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What Do Today's Trends Tell Us About Tomorrow's Veterinary Medicine

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About Me



University of
Reading



University of
**Central
Florida**



UF | UNIVERSITY of
FLORIDA



About VMG: Member Benefits and Services



Peer Study Groups Meetings

- Collaboration & access to intellectual capital
- Shared learning & mutual support
- Comradery and a supportive community
- Lifelong companions and friendships



DATALINK & Benchmarking

- Practice performance improvement
- Optimize operations and enhance profitability
- Ensure long-term business sustainability
- Premier auditing and expert financial reviews



Education & Development

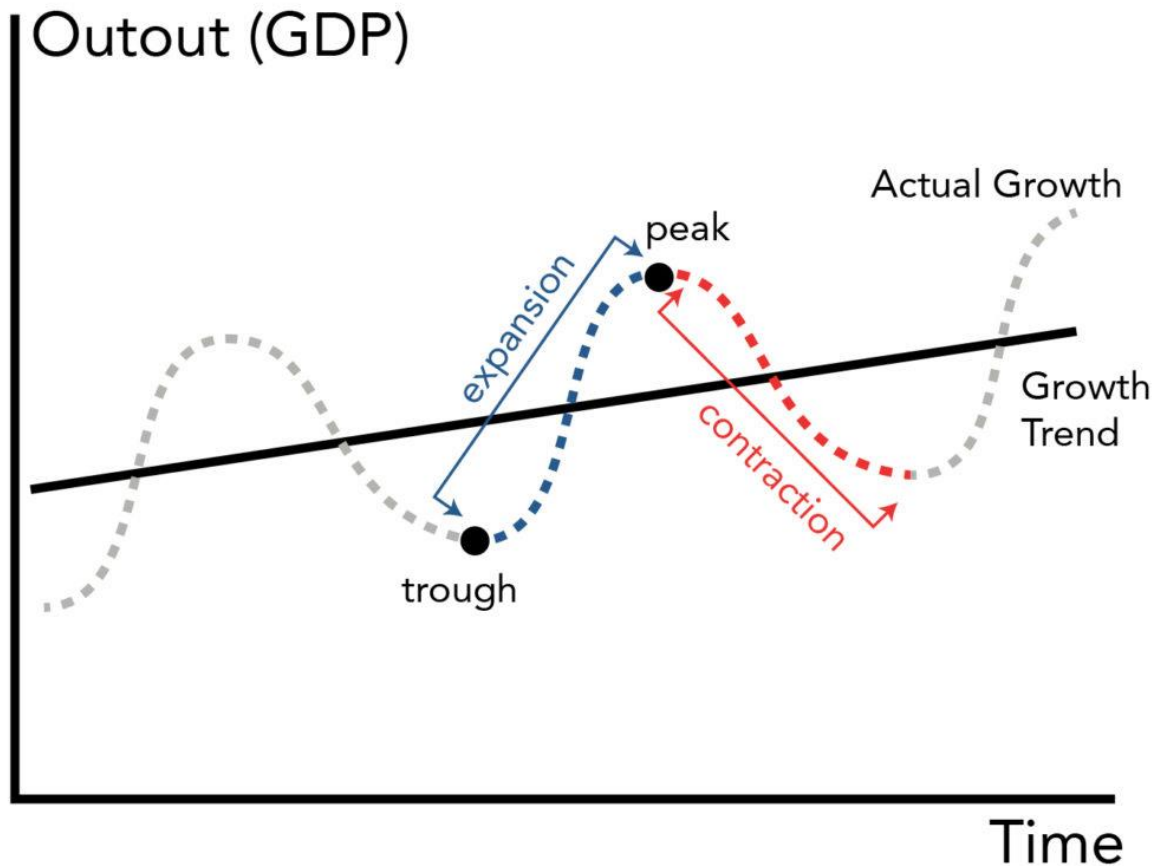
- Workshops, bootcamps, and CE courses
- Leadership, customer service, communication
- Customized programs to meet member needs
- Access to industry experts and leaders



Preferred Partnership Program

- Access to premier deals for VMG members
- Meeting support & key relationships
- Member only promotions
- VMG vetted partners that deliver value

Forecasting 101: Understanding the Basics



12MMT: A 12-month moving total (12MMT) or average (12MMA) is the total (or average) of the monthly data for the past 12 months.

