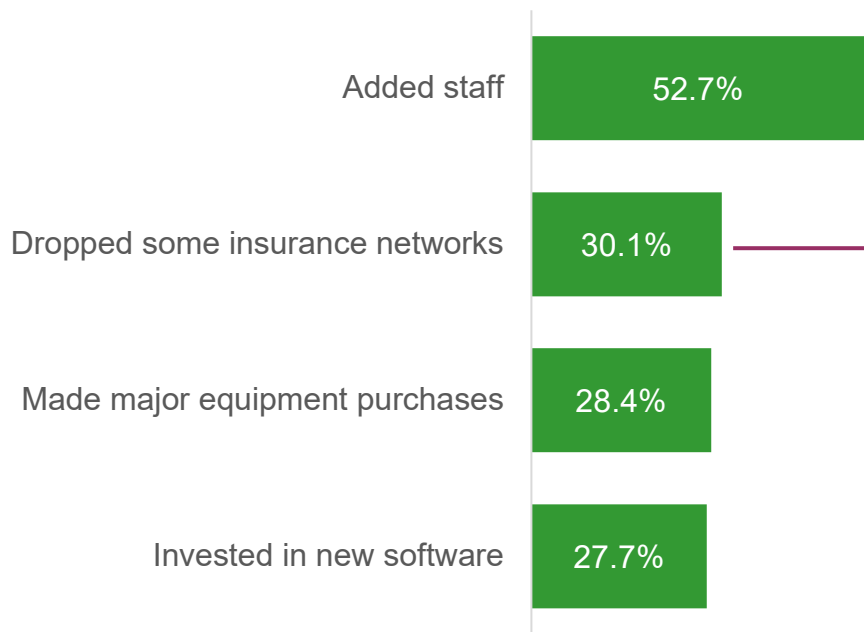
Average New Patient Wait for an Initial Appointment
(Among Dentists Accepting New Patients, Excluding Emergencies)



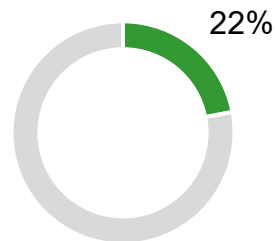
As of Q4 2024, the average wait time for new patients for an initial appointment is just under 14 business days, a slight decrease from previous quarters.

Recent Practice Decisions

[Owner dentists] Since the beginning of 2024, have you done any of the following in your practice? (Percent 'Yes')

