TOPICAL WEBINAR FOR APA MEMBERS

An Educational Resource from Heard

The Financial State of Private Practice for Psychologists

April 23, 2025



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Heard

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Forrest Perry and Michael Fulwiler, have working relationships with Heard. As such, they have both a financial and intellectual interest in the webinar content. The purpose of this presentation is to provide a balanced view on the financial state of private practice for psychologists.

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ATTENDANCE

- No CE credit will be offered for this webinar.
- A “Certificate of Attendance” will be emailed to live attendees only.
- You must attend for 45 minutes to receive the certificate.

RECORDING

- A recording of this presentation will be emailed to everyone in 2 weeks' time.
- The recording will include the presentation slides.

HAVE A QUESTION?

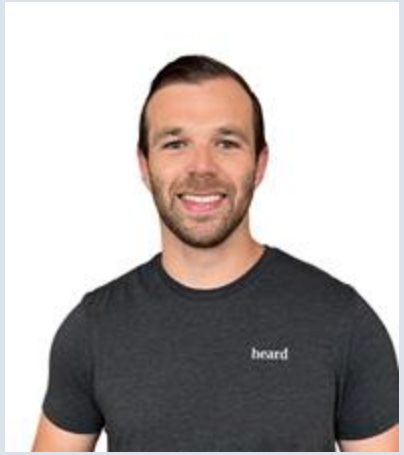
- You are on mute. Communicate using the **Q&A box** in the webinar screen. Attendees can view and upvote on submitted questions in the Q&A box to help presenters identify popular topics.



- Presentation slides will be posted in the **chat box** of your webinar screen.



Forrest Perry



Michael Fulwiler

PRESENTERS

- Forrest Perry
  - *Heard Partnerships Leader*
- Michael Fulwiler
  - *Host of Heard Business School*

DEMOGRAPHICS

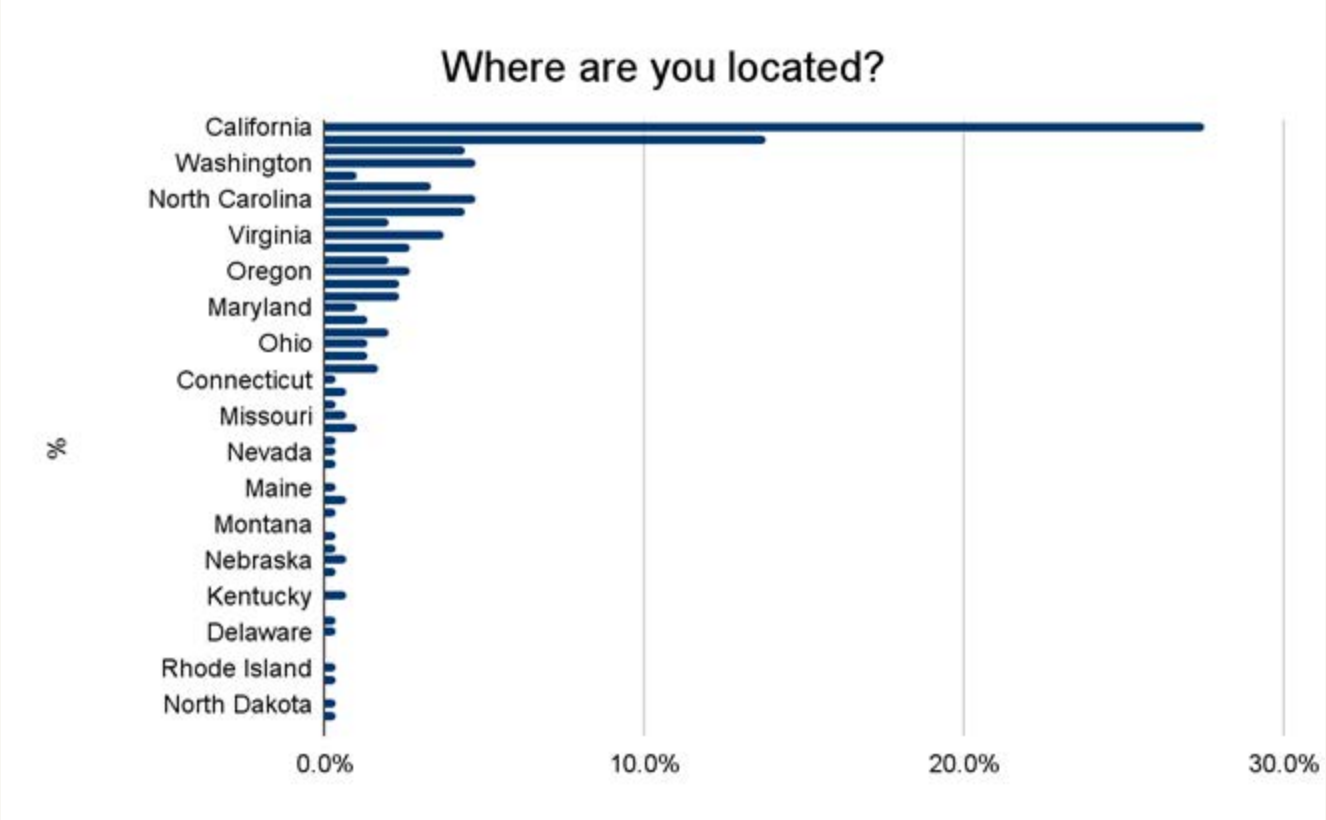
We surveyed 3,000 private practice therapists across the United States about their finances.

Exclusively for this webinar, we analyzed the responses from psychologists specifically. We're excited to share what we learned.

Methodology

We shared our SurveyMonkey survey with our therapist community through email and social media. As an incentive to complete the survey, we offered the chance to win one of our $250 Amazon gift cards. In total, 3,229 therapists completed the survey between January 16, 2025 and February 3, 2025.

298 psychologists from 42 states (and Washington D.C.) completed the survey.



