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This is a summary report and its conclusions should not to be taken as a professional recommendation for future practice site location. The client is solely responsible for using the information provided for continuing their location search in a systematic manner.

Table 1.2 Best Zip Codes in the Area, 2009

The ratio of dentists to population is a useful guide to the relative saturation of each zip code. More saturated zip codes present an area that is harder to break into. The desirability factor is the basis of the zip code rankings and takes into account the saturation of dentists as well as the ability of the population to afford dental care.

Zip Code	Population	Income	GPs + 1 ¹	GP : Pop Ratio	Desirability Factor
██████	24,076	\$41,957	2	12,038	4.39
██████	6,086	\$61,174	1	6,086	2.58
██████	5,596	\$58,956	2	2,798	1.47
██████	6,412	\$61,248	3	2,137	1.27
██████	20,223	\$92,890	13	1,556	1.36
██████	3,699	\$63,376	2	1,850	1.19
██████	14,261	\$76,654	5	2,852	1.65
██████	33,757	\$74,878	13	2,597	1.55
██████	44,356	\$70,630	23	1,929	1.28
██████	11,514	\$61,700	5	2,303	1.33
US Average					1.00

¹ In order to accurately evaluate each zip code, we use the number of GP's currently in zip code and add 1 (the doctor's future practice), so that each zip code can be compared by its ratio if the practice was located there.

Table 1.3 Dental Services Market, 2009

The dental spending in each zip code includes the patient's out of pocket portion as well as the insurance payment. This is the total collections received from patients in the zip code. The average collections by dentists in the zip code can be approximated². Total dental spending includes specialist services. Per patient spending is how much a dental patient would spend per year, on average. Per capita spending is the average spending of all people in the zip code, regardless of whether they are dental patients or not. Higher per capita spending can indicate that more people visit the dentist, while higher per patient spending indicates that more extensive dentistry is being accepted.

Zip Code	Total Dental Spending	Total GP Spending	Per Capita GP Spending	Per Patient GP Spending	Avg GP Collections ²
██████	\$4,346,248	\$3,044,103	\$126	\$293	\$1,522,052
██████	\$1,362,912	\$954,580	\$157	\$421	\$954,580
██████	\$1,426,257	\$998,947	\$179	\$437	\$499,474
██████	\$1,626,598	\$1,139,266	\$178	\$432	\$379,755
██████	\$7,587,646	\$5,314,371	\$263	\$725	\$408,798
██████	\$987,286	\$691,493	\$187	\$479	\$345,746
██████	\$4,061,101	\$2,844,386	\$199	\$548	\$568,877
██████	\$9,964,726	\$6,979,273	\$207	\$539	\$536,867
██████	\$14,572,052	\$10,206,234	\$230	\$555	\$443,749
██████	\$2,931,332	\$2,053,099	\$178	\$437	\$410,620

² The average GP collections for the zip code are estimated based on the dental expenses of the patients in the zip code. This is simply a guide, but does not represent the actual expected income for a future practice located there, because many of the patients in that zip code may be going outside of the zip code for dental care.

