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# **New O.D. Graduate Employment Plans and Perceptions of Practice Settings**

March 2009



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## Methodology

- A questionnaire was mailed to all fourth year students of U.S. schools and colleges of optometry during February, 2009. A total of 1,200 surveys were assumed delivered to students. As of April 12, 2009, 231 completed questionnaires had been received, a 19% response rate. Distribution of respondents by gender and college suggests the sample as representative of the universe of 4<sup>th</sup> year students.



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## Employment status of fourth year students

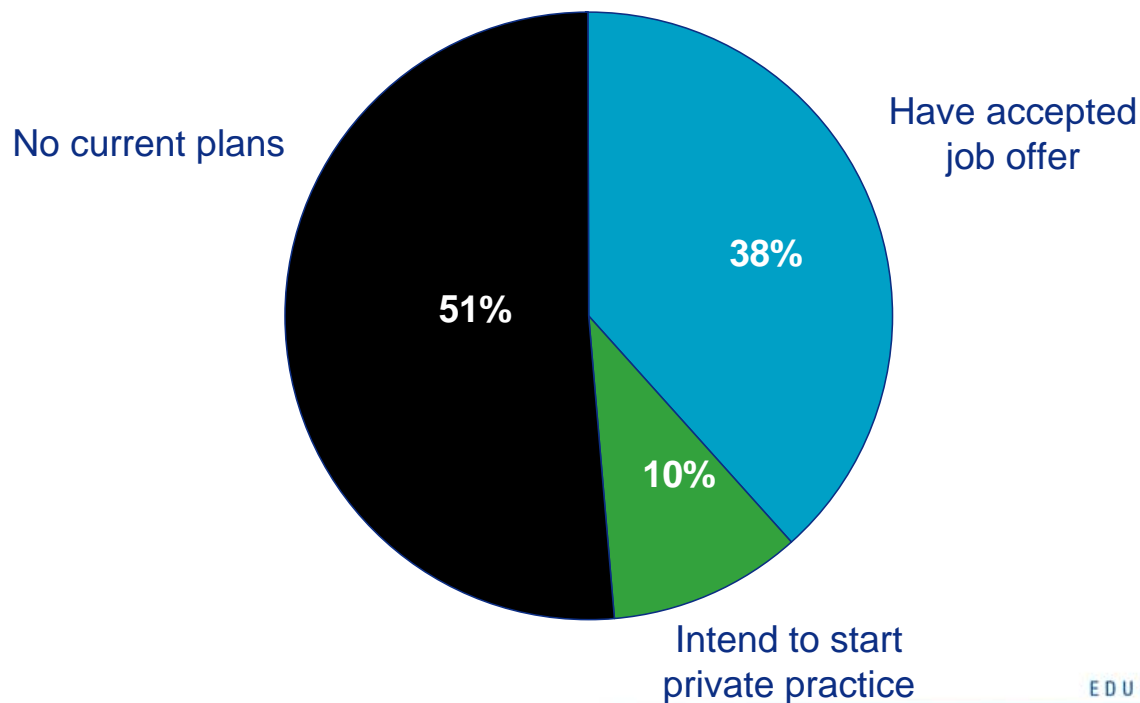
- As of early April 2009, 49% of the 2009 graduating class had firm plans for their first working position
  - 10% planned to start a private practice either cold or through acquisition
  - 38% had accepted a job offer, mostly as employed associate O.D.s in private optometric practices
- 51% of the graduating class did not yet have firm employment plans



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## EMPLOYMENT STATUS OF FOURTH YEAR STUDENTS (April 2009)





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## Practice setting of first job

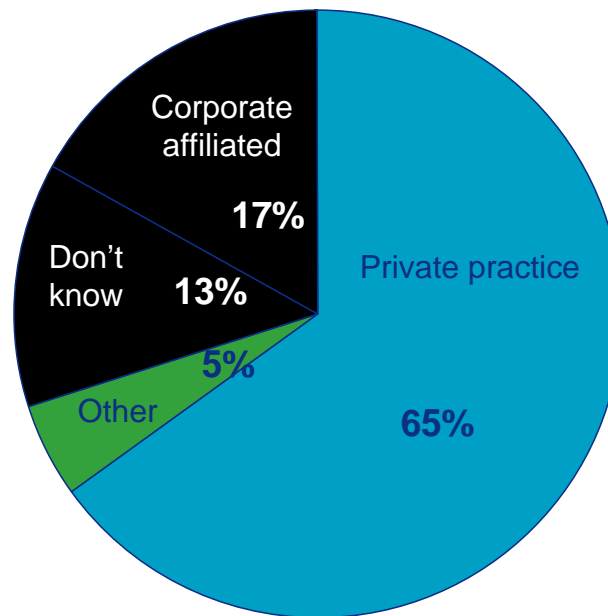
- 65% of the 2009 graduating class thought that their first job would be in a private practice setting, whether as an owner or employed associate, and 17% expected to be affiliated with an optical retailer
- Other surveys suggest that graduates underestimate the likelihood that their first position will be with an optical retailer



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## PRACTICE SETTINGS CONFIRMED OR ANTICIPATED FOR FIRST JOB





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## Compensation expectations: first 12 months