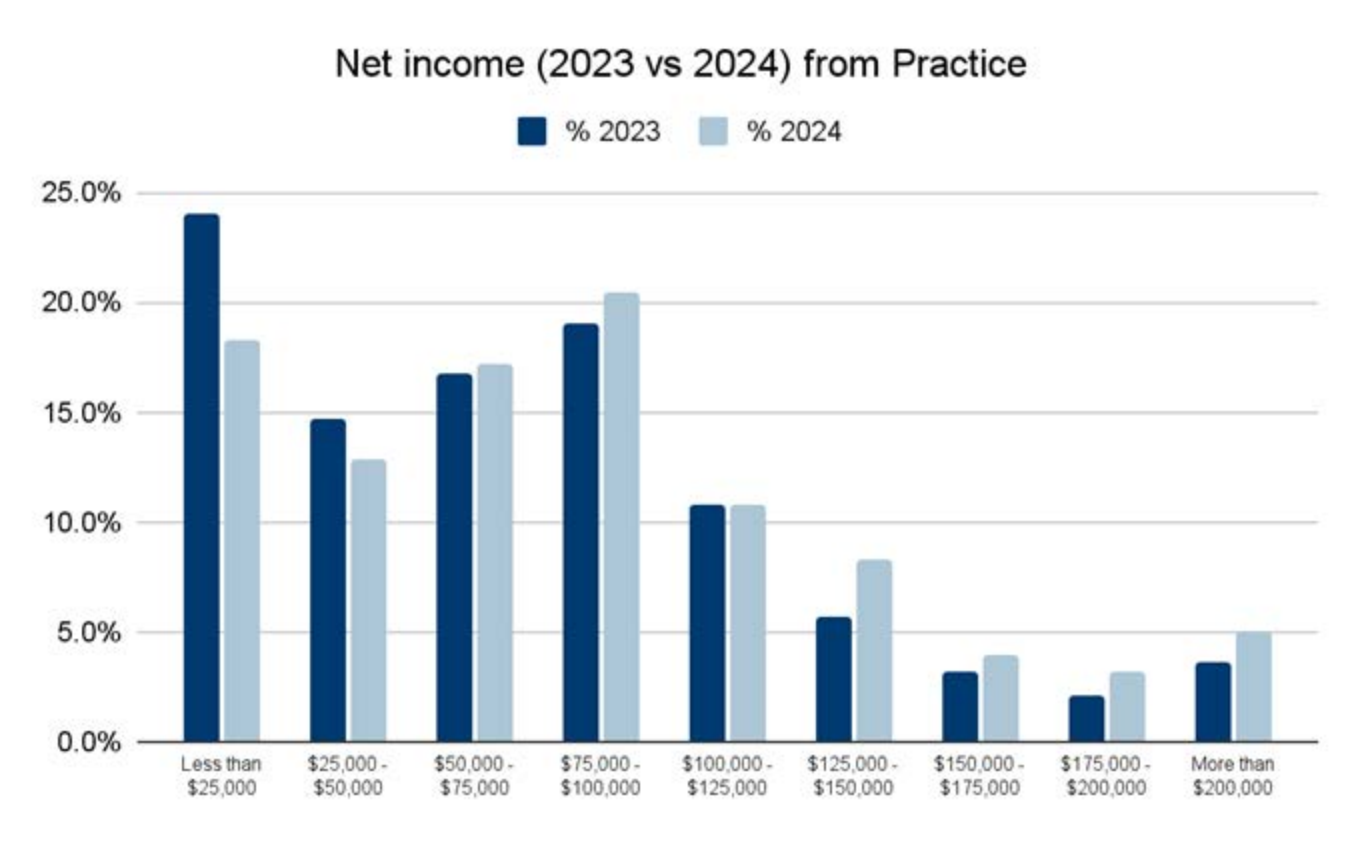
30% of psychologists who completed the survey have been licensed for 5 years or less.



INCOME

How much are psychologists making in profit?

31% of psychologists reported making over $100,000 in profit (compared to 14% for all therapists) and 19% reported higher profit in 2024 than 2023.



How much are psychologists earning per session?

Avg individual session fee: $216 *(all therapists = $159)*

Avg couples therapy session fee: $244 *(all therapists = $183)*

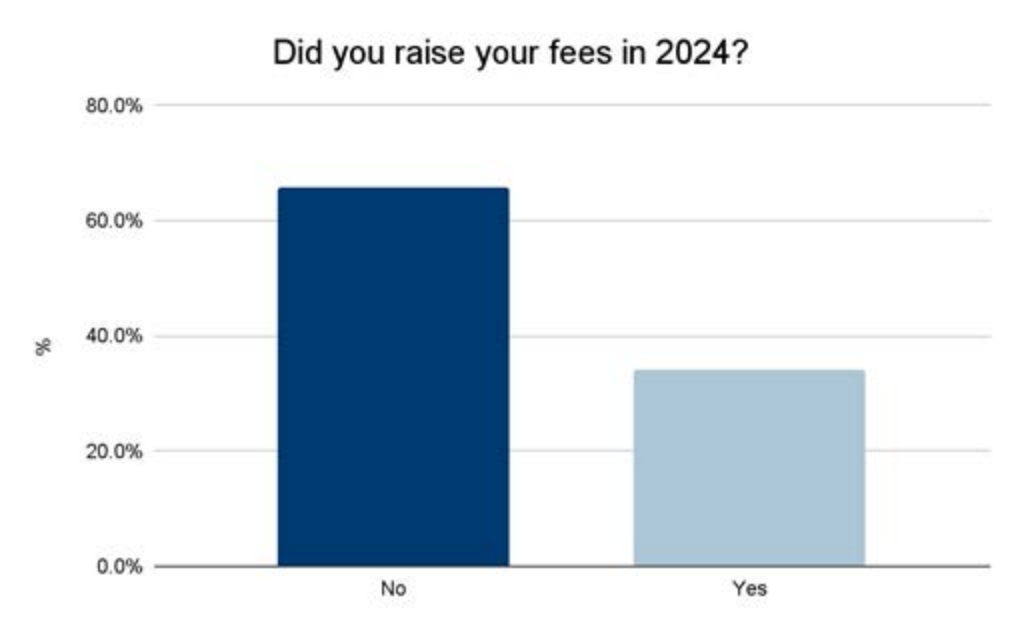
Avg group therapy session fee: $114 *(all therapists = $82)*

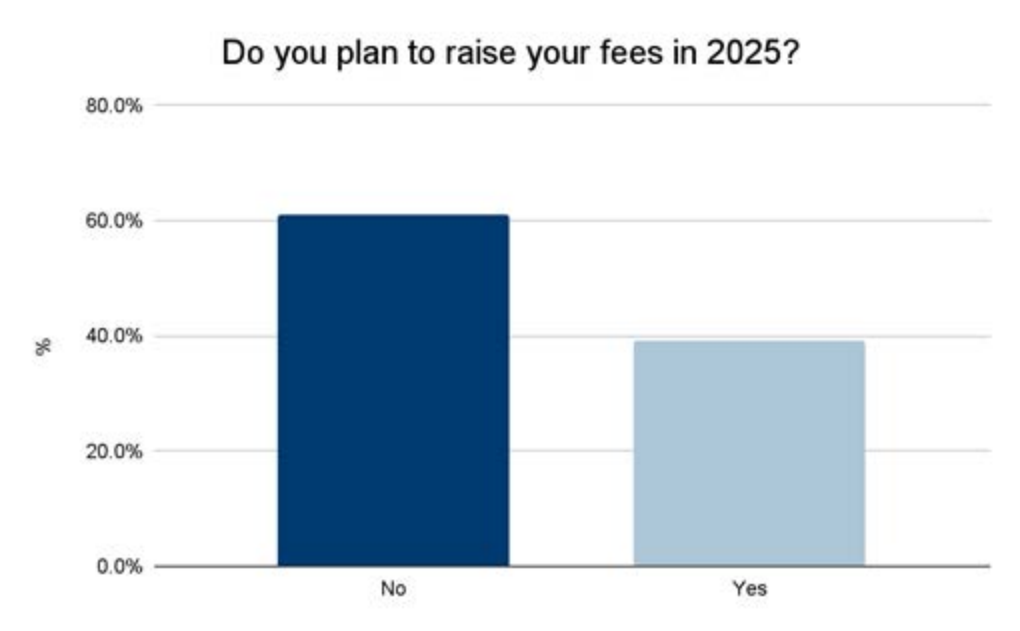
Avg reimbursement rate from insurance: $142 *(all therapists = $111)*

Psychologists are earning 41% less per session from insurance than private pay.

Are psychologists raising their fees?