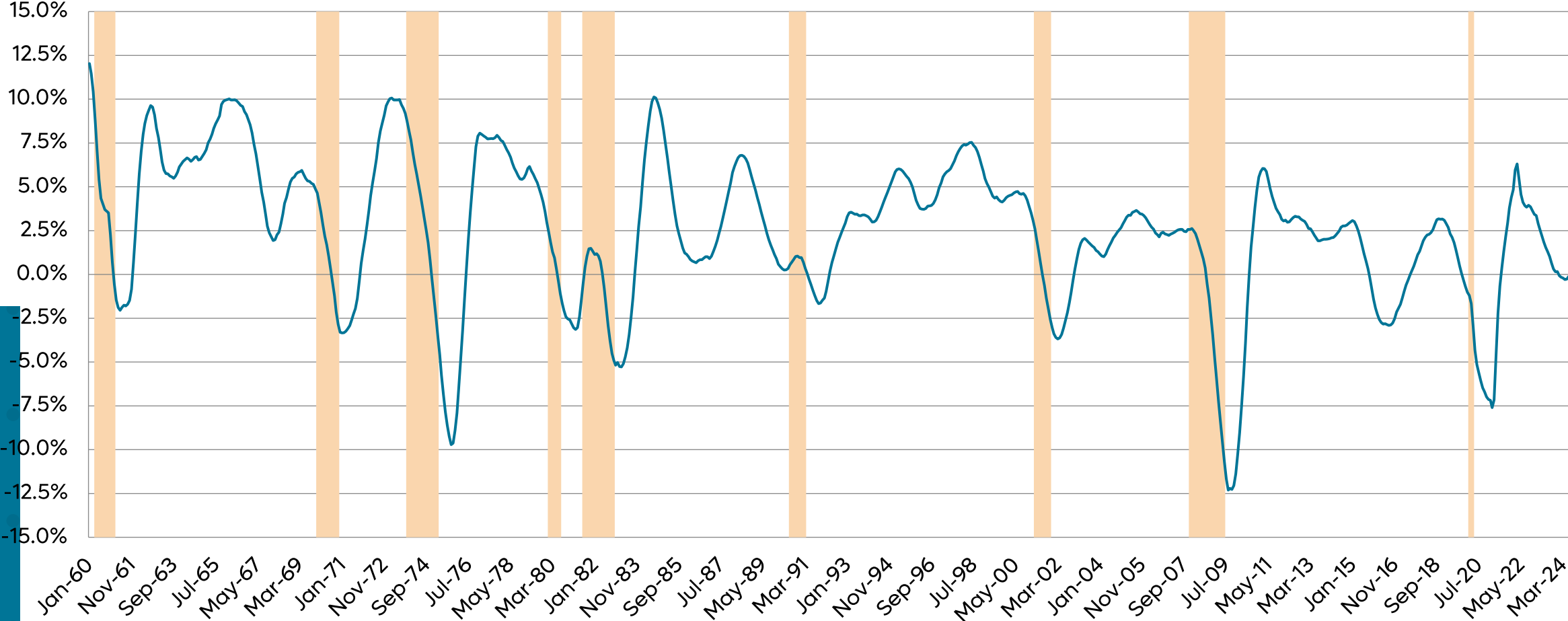
The 12MMT(A) removes seasonal variation to derive the underlying cyclical trend. It is also referred to as the annual total or average.

RATE-OF-CHANGE: A rate-of-change figure is the ratio comparing a data series during a specified time period to the data series during the same time period one year ago.

Consecutive rates-of-change demonstrate cyclical changes and structural trends.

Recession Risk as USIP Index Growth Dips Below Zero

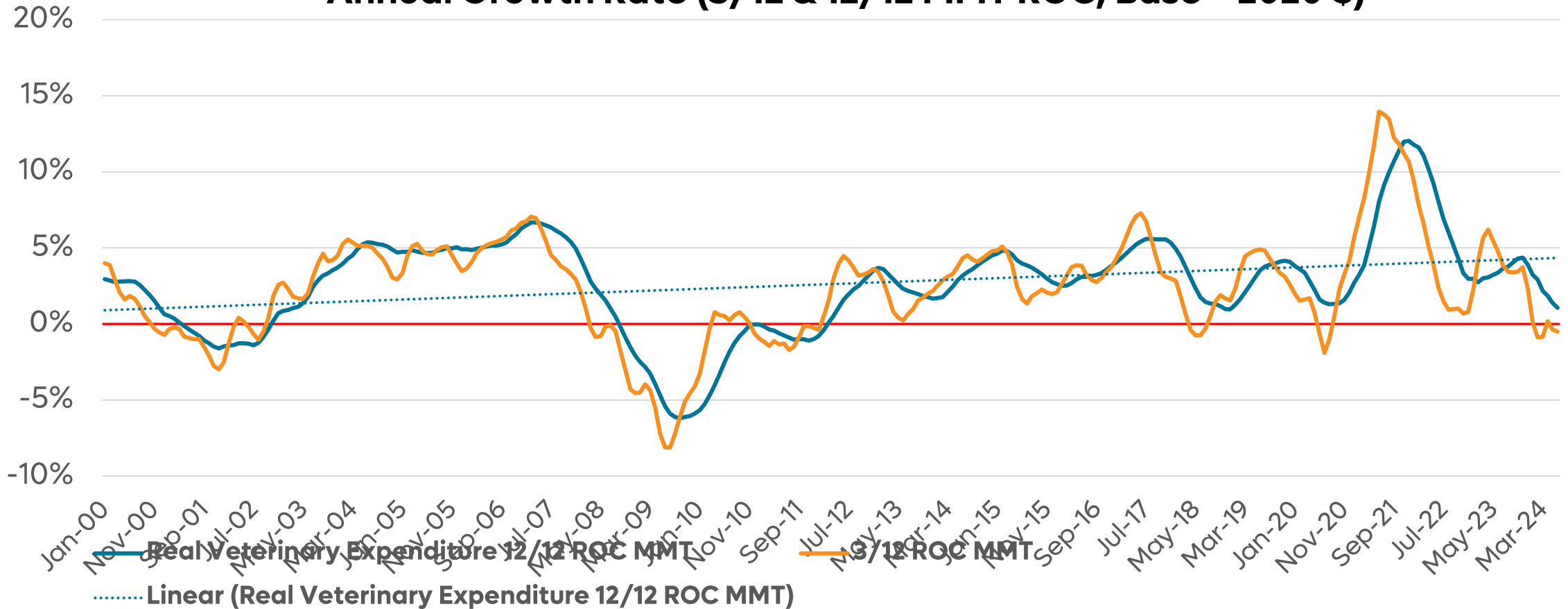
U.S. Industrial Production Index 12/12 ROC MMA