Fig 1.4 Per Capita Dental Spending, 2009

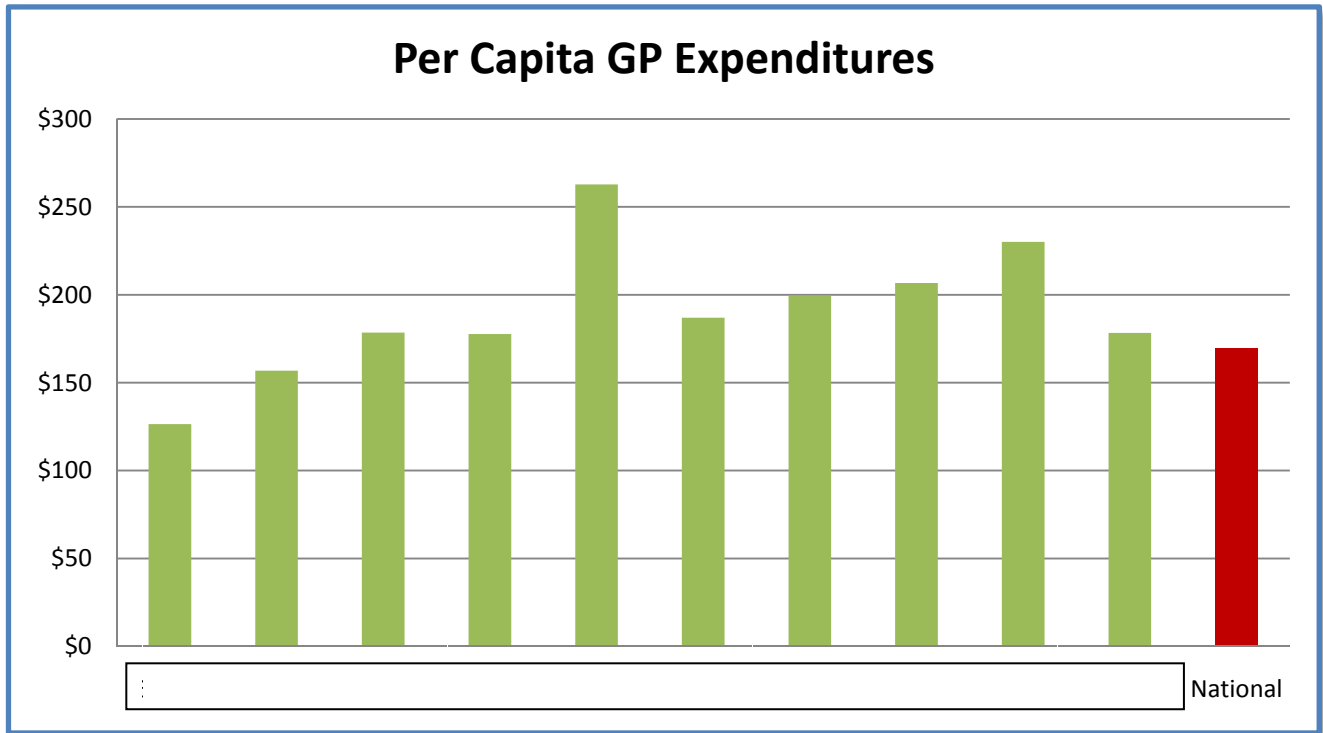


Fig 1.5 Estimated Collection²

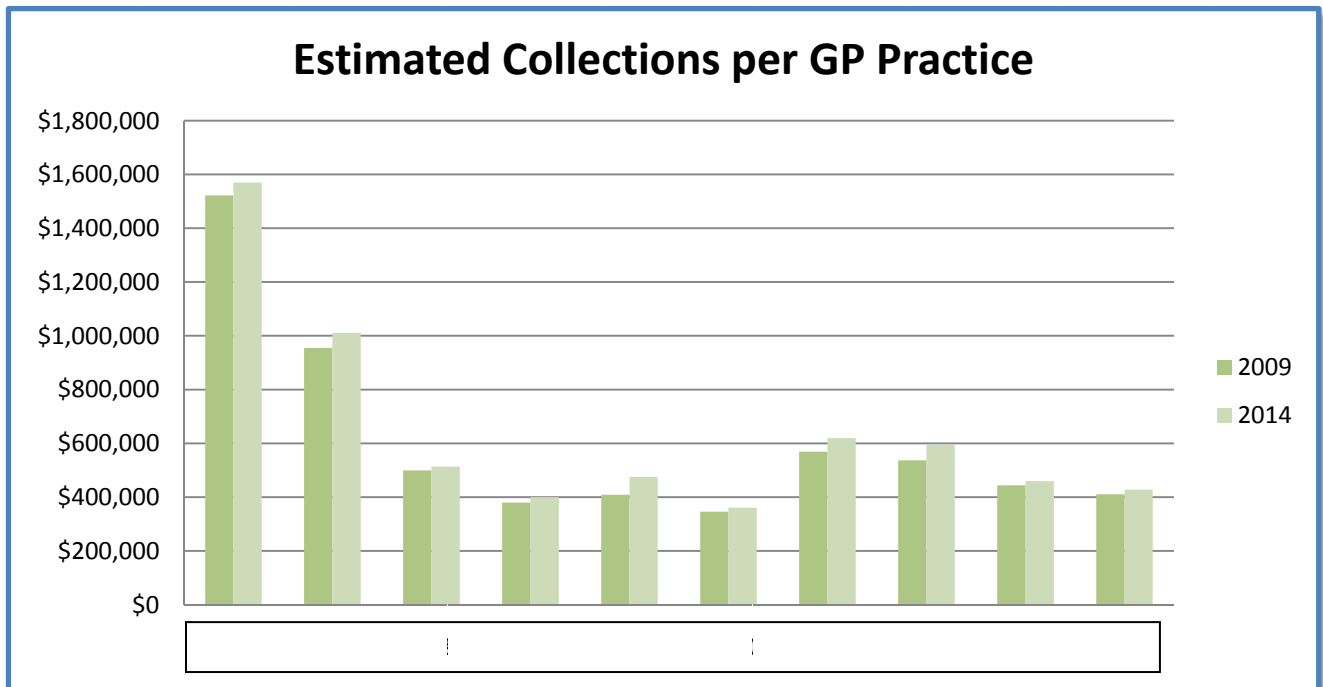


Table 1.6 Demographics Best Zip Codes in the Area, 2014

The ratio of dentists to population is a useful guide to the relative saturation of each zip code. More saturated zip codes present an area that is harder to break into. The desirability factor is the basis of the zip code rankings and takes into account the saturation of dentists as well as the ability of the population to afford dental care.

Zip Code	Population	Income	GPs + 1 ³	GP : Pop Ratio	Desirability Factor
██████	24,828	\$43,695	2	12,414	4.54
██████	6,445	\$63,641	1	6,445	2.73
██████	5,756	\$60,820	2	2,878	1.51
██████	6,749	\$62,877	3	2,250	1.32
██████	23,514	\$94,016	13	1,809	1.46
██████	3,860	\$66,478	2	1,930	1.25
██████	15,524	\$79,647	5	3,105	1.76
██████	37,331	\$78,659	13	2,872	1.67
██████	45,892	\$74,870	23	1,995	1.35
██████	11,998	\$63,308	5	2,400	1.38
US Average					1.00

³ In order to accurately evaluate each zip code, we use the number of GP's currently in zip code and add 1 (the doctor's future practice), so that each zip code can be compared by its ratio if the practice was located there.