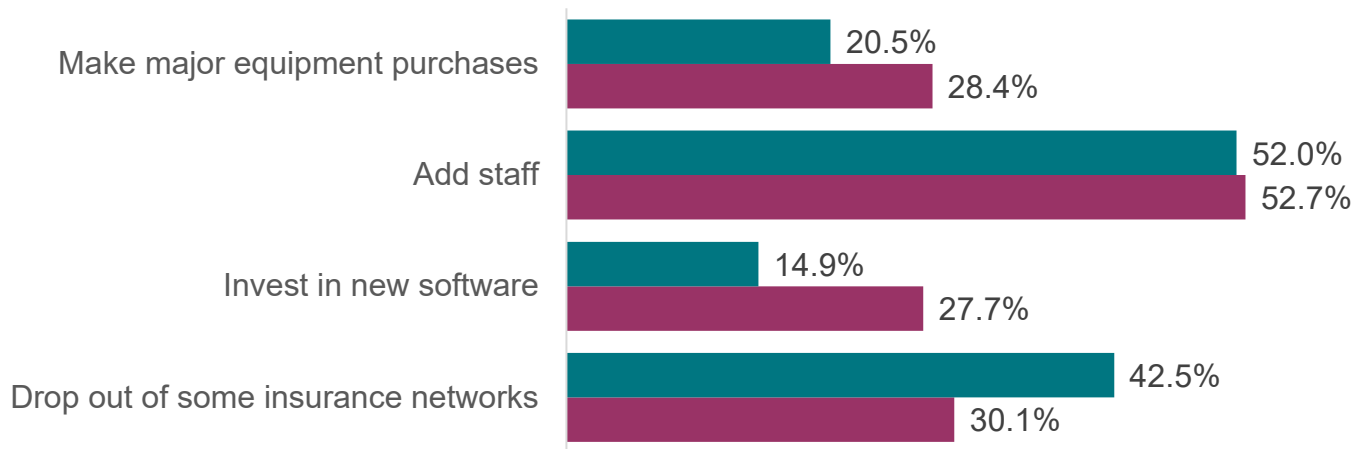


Approximately what percentage of the patient base were in the insurance networks your practice dropped out of since the beginning of 2024? (Out of 30.1% who dropped some insurance networks)



More than half of responding dentists reported that they have added staff to their dental practices since the beginning of 2024. About 3 in 10 dentists reported dropping some insurance networks, making major equipment purchases, and investing in new software.

Plans for 2024 vs. Actions in 2024



As of Q4 2024, dentists who planned to add staff in 2024 actually did. More dentists purchased equipment and new software in 2024 than anticipated while fewer than planned dropped insurance networks.

■ Plans for 2024 (As of Dec 2023)

[Owner dentists] Looking ahead to 2024, how likely are you to do each of the following for your dental practice? (Percent 'Yes')

■ Actions in 2024

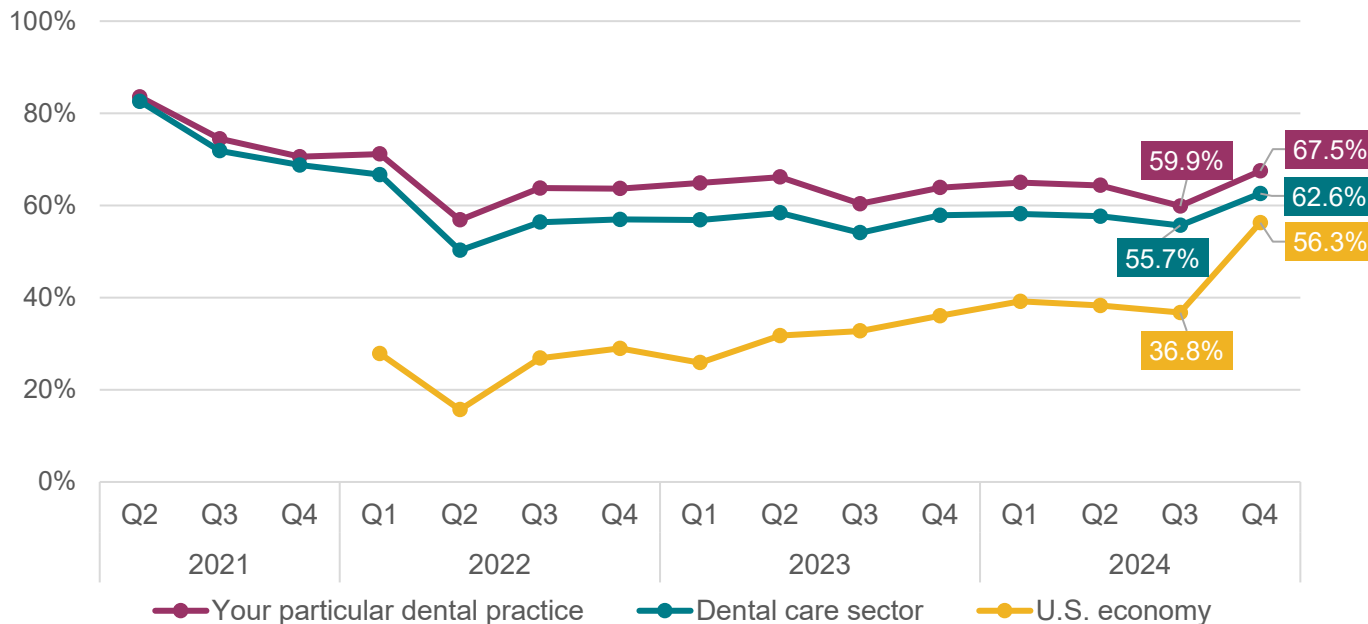
[Owner dentists] Since the beginning of 2024, have you done any of the following in your practice? (Percent 'Yes')

Looking ahead into 2025...