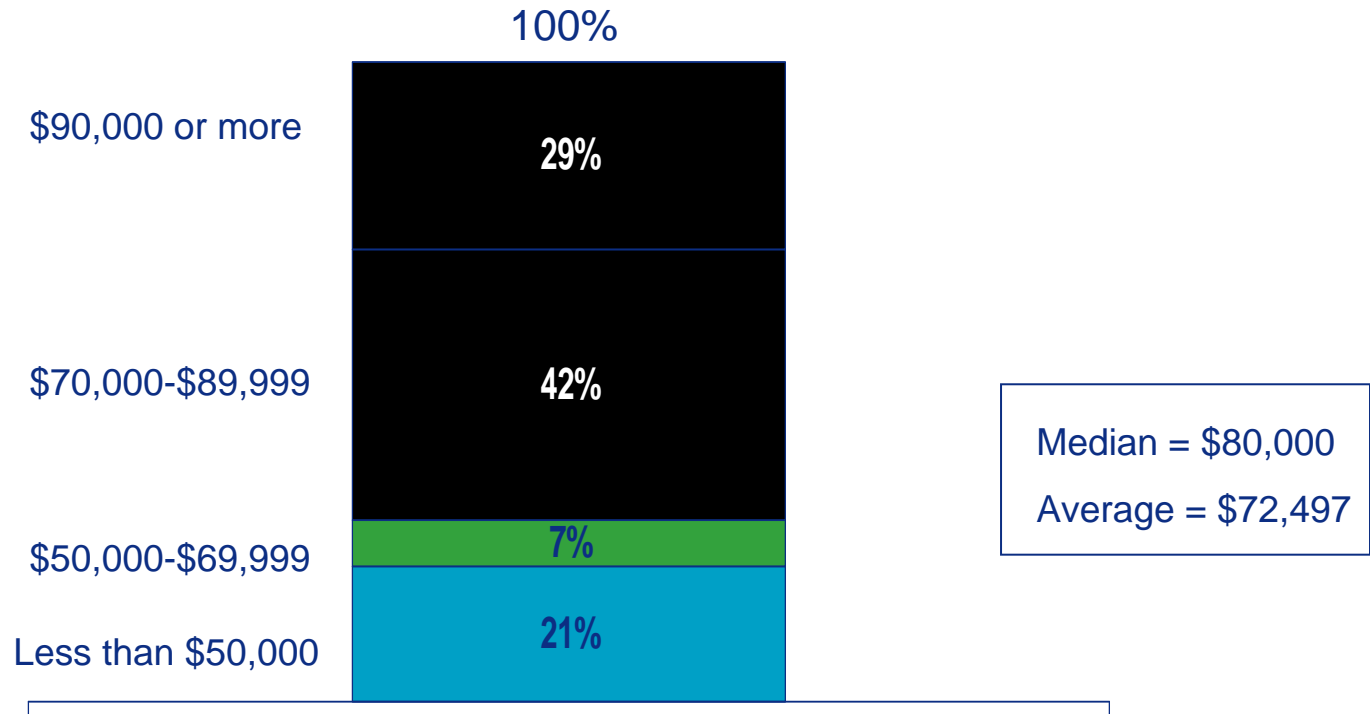
- 2009 graduates expect to receive a median of \$80,000 cash compensation (excluding benefits and pension) during their first 12 months of practice



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## COMPENSATION EXPECTATIONS: FIRST 12 MONTHS







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## Expectation of Practice Setting After Five Years

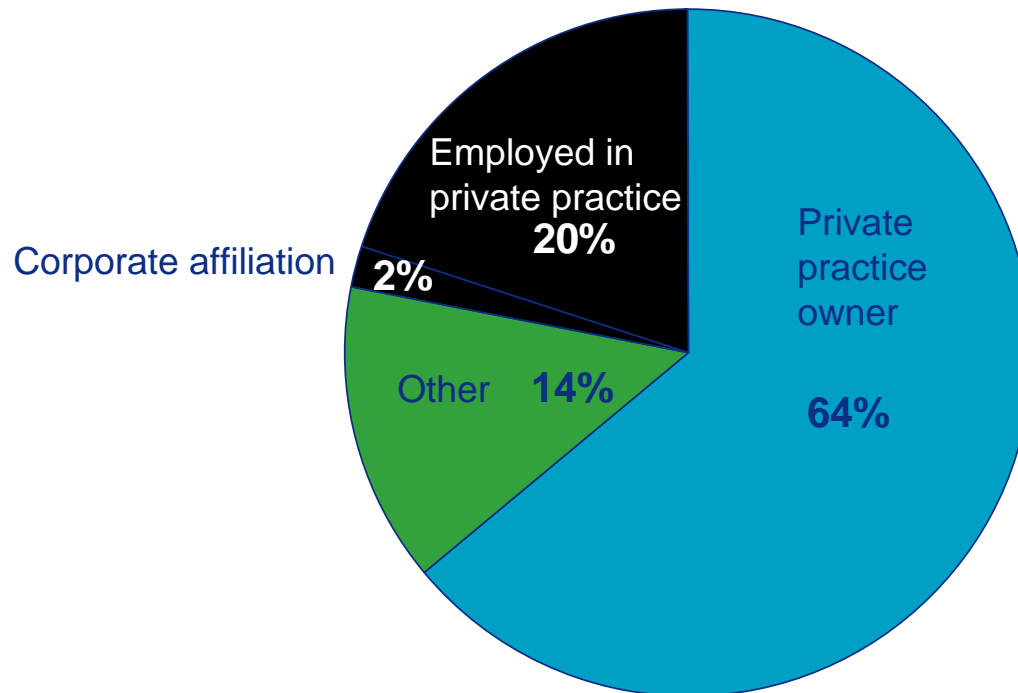
- 64% of fourth year students expect to own a private practice within five years after graduation.
- Just 2% expect to have a corporate affiliation in their fifth year in practice