Fig 1.7 Desirability

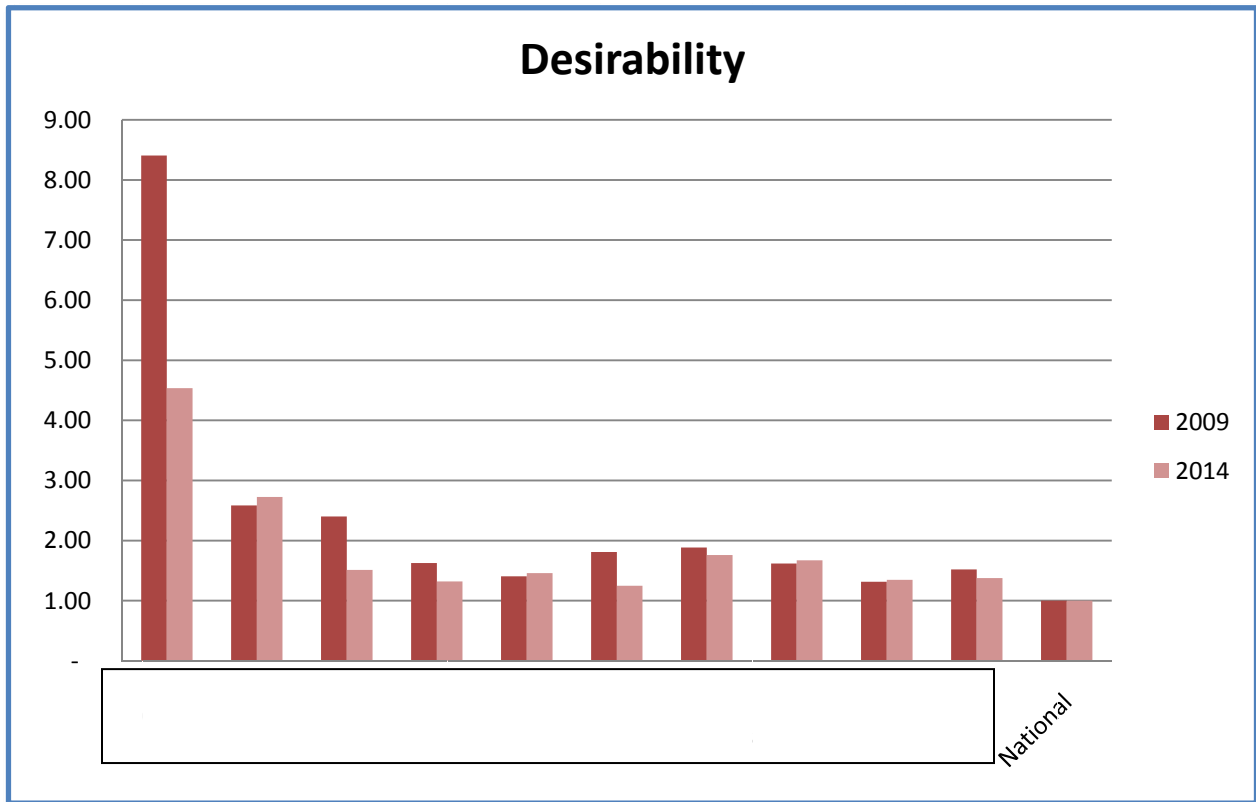


Table 1.8 GP to Population Ratio

The ratio of dentists to population is a useful guide to the relative saturation of each zip code. More saturated zip codes present an area that is harder to break into. The Adjusted ratio takes into account the dental spending patterns of the population. The adjusted ratio can be higher or lower than the basic ratio, depending on whether the population of the zip code spends more or less than average. This is important to consider because a zip code can be more saturated, but if its population spends a lot of money on dentistry, it can be a good option. On the other hand, if a zip code has very few dentists but people rarely go the dentist there, it could present a subpar opportunity. In this way that zip codes can be compared to each other directly.

	GP/Pop Ratio 2009	Adjusted Ratio 2009	GP / Pop Ratio 2014	Adjusted Ratio 2014
██████	12,038	8,968	12,414	9,248
██████	6,086	5,624	6,445	5,956
██████	2,798	2,943	2,878	3,027
██████	2,137	2,237	2,250	2,355
██████	1,556	2,409	1,809	2,801
██████	1,850	2,037	1,930	2,126
██████	2,852	3,352	3,105	3,649
██████	2,597	3,163	2,872	3,498
██████	1,929	2,615	1,995	2,705
██████	2,303	2,419	2,400	2,521

