

RETIREMENT CONSIDERATIONS

Identifying what's important



BACKGROUND

A number of factors influence the success of a practice transition. The ones that appear to be the most important are those that are the most limiting, which often involve the psychological state of the practice owner. A survey of 200 US dental practice owners age 50 years or older revealed important differences in practice owner psychological preparedness to sell (Table 1) that were analyzed based on age of the owner and practice size.

PRACTICE OWNER AGE

The practice owners were divided by age into 3 groups: age 50 to 59 years, age 60 to 65 years, and older than age 65 years. On average, practitioners who were older were less enthusiastic about their life after dentistry compared to those who were younger. Older dentists tended to have few activities other than dentistry, which they viewed as the most rewarding way to spend their time. Older practice owners also were seen as less self-aware and less likely to consider changes that could be made in their practices, even if they would be beneficial.

Younger practice owners tended to believe that there were things in life more important than practicing dentistry. However, their relationships with their staff members tended to be better than those with their family members.

Owners in all 3 age groups expressed a willingness to sell their practice if the right offer was made. However, almost twice as many of the owners over age 65 years planned to sell their practices in the next 2 years compared to those age 50 to 59 years.

Table 1. Behaviors

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- Post-exit resilience
 - Work/life balance
 - Role identity fusion
 - Openness to change
 - Self-awareness
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(Courtesy of Brooks JR: Ready to sell? Maybe notDent Econ 108:34, 36, 2018.)

PRACTICE SIZE

Practice size was based on collections and divided into 3 groups: less than \$500,000, \$500,000 to \$1 million, and more than \$1 million. Among small practices, the staff tended to be less likely to respect the personal time of the practice owner. Practice owners were found to be more receptive to disappointing others to maintain life balance. Large practice owners are also more likely than small practice owners to want to remain as providers in the practices they sell.

Practices collecting less than \$500,000 annually were significantly more often owned by practitioners who were age 60 years or older. Practitioners age 50 to 59 years were much more likely to be the owners of practices collecting more than \$1 million annually.

RECOMMENDATIONS

Based on the findings of this survey, it was recommended that older practitioners recognize that the value of their practices may decline with time. In addition, all practitioners, regardless of age, need to find activities outside of dentistry that give their lives purpose and meaning.

Clinical Significance

Jobs, wealth, and legacy can be preserved if the dental practice owner plans well. However, it's important to recognize that there will be life after dentistry and that relationships outside of the dental office are essential to a well-balanced and meaningful life.

Brooks JR: Ready to sell? Maybe notDent Econ 108:34, 36, 2018

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