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## Expectation of Practice Setting After Five Years





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## Compensation expectations: 5 years after graduating

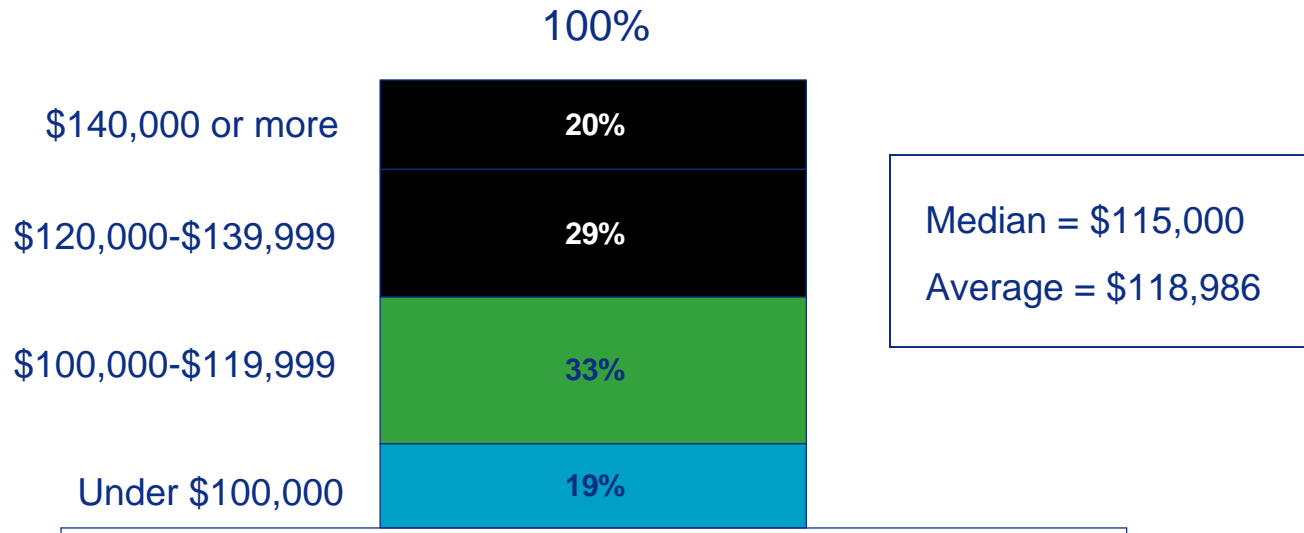
- Graduates expect their compensation during their fifth year of practice to rise to a median of \$115,000 - - a 44% increase over the median compensation expected during the first full year in practice



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## COMPENSATION EXPECTATIONS: 5 YEARS AFTER GRADUATION





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## Perceptions of private and corporate practice

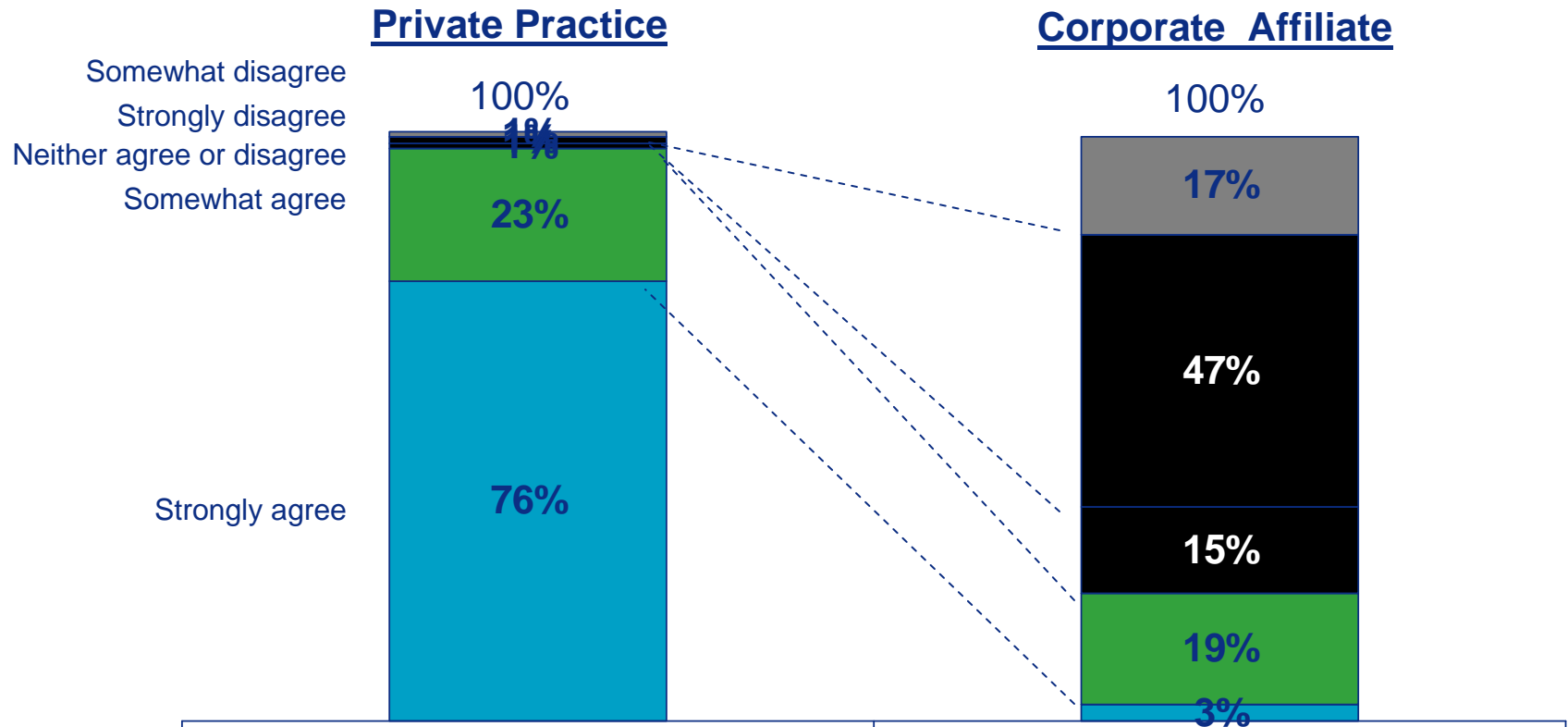
- 2009 graduating O.D.s were asked to rate their agreement with six characterizations of the benefits of practice in either a private practice or retail optical setting
- Perceptions of working in a private practice setting are much more favorable than working in a retail optical location. Graduating O.D.s believe that private practice offers:
  - Greater independence to practice in the way I choose
  - Higher income potential over the long-term
  - Greater opportunity to provide full scope of eye care services
  - Greater opportunity to spend more time with individual patient
  - A better balance between family and career
- The sole advantage of practice in a corporate setting was that it offered higher income potential in the years immediately after graduation