Fig 1.9 GP to Population Ratio 2009

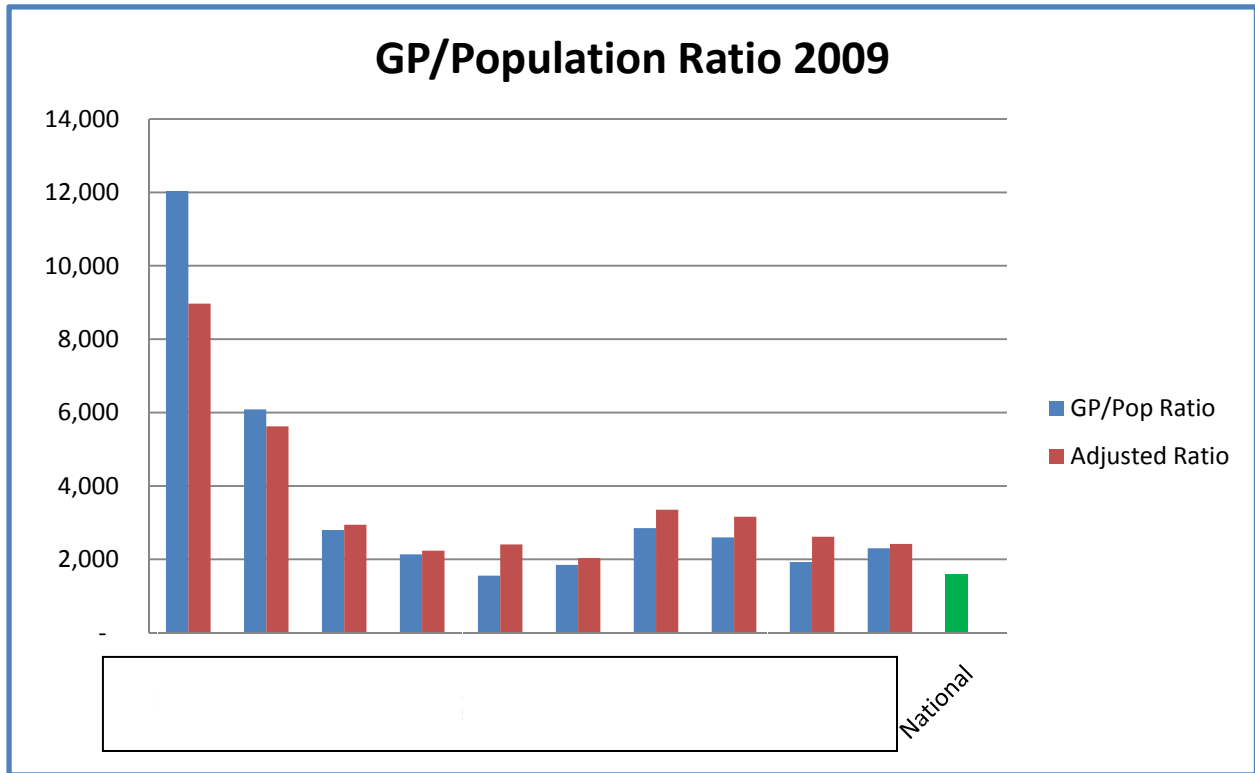


Fig 1.10 GP to Population Ratio 2014

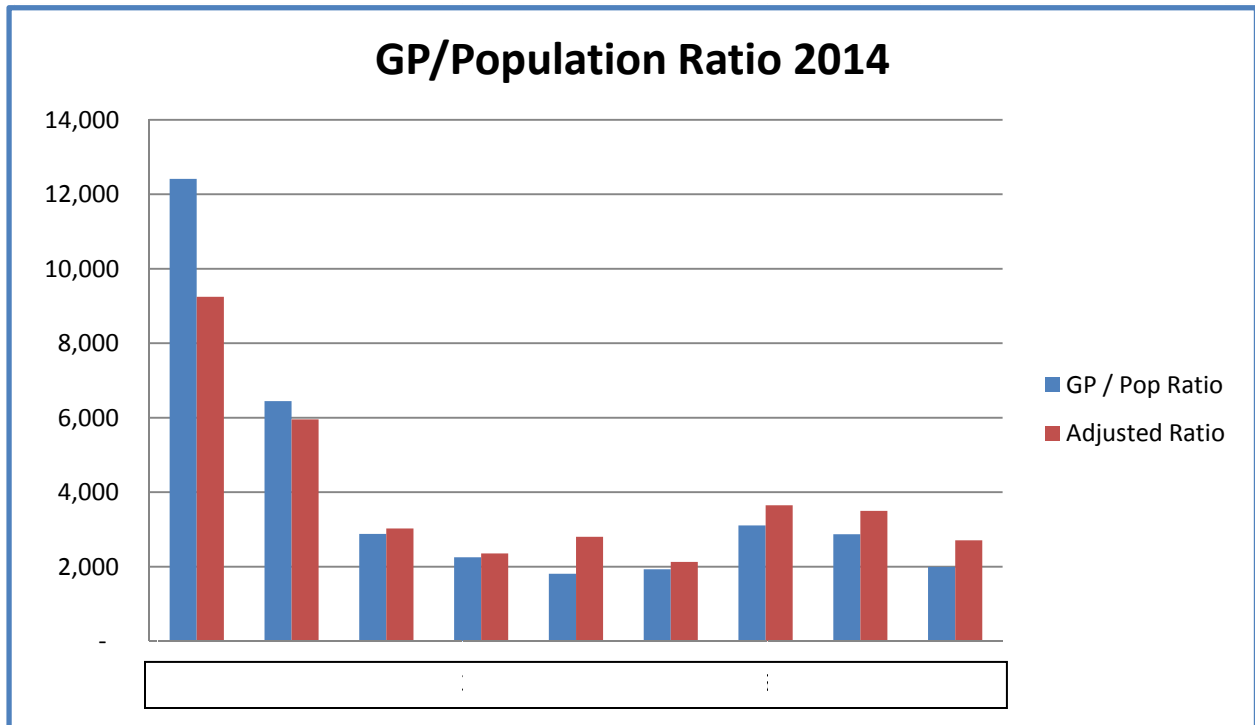


Table 1.11 Demographics and spending changes, 2014

In order to see where growth-based opportunities may be, we look at the projected population and dental spending growth through 2014. Zip codes where there will be a significant growth in dental spending provide excellent opportunities for a new practice, because these new people will need a dentist and are very likely to visit a practice that is located close to their home (in their zip code).

	New People in Zip Code by 2014	Additional GP Spending	GP Production 2014 ²
█	752	\$95,081	\$1,522,052