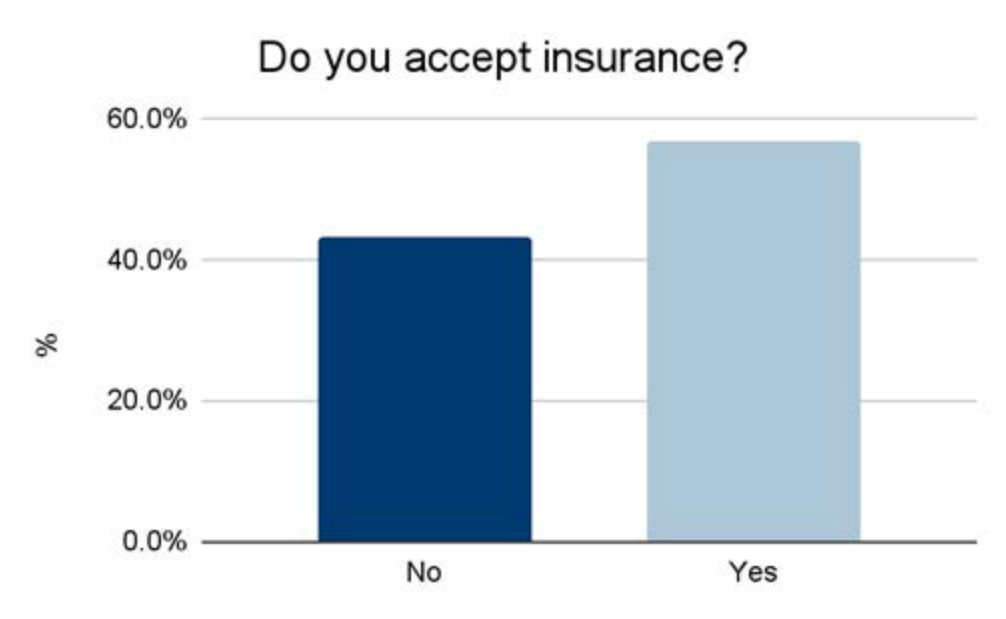
Only 34% of psychologists raised their fees in 2024 and 39% said they plan to raise their fees in 2025.

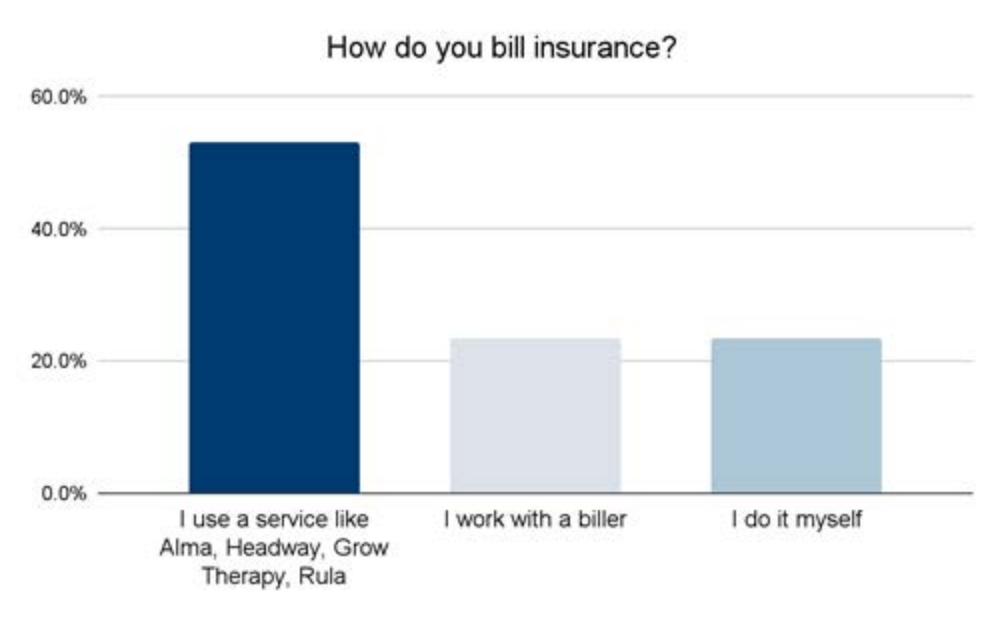




What % of psychologists accept insurance?

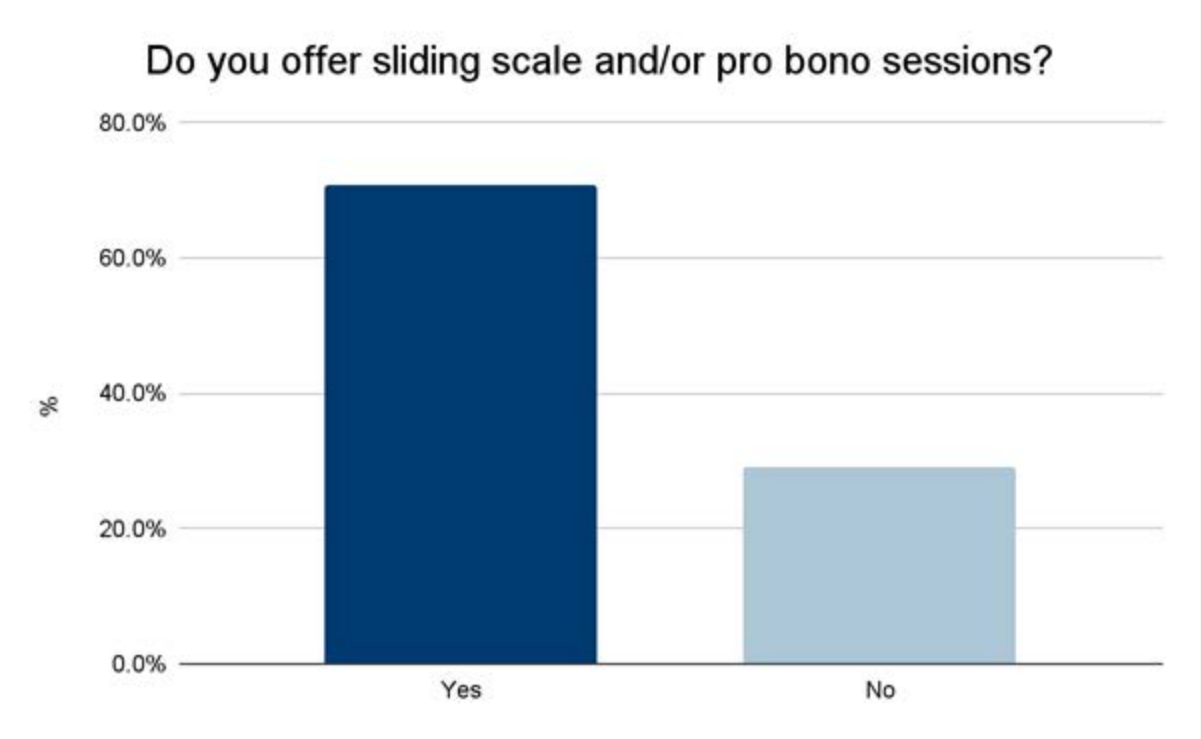
While 77% of all therapists reported accepting insurance, only 57% of psychologists reported accepting insurance. The majority who bill insurance use a service like Alma or Headway.