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## “OFFERS INDEPENDENCE TO PRACTICE IN THE WAY I CHOOSE”

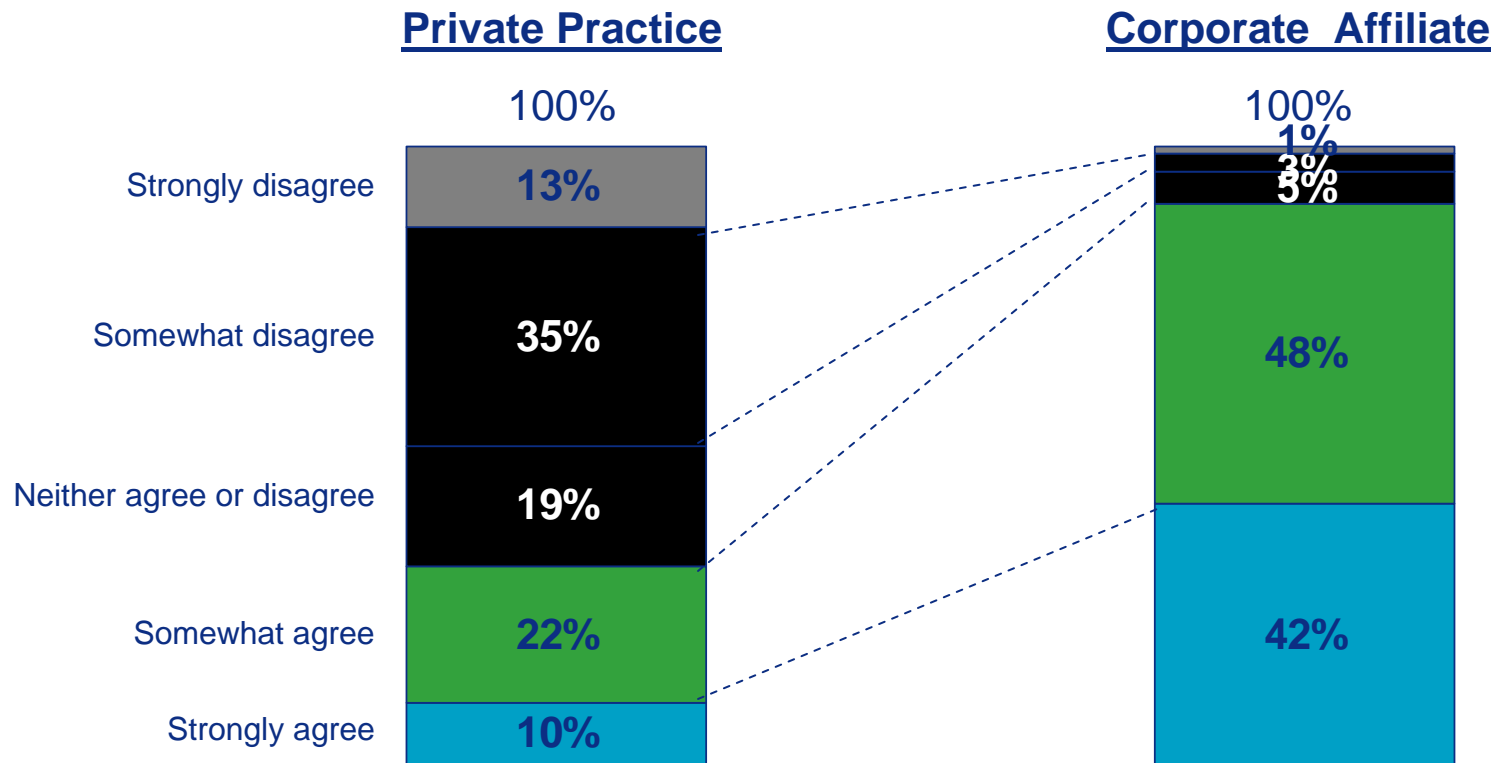




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## “OFFERS HIGHER INCOME POTENTIAL IN YEARS IMMEDIATELY AFTER GRADUATION”