Confidence in the Economy

Looking ahead the next 6 months, how confident are you in the economic conditions in...*

(Percentages indicating “very” or “somewhat” confident.)

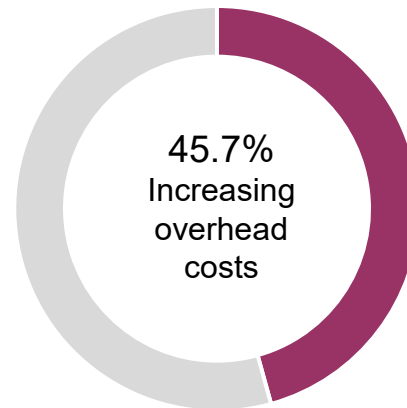
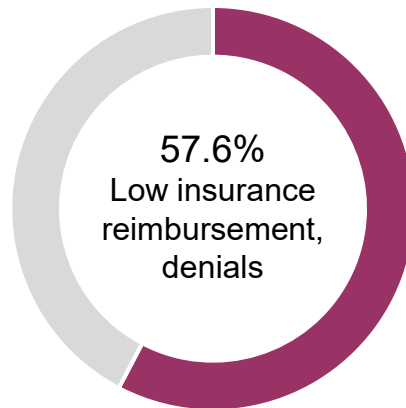
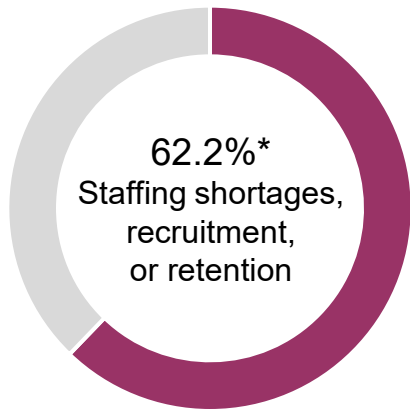


Dentists’ confidence in the U.S. economy for the next 6 months has shot up in Q4 2024, reaching the highest level since this question was first introduced to this poll in 2022. Dentists’ confidence levels had more moderate increase this quarter for economic conditions in the dental sector and dentists’ own dental practices.

*See last slide for details about how the wording of this question changed starting Q1 2024.

Challenges Looking Ahead to 2025

Also looking ahead to 2025, what are the top 3 challenges facing your practice?

