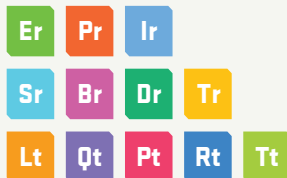




Elements[®] 2017 Year End Report



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.

EQUITY INVESTMENTS

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.

TOTAL PRACTICE-RELATED INCOME

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%





Ir
Insurance Rate

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

All Clients		
2017	2016	△
71.4	73.1	-2.3%

INSURANCE
COVERAGE HELD

INSURANCE
COVERAGE REQUIRED

Sr
Savings Rate

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

ANNUAL SAVINGS

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	



**Br**

Burn Rate

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

ANNUAL PERSONAL SPENDING

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.

ANNUAL DEBT PAYMENTS

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.

ANNUAL TOTAL TAXES

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.

TOTAL LIQUID ASSETS

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.).

RETIREMENT ACCOUNTS
**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.

**TOTAL PRACTICE
EQUITY**
**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.

TOTAL REAL
ESTATE EQUITYANNUAL PERSONAL
SPENDING

Age Under 35			Age 36-40			Age 41-45			Age 46-50			Age Over 50		
2017	2016	△	2017	2016	△	2017	2016	△	2017	2016	△	2017	2016	△
2.03	1.83	10.7%	1.90	1.83	3.7%	3.84	4.24	-9.5%	4.16	4.47	-6.8%	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.

NET WORTH

ANNUAL PERSONAL
SPENDING

Age Under 35			Age 36-40			Age 41-45			Age 46-50			Age Over 50		
2017	2016	△	2017	2016	△	2017	2016	△	2017	2016	△	2017	2016	△
5.2	4.1	26.3%	6.7	5.7	17.0%	14.2	13.2	7.2%	14.2	11.4	24.6%	14.1	15.4	-8.7%