Source: U.S. Federal Reserve Bank

Slowdown in Veterinary Spending Expected to Continue

**Real Veterinary Services Expenditure
Annual Growth Rate (3/12 & 12/12 MMT ROC, Base = 2020 \$)**

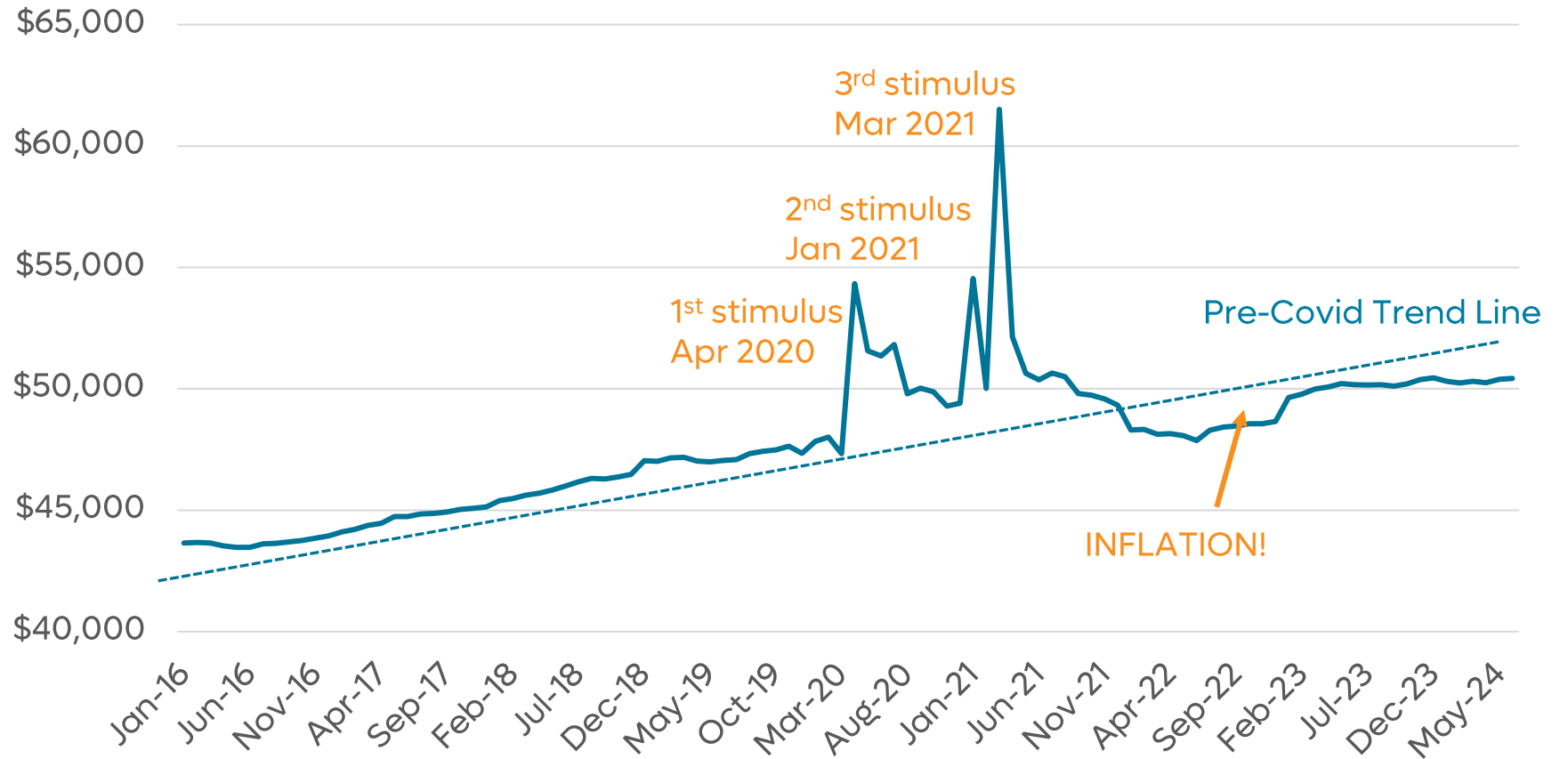


Source: U.S. Bureau of Economic Analysis

Inflation Erodes Real Consumer Spending Power



Real Disposable Personal Income Per Capita (Base = 2017 \$)

