

2026

FOURTH EDITION

# The Financial State of Private Practice

Insights from nearly 2,000 mental health and wellness professionals on what they earn, what they keep, and what it really costs to run a practice.



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Heard

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# Voices from the Field

Therapists are earning, growing, and building something real — but the money side is where they feel the most alone.

"

The caseload building process took so much more time than I expected it to. It became like every client was attached to a dollar amount for myself. So having to do a lot of math around how many clients do I need to see to make sure that I can pay rent this month.



**Nia Henderson, LMFT, Illinois**

"



My expenses for operating my business are going up and I did raise my fees for new clients but I haven't raised them for existing clients — at what point is this sustainable for me? I don't want to work more and I don't think it is feasible to work more and have it be sustainable.

**Dr. Sophia Walder-Hoge, PsyD, North Carolina**

"

Looking at the numbers can be scary when you're a business owner. We finally looked at the numbers. The numbers didn't make sense. Looking at the numbers justified what the next move needed to be.



**Anim Aweh, LCSW, Georgia**

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Real stories from therapists navigating the business side of private practice.

# Key Definitions

Understanding the financial terms used throughout this report will help you interpret the data and apply insights to your own practice.

## FINANCIAL TERMS

### Revenue

The total amount of money your practice brings in before any expenses are deducted. This includes all payments from clients, insurance reimbursements, and other income sources related to your practice.

### Income

Often used interchangeably with revenue in this report, income refers to the money earned from providing therapy services. Net income specifically refers to what remains after all expenses.

### Profit

The money remaining after subtracting all business expenses from your revenue. This is what you actually "take home" and can pay yourself or reinvest in your practice.

### Profit Margin

The percentage of revenue that becomes profit. Calculated as  $(\text{Profit} \div \text{Revenue}) \times 100$ . For example, if you earn \$100,000 in revenue and have \$30,000 in expenses, your profit margin is 70%.

### Tax Liability

The amount you owe to the IRS after filing your return. Tax liability comes out of your profit, not your revenue, and it is not a deductible business expense even though it reduces what you take home. For self-employed therapists, tax liability includes both income tax and self-employment tax (the 15.3% that covers Social Security and Medicare).

## STATISTICAL TERMS

### Median

The middle value when all responses are arranged in order. Unlike the average (mean), the median isn't skewed by extremely high or low values, making it more representative of the "typical" therapist's experience.

### Average (Mean)

The sum of all values divided by the number of responses. Averages can be pulled up or down by outliers, which is why we often report median values alongside averages.

### Expense Ratio

The percentage of your revenue that goes to business expenses. Calculated as  $(\text{Total Expenses} \div \text{Revenue}) \times 100$ . For example, if you earn \$80,000 in revenue and spend \$18,000 on expenses, your expense ratio is 22.5%. A lower expense ratio means you keep more of what you earn.

# About This Report

Most therapists and wellness practitioners are not taught the money part. Not in graduate school, not in supervision, and not in any of the clinical hours required to get licensed. And because no one teaches it, no one really talks about it either. So they end up figuring out the financial side of private practice alone.

This report exists to change that. For the fourth consecutive year, Heard surveyed therapists and wellness practitioners about the financial realities of private practice, and this year nearly 2,000 individuals across all 50 states and D.C. responded. They shared what they're earning, spending, charging, worrying about, and how they're running their practices day to day.

While the findings do not reflect the experience of everyone in private practice, with a sample this broad, the trends tell a meaningful story. Two-thirds of respondents earned more this year than last. But earning more doesn't always mean the financial side feels easier. This report is about what's really going on behind the numbers and making the money part a little less lonely.

## SURVEY SNAPSHOT

# 1,950

total respondents

50

All 50 states + D.C.

86%

Solo run practices

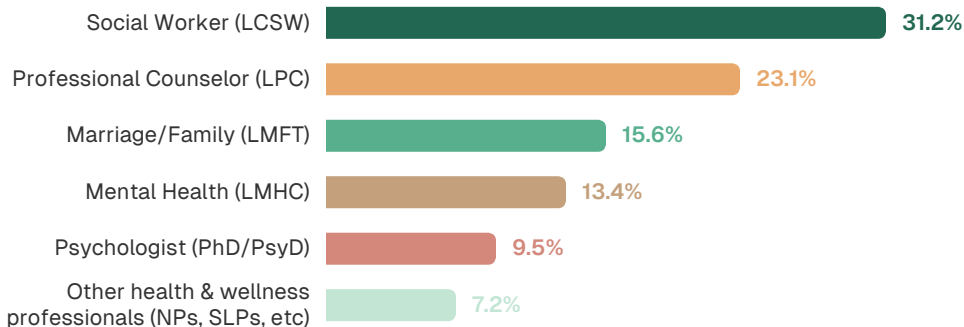
58%

in first five years of practice

## TOP FIVE STATES

California, Texas, New York, Colorado, Florida

## PROFESSION BREAKDOWN

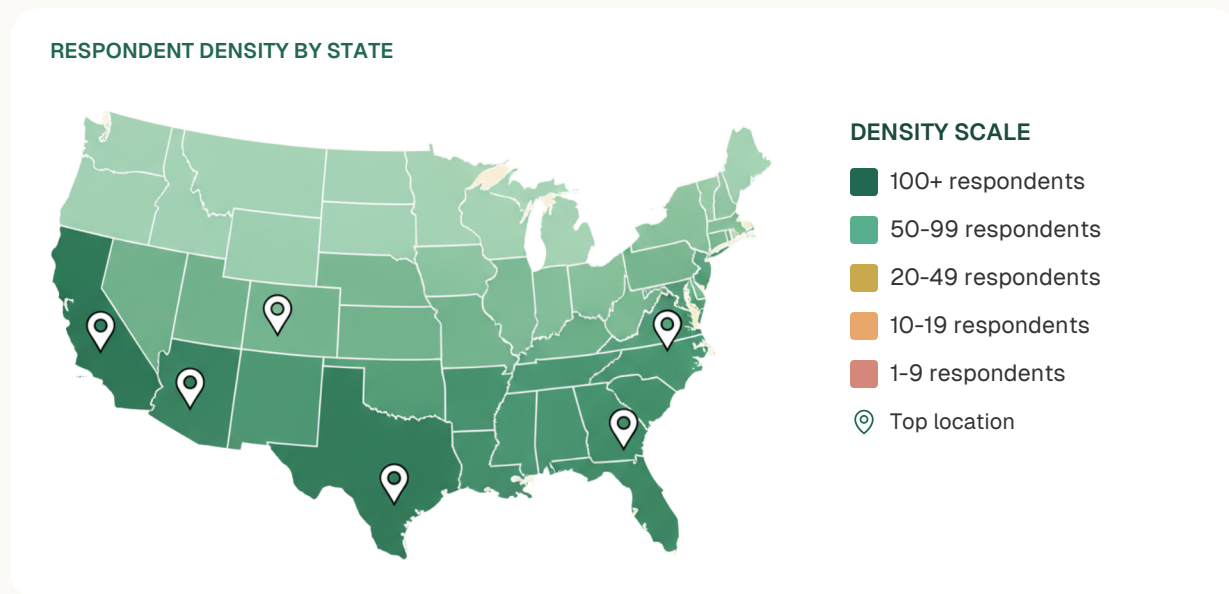


## A NOTE ON THE DATA

All findings are based on 2025 survey responses and reflect historical, self-reported data from therapists and wellness practitioners across the United States. Given majority of the respondents are therapists, we refer to that specific population throughout this report. This report is shared for educational purposes to help you understand broad industry trends. It is not guidance for setting your own rates, which should always be based on your individual practice, market, and costs.

# Geographic Distribution

Nearly 2,000 therapists across all 50 states and Washington D.C. responded, making this the most geographically representative report to date.



## State-by-State Respondent Distribution

### HIGHEST DENSITY (100+)

California, Texas, New York

105-362

### HIGH DENSITY (50-99)

Colorado, Florida, Washington, North Carolina, Virginia, Massachusetts, Georgia, Illinois, Pennsylvania, Michigan

51-96

### MODERATE DENSITY (20-49)

Oregon, Maryland, Arizona, New Jersey, Tennessee, Connecticut, Ohio, Minnesota, Wisconsin

22-46

### LOWER DENSITY (10-19)

Indiana, Missouri, Arkansas, Utah, Nevada, South Carolina, Alabama, Iowa, Kentucky, Hawaii, Kansas, Washington D.C., Louisiana, Nebraska, Delaware

10-21

### REPRESENTED (fewer than 10)

New Mexico, Montana, Alaska, Mississippi, Maine, Vermont, New Hampshire, West Virginia, Oklahoma, Idaho, North Dakota, Rhode Island, South Dakota, Wyoming

1-9

# Who's in Private Practice Today

The majority of respondents are a solo practitioner juggling everything alone, including the money part. They're seeing clients, handling billing, managing marketing, doing bookkeeping, and making tax decisions without a business partner, office manager, or CFO.