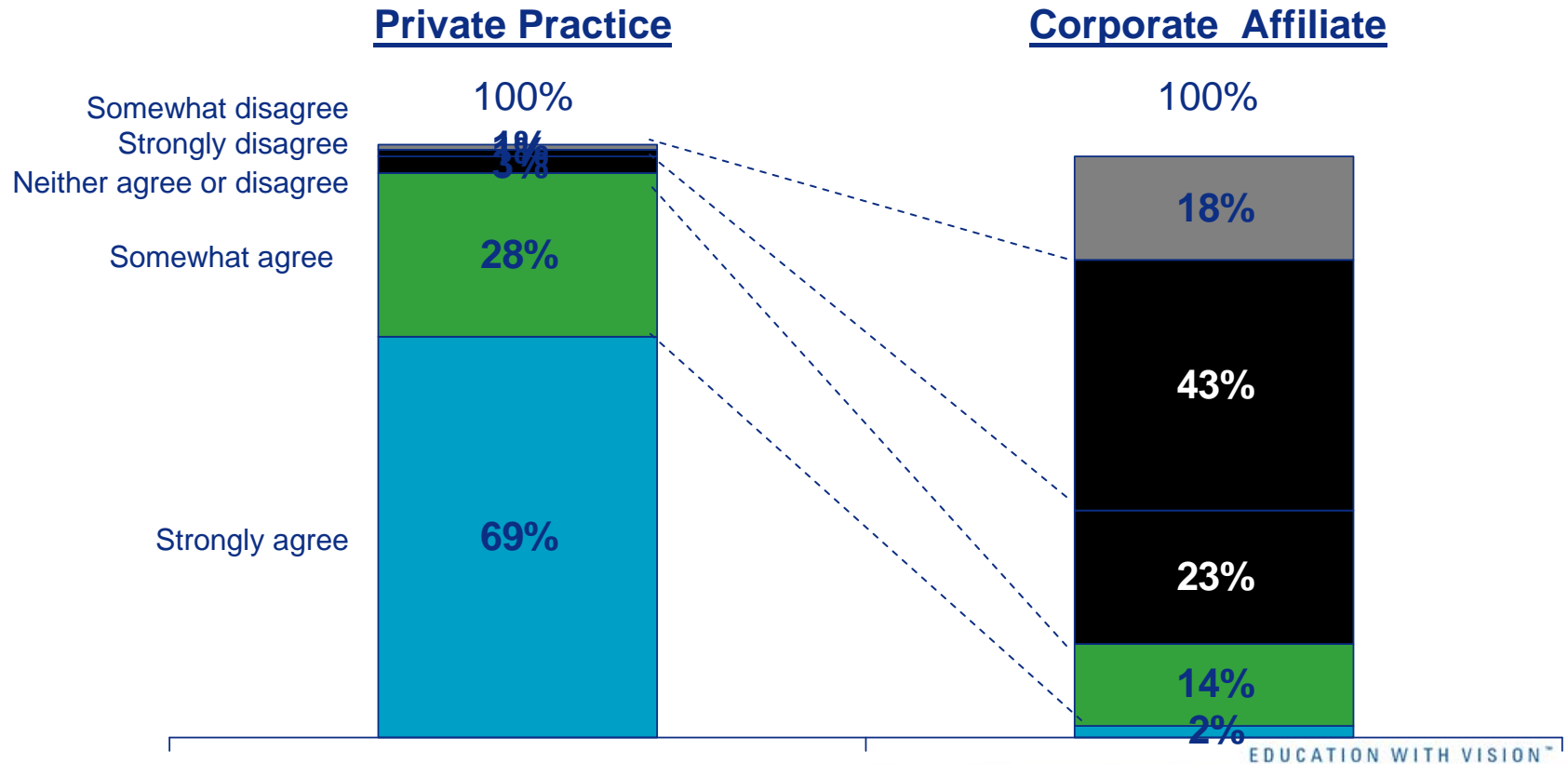




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## “OFFERS HIGHER INCOME POTENTIAL OVER THE LONG TERM”



