

What will vet med look like in 2030
Dr. Jill Lopez

The three years have transformed nearly every aspect of our world. Living through this has driven dramatic shifts in the economy and our careers. Here are five ways that the veterinary profession has changed and will affect the future.

Pet parents are spending more on veterinary care than ever before

The veterinary profession in 2022 captured almost a 30% slice of the record-setting \$136.8 billion in the U.S. pet industry, according to a new report.

<u>Year</u>	<u>Billions of dollars</u>
2022	\$136.8 Actual
2021	\$123.6
2020	\$108.9
2019	\$97.1
2018	\$90.5

In 2022, \$136.8 billion was spent on our pets in the U.S.

Breakdown (Actual)

Pet Food & Treats	\$58.1 billion
Supplies, Live Animals & OTC Medicine	\$31.5 billion
Vet Care & Product Sales	\$35.9 billion
Other Services*	\$11.4 billion
Total	\$136.8 billion

**Other Services include boarding, grooming, insurance, training, pet sitting and walking and all services outside of veterinary care*

Shortages and burn out of veterinary professionals

Studies by economist and former University of Florida veterinary college dean Dr. Jim Lloyd point to a growing shortage of veterinarians in the range of 3,000 to 5,000. U.S. Bureau of Labor Statistics reports confirm the numbers and predict the problem will get worse as we move forward

According to a recent article by CNN, approximately half of all vet techs burn out of the profession within their first five years and 35% of them burn out altogether.

According to the 2023-2024 APPA National Pet Owners Survey, 66% of U.S. households own a pet, which equates to 86.9 million households.

Estimated Number of U.S. Households that Own a Pet

Bird	6.1 million
Cat	46.5 million
Dog	65.1 million
Horse	2.2 million
Freshwater Fish	11.1 million
Saltwater Fish	2.2 million
Reptile	6.0 million
Small Animal	6.7 million

Millennial pet parents are our biggest opportunity.

Millennials—who have reached ages between 25 and 39 years old in the last decade—have received special attention because of their high rate of pet ownership and they constitute 27% of all pet owners according to Packaged Facts.

In a recent survey of nearly 3,000 US adults, 45% of Millennials said technology has made them more impatient than they were five years ago. Millennials are impatient, they want what they want when they want it. They also have higher expectations for customer experiences.

Pet Ownership by Generation (% of Current Pet Owners)

Generation Z	16%
Millennial	33%
Generation X	25%
Baby Boomer	24%
Builder	2%

Increased wait time

A recent AVMA survey found that the average number of patients a veterinarian saw per hour was 25% lower in 2020 than in prior years, which means clients are waiting longer before their animals can be seen.

Rise of Veterinary Telemedicine

The global veterinary telehealth market size was valued at USD 92.0 million in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 19.5% from 2021 to 2028. The increasing demand for animal healthcare is propelling the growth of the market for veterinary telehealth.

Artificial intelligence:

In a 2019 report, the National Academy of Medicine wrote, “AI has the potential to revolutionize health care” and “offers unprecedented opportunities to improve patient and clinical team outcomes, reduce costs, and impact population health.”

In 2021, the AI healthcare market (mostly human) was worth around 11 billion globally. It was forecasted that the global healthcare AI market would be worth almost 188 billion by 2030 with a CAGR of 37%.

Some key points from Morgan Stanley

- About 34% of respondents expect to increase their spending on pet food in the next six months, while 32% predict they will plunk down more money for their pet's health.
- Pet services is expected to have the highest growth of any segment of the pet industry, with spending now predicted to rise 143% by 2030 to \$118 billion, versus our previous outlook for \$127 billion for pet services by 2030.
- Pet insurance is also a strong growth area, registering nearly 26% in annual growth between 2017 and 2021, with a 21.5% increase of pets coming under insurance in the same time period—and no signs of slowing.
- Products, including treats and fresh-from-the-fridge meals made without preservatives, is the biggest industry segment. Spending is predicted to increase 128% over the next decade from \$70 billion in 2019 to \$158 billion in 2030, compared with an estimate for \$151 billion by 2030 based on the previous survey.
- Innovation in products that add convenience and compliance with treatment protocols—such as solutions that tackle multiple issues, like medications for fleas, ticks and heartworm—could further expand the market.