

## **Veterinary Salaries**

### **Who's driving this thing?**

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**Abstract:** A review of veterinary salaries and salary drivers. National salary numbers vary greatly depending on multiple factors. The national average mean starting salary is \$86,131 when averaging reported numbers from U.S. News, Paysa and American Veterinary Medical Association. Factors affecting salaries include the economy, employment/workforce demand, pay scales, negotiations and contracts.

**Key Words:** Salaries, Production pay, Pay models, Economy

Financial Compensation is received by an employee for performing a job, and part of an employee compensation package. Direct and indirect compensation are the primary drivers for employees working in a veterinary practice. Compensation or payroll is one the largest expenses in a veterinary practice compromising and average of 28% of gross revenue.(1).

There are four different forms/types of compensation. Straight production, which is based on the direct revenue produced for the hospital. Straight salary, a fixed regular payment often expressed as an annual sum agreed to in the employee and employer contract. Guaranteed salary plus production, which is a fixed regular payment often expressed as an annual sum, typically paid monthly or biweekly, plus additional production pay if the personal revenue targets are exceeded without negative accrual penalties. Base salary plus production, which is a regular base payment often expressed as an annual sum, paid monthly or biweekly, plus production pay if personal revenue targets are exceeded with the possibility of negative accrual penalties.

National salary numbers vary greatly depending on multiple factors. U.S. News and World Report ranks veterinarian as number 64 out of 100 best jobs with a median salary of \$90,420.(2) Paysa listed a mean salary of \$91,844 for national veterinary associates.(3) The American Veterinary Medical Association (AVMA) listed a mean of \$76,130 with a range of \$59,000-93,500 for 68% of new veterinarians employed in full time positions.(4) The mean starting salary for new graduates has increased from \$40,000 to more than \$60,000 in the last sixteen years. Those numbers include full-time employment, internships, residencies and advanced education.(4)

The AVMA has an online Veterinary Salary Estimator. The estimator can be located by searching “salary estimator” on the AVMA home page. It allows for a number of variable changes. The AVMA median salary is \$72,655 for 90% companion small animal in the southeastern region, assuming full time employment, 1-2 years’ experience, and no additional education, residency, certification or ownership.(5) That is \$3,475 below the national starting salary as reported by the AVMA.(4) The AVMA median salary is \$69,737 for equine practice for the southeastern region, assuming full time employment, 1-2 years’ experience, and no

additional education, residency, certification or ownership.(5) The addition of education, residency, certification and or ownership pushes the median salary for 90% equine practice to \$119,297.(5)

Therefore, as these numbers are studied and reviewed it's important to note there are multiple factors which affect salaries. The economy is a huge driver for salaries. Especially when one considers any kind of production pay. Gross domestic product and consumer spending are great indicators for economic growth. There is a tremendous demand for veterinarians in the market place. The US Department of Labor Statistics projects the employment demand to continue to grow at approximately 19% from 2016-2026. This is at a much faster rate than other occupations. They list the future overall job prospects for veterinarians as "very good". Corporate and private pay scales with the added benefits are also a huge driver. Newer associate veterinarians entering the work force are learning to study salaries and benefits. In addition to the high demand for veterinarians coupled with the study of salaries (pay options and amounts) and benefits, newer associates are learning negotiation techniques and compare multiple contracts to maximize the total contract value.

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