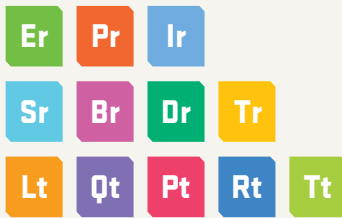




Elements[®] 2017 Year End Report



Elements[®] is a periodic table comprising twelve key indicators of financial health for dentists. The elements in the table represent simple calculations a dentist can use to measure his or her financial progress.



Er
Equity Rate

Equity Rate (Er) Helps us determine whether a client will experience too much volatility risk for their personal level of spending and age.

$$Er = \frac{\text{EQUITY INVESTMENTS}}{\text{TOTAL INVESTMENTS}}$$

| Age Under 35 | | |
|--------------|------|-------|
| 2017 | 2016 | △ |
| 30.1 | 33.0 | -8.6% |

| Age 36-40 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 49.4 | 40.4 | 22.2% |

| Age 41-45 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 58.0 | 59.5 | -2.4% |

| Age 46-50 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 63.5 | 49.8 | 27.5% |

| Age Over 50 | | |
|-------------|------|-------|
| 2017 | 2016 | △ |
| 65.9 | 69.9 | -5.8% |

Pr
Profitability Rate

Profitability Rate (Pr) Measures how much money the practice owner keeps as a percentage of collections. This serves as an important indicator of business efficiency.

$$Pr = \frac{\text{TOTAL PRACTICE-RELATED INCOME}}{\text{TOTAL COLLECTIONS}}$$

| Collections Under \$1M | | |
|------------------------|------|------|
| 2017 | 2016 | △ |
| 40.2 | 38.9 | 3.2% |

| Collections \$1-1.5M | | |
|----------------------|------|-------|
| 2017 | 2016 | △ |
| 41.7 | 42.6 | -2.1% |

| Collections \$1.5-2M | | |
|----------------------|------|------|
| 2017 | 2016 | △ |
| 42.3 | 40.7 | 4.0% |

| Collections Over \$2M | | |
|-----------------------|------|-------|
| 2017 | 2016 | △ |
| 36.5 | 38.3 | -4.8% |





Insurance Rate (Ir) Measures how much insurance a person has compared to how much they need on annual spending and net worth. Coverage is evaluated for the following types of insurance: life, general disability, business overhead disability, buy-sell, key person, personal liability, and business liability

$$Ir = \frac{\text{INSURANCE COVERAGE HELD}}{\text{INSURANCE COVERAGE REQUIRED}}$$

| All Clients | | |
|-------------|------|-------|
| 2017 | 2016 | △ |
| 71.4 | 73.1 | -2.3% |



Savings Rate (Sr) Indicates how much of a person's income is being put away for future expenses, emergencies, and retirement.

$$Sr = \frac{\text{ANNUAL SAVINGS}}{\text{TOTAL PERSONAL INCOME}}$$

| Income Under \$500k | | |
|---------------------|------|--------|
| 2017 | 2016 | △ |
| 18.5 | 24.5 | -24.4% |

| Income \$500-750k | | |
|-------------------|------|------|
| 2017 | 2016 | △ |
| 29.6 | 27.6 | 7.1% |

| Income \$750k-1M | | |
|------------------|------|------|
| 2017 | 2016 | △ |
| 26.5 | 24.5 | 8.0% |

| Income Over \$1M | | |
|------------------|------|--------|
| 2017 | 2016 | △ |
| 17.3 | 25.5 | -32.2% |





Br

Burn Rate

Burn Rate (Br) Helps us understand a client's spending patterns and retirement preparedness.

$$Br = \frac{\text{ANNUAL PERSONAL SPENDING}}{\text{TOTAL PERSONAL INCOME}}$$

| Income Under \$250k | | |
|---------------------|------|-------|
| 2017 | 2016 | △ |
| 62.3 | 55.1 | 13.2% |

| Income \$250-500k | | |
|-------------------|------|-------|
| 2017 | 2016 | △ |
| 45.3 | 47.9 | -5.3% |

| Income \$500k-1M | | |
|------------------|------|------|
| 2017 | 2016 | △ |
| 34.0 | 32.7 | 3.9% |

| Income Over \$1M | | |
|------------------|------|------|
| 2017 | 2016 | △ |
| 22.6 | 21.4 | 6.0% |

Dr

Debt Rate

Debt Rate (Dr) Indicates whether a person is servicing too much or too little debt for their individual circumstances.

$$Dr = \frac{\text{ANNUAL DEBT PAYMENTS}}{\text{TOTAL PERSONAL INCOME}}$$

| Income Under \$250k | | |
|---------------------|------|-------|
| 2017 | 2016 | △ |
| 56.4 | 50.4 | 11.9% |

| Income \$250-500k | | |
|-------------------|------|-------|
| 2017 | 2016 | △ |
| 33.6 | 35.9 | -6.5% |

| Income \$500-750k | | |
|-------------------|------|--------|
| 2017 | 2016 | △ |
| 19.9 | 24.9 | -20.1% |

| Income \$750k-1M | | |
|------------------|------|--------|
| 2017 | 2016 | △ |
| 13.3 | 21.1 | -37.0% |

| Income Over \$1M | | |
|------------------|------|-------|
| 2017 | 2016 | △ |
| 13.3 | 10.3 | 29.0% |



**Tr**

Tax Rate

Tax Rate (Tr) indicates whether tax liability could be reduced with better tax planning.