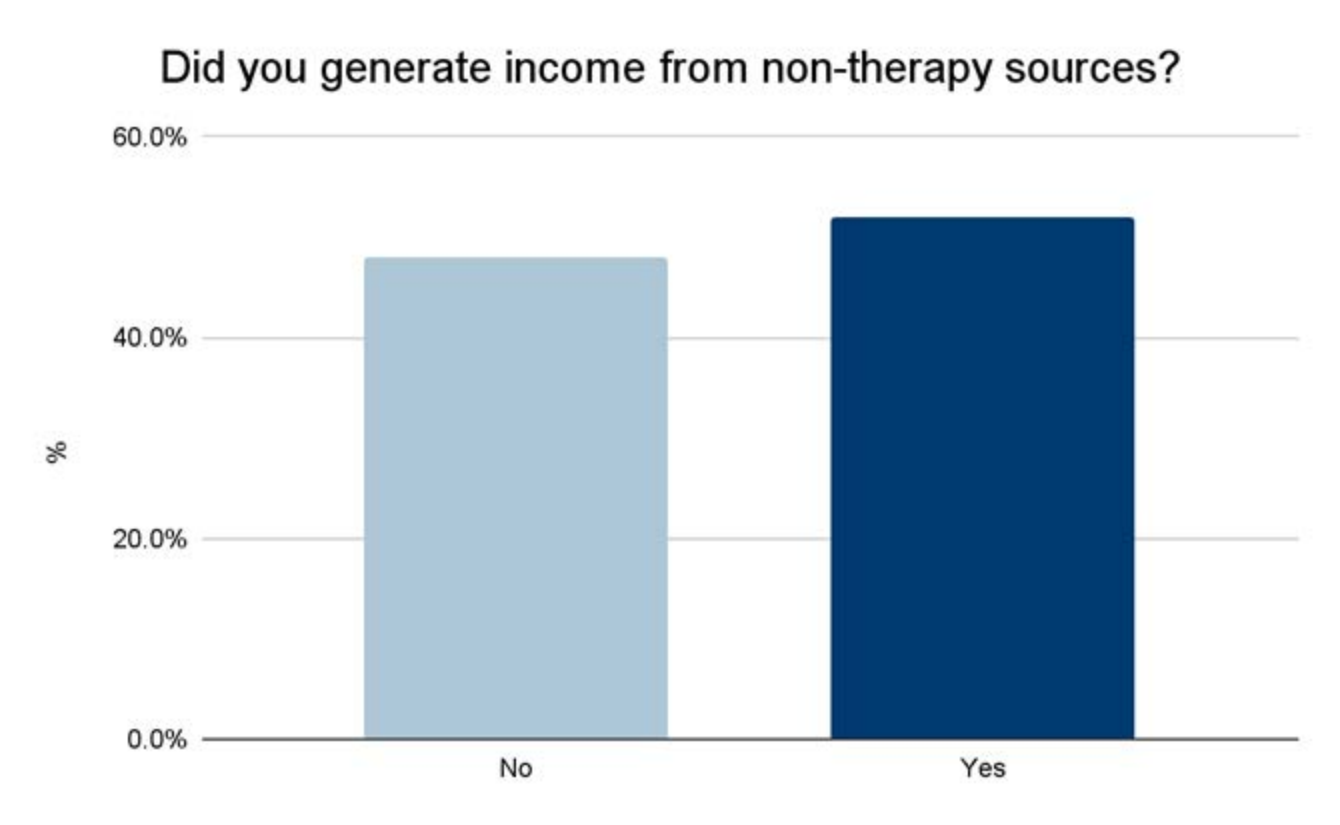
What % of psychologists offer sliding scale?

In an effort to keep their services accessible, 71% of psychologists reported offering sliding scale and/or pro bono sessions.



Do psychologists have multiple income streams?

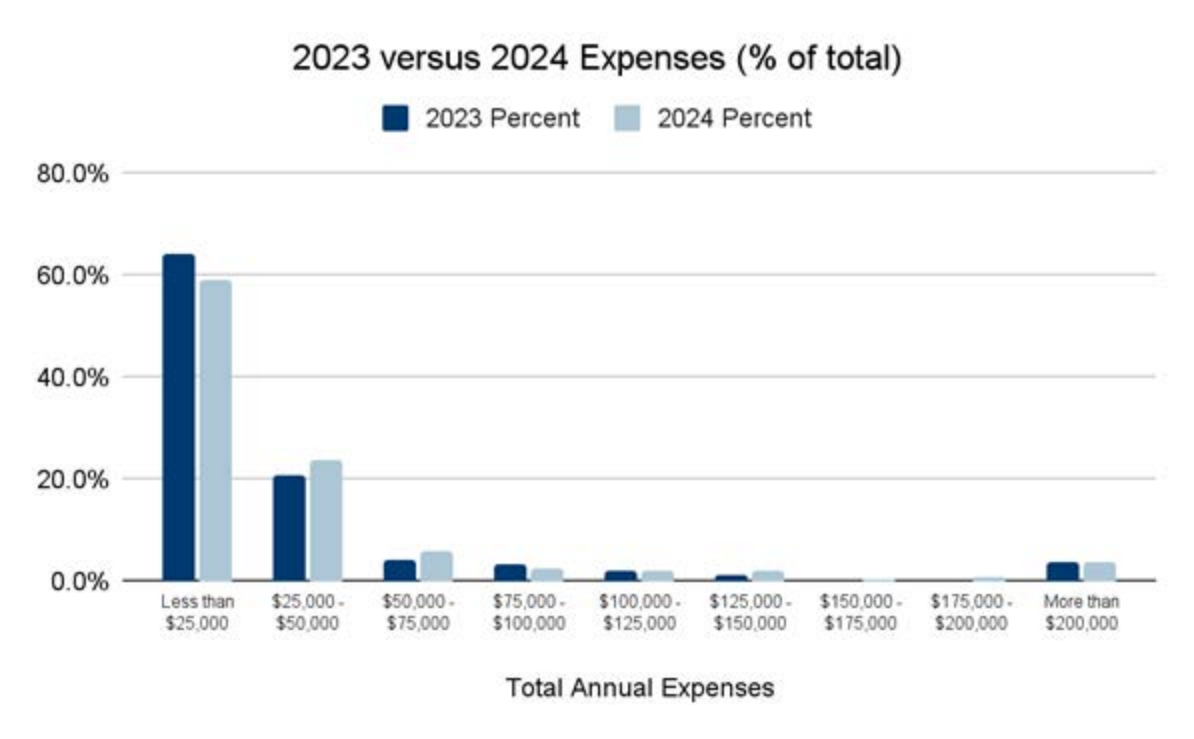
52% of psychologists reported generating income from non-therapy sources.
That number was 38% for all therapists.