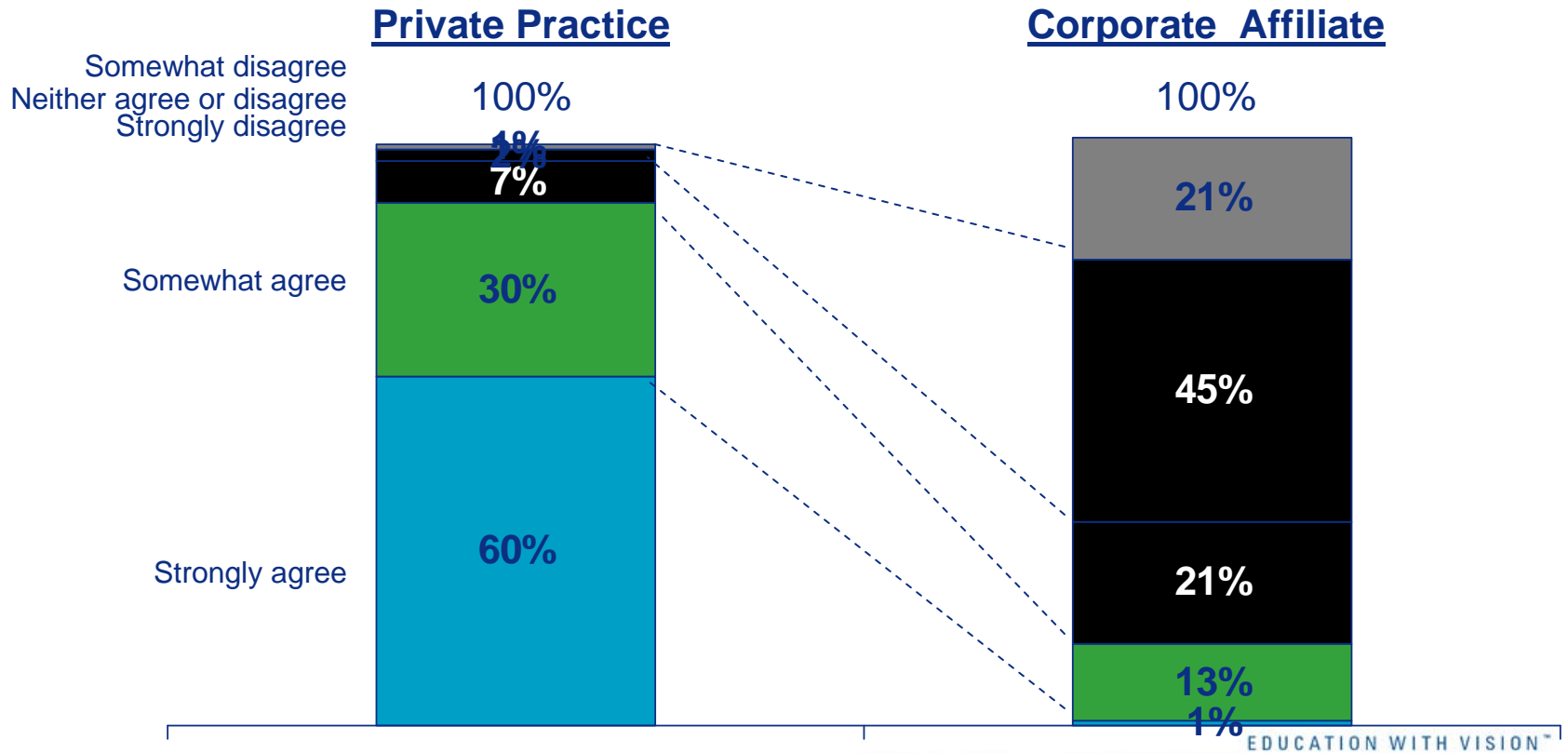




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## “ENABLES PROVIDING THE FULL SCOPE OF EYE CARE SERVICES”