## Solo vs. Group Practice

86.5%

are sole practitioners

Median revenue: \$75,000  
Median profit: \$52,663

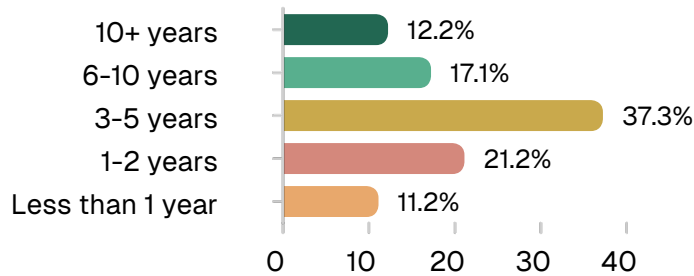
13.5%

are group practice owners

Median revenue: \$169,121  
Median profit: \$80,000

Group owners earn more on the top line, but their profit margins are thinner. More revenue doesn't automatically mean more money in your pocket.

## Years in private practice



69.7%

have been in private practice for five years or fewer

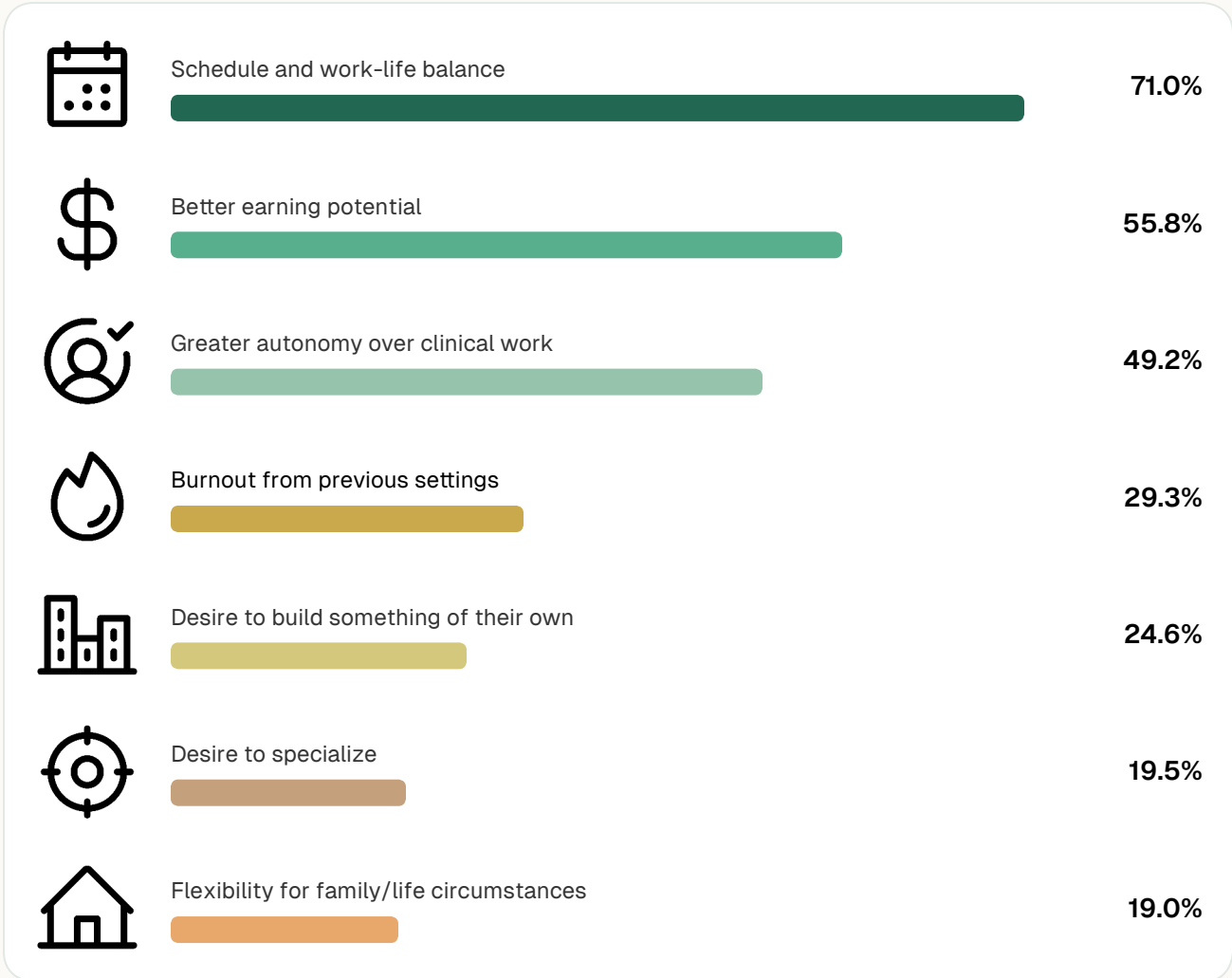
Revenue rises steadily with experience, from \$24,117 in the first year to over \$100,000 at ten years, but the biggest leap happens between year one and year two. That's partly because many therapists start out part-time during their first year before going full-time, and that shift brings a significant jump in revenue. After that, growth is more gradual, and what you actually keep starts to depend less on how much you earn and more on how your finances are set up.

### KEEPING MORE OF YOUR MONEY

Most solo therapists are figuring out the business side on their own. Clinical training rarely covers the skills needed to run a thriving practice, so most end up learning as they go. That can be costly. However you choose to manage your finances, building a solid setup from the start will save you time, money, and compliance headaches down the road.

# Motivations for Starting a Practice

Schedule control and earning potential drove the majority into private practice. But nearly 1 in 3 made the switch due to burnout. Respondents could select up to three choices.



Many therapists started their practice wanting a more sustainable work-life balance. But with the autonomy comes more responsibility, most notable, the need to manage the business side yourself. Success often means scaling with intentionality and truly knowing your financial needs.

### THE BURNOUT FACTOR

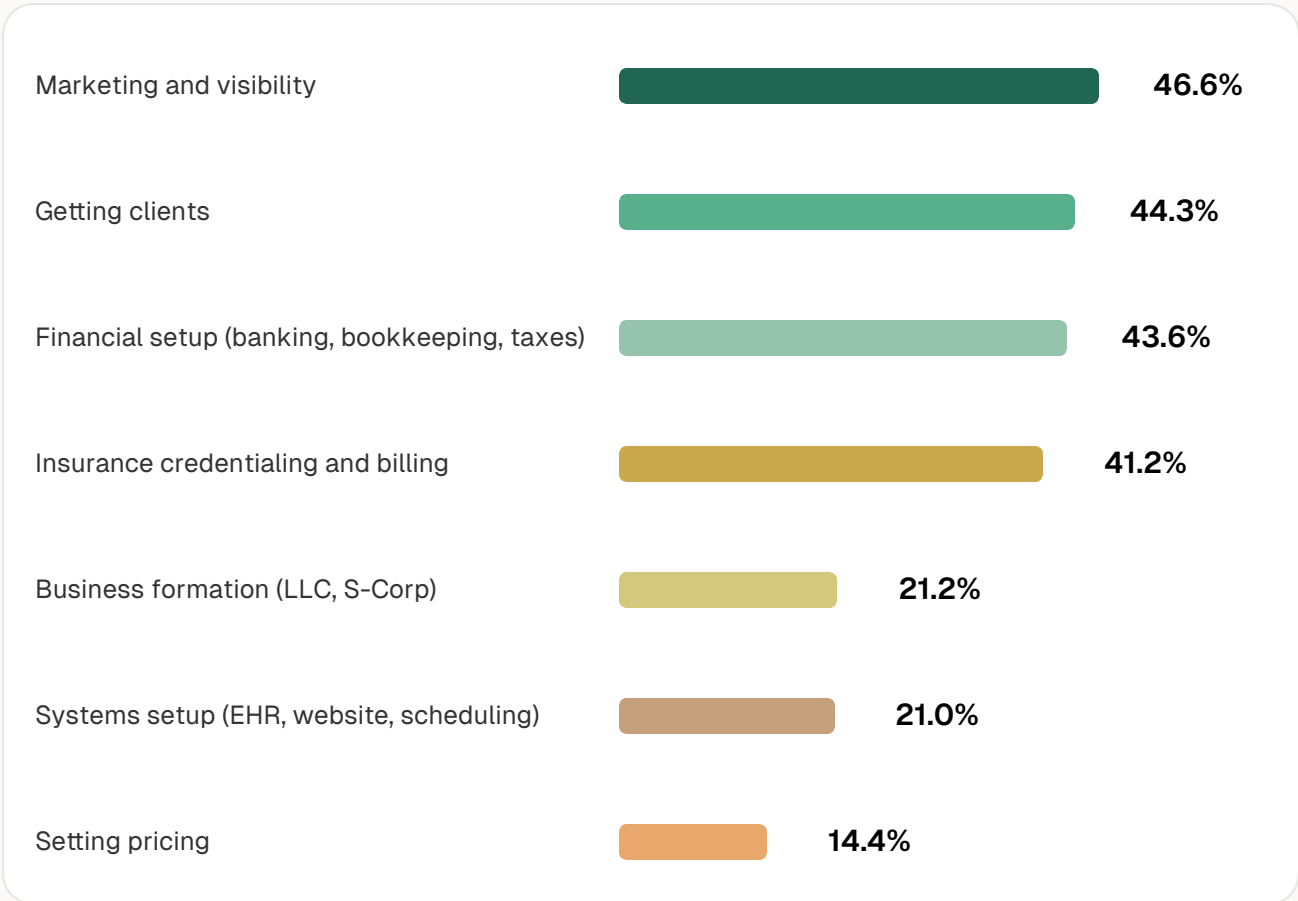
"I'm at peace right now in my practice. And the way I build my practice, it's thriving, it's comfortable, the money that I need is coming in. And sometimes we have to understand, 'What is it that you need to thrive? What is your magic number?' Once you get clear on that, you diminish the outside influences."