EXPENSES

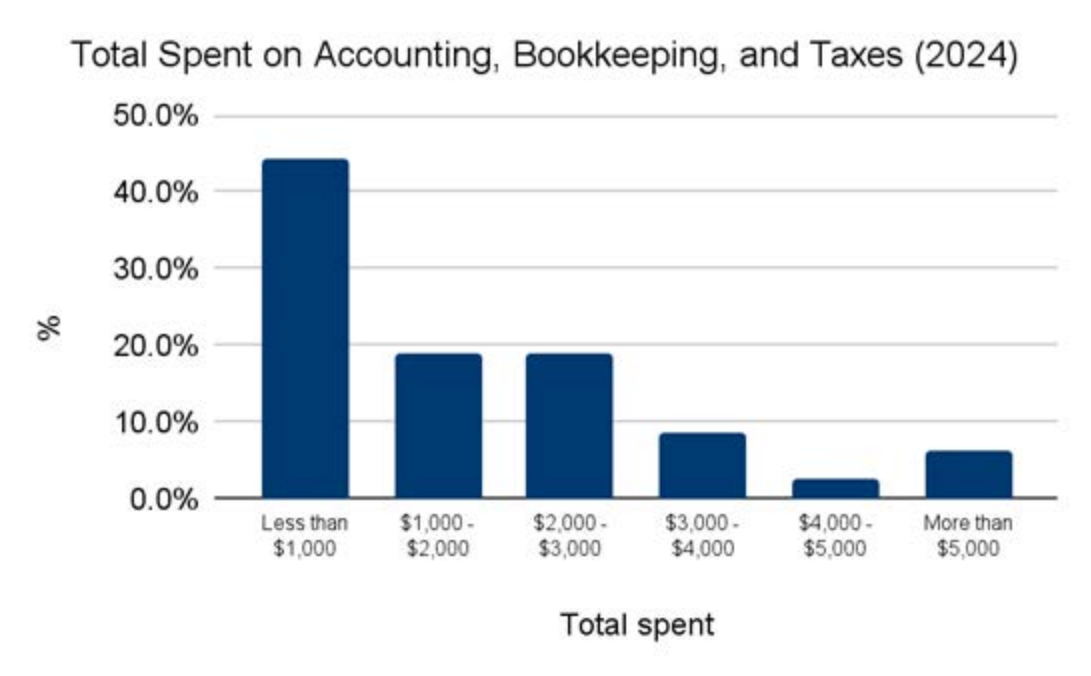
How much are psychologists spending?

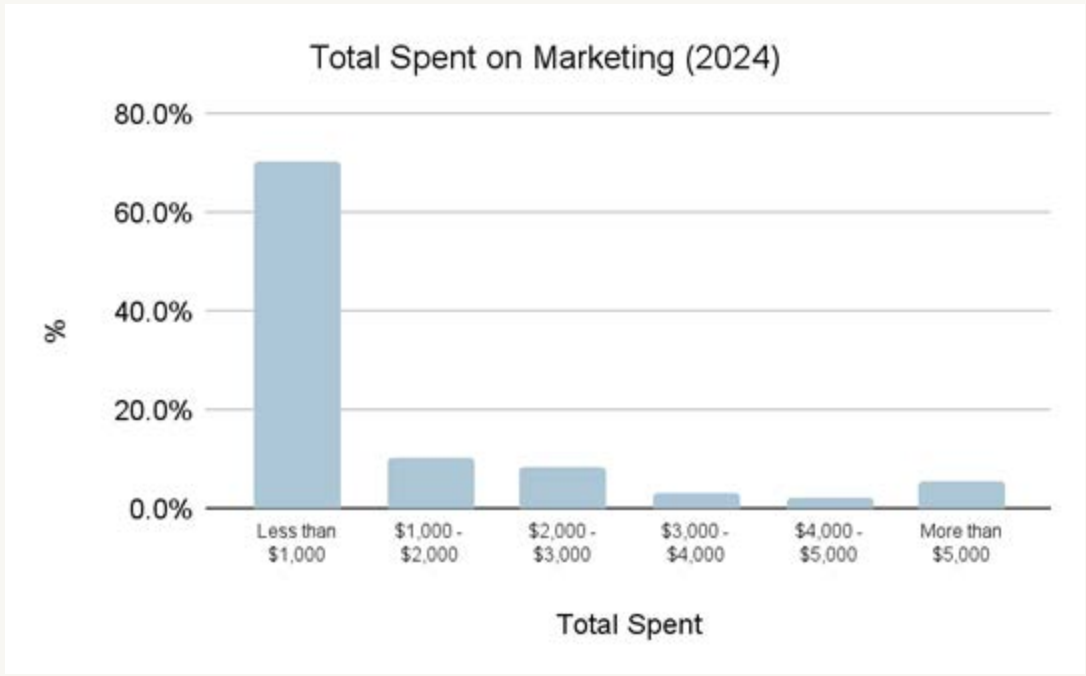
Total spent on expenses was slightly up from 2024 to 2023 with more psychologists spending $25-50K and $50-75K in years prior. The majority still continue to spend <$50K per year.



How much are psychologists spending?

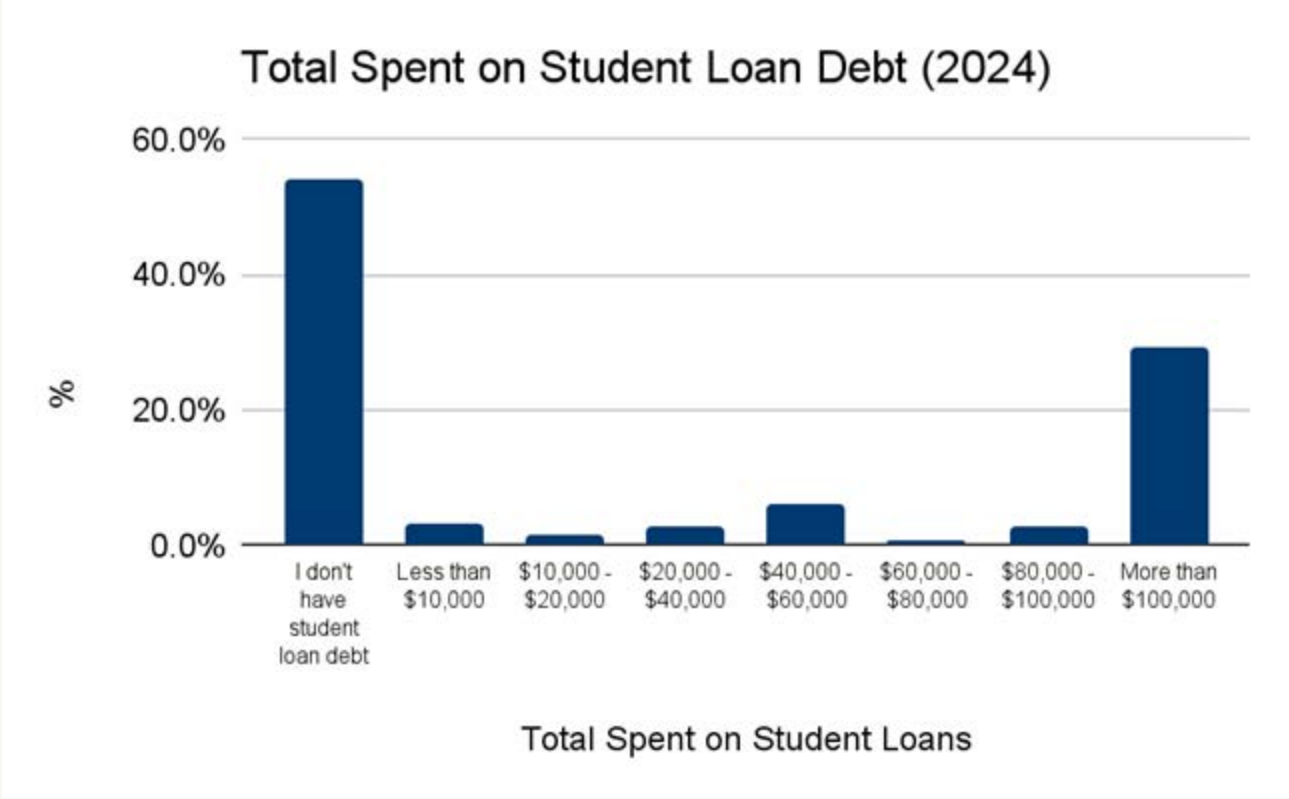
Most psychologists spend less than $2,000 annually on financial services and marketing. However, more psychologists spend between $1,000 and $3,000 on financial services compared to marketing, indicating the higher investment required for financial services.