█	359	\$56,309	\$954,580
█	160	\$28,562	\$499,474
█	337	\$59,877	\$379,755
█	3,291	\$864,837	\$408,798
█	161	\$30,097	\$345,746
█	1,263	\$251,908	\$568,877
█	3,574	\$738,926	\$536,867
█	1,536	\$353,431	\$443,749
█	484	\$86,304	\$410,620

Fig 1.12 Additional spending at GP offices by 2014

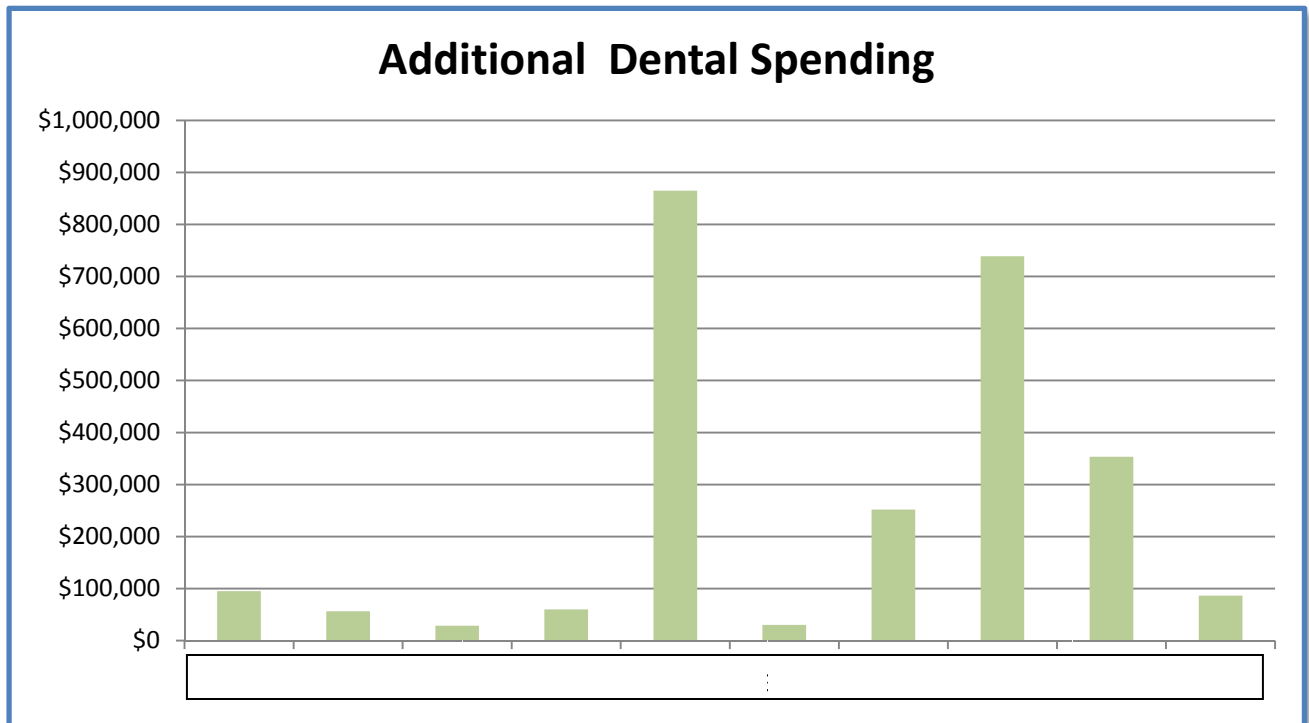


Table 1.13 Creditworthiness Assessment

Homeownership is a good indicator of creditworthiness, since those that own homes tend to have a much higher credit score, and have assets that allow them to receive credit. While patients are not likely to use up their entire checking and savings on dental services, higher balances mean that patients are likely to afford the needed care.