**Anim Awah, LCSW, LICSW, CSM, CHE**  
Awah Support Services

# What Was the Hardest Part About Starting

The main challenges are all too common for therapists getting started: the balancing act of getting clients while managing the business side of your practice.



Respondents could select up to three choices.

### THE PRICING PARADOX

Setting pricing came in last at 14.4% which is notable because pricing and rates become one of the most talked-about concerns as a practice matures. Early on, therapists focus on getting clients; later, they realize rates matter just as much.

### A NOTE ON CASE LOADS & SOCIAL MEDIA

"It's so easy to fall into a comparison trap when you're scrolling through social media and seeing other therapists celebrating their full caseloads and business milestones. What you aren't seeing are the months and slow periods that everybody experiences in private practice."

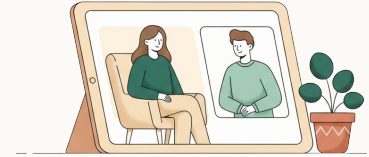
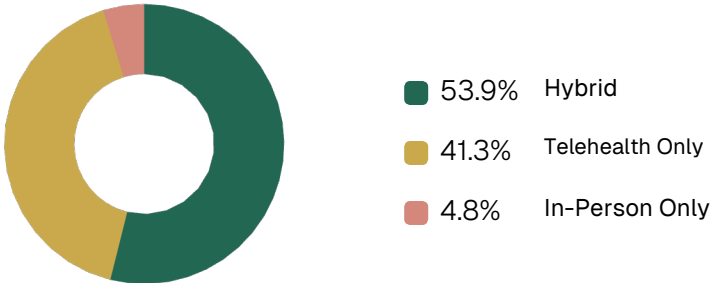


**Dr. Carrie Jackson**

Child Psychologist, ADHD Specialist

# Care Delivery Setting

The shift to virtual care is firmly established. Over half of therapists (53.9%) use a hybrid model combining telehealth and in-person sessions. Another 41.3% are telehealth only. Just 4.8% see clients exclusively in person.



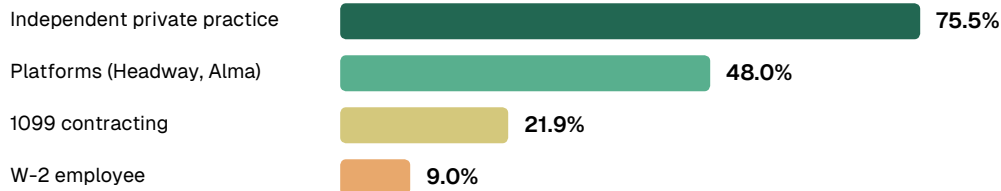
### REVENUE & PROFIT BY DELIVERY MODE

|         |          |                 |                |
|---------|----------|-----------------|----------------|
| Revenue | \$93,000 | \$70,000        | \$95,455       |
| Profit  | \$59,786 | \$48,540        | \$54,272       |
|         | Hybrid   | Telehealth Only | In-Person Only |

In-person only therapists reported the highest median revenue (\$95K), but hybrid practitioners take home the most profit. The likely culprit is overhead. Rent and office costs eat into that higher top line. The bigger story is the \$11K profit gap between hybrid and telehealth only, suggesting that offering both modalities broadens the client base without the full cost burden of a physical practice.

## How They See Clients

Three out of four therapists (75.5%) see clients independently. But where your clients come from has a real impact on your bottom line.



Respondents selected all that applied.

**\$96K / \$63K**

Independent only  
(revenue / profit)

**\$88K / \$60K**

Independent + platform  
(revenue / profit)

**\$59K / \$44K**

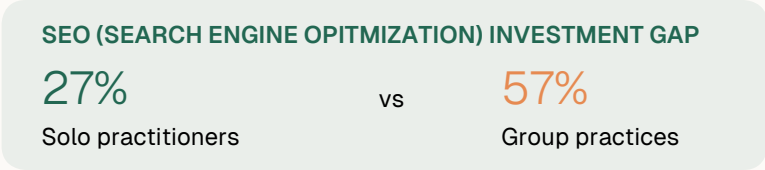
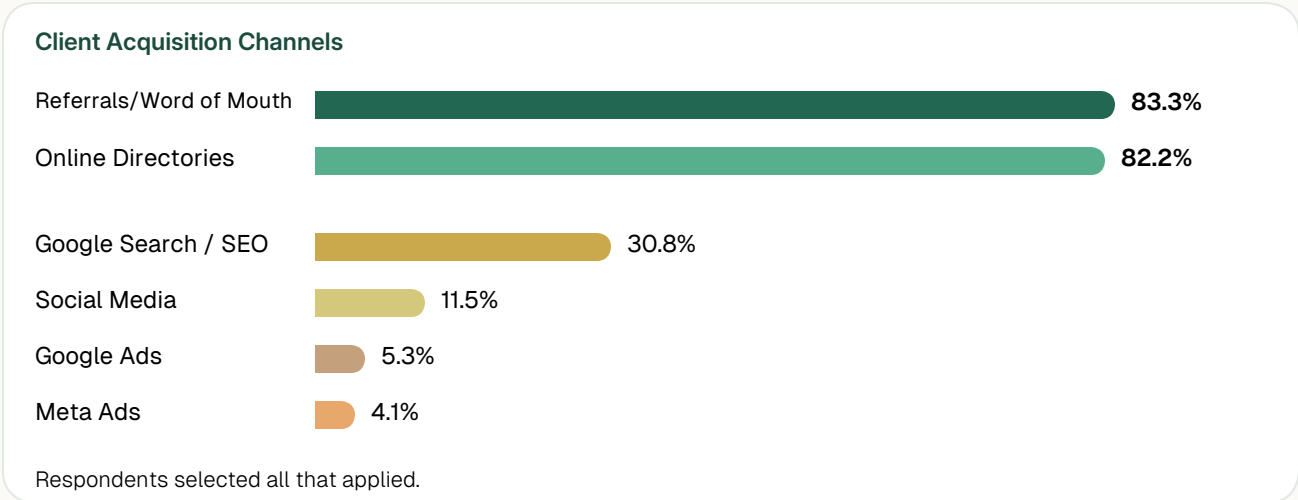
Platform only  
(revenue / profit)

### WHAT THIS MEANS FOR YOUR MONEY

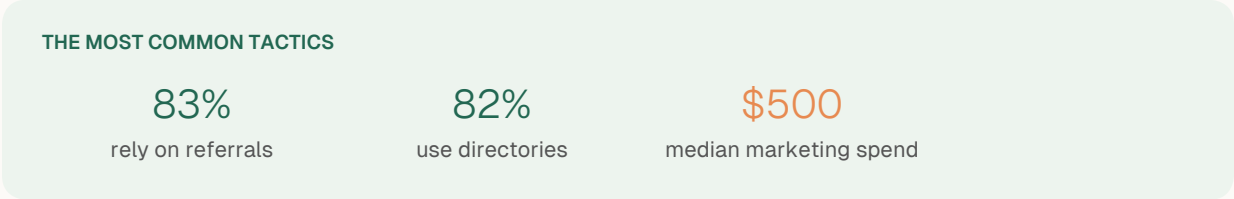
Hybrid practitioners earn \$23K more than telehealth-only. Independent practitioners earn \$37K more than platform-only. Platforms can be a great way to get clients without having to make any marketing investments and the flexibility to offer multiple modalities while maintaining independence maximizes earning potential.