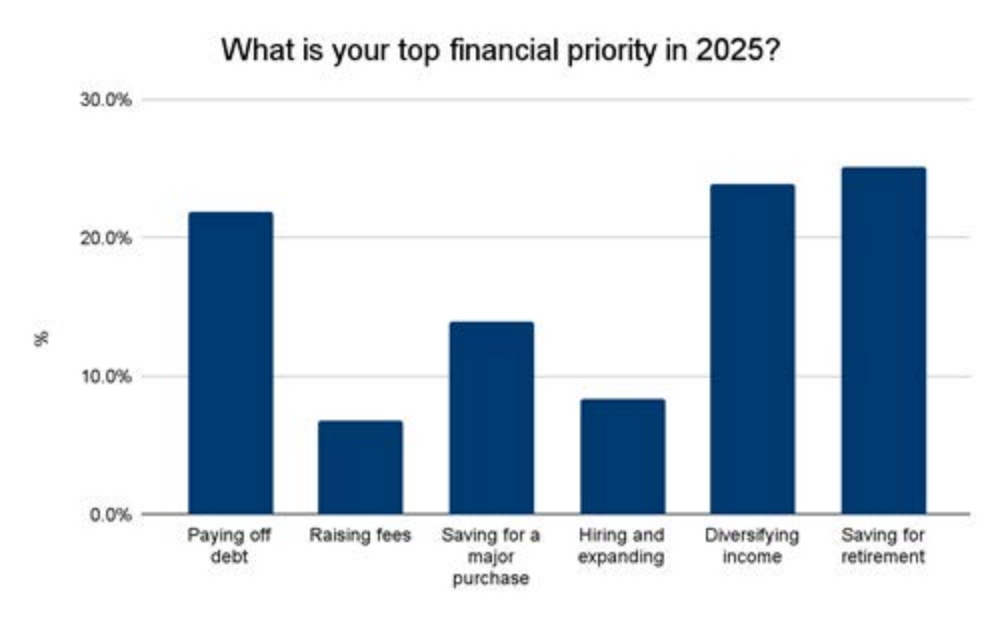
Psychologists and student loans

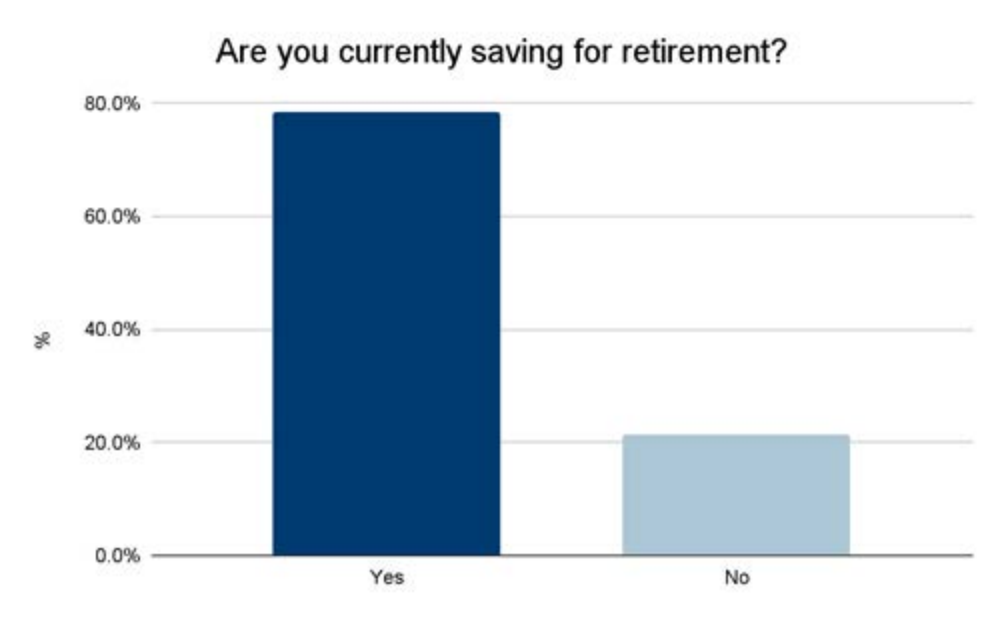
While 68% of all therapists reported having some student loan debt, only 46% of psychologists did. Of psychologists with student loan debt, the majority have more than $100,000.



Are psychologists saving for retirement?

25% of psychologists reported “saving for retirement” as their top financial priority in 2025 and 79% reported saving for retirement.