	% Homeowners 2009	% Homeowners 2014	Checking	Savings
██████	26.8%	25.8%	\$3,612	\$7,020
██████	73.6%	73.2%	\$5,237	\$11,110
██████	67.6%	67.4%	\$5,289	\$11,722
██████	66.7%	66.5%	\$5,316	\$11,634
██████	75.6%	75.7%	\$9,235	\$19,396
██████	75.4%	74.8%	\$6,012	\$13,297
██████	72.7%	71.9%	\$6,775	\$14,348
██████	62.3%	62.6%	\$6,778	\$14,235
██████	59.0%	58.6%	\$7,050	\$15,104
██████	60.8%	60.8%	\$5,397	\$12,053

Fig 1.14 Homeownership

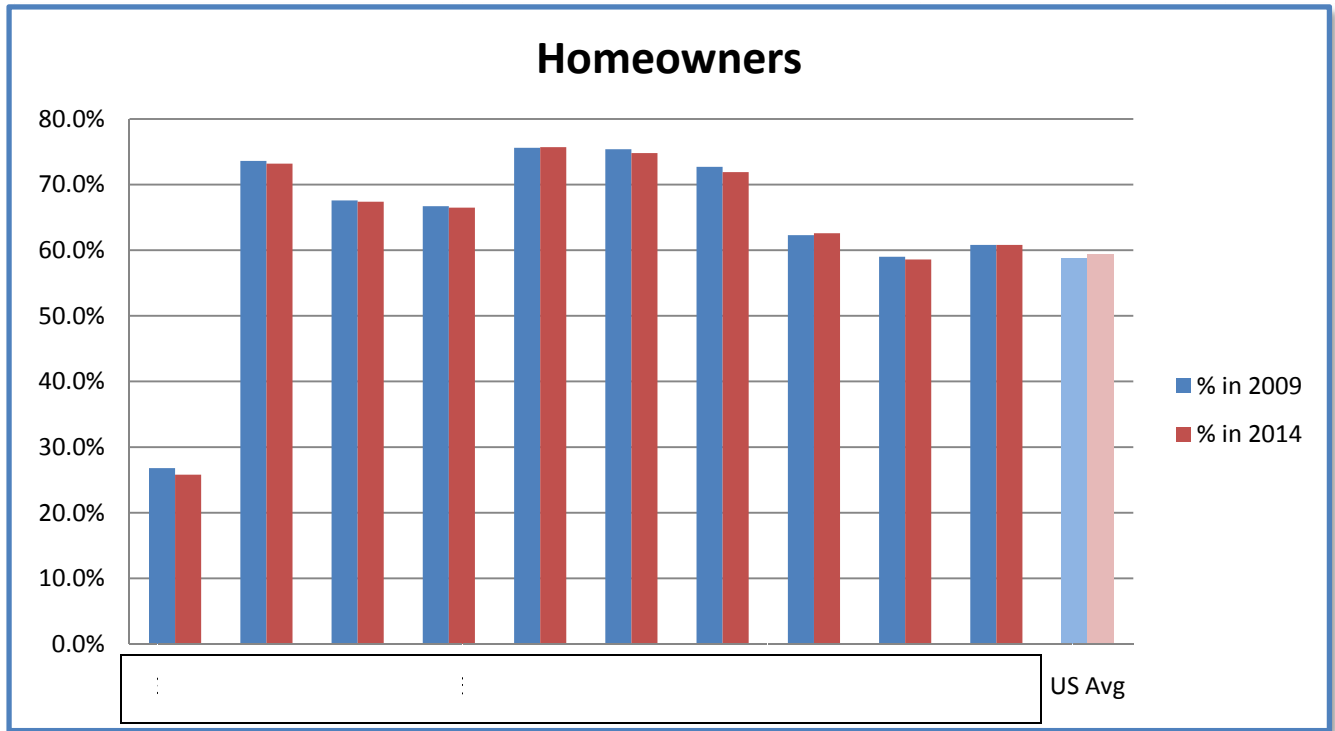


Fig 1.15 Liquid Assets, 2009

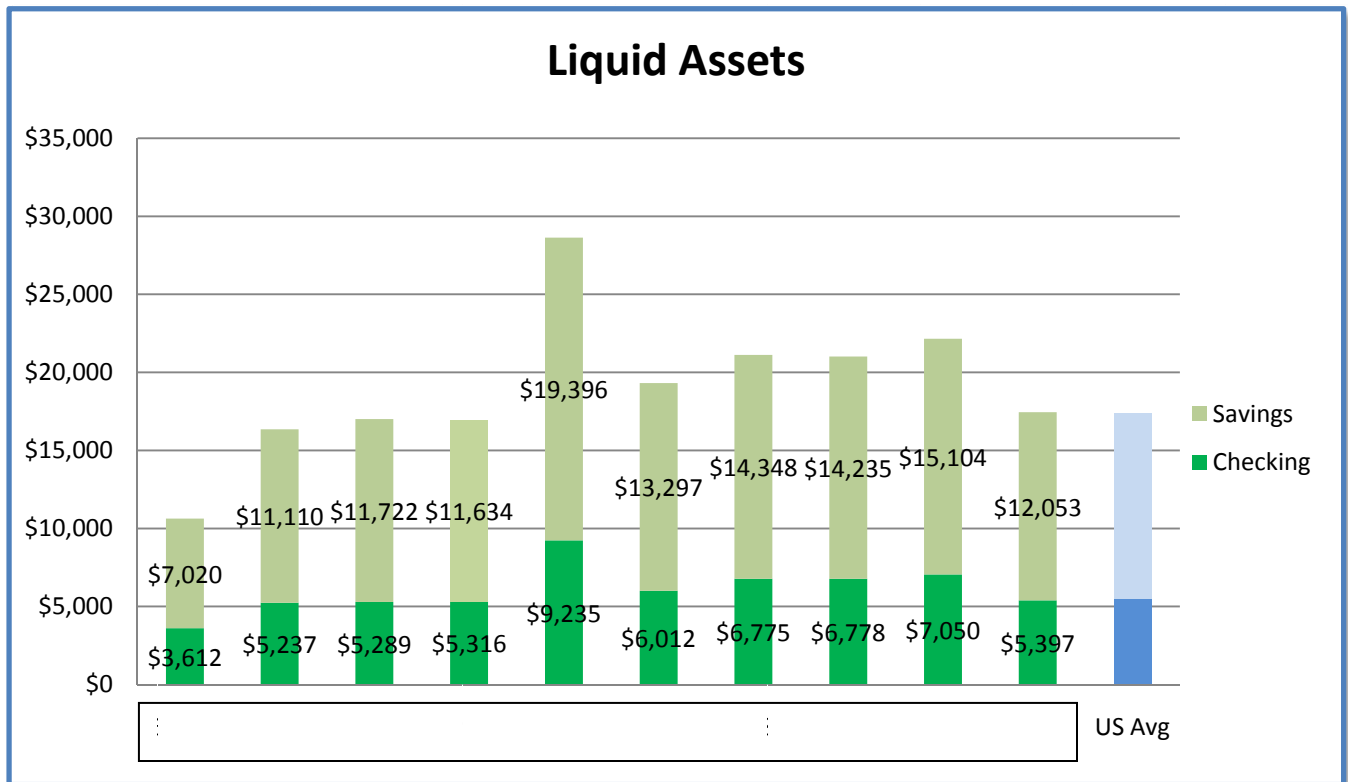


Table 1.16 Employment

Patients in the white collar industries are more likely to have more complete dental coverage. Blue collar employees sometimes do have good dental benefits from union agreements, but this is becoming less prevalent. Employment information is only for those 16+ years old.

	% Unemployed	% Unemployed 2014	% Blue Collar	% Services	% White Collar
	9.4%	6.4%	16.8%	20.3%	62.9%
	8.0%	5.5%	29.2%	15.4%	55.4%
	6.8%	4.7%	27.0%	16.0%	57.1%
	5.2%	3.6%	29.2%	14.3%	56.5%
	5.1%	4.0%	12.2%	11.7%	76.2%
	6.2%	4.2%	26.1%	14.0%	59.9%
	4.3%	2.9%	21.4%	13.3%	65.3%
	6.0%	4.3%	17.5%	11.6%	70.9%
	7.4%	5.0%	10.0%	12.3%	77.7%
	12.0%	8.5%	31.7%	15.8%	52.5%

