

State	Food Animal	Small Animal	Equine	Mixed
New Jersey	13%	14%	14%	14%
New Mexico	14%	15%	15%	15%
New York	15%	16%	16%	15%
North Carolina	11%	12%	12%	11%
North Dakota	13%	13%	13%	13%
Ohio	12%	13%	13%	12%
Oklahoma	15%	16%	16%	15%
Oregon	14%	14%	14%	14%
Pennsylvania	14%	14%	14%	14%
Rhode Island	10%	11%	11%	10%
South Carolina	9%	10%	10%	9%
South Dakota	13%	14%	14%	13%
Tennessee	13%	14%	14%	13%
Texas	14%	15%	15%	15%
Utah	12%	13%	12%	12%
Vermont	13%	14%	14%	14%
Virginia	11%	12%	12%	11%
Washington	12%	13%	13%	12%
West Virginia	12%	12%	12%	12%
Wisconsin	13%	14%	14%	14%
Wyoming	10%	11%	11%	11%
U.S.	12.5%	13.4%	13.3%	13.0%

Table 9 Cont'd.

One of the key inputs to the workforce model is the growth rate of the workforce, and one of the most important indicators that is easy to track and predict is that of the forecast for the number of graduates of U.S. colleges of veterinary medicine. A problem with the original model was the assumption that veterinary student class sizes would increase by 2 percent per year in perpetuity. This would be a remarkable growth rate in whole numbers far exceeding past growth. Accomplishing a sustained 2 percent per year growth rate would require the

equivalent of adding a new veterinary college each year over the forecast period. The average annual growth in the number of new graduates over the 14-year period between 2000 and 2014 was approximately 2 percent. However, this amounts to an actual average annual increase in the number of new students of approximately 45 per year. Because the base number of graduates has increased substantially over this period, a 2 percent growth rate would require that roughly 70 new seats would need to be added each year at each of the U.S. colleges.



FOR THIS REASON, WE THINK THAT THE NUMBER OF GRADUATES WILL STABILIZE AT ABOUT 4,290 (FROM ALL SOURCES) BEGINNING IN THE YEAR 2019, AND NOT INCREASE FOR THE REMAINDER OF THE FORECAST PERIOD.



STUDIES



27.9 percent of revenue in veterinary practices comes from the first quarter, 28.6 percent from the second, 24.9 percent from the third, and only 18.5 percent from the fourth.

In conjunction with partner institutions, the AVMA has conducted a number of studies on factors important in the market for veterinary services; their summaries follow.

SEASONALITY

What time of year should companion animal veterinary practices expect to see the highest – and lowest – amount of revenue? To help answer this question, we collected data from the Bureau of Labor Statistics (BLS) Consumer Expenditure Survey (CE) for the years 2005 through 2014. The CE collects information on the spending habits of U.S. consumers, and separates the data into categories of frequently purchased items, including veterinary services. The monthly spending observations were aggregated to form a quarterly time series. The quarterly expenditures on veterinary services for a sample of U.S. consumers are illustrated in the following figure.

Seasonality is a characteristic of time series data where regular and predictable changes recur at specific intervals throughout the year. Any predictable change or pattern in a time series that recurs or repeats over a one-year period can be said to