$$\text{Tr} = \frac{\text{ANNUAL TOTAL TAXES}}{\text{TOTAL PERSONAL INCOME}}$$

| Income Under \$250k | | |
|---------------------|------|------|
| 2017 | 2016 | △ |
| 16.3 | 15.5 | 5.6% |

| Income \$250-500k | | |
|-------------------|------|-------|
| 2017 | 2016 | △ |
| 19.1 | 14.8 | 29.8% |

| Income \$500-750k | | |
|-------------------|------|-------|
| 2017 | 2016 | △ |
| 29.3 | 25.7 | 13.7% |

| Income \$750k-1M | | |
|------------------|------|------|
| 2017 | 2016 | △ |
| 30.7 | 28.0 | 9.9% |

| Income Over \$1M | | |
|------------------|------|------|
| 2017 | 2016 | △ |
| 32.5 | 32.4 | 0.2% |

Lt

Liquid Term

Liquid Term (Lt) Estimates the number of years a person could live on his/her cash or cash-like assets outside of a retirement plan. Lt also indicates the amount of after-tax money an individual can access if needed.

$$\text{Lt} = \frac{\text{TOTAL LIQUID ASSETS}}{\text{ANNUAL PERSONAL SPENDING}}$$

| Life Earnings Under \$2.5M | | |
|----------------------------|------|-------|
| 2017 | 2016 | △ |
| 1.3 | 1.4 | -7.0% |

| Life Earnings \$2.5-7.5M | | |
|--------------------------|------|-------|
| 2017 | 2016 | △ |
| 3.2 | 2.4 | 33.3% |

| Life Earnings \$7.5-12.5M | | |
|---------------------------|------|--------|
| 2017 | 2016 | △ |
| 2.1 | 2.5 | -17.0% |

| Life Earnings \$12.5-17.5M | | |
|----------------------------|------|--------|
| 2017 | 2016 | △ |
| 4.3 | 5.4 | -19.4% |

| Life Earnings Over \$17.5M | | |
|----------------------------|------|-------|
| 2017 | 2016 | △ |
| 5.9 | 4.1 | 42.4% |



**Qt**

Qualified Term

Qualified Term (Qt) Estimates the number of years a dentist could live on the assets he/she has within qualified plans (401k, IRA, etc.).

$$Qt = \frac{\text{RETIREMENT ACCOUNTS}}{\text{ANNUAL PERSONAL SPENDING}}$$

| Age Under 35 | | |
|--------------|------|-------|
| 2017 | 2016 | △ |
| 0.39 | 0.27 | 46.3% |

| Age 36-40 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 0.80 | 0.64 | 24.7% |

| Age 41-50 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 1.35 | 1.34 | 0.75% |

| Age Over 50 | | |
|-------------|------|-------|
| 2017 | 2016 | △ |
| 2.05 | 1.7 | 20.6% |

Pt

Practice Term

Practice Term (Pt) Estimates the number of years a person could live on his/her current practice equity. It also indicates how much of a person's wealth is concentrated in the practice.

$$Pt = \frac{\text{TOTAL PRACTICE EQUITY}}{\text{ANNUAL PERSONAL SPENDING}}$$

| Collections Under \$1M | | |
|------------------------|------|------|
| 2017 | 2016 | △ |
| 1.7 | 1.6 | 6.5% |

| Collections \$1-1.5M | | |
|----------------------|------|--------|
| 2017 | 2016 | △ |
| 1.8 | 2.4 | -26.1% |

| Collections \$1.5-2M | | |
|----------------------|------|------|
| 2017 | 2016 | △ |
| 3.6 | 3.4 | 4.2% |

| Collections Over \$2M | | |
|-----------------------|------|-------|
| 2017 | 2016 | △ |
| 4.0 | 4.2 | -6.2% |





Rt
Real Estate Term

Real Estate Term (Rt) Estimates the number of years a person could live on his/her current real estate equity. It also indicates how much of a person's wealth is concentrated in real estate.

$$Rt = \frac{\text{TOTAL REAL ESTATE EQUITY}}{\text{ANNUAL PERSONAL SPENDING}}$$

| Age Under 35 | | |
|--------------|------|-------|
| 2017 | 2016 | △ |
| 2.03 | 1.83 | 10.7% |

| Age 36-40 | | |
|-----------|------|------|
| 2017 | 2016 | △ |
| 1.90 | 1.83 | 3.7% |

| Age 41-45 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 3.84 | 4.24 | -9.5% |

| Age 46-50 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 4.16 | 4.47 | -6.8% |

| Age Over 50 | | |
|-------------|------|-------|
| 2017 | 2016 | △ |
| 4.59 | 3.15 | 45.9% |

Tt
Total Term

Total Term (Tt) Estimates the number of years a person could live on his or her current assets if they did not grow. This includes cash, investments, practice value, and real estate equity.

$$Tt = \frac{\text{NET WORTH}}{\text{ANNUAL PERSONAL SPENDING}}$$

| Age Under 35 | | |
|--------------|------|-------|
| 2017 | 2016 | △ |
| 5.2 | 4.1 | 26.3% |

| Age 36-40 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 6.7 | 5.7 | 17.0% |

| Age 41-45 | | |
|-----------|------|------|
| 2017 | 2016 | △ |
| 14.2 | 13.2 | 7.2% |

| Age 46-50 | | |
|-----------|------|-------|
| 2017 | 2016 | △ |
| 14.2 | 11.4 | 24.6% |

| Age Over 50 | | |
|-------------|------|-------|
| 2017 | 2016 | △ |
| 14.1 | 15.4 | -8.7% |