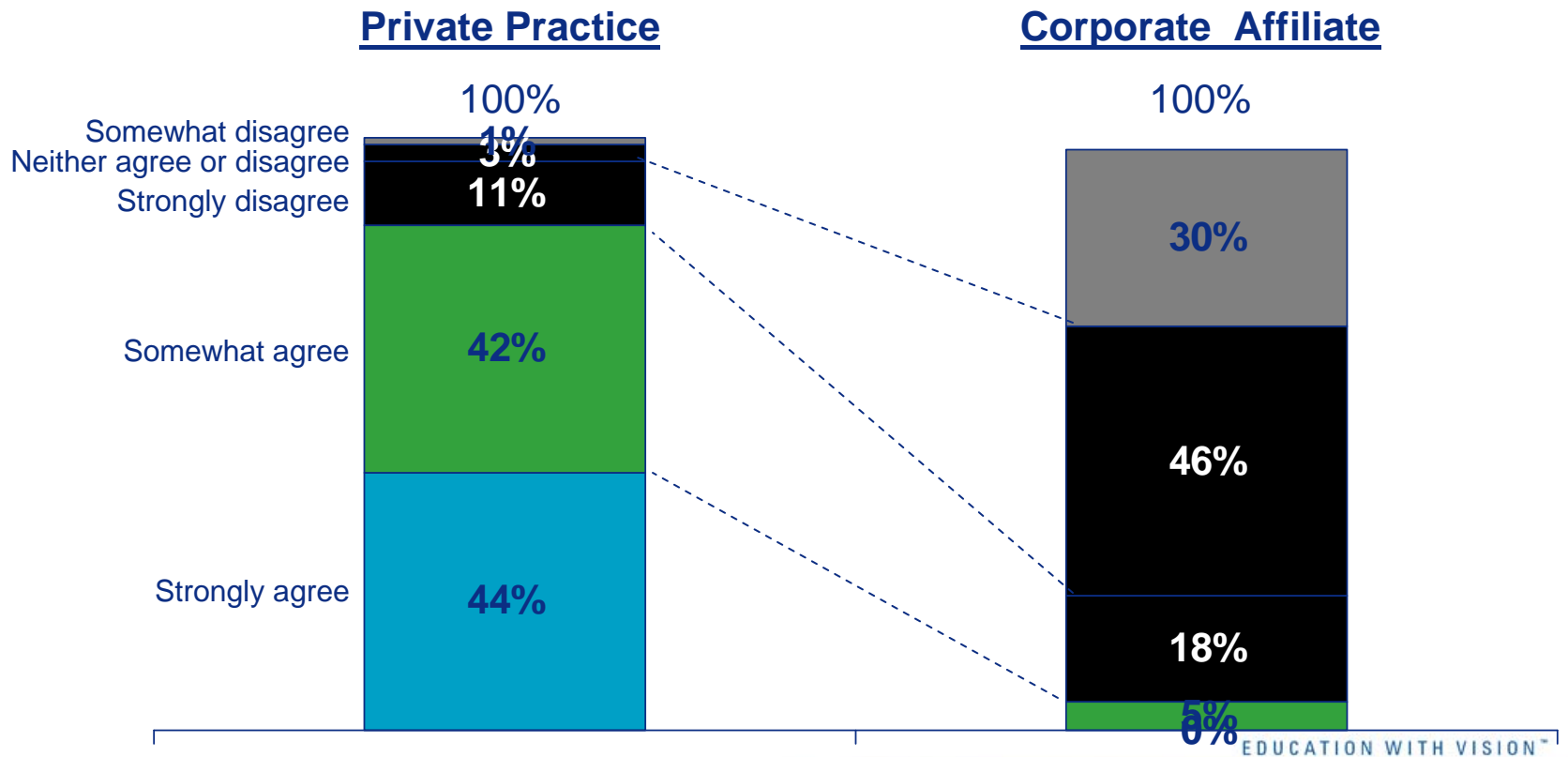




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## “ENABLES SPENDING MORE TIME WITH INDIVIDUAL PATIENTS”

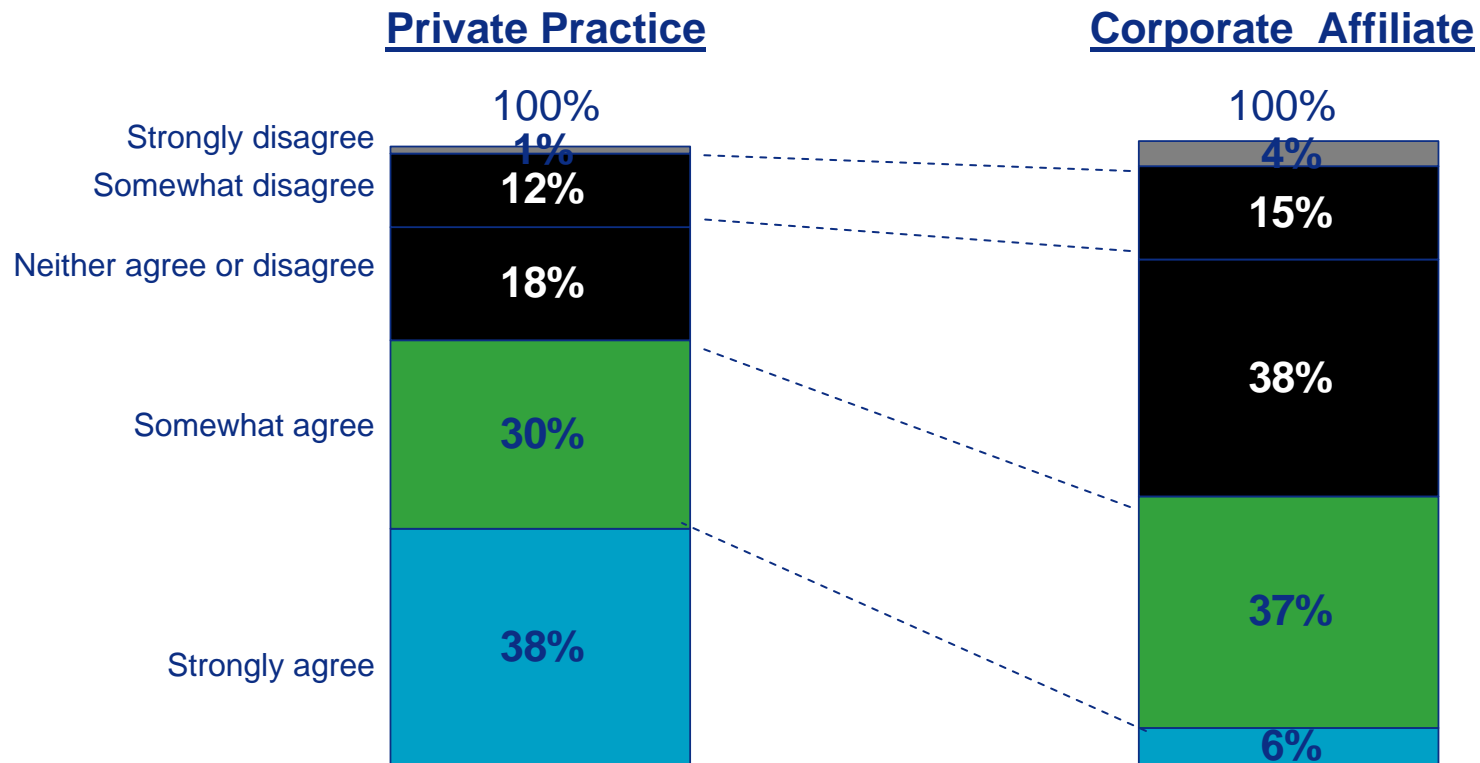




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## “ENABLES A BETTER BALANCE BETWEEN FAMILY AND CAREER”





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## Rating of optometry school preparation for optometric practice