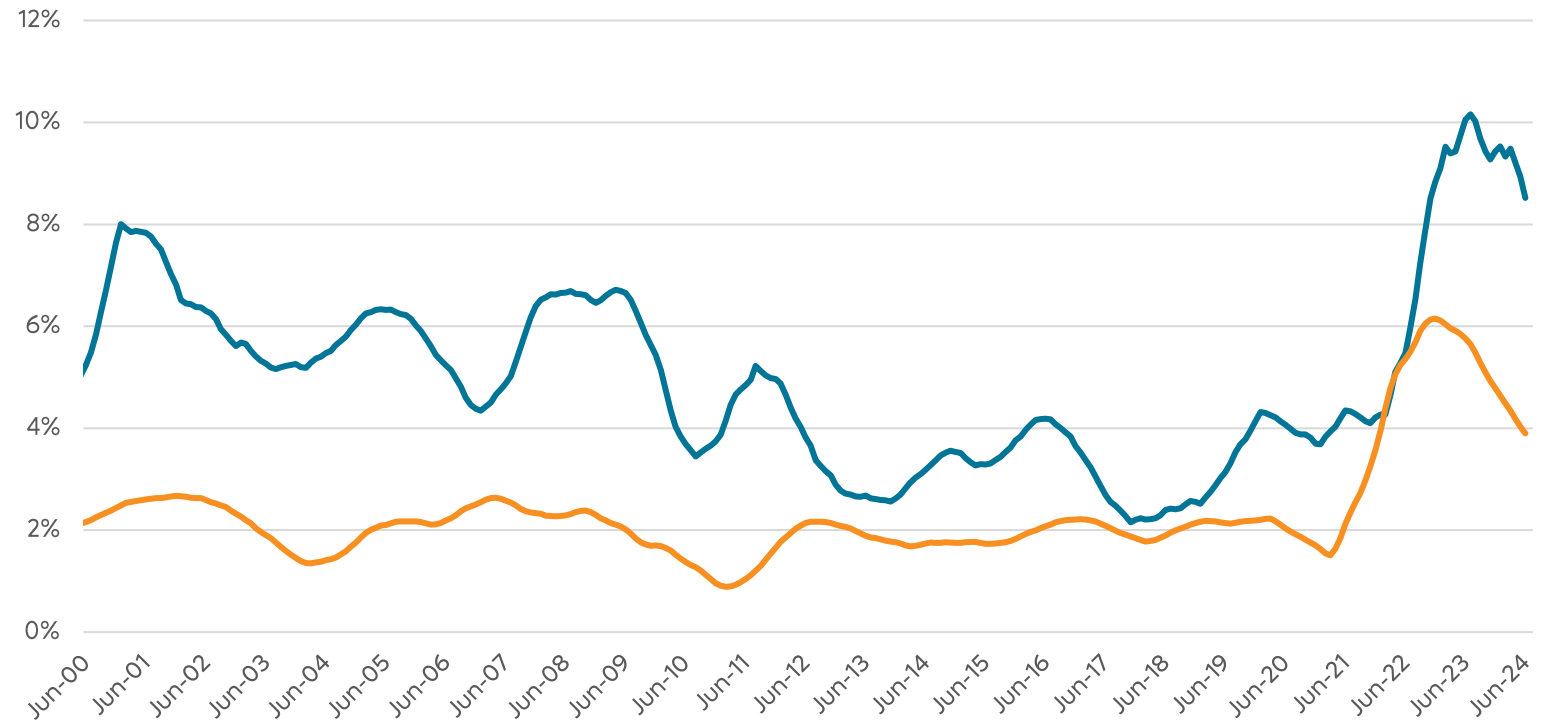


The average household had 30% more income in 2021 than they did before!

Inflation in Veterinary Services Outpacing Core Inflation



Consumer Price Index (CPI) vs. Veterinary Service CPI (12/12 ROC MMA)



Source: U.S. Bureau of Labor Statistics

— Veterinary Services CPI 12/12 ROC MMA

— Core CPI 12/12 ROC MMA



The core CPI hit highest point in mid- 2022 but veterinary CPI remains worryingly high.