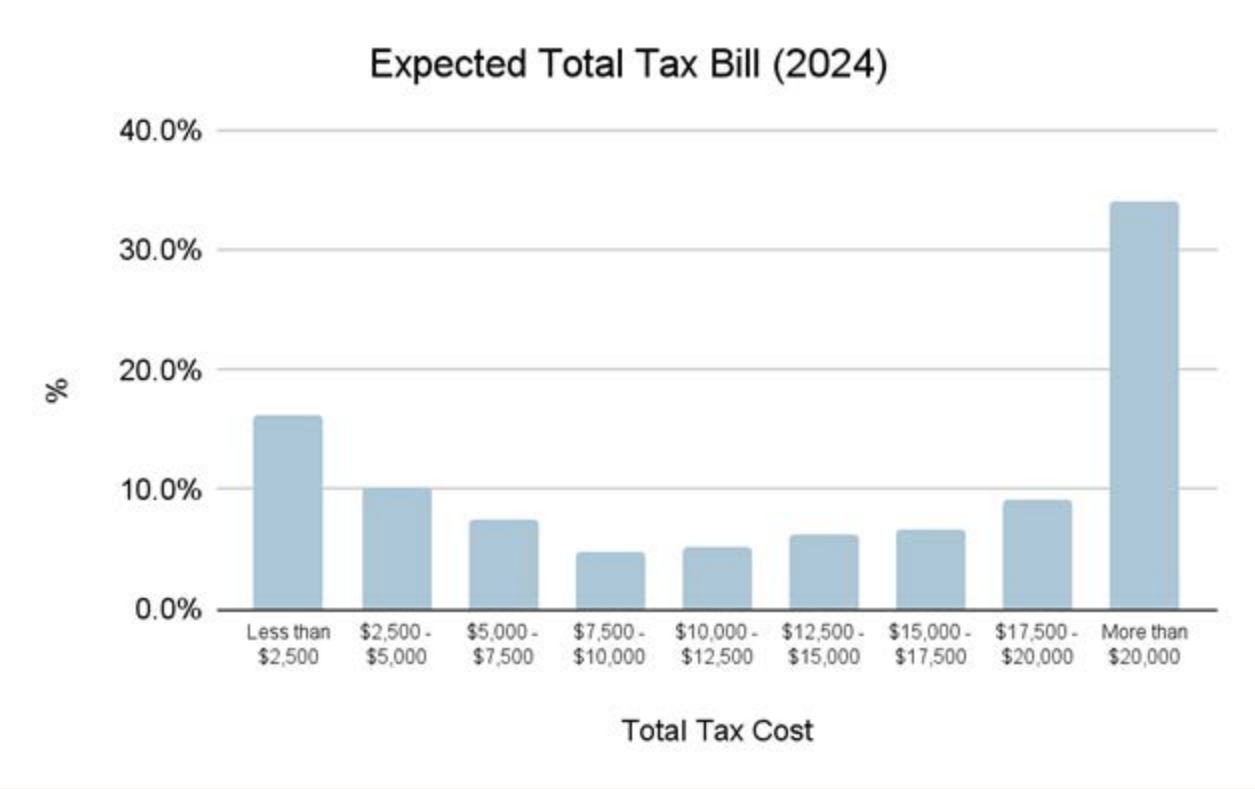




TAXES AND BOOKKEEPING

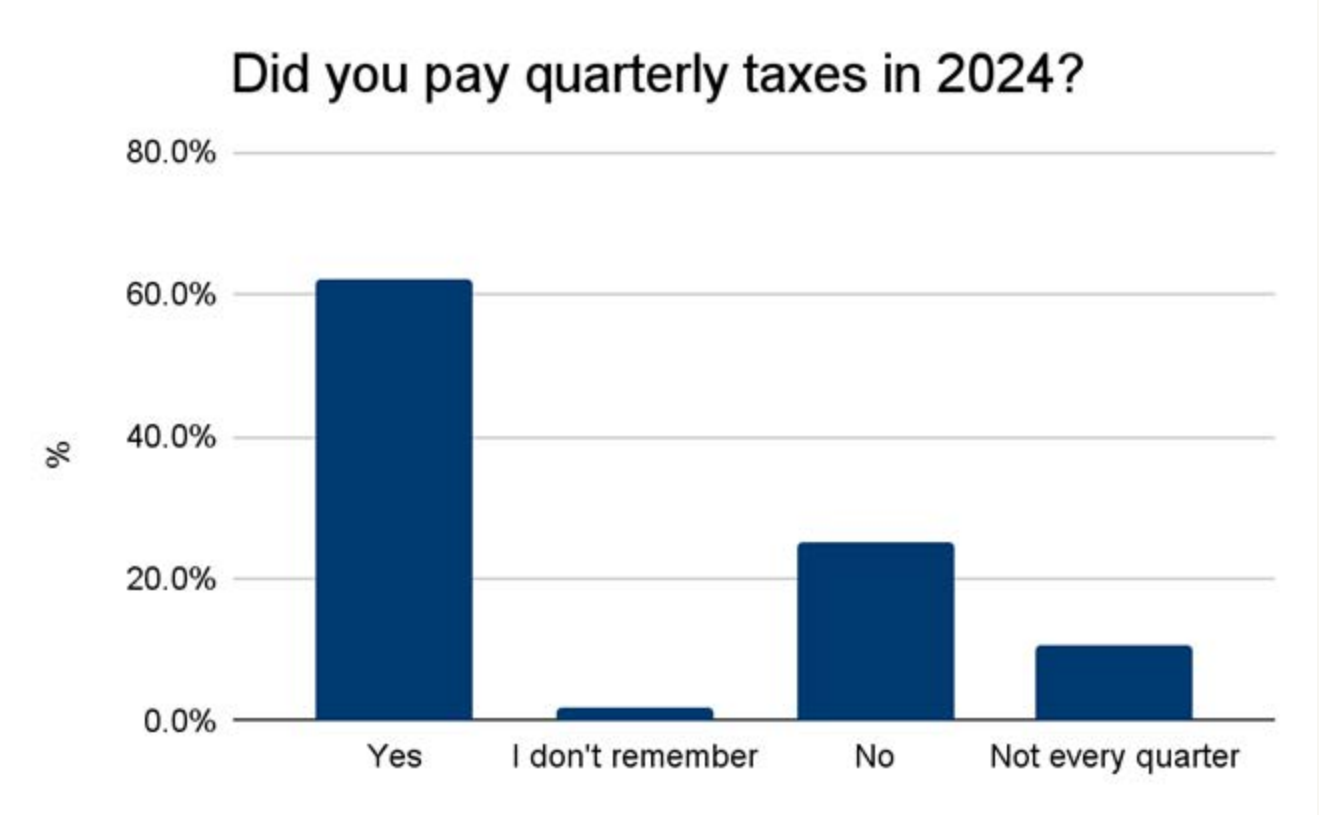
How much are psychologists paying in taxes?

34% of respondents expect to pay more than $20,000 on taxes for 2024, indicating how large a cost taxes are for Psychologists.



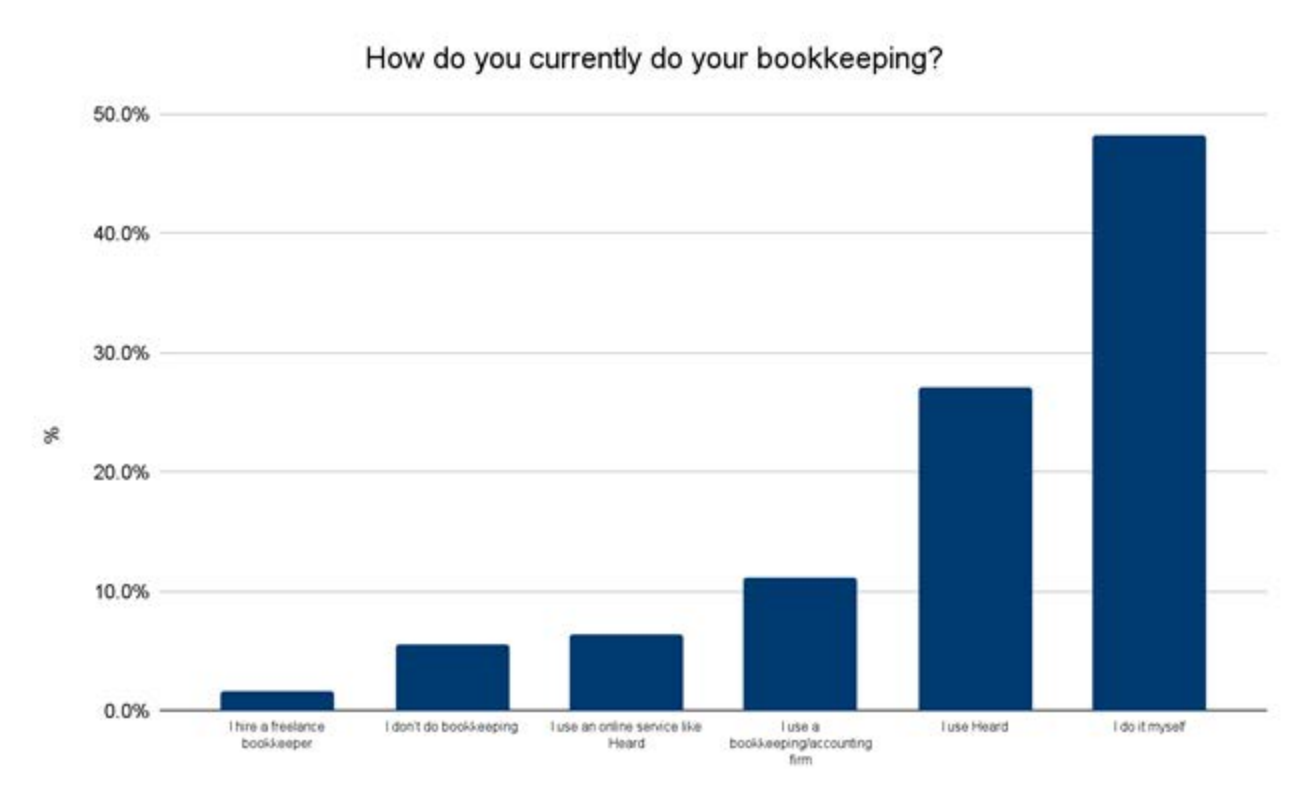
Do psychologists pay quarterly taxes?