Fig 1.17 Unemployment

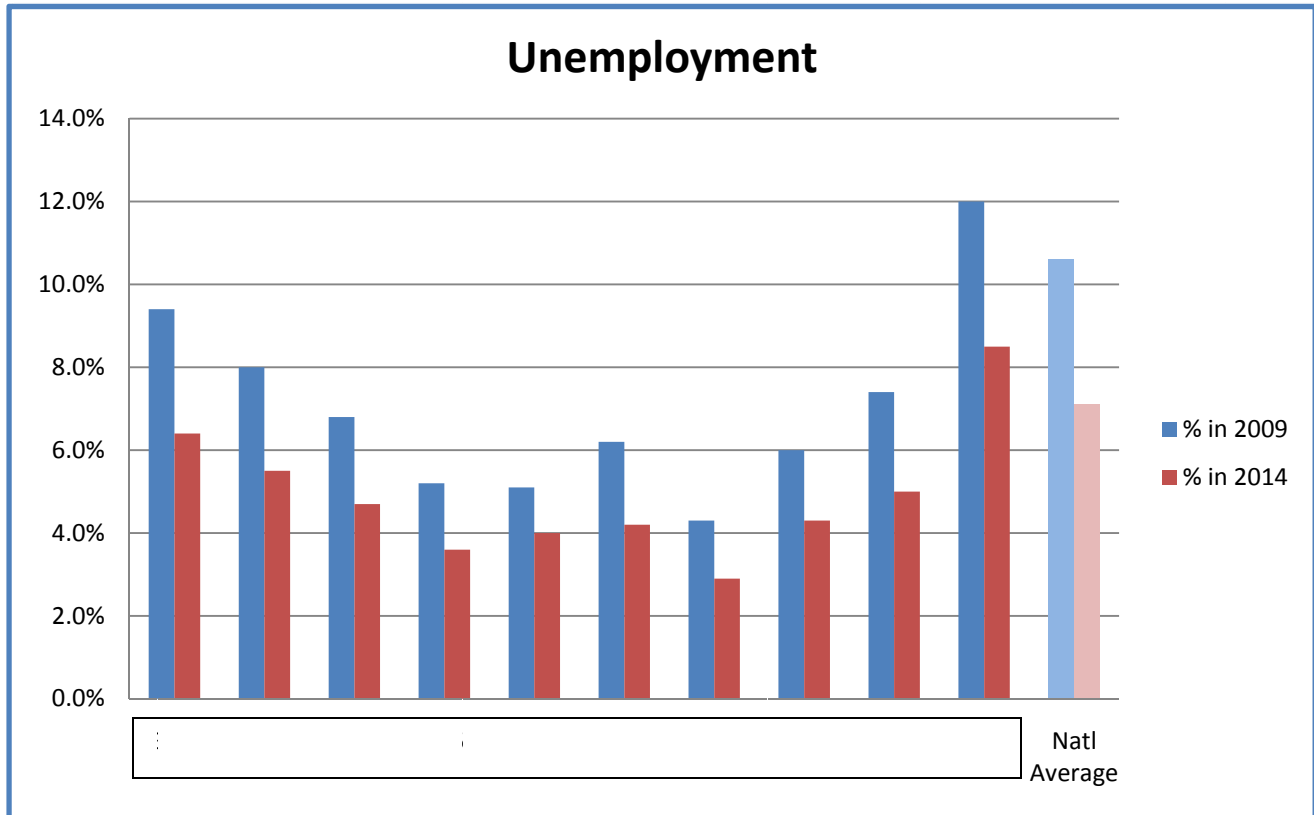


Fig 1.18 Employment by type, 2009

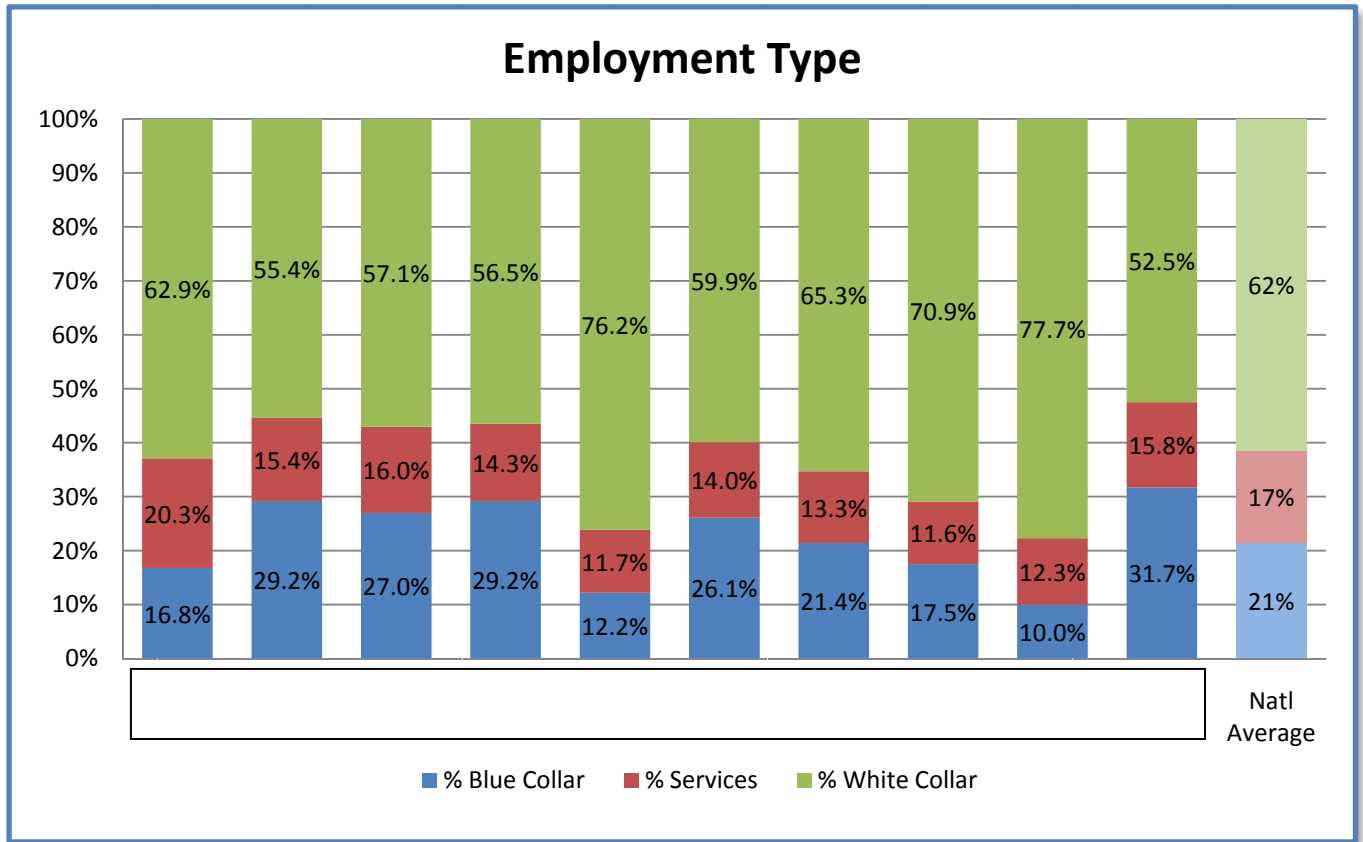


Fig 1.19 Educational attainment, 2009

Education attainment of people 25+ years old is a very good predictor of whether they will visit the dentist. The higher the education, the more likely the person is to visit a dentist for routine care. Higher educated areas will have many patients on active recall and busy hygiene departments.