# How They Get Clients

Referrals and word of mouth (83.3%) and online directories like Psychology Today (82.2%) are by far the most common ways therapists find new clients. These two channels dominate, with everything else trailing behind:



Group practices use SEO at nearly double the rate of solo practitioners (57% vs. 27%), suggesting that as practices grow, they invest more deliberately in digital marketing. But for solo therapists, the client pipeline is still overwhelmingly reliant on organic or directory.

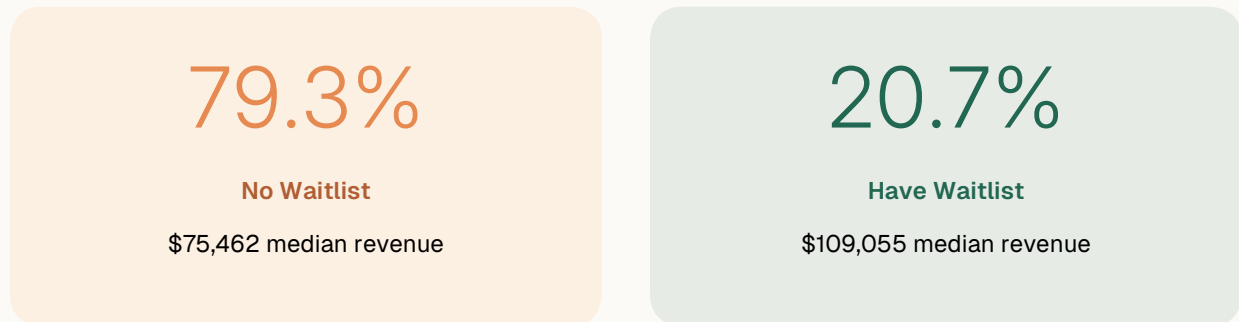


**WHAT THIS MEANS FOR YOUR MONEY**

If referrals and directories are your main source of new clients, you're not alone. But when you do start spending on marketing, it always helps to have a financial systems in place to know whether it's actually working. That way you can understand if both new clients are coming in, and if your revenue is growing faster than your costs.

## Do They Have a Waitlist?

Most respondents (79.3%) don't have a waitlist. Only 20.7% do. But therapists with waitlists reported significantly higher revenue: \$109,055 vs. \$75,462 for those without.



Session rates across the two segments are the same. But therapists with a waitlist are more likely to accept insurance, more likely to have a formal business or tax structure like an LLC or S Corp, and more likely to invest in marketing. They're also more willing to raise their fees — of those with a waitlist, 44% plan to in 2026, compared to 36% of those without a waitlist.

## Clients Per Week

The median therapist sees 18 clients per week. Group practices average 26, this includes how many clients the owner and their employees are seeing. While this is a useful benchmark, the number that matters more is what each of those sessions generates in revenue and how much of that revenue makes it to your bottom line after expenses and taxes.



### ON A FULL CASELOAD

"I'm an SEO girly all the way. Yes, still, even in the age of AI. The tools that optimize my site for SEO are also working double-duty to help my practice show up in AI recommendations. Aside from paying for my website and domain name, I'm able to keep my practice full this way with no marketing budget."



**Dr. Marie Fang**

Private Practice Skills

# The Money Picture

Median revenue reached \$80,412 in 2025, up from \$68,222 in 2024. That's meaningful growth. And 66.2% of therapists grew their revenue year-over-year, with a median growth rate of 10.6%.

**MEDIAN REVENUE 2025**

\$80,412

↑ up from \$68,222 in 2024

**GREW REVENUE YoY**

66.2%

median growth rate: 10.6%

## By Segment

**REVENUE BY PRACTICE TYPE**

\$75K Solo

\$169K Group

**REVENUE: HEARD MEMBERS VS NOT**

\$95.8K Heard

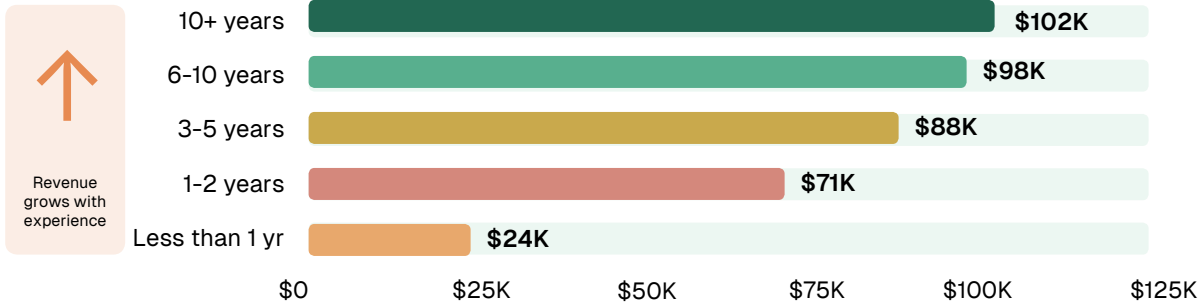
\$75K Non-Heard

**PROFIT: HEARD MEMBERS VS NOT**

\$59.3K Heard

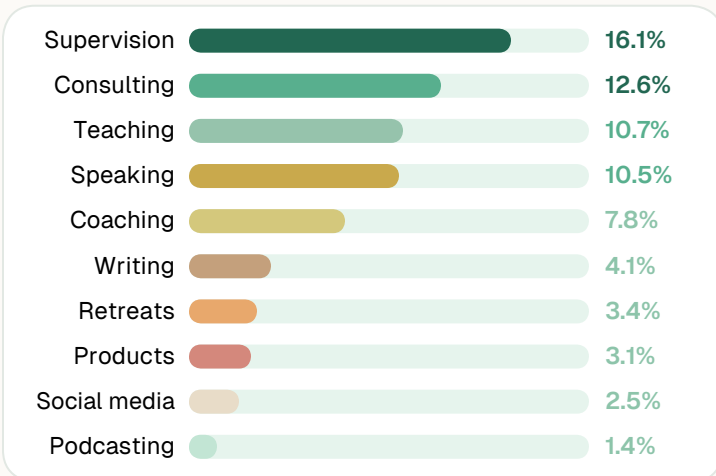
\$51.4K Non-Heard

## Revenue by years in practices



## Income Beyond The Practice

About 40% of therapists earn income from at least one source outside their practice:



**MEDIAN OUTSIDE INCOME**

\$8,895

per year

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Middle 50% fall between \$2,000 and \$28,462

Respondents selected all that applied.

# Where Their Money Goes

Median total expenses were \$18,000 in 2025, up 45% from \$12,396 in 2024. That's a significant jump, and it means expenses are growing almost as fast as revenue for many therapists. The cost of running a practice (rent, insurance, software, professional development) is climbing fast.

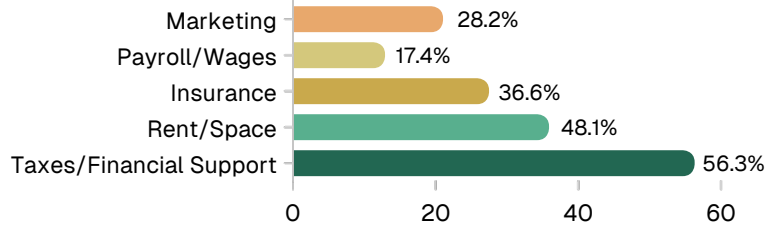
And then there are taxes, which come out of what's left over. Taxes aren't a cost of running your practice, they're the cost of earning money from it. Unlike rent or software, they're not deductible. But they still reduce what you take home, which is why therapists consistently name them a top place their money goes. Keep in mind, expenses lower your taxable income, taxes are what you pay on what's left.