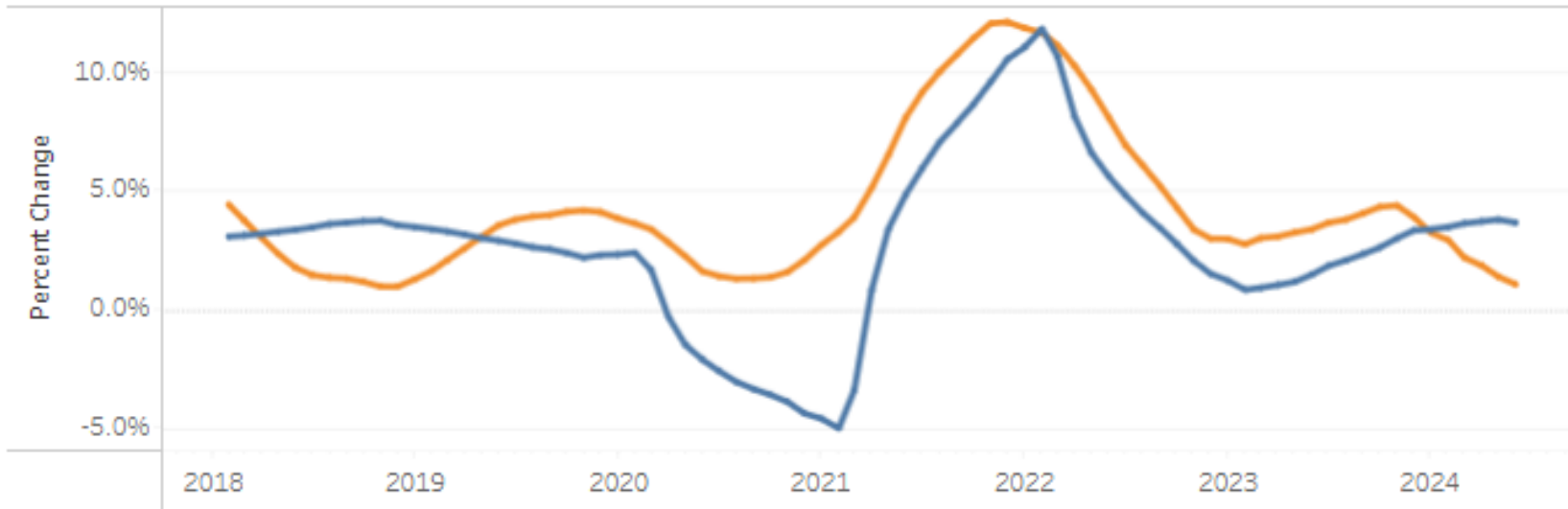
Economic Dashboard

Monthly Update | **Veterinary Expenditure** | Veterinary Inflation | VMG Economic Barometer | Ad Hoc Questions | Data Information



Veterinary Consumer Expenditure

12 Month Moving Total Rate of Change (ROC) in Real Personal Consumption Expenditure (2020 \$)



Data Source: Bureau of Economic Analysis, 2023 (See Data Information Tab for more information)



Date Range

January 2018

June 2024

Measure Names

General Expenditure ROC

Veterinary Service ROC

Structural Economic Threats to Our Future

1

Productivity Puzzle



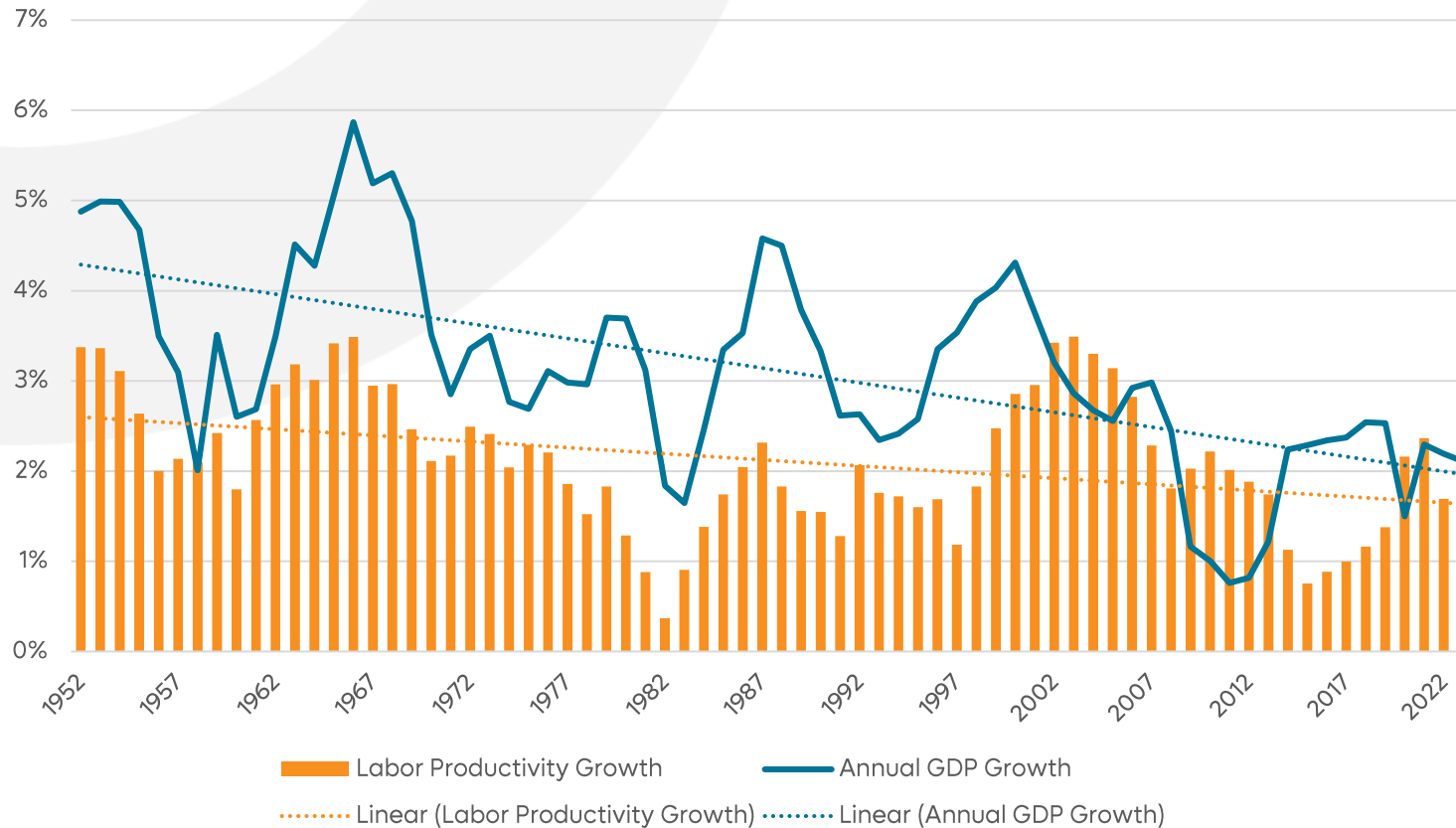
2

Demographic Reversal



Pernicious Decline In Labor Productivity & GDP Growth

U.S. GDP Growth & Labor Productivity Growth
(5-Year Moving Average)



Source: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

CONSIDER THIS:

Labor productivity is the engine of U.S. economic power and prosperity.