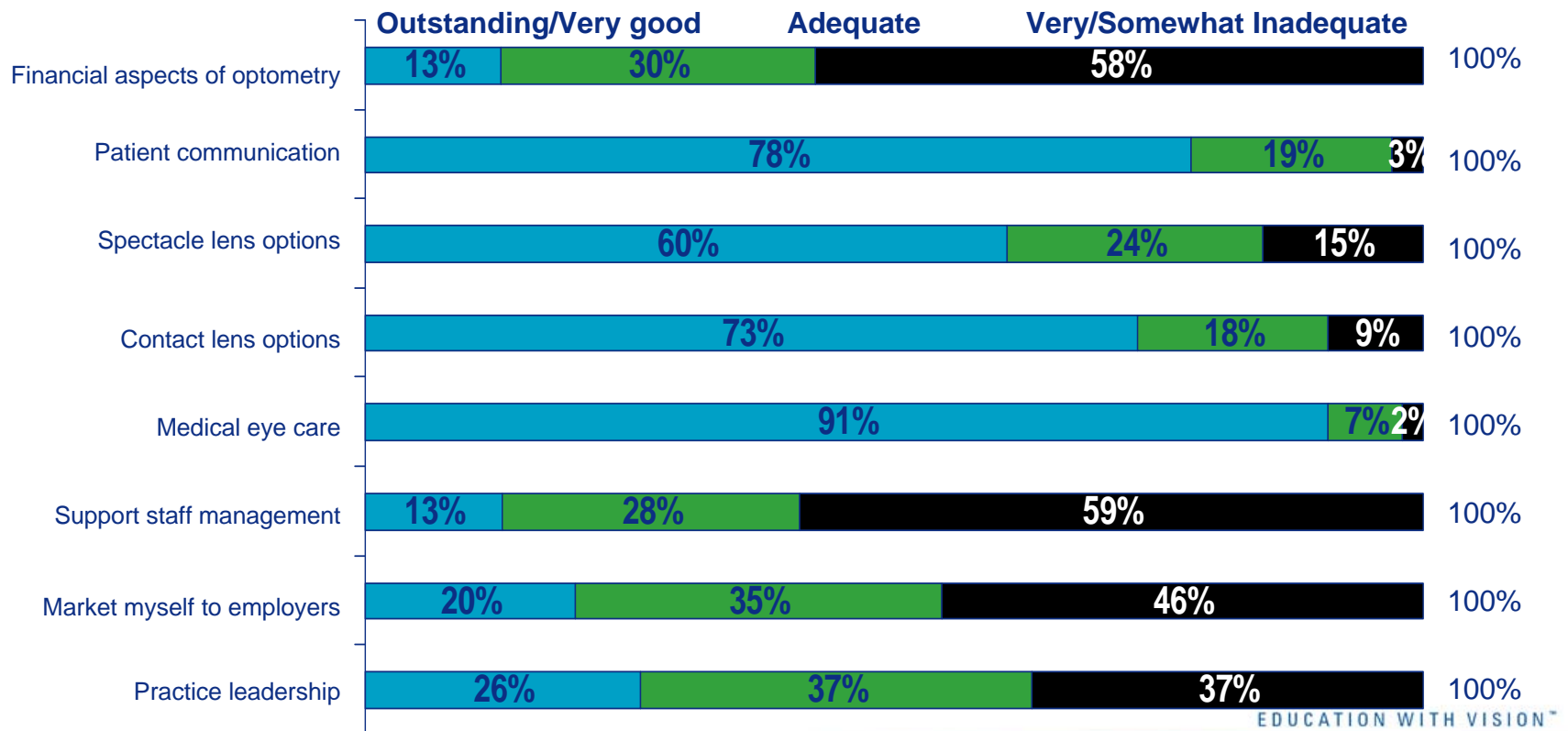
- Students rated their optometry school education as “outstanding” or “very good” for these aspects of optometric practice:
  - Providing medical eye care
  - Recommending spectacle lens options
  - Recommending contact lens options
  - Communicating with patients
- Students judged their education as less adequate in these areas
  - Dealing with financial aspects of practice
  - Managing support staff
  - Marketing myself to potential employers
  - Providing practice leadership



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## RATINGS OF OPTOMETRY SCHOOL PREPARATION FOR ASPECTS OF OPTOMETRIC PRACTICE





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## Student debt

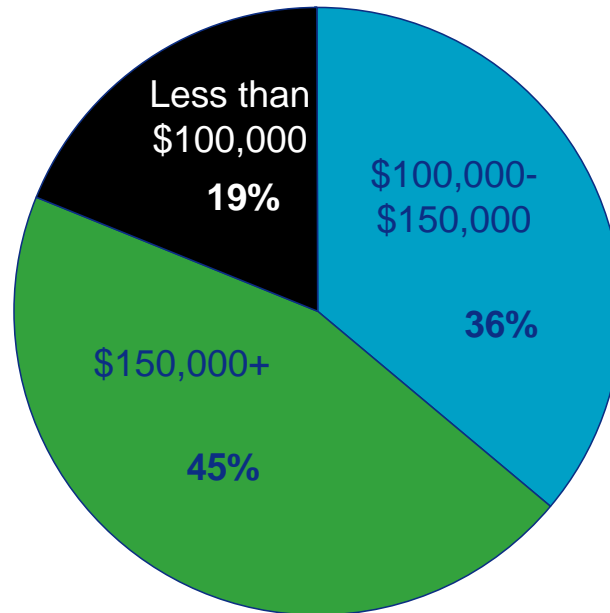
- 81% of graduating O.D.s have student debt balances of \$100,000 or more
- 45% have debt of \$150,000 or more



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## STUDENT LOAN DEBT BALANCE





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## Gender differences

- Male graduating O.D.s were somewhat more likely to plan starting a private practice immediately than were females (18% versus 7%)
- First year compensation expectations were comparable between men and women
- Men were more likely to anticipate being private practice owners after five years than were women (78% versus 58%)
- Men had somewhat higher compensation expectations after five years in practice than did women
- Although both men and women rated practice in a corporate setting as much less favorable than in a private practice setting, women tended to be less negative in rating corporate practice