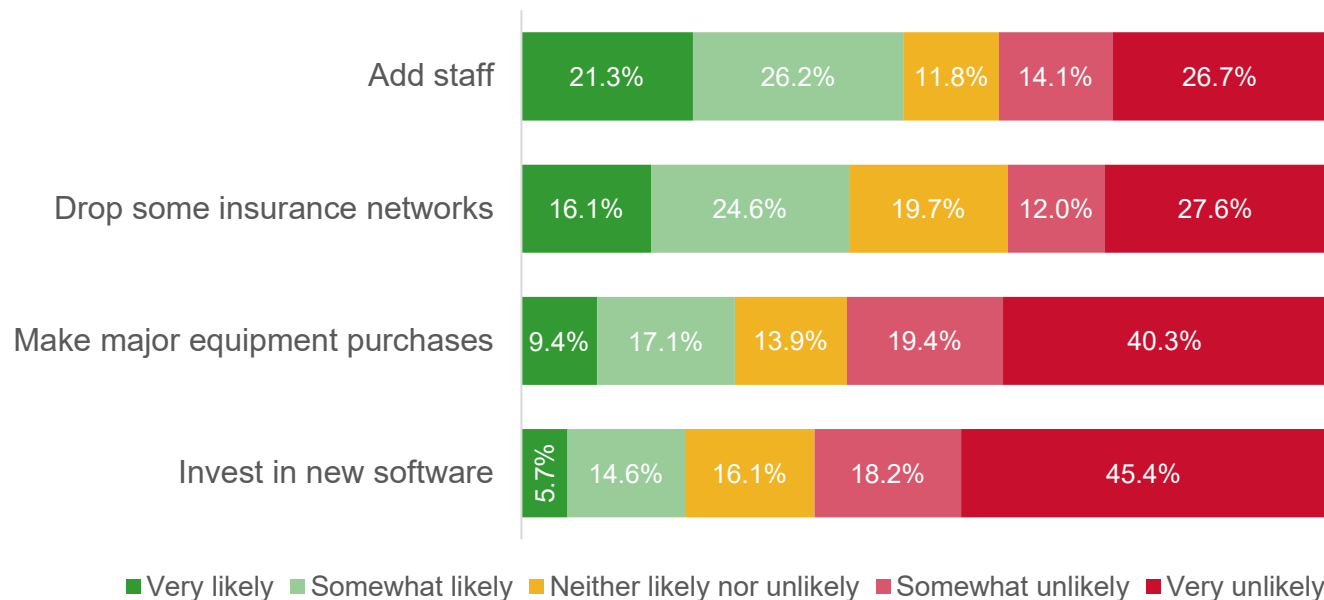


When asked what are the top challenges facing their practices looking ahead to 2025, the top 3 concerns cited by dentists were staffing shortages, insurance reimbursement, and increasing overhead costs.

* Represents the percentage of responding dentists who cited this particular challenge in their answer.

Future Practice Decisions for 2025

[Owner dentists] Looking ahead to 2025, how likely are you to do each of the following for your dental practice?



Just under half of responding dentists plan to add staff to their practices in 2025. About 2 in 5 plan to drop out of some insurance networks in 2025. Fewer dentists plan to make major equipment purchases (about 1 in 4) or invest in new software (about 1 in 5).

Key Takeaways

- **Economic Confidence:** In Q4 2024, there was a significant increase in the level of dentists' confidence in the conditions of the U.S. economy in general, reaching the highest level since HPI started asking this question. Increases in the confidence of dentists in the dental sector or their own practice's economic conditions were more moderate. HPI will continue to monitor this trend.
- **Top 3 Challenges:** The biggest challenges dentists anticipate in 2025 center around workforce shortages, insurance, and increasing overhead costs. About 3 in 5 are worried about recruiting and retaining staff (especially dental hygienists). More than half (58%) noted reimbursement rates, denied coverage and delayed payments, Medicaid and Medicare frustrations, and other related issues. Nearly half (46%) cited increasing overhead costs while inflation and low reimbursement rates persist.
- **Plans for 2025:** Just under half of responding dentists plan to add staff to their practices in 2025. About 2 in 5 plan to drop out of some insurance networks in 2025. Fewer dentists plan to make major equipment purchases (about 1 in 4) or invest in new software (about 1 in 5).
- **Recruitment Needs:** The number of dentists actively recruiting dental hygienists and dental assistants has remained stable over the last several quarters. Most recruiting dentists continue to say recruitment is very or extremely challenging.

Thank you!

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ADA American Dental Association®

Question Changes

Starting Q1 2024, the following questions from the 2022-23 panel have been **modified**:

- “*Looking ahead the next 6 months, how confident are you in the recovery of...*” is now “*Looking ahead the next 6 months, how confident are you **in the economic conditions in....***”
- “*Have you recently or are you currently recruiting any of the following positions in your dental practice?*” is now “**Currently, or at any time during the last 3 months**, have you recruited any of the following positions?”
- “*How challenging has it been to recruit the position(s) below?*” is now “*How challenging has it been to recruit the position(s) below **over the last 3 months?***”