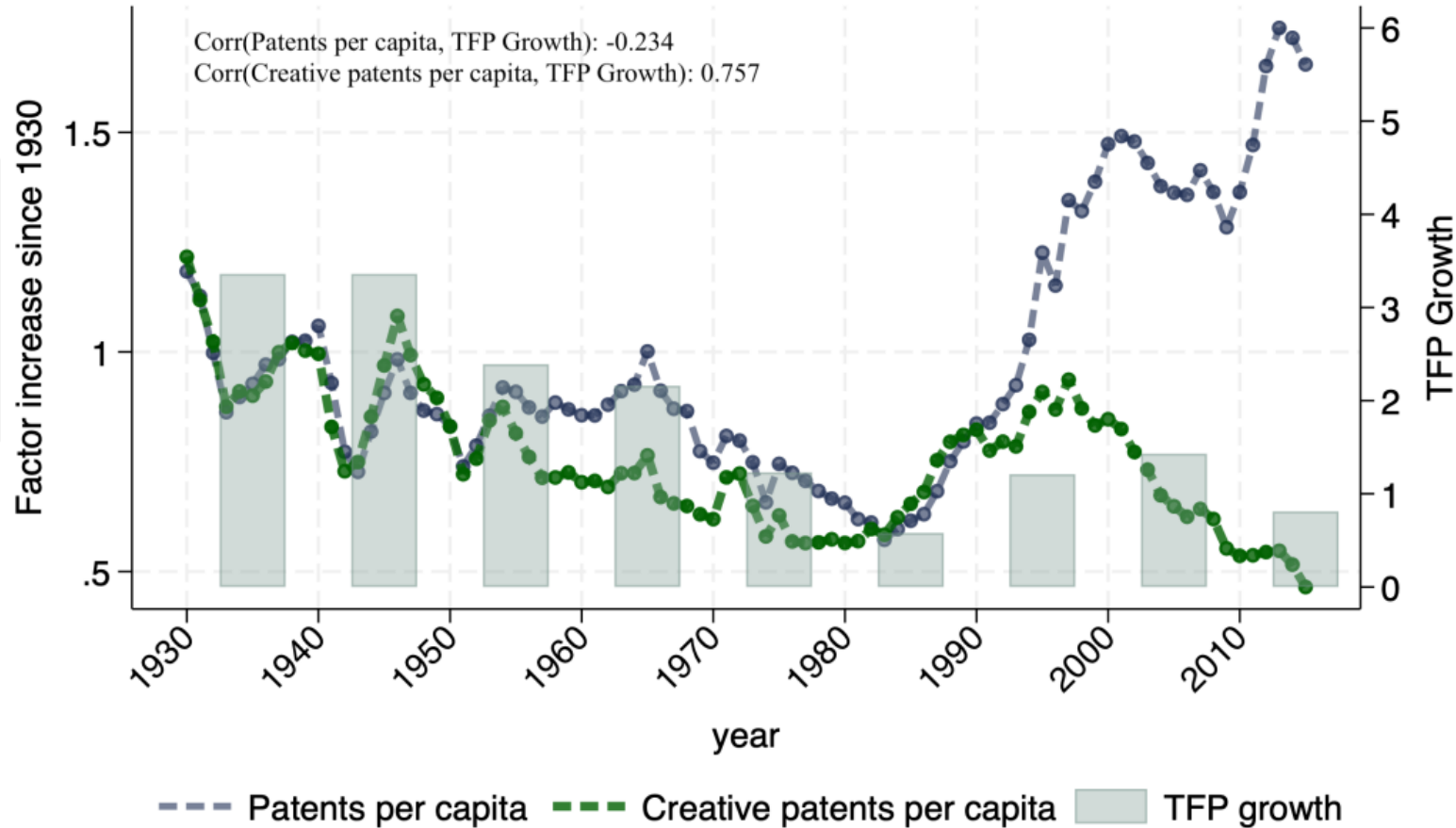
Productivity growth declining from post-war boom high of 2.8% to just 1.4%.

Economic growth has come down from 4% to 2.2% and is tied to slowing growth in household income.

Productivity continues to decline over time, stalling potential economic growth.

Are We Becoming Less Creative?

Figure 6: Productivity growth, patenting and creative patenting



CONSIDER THIS:

Why are innovations embodied in patents not translating to higher productivity growth?