## MEDIAN TOTAL EXPENSES 2025

**\$18,000**

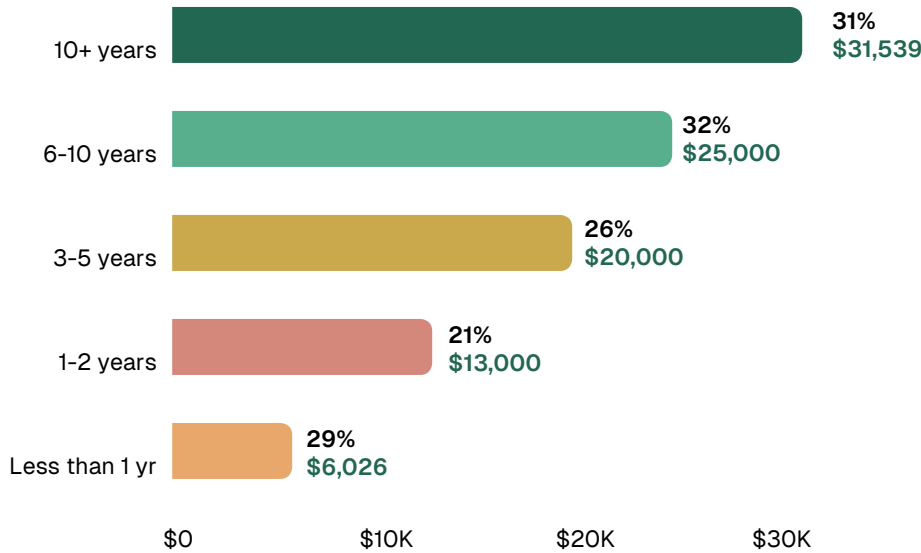
up 45% from \$12,396 in 2024

## TOP PLACES THERAPISTS SPENT



Respondents could select up to three choices.

# Expenses by Years in Practice



## WHAT THIS MEANS FOR YOUR MONEY

The expense ratio is highest for first-year therapists (29%) because revenue is so low. It drops to 21% in years 1-2 as revenue ramps faster than costs, then climbs back to 31% as practices mature and therapists invest more in infrastructure, space, and support. Note: These figures are self-reported and may include tax payments for some respondents. Your actual operating costs may be lower than shown.

# Financial Spending and Health

COST OF ACCOUNTING, BOOKKEEPING, TAX FILING SUPPORT

**\$1,107**

median spend in 2025

HEARD MEMBERS SPEND MORE

Heard members spend roughly \$6,600 more per year running their practice including on financial support like bookkeeping, tax prep, and advisory services. But that spending is tax-deductible, meaning it lowers their taxable income and reduces their overall tax bill.

The net result: Heard members still report \$8K more in median profit. The higher investment in financial infrastructure appears to more than pay for itself, especially in the first five years of practice.

TOTAL EXPENSES BY HEARD VS NON-HEARD MEMBERS

**\$21,986**

Heard member expenses (includes financial services)

**\$15,313**

Non-Heard member expenses

## How much Therapists Spent on Marketing

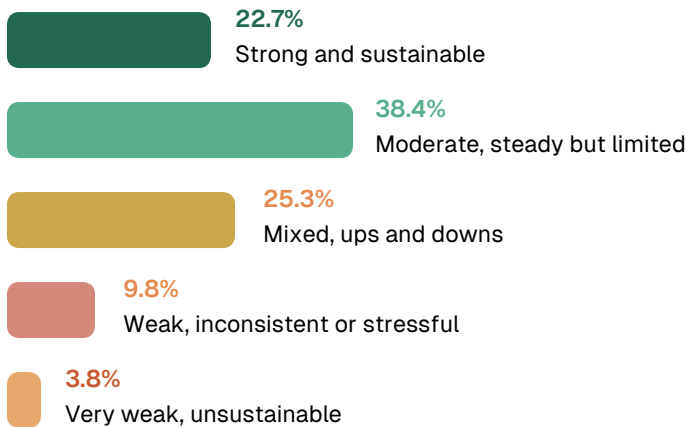
MARKETING SPEND

**\$500**

median spend per year

17% of therapists spent \$0 on marketing. This is consistent with the 83% reliance on referrals/directories over paid channels. Even though there is minimal spend, marketing is the #1 area where therapists want to invest in 2026. When you do start investing in marketing, tracking the impact on your finances is essential.

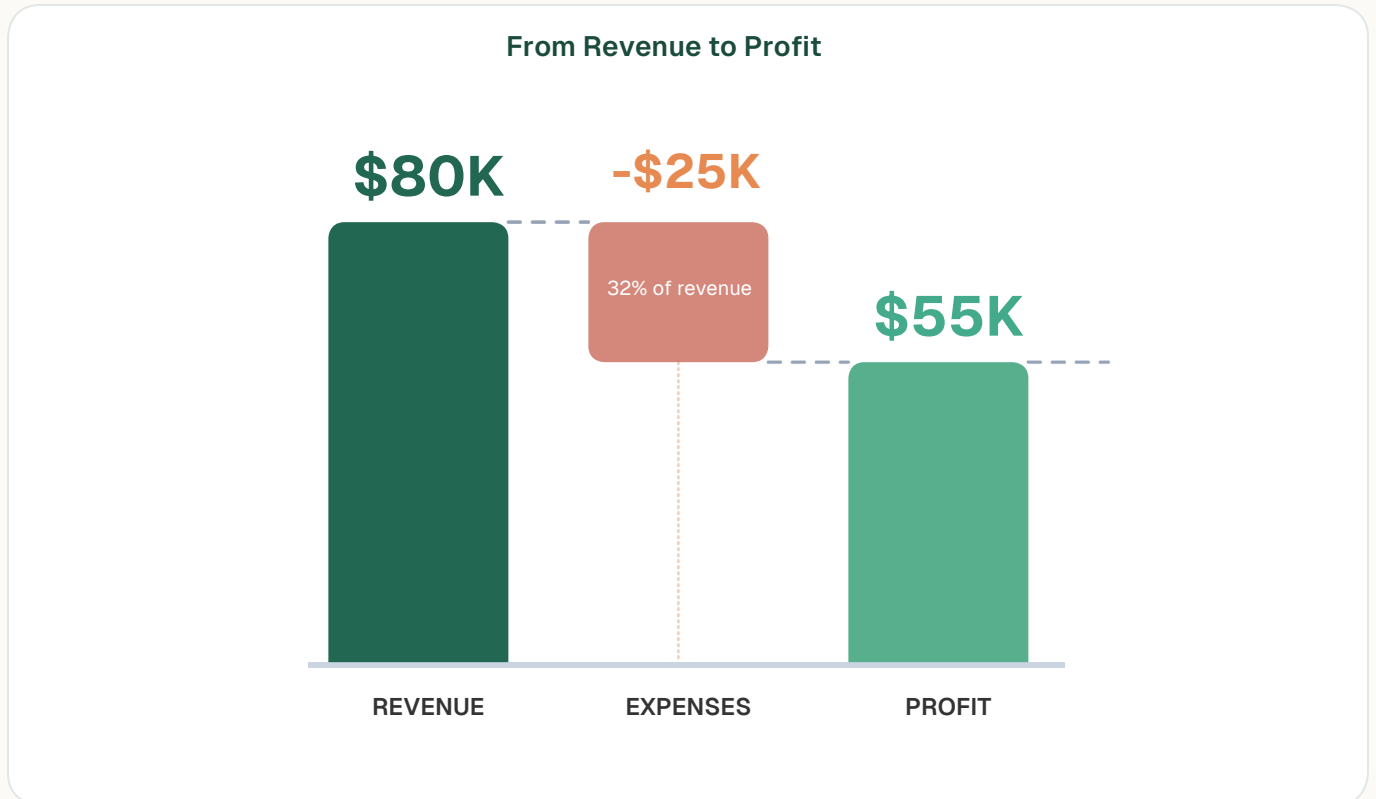
## How Therapists Rate Their Financial Health



Only 1 in 4 describe their financial health as strong, Most therapists are somewhere in the middle: earning enough to sustain their practice, but not yet feeling financially secure or in control.

# What Therapists Actually Keep

Whether you're earning from your practice alone or from multiple streams, revenue is only half the story, and it's the easier half. The harder question, the one that determines whether your practice is actually building toward something sustainable, is what happens between what you earn and what you keep.



### Profit is what's left after expenses.

This is the number that helps determine whether private practice is sustainable for you.