Over 60% of psychologists reported paying quarterly taxes in 2024, which is higher than other license types as only 48% of all therapists reported paying quarterly taxes.



How are psychologists doing bookkeeping?

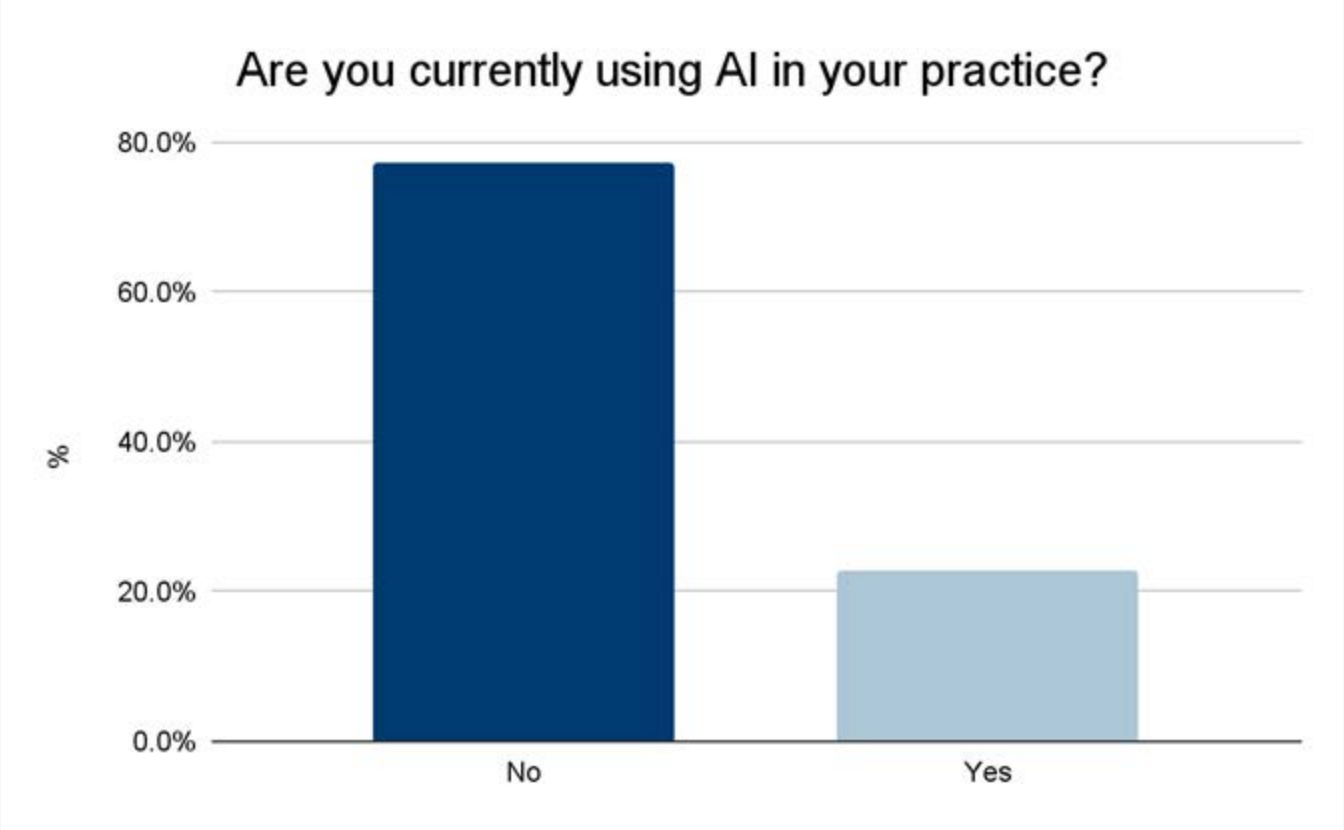
48% of psychologists reported doing their own bookkeeping and 27% used Heard.



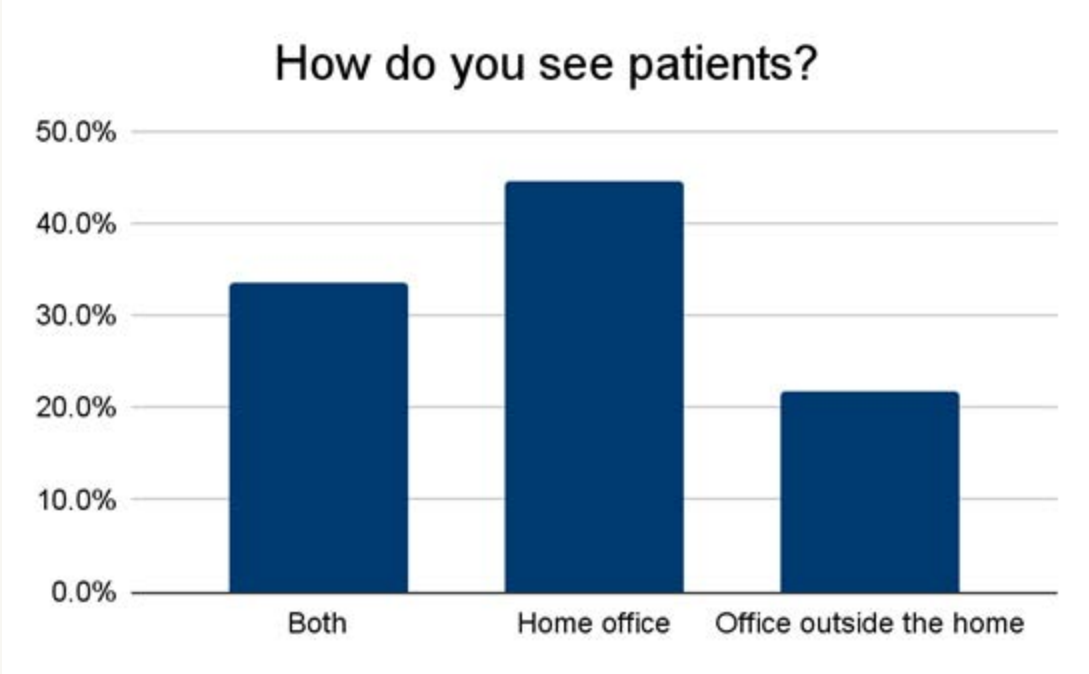
FUTURE TRENDS

Are psychologists using AI?

1 in 5 (23%) psychologists are using AI in their practice.



We continue to see a virtual therapy trend for Psychologists even post-COVID.





Heard

Financial management software for psychologists

Manage your bookkeeping, taxes, and payroll for your psychology practice–all in one place. The deadline to join Heard to get a personalized Q2 quarterly tax estimate is May 12.

As a proud APA Corporate Supporter, we're excited to offer a special discount for APA Members who attended this webinar!

50% off for 3-months with code APA503 [Sign-up by 5/12]

SCAN ME

Scan the QR code to schedule a free 30-min consultation* with our team. Availability is limited!

**Free consults offered to prospective customers only by New Business Advisors who are not able to offer tax advice. The deadline for S corps to join Heard to get 2024 tax services has passed.*

AUDIENCE Q&A

FINAL THOUGHTS

- A recording will be emailed to you in 2 weeks. It will include the presentation slides.
- Take our survey immediately after the webinar has concluded.

THANK YOU!

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