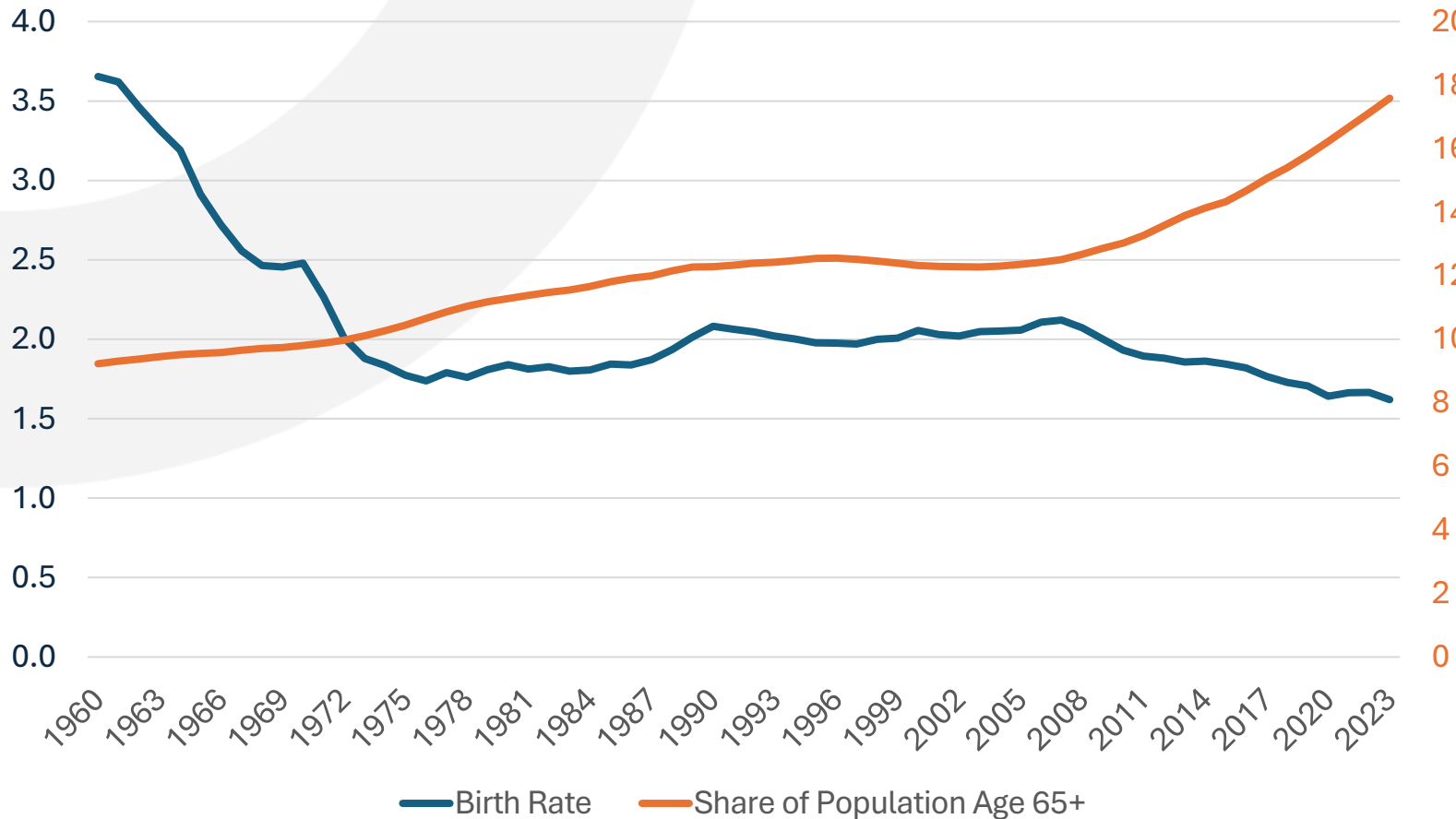
One possibility is that each patent embodies much less creative growth than in the past.

U.S. inventors produced half as many creative patents per capita in the 2000s than they did in the 1950s.

Source: Kalyani, Aakash, The Creativity Decline: Evidence from US Patents (March 12, 2024).

The Great Demographic Reversal

U.S. Births per Woman & Share of Population Age 65+



CONSIDER THIS:

10,000 Baby Boomers are turning 65 every day.

In 2024, this average rises to over 11,200 each day.

U.S. birth rates have mostly been below replacement since the 1970s.

Post 2008 GFC, birth rates hit another major decline.

Less people to “pay-in” and more people to “pay-out”.