#### WHAT THIS MEANS FOR YOUR MONEY

Two-thirds of therapists are earning more. But expenses grew 45% in a single year. The gap between what you earn and what you keep isn't fixed. It's something you can influence through the financial decisions you make every month: how you track expenses, whether you're catching every deduction, and whether your business structure is working for you or against you. **An important note:** A tax deduction saves you a percentage of what you spent, not the full amount. If you're in the 22% tax bracket and deduct a \$1,000 expense, you save \$220 on taxes, you don't get the full \$1,000 back.

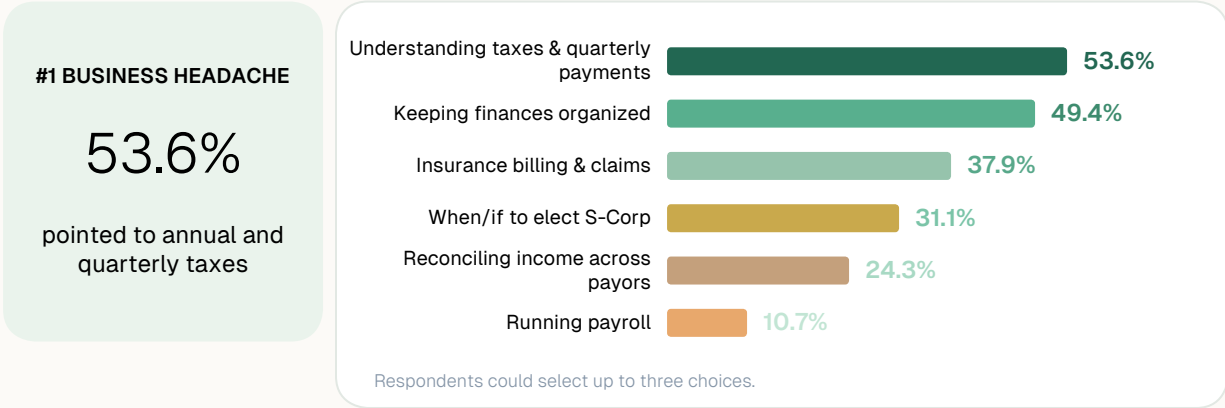


# Taxes and Financial Management

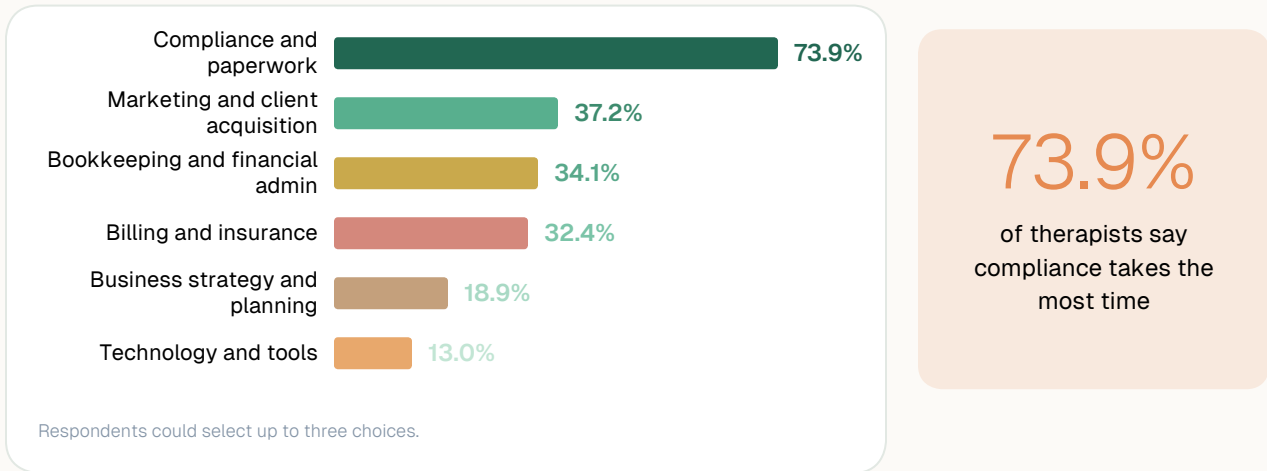
Taxes are the #1 business headache, and for good reason. Self-employed therapists pay both income tax and self-employment tax (15.3% for Social Security and Medicare). When you were a W-2 employee, your employer paid half of that invisibly. Now you owe the whole thing, and it hits hard. Add in quarterly estimated payments, and it's no surprise that over half of therapists (53.6%) pointed to taxes as their biggest headache.



## Biggest Business Headaches



## What Business Activities Take the Most Time



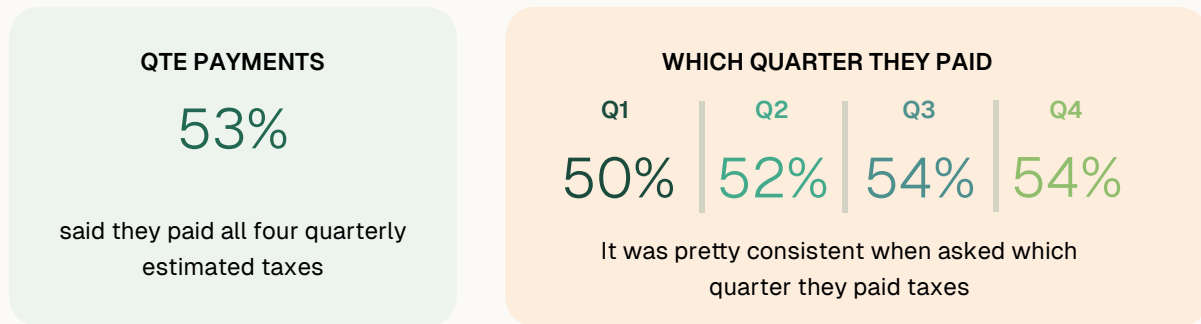
Nearly three-quarters of therapists said compliance and paperwork takes the most business time. That's a staggering number. One in three also named bookkeeping specifically. When you add up compliance, bookkeeping, and billing, the majority of therapists' business time goes to financial and administrative tasks rather than growing their practice.

# What Therapists Owe in Taxes



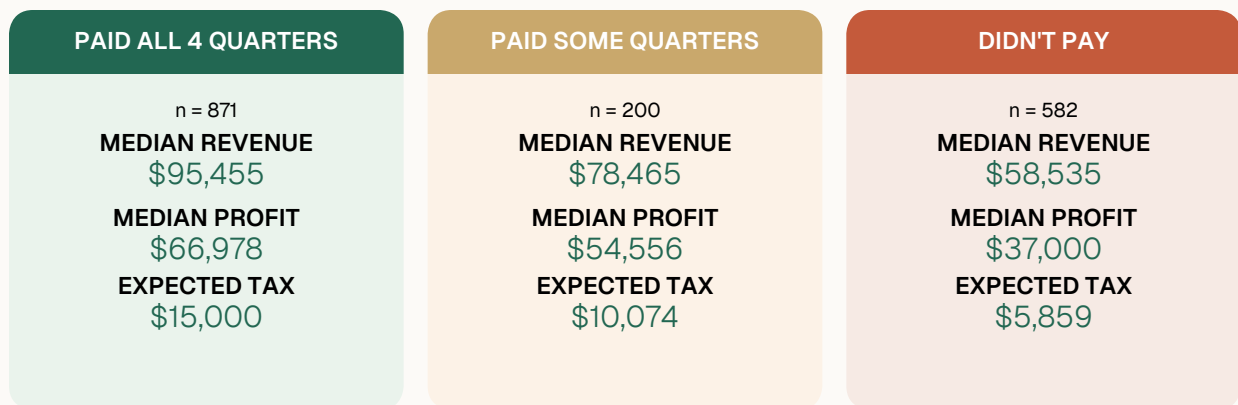
Knowing your number matters. Therapists who underestimate end up scrambling at tax time, and therapists who overestimate may be holding back money they could have reinvested in their practice. Either way, accuracy starts with organized books.

## The Quarterly Tax Gap



About 65% of therapists are making at least one quarterly estimated tax payments, but consistency is a problem. Missed or late payments can lead to IRS penalties and a surprise tax bill in April, and those costs add up quietly over time. Quarterly taxes are one of the most important financial habits in private practice, and one of the easiest to fall behind on without the right system in place.