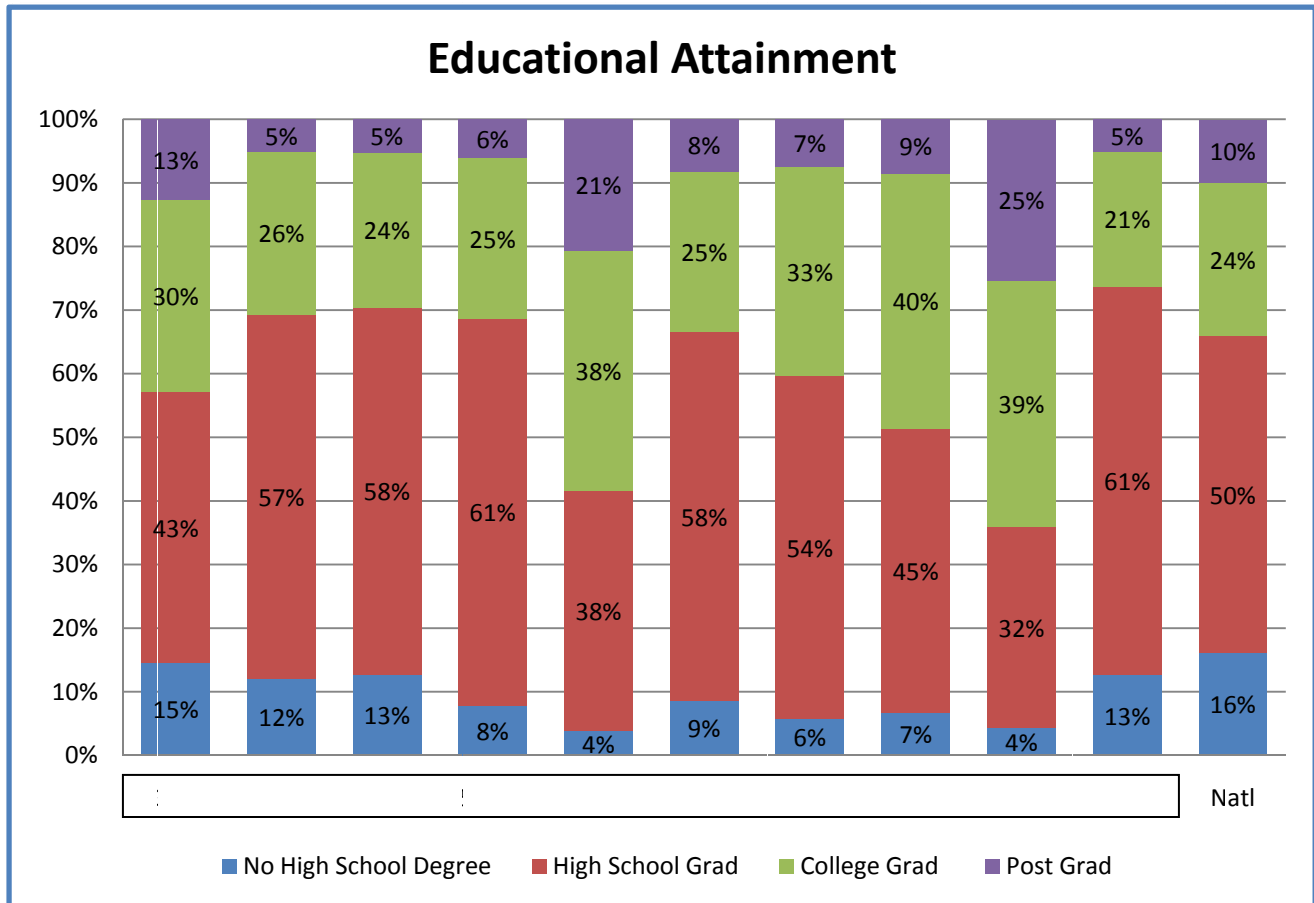
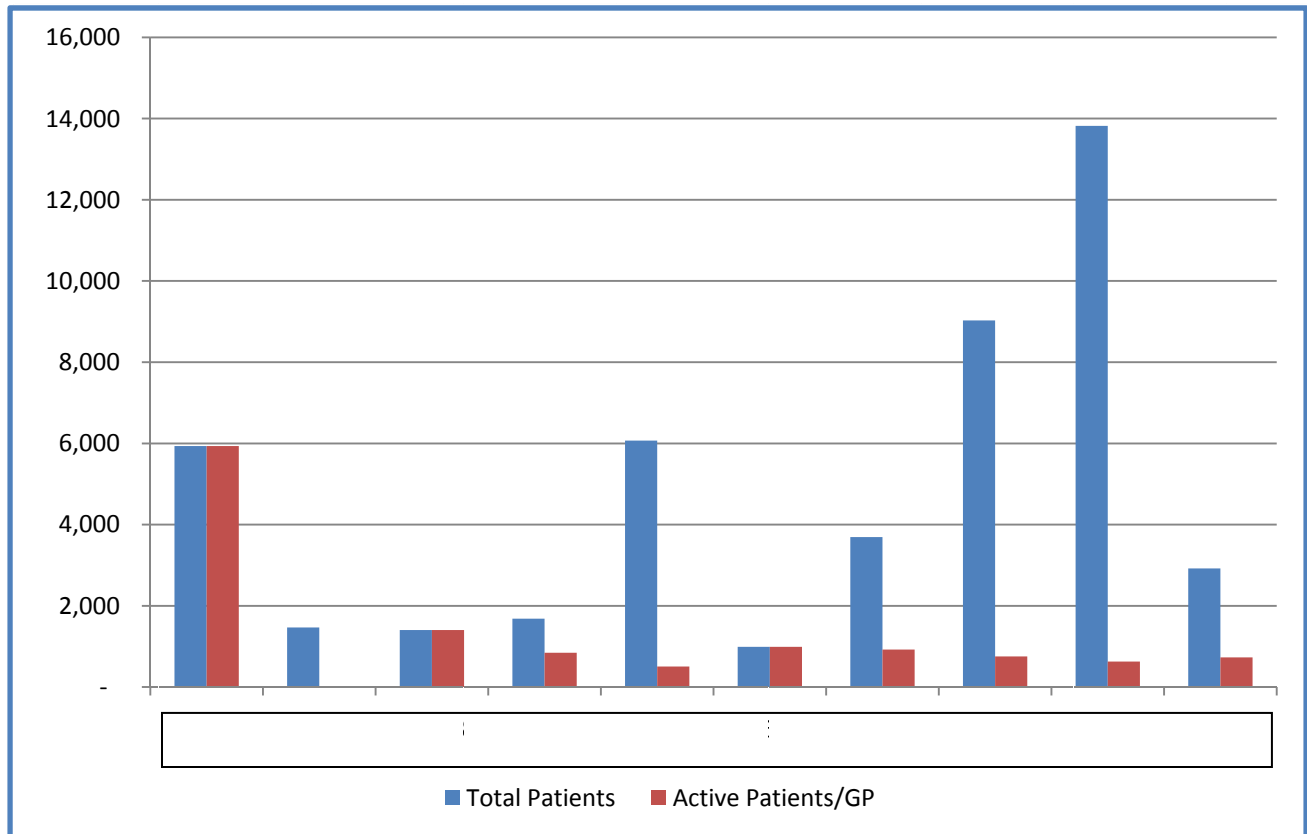


Figure 1.20 Expected number of patients, 2009

The total number of adult patients in each zip code, can be predicted by their likelihood of dental visit based on their educational attainment.



Conclusions

The search of the [REDACTED] area returns several zip codes that could provide opportunities for a dental practice. The top zip code is [REDACTED], which is severely underserved, with over 24,000 people and only one general practice. We note, however, that this is a primarily young, renter-occupied area, with the lowest per capita dental spending of any of the zip codes. Additionally, many students live in this neighborhood, and are generally are not the best patients for building a startup. A practice in this area, while feasible, would have to be carefully tailored to the unique market that it would serve. A traditional bread and butter dental practice would not be advisable here.

There are several other zip codes that present very interesting opportunities, primarily because of their significant population growth. For example [REDACTED] will have nearly \$900,000 additional dental spending by 2014. Although there are already many dentists in the area, their marketing strategies need to be evaluated. If their marketing is not strong, it is very likely a startup practice in this zip code could capture the majority of the nearly \$1 million new dental expenditures. Another zip code that is growing is [REDACTED], just south of [REDACTED]. In this area, there are very few dentists, but there will be \$350,000 more in dental expenditures by 2014. A startup practice in this area should be able to capture a large share of this new dental spending.

Lastly, we note that there is a “pocket” of zip codes near [REDACTED] that all appear in the top 10 results. While an individual “good” zip code with little competition may be adjacent to a very saturated area, several zip codes in a cluster suggest that choices for dental care in that area are limited, and signify an important unmet demand for dental services. We note such a “pocket” with [REDACTED]. There will be approximately 5000 new people in those zip codes by 2014, and [REDACTED] alone will gain close to \$750,000 in additional dental spending. These zip codes also have an overall high income, educational attainment, large white collar working populations and above average dental spending. While there are many dentists in the area, the ratios are still favorable and there is ample opportunity for an additional practice. This is an area that should certainly be investigated further. In this area, it may be worthwhile to consider purchasing a smaller existing practice and growing it through word of mouth and marketing. We recommend considering this because although the area is growing, it may not be growing fast enough to support a pure scratch startup.