Source: World Bank

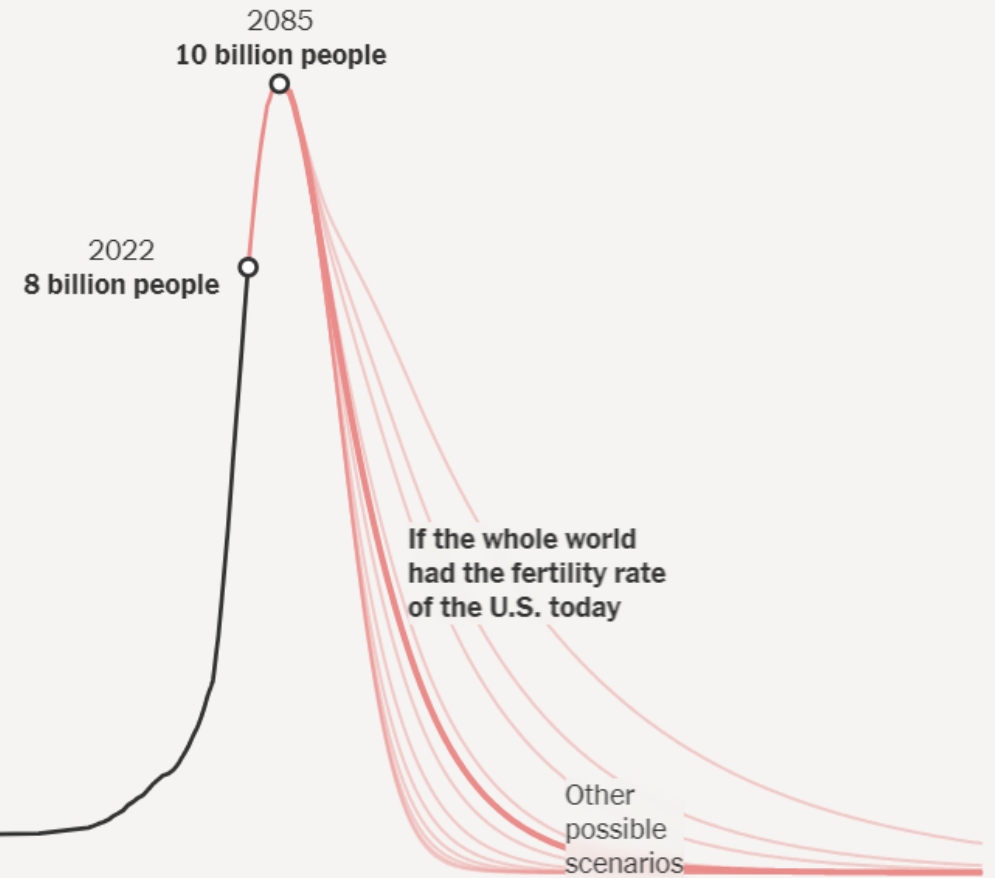
Global Population is Facing an Epic Inflection Point

RESEARCH ARTICLE

PLOS ONE

Long-term population projections: Scenarios of low or rebounding fertility

Dean Spears^{1,2}, Sangita Vyas^{1,2,3*}, Gage Weston^{1,2}, Michael Geruso^{1,2}



Source: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0298190>

The Way Forward Will Not Be Easy, but It Is Simple...

Expand bottom line growth through productivity improvements to reduce staffing ratios

- Implement automation of physical and mental tasks to reduce dependence on more staff (e.g., AI scribe).
- Use savings to increase pay and benefits for staff and double-down on retention (e.g. staff daycare).
- Tap into non-traditional sources of labor when possible: part-time, retired, recent HS grads, etc.
- Prioritize and upgrade the work environment and leverage flexible scheduling when possible.
- Provide training, education and illustrate a clear career path within the practice.



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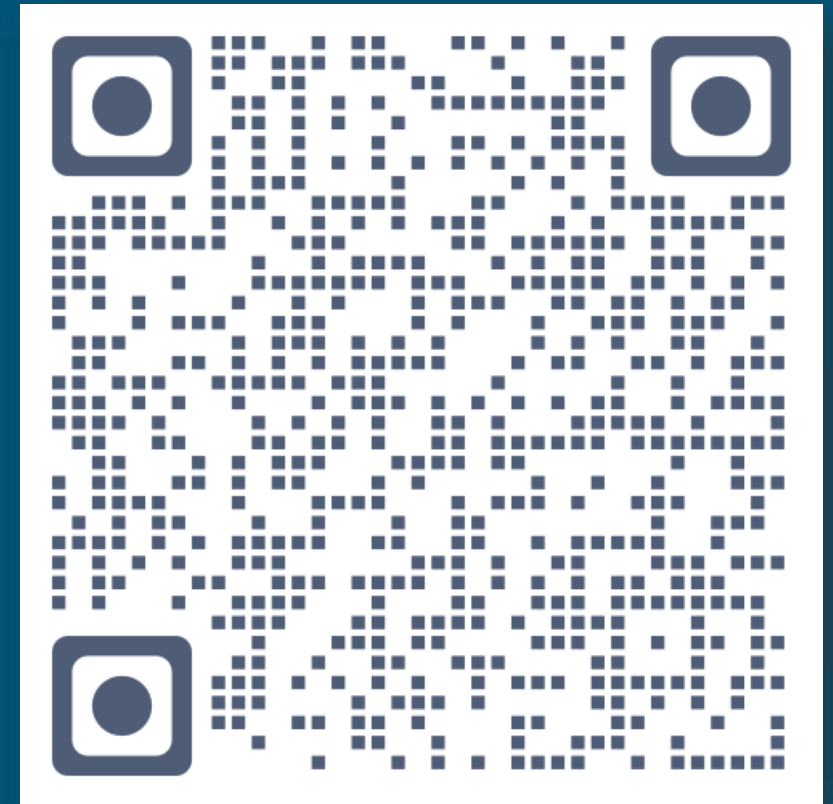
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Elevating
the business
of veterinary
medicine.
Together.

Matthew Salois, PhD
Elevating the business of veterinary medicine through collaboration
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 Veterinary Management
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Thank You!