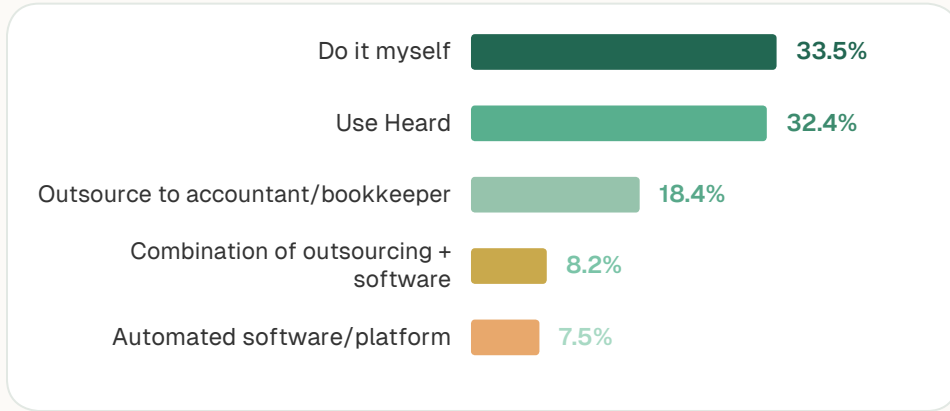
## QTE Compliance and Financial Outcomes



There is a \$37K revenue gap between compliant and non-compliant therapists. This also tracks as you begin to earn more, you begin to invest more in bookkeeping and tax support to ensure you are staying compliant.

# How They Manage Their Finances

When asked about how they manage their bookkeeping, taxes, and financial admin, one in three therapists still do it themselves. Most therapists can figure it out themselves, but the question is whether the time and mental energy it takes is worth it, especially when getting it wrong can mean missed deductions, tax surprises, and financial stress that follows you home after the last session of the day.



## The DIY Bookkeeping Problem

**33.5%**

still do their own  
bookkeeping

**10 hrs**

per month on business admin

**120**

hours a year (3 full weeks)

One in three therapists still do their own bookkeeping, and they're doing it within about 10 hours a month of total business admin time, which is the median across all therapists and adds up to 120 hours a year. That's three full work weeks, and it covers everything: billing, compliance, marketing, bookkeeping, taxes, all of it. Bookkeeping is just one piece of those 10 hours, which means it's competing with every other business task for your time and attention. If you charge \$150 per hour, that is up to \$18,000 a year of missed revenue.

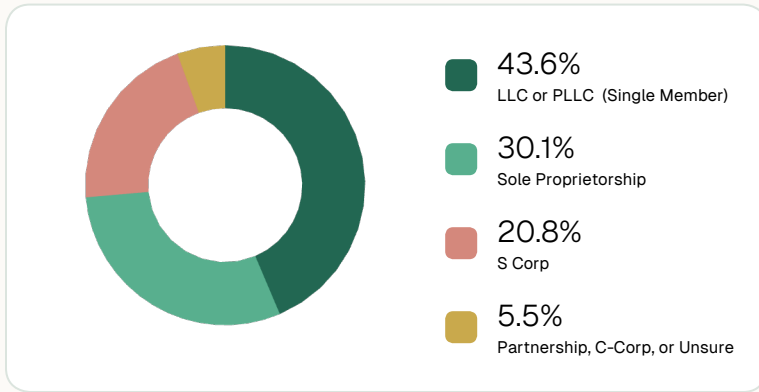
### ON OUTSOURCING FINANCES

"From the start I knew that this was not my area of strength. I immediately had decided to get as much assistance in this domain as possible. When I finally took some of the suggested actions — which included getting a business credit card and linking it — I realized that I had been failing to capture a lot of my expenses for taxes."



**Dr. Sophia Walder-Hoge, PsyD**  
Walder Psychology

# How Therapists Structured Their Businesses



**BUSINESS FORMATION**

There's no single right answer on how to setup your business. The best structure depends on your income, your goals, and how long you've been in practice.

**S CORP PRACTICES REPORT HIGHER NUMBERS**

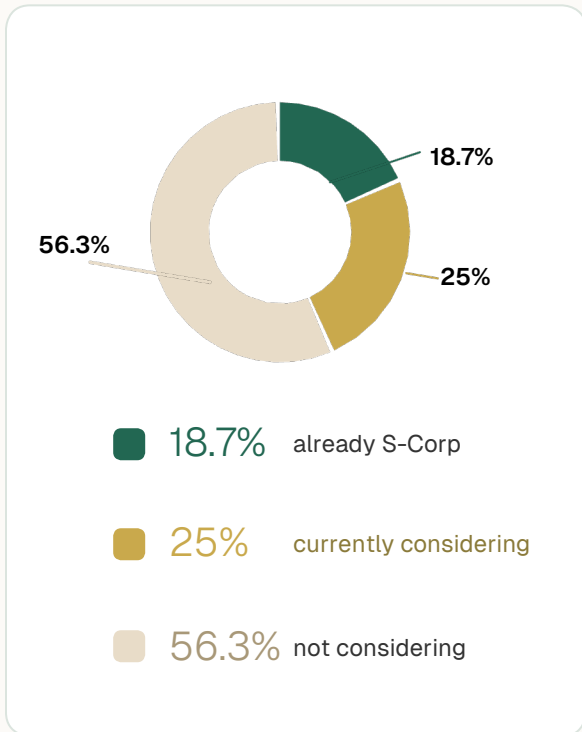
|                                        |                                      |
|----------------------------------------|--------------------------------------|
| <b>\$128K</b><br>S Corp median revenue | <b>\$75K</b><br>S Corp median profit |
|----------------------------------------|--------------------------------------|

**VS. SOLE PROPRIETORSHIPS**

|                                          |                                           |
|------------------------------------------|-------------------------------------------|
| <b>\$70K</b><br>Sole prop median revenue | <b>\$52.5K</b><br>Sole prop median profit |
|------------------------------------------|-------------------------------------------|

Note: S Corps skew more experienced and higher-earning. The entity structure decision is nuanced and depends on your income level, business expenses, state, and long-term plans. It's a decision worth getting right, not just making quickly.

# Therapists Considering S Corp Election in 2026



One in four therapists are currently considering S corp, and 31.1% named "knowing when or if to elect S-Corp" as one of their biggest business headaches. It's simultaneously one of the most talked about ways to save on taxes and one of the least understood decisions in private practice.

**How S-Corp saves on taxes:** You split your profit into a "reasonable salary" (which gets hit with the 15.3% self-employment tax) and distributions (which don't). So if you'd otherwise pay self-employment tax on \$80K of profit, but set a \$50K salary, you only pay that tax on \$50K, potentially saving \$4,600+. But S corps come with real costs: payroll setup, additional filings, and ongoing compliance. The wrong structure at the wrong time can cost you more than the right structure saves.



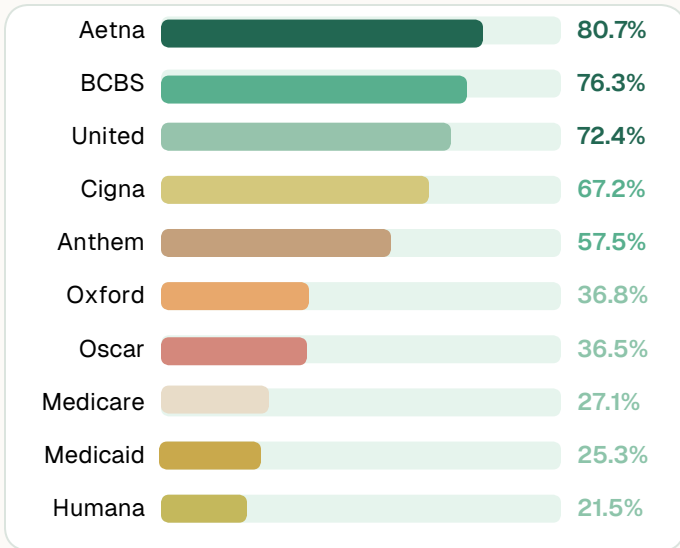
# The Insurance and Pricing Reality

Three in four therapists accept insurance, and the financial picture is more nuanced than most people realize.

**74.6%**  
accept insurance

**25.4%**  
cash-pay only

## Top Insurance Networks

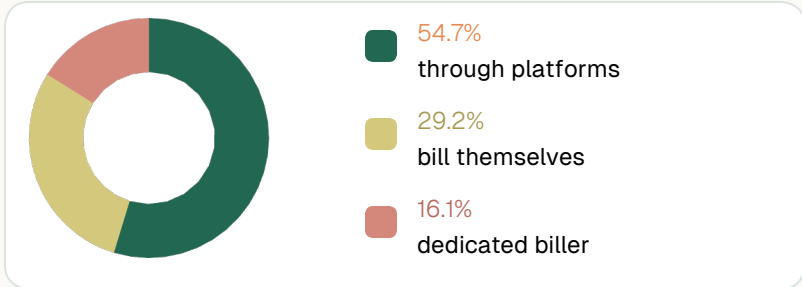


**AVERAGE REIMBURSEMENT**  
**\$95-\$125**  
per session across major insurers

Medicare and Medicaid adoption is notably lower (25-27%), reflecting both enrollment complexity and lower reimbursement rates. The differences between payors are small, typically just a few dollars per session. The bigger financial question isn't which insurance you accept, it's the gap between any insurance reimbursement and your cash pay rate.

Respondents selected all that applied.

## How Therapists Manage Billing



**87.3%**  
of insurance-accepting practices also have cash-pay rates

The platform model trades margin for convenience and panel access. More than half bill through platforms like Headway, Grow, or Rula. That tradeoff is worth understanding clearly - it affects your bottom line every month.

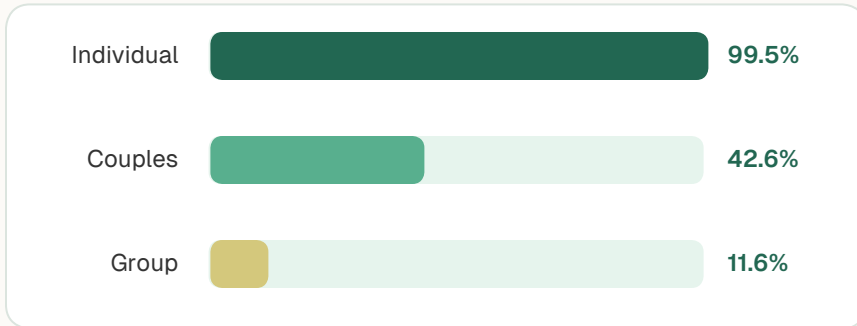
# Private Pay and Session Types

**87.3%**  
have cash-pay rates

## Cash-pay rates

Even among insurance accepting practices, 87.3% also have cash-pay rates. Private pay isn't an either/or decision for most therapists. It's a parallel revenue stream that adds flexibility but also complexity to your financial picture.

## What Therapists Offer



Individual therapy is essentially universal. But 42.6% also offer couples sessions, and only 11.6% offer group therapy.

Respondents selected all that applied.

## What Therapists Charge

**INDIVIDUAL SESSIONS**  
**\$130-\$185**  
average range

**COUPLES SESSIONS**  
**\$150-\$225**  
average range

**GROUP SESSIONS**  
**Varies**  
widely by format

Heard members tend to price at the higher end of market ranges. Financial clarity often translates to pricing confidence - when you know your numbers, you can charge what you're worth.

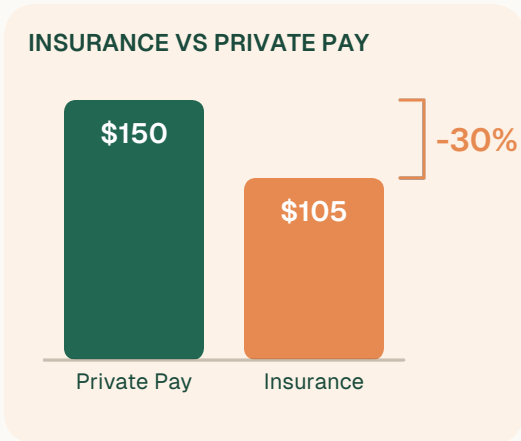
# Sliding Scale and The Reimbursement Gap

**73.4%**  
offer sliding scale or pro bono sessions

## Sliding Scale Is the Norm

73.4% of therapists offer sliding scale or pro bono sessions. This reflects a deep commitment to accessibility that runs through the profession. But it also means many therapists are intentionally accepting less on some sessions, which makes the financial management of everything else even more important. When part of your revenue reflects a choice to prioritize access, the rest of your financial infrastructure needs to work harder to support you.

## The Reimbursement gap



In 2025, therapists reported that insurance reimbursement typically fell 25-35% below their private pay rates. This gap drives much of the tension in the insurance-vs-cash-pay conversation and is a key factor in how therapists think about their revenue mix.

The reimbursement gap means that for insurance-accepting practices, volume matters more. You need to see more clients to reach the same revenue as a cash-pay practice, which has implications for your schedule, your energy, and your admin burden.

## Insurance vs. Cash Pay Only

**INSURANCE-ACCEPTING**

|                               |              |
|-------------------------------|--------------|
| <b>\$79K</b>                  | <b>\$55K</b> |
| revenue                       | profit       |
| Higher client volume required |              |

**CASH-PAY ONLY**

|                                               |              |
|-----------------------------------------------|--------------|
| <b>\$94K</b>                                  | <b>\$58K</b> |
| revenue                                       | profit       |
| Higher expenses (i.e. marketing) offset gains |              |

The roughly \$15,000 revenue advantage for cash-pay practices was largely consumed by higher operating expenses. Going cash-pay-only doesn't automatically mean taking home more money. The financial picture depends on your caseload, your market, your expenses, and most importantly, how well you manage the money that flows through your practice.

## Have Therapists raised fees?

33.1%

raised fees in 2025

Two-thirds left pricing unchanged

The therapists who did raise fees reported significantly higher revenue: \$94,792 vs. \$74,979 for those who didn't. That doesn't mean raising fees alone drives revenue — there are many factors at play — but it does suggest that therapists who are actively managing their pricing tend to be more engaged with the financial side of their practice overall.

RAISED FEES

\$94,792

median revenue

DID NOT RAISE

\$74,979

median revenue

+\$20K

revenue gap

## Looking ahead on pricing

### MAJORITY BEHAVIOR

62% have no plans to adjust pricing in 2026

despite rising costs

Still, the majority of therapists have no plans to adjust their pricing in 2026, despite rising costs across the board. For many, the discomfort of having a pricing conversation with clients outweighs the financial benefit of an adjustment. This is an area where financial clarity can help: when you know your numbers, you know whether a fee adjustment is necessary and can approach the conversation with confidence rather than anxiety.

### THE REALITY OF RAISING RATES

"If you're not raising your rate, you are effectively giving yourself a pay cut. You have full freedom to give yourself a pay cut if you choose. But I want you to understand that's what you're doing."



**Dr. Marie Fang**

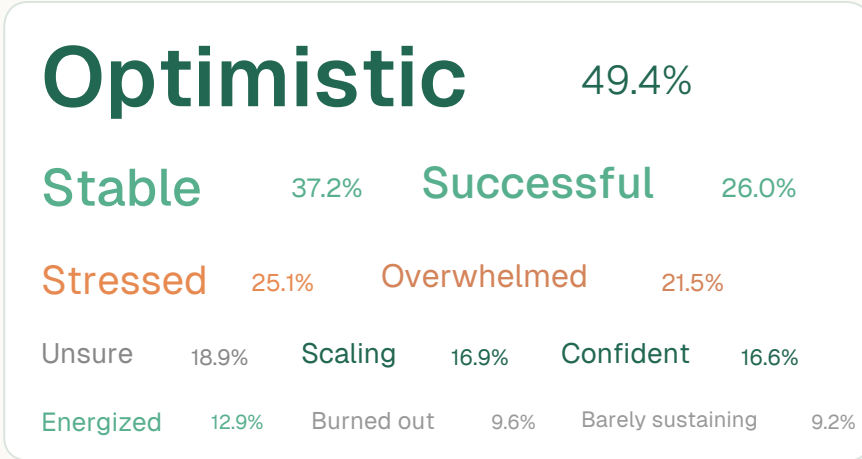
Private Practice Skills

# How Therapists Are Building for the Future

The majority of therapists are optimistic, growth-minded, and thinking about where to invest next.

## How therapists describe their experience running a practice

Respondents selected up to three choices.



**HEARD VS NON-HEARD**

Heard members reported more positive states: 52% optimistic (vs. 48%), 41% stable (vs. 36%), and 31% successful (vs. 24%).

The emotional duality captures private practice in 2026 perfectly: therapists feel good about what they're building, but the weight of managing the money side creates a persistent undercurrent of stress.

## Growth is the plan



More than half plan to grow. Only 2.8% are considering exiting. This is a profession that believes in its future.

### THE GROWTH MINDSET

"It feels like it's almost overwhelming to me sometimes. Once you've started this, you've got to keep it up. But I haven't put myself out there and I'm still doing okay — there's something about putting myself out there that still feels like, you know, I lose a little bit of breath when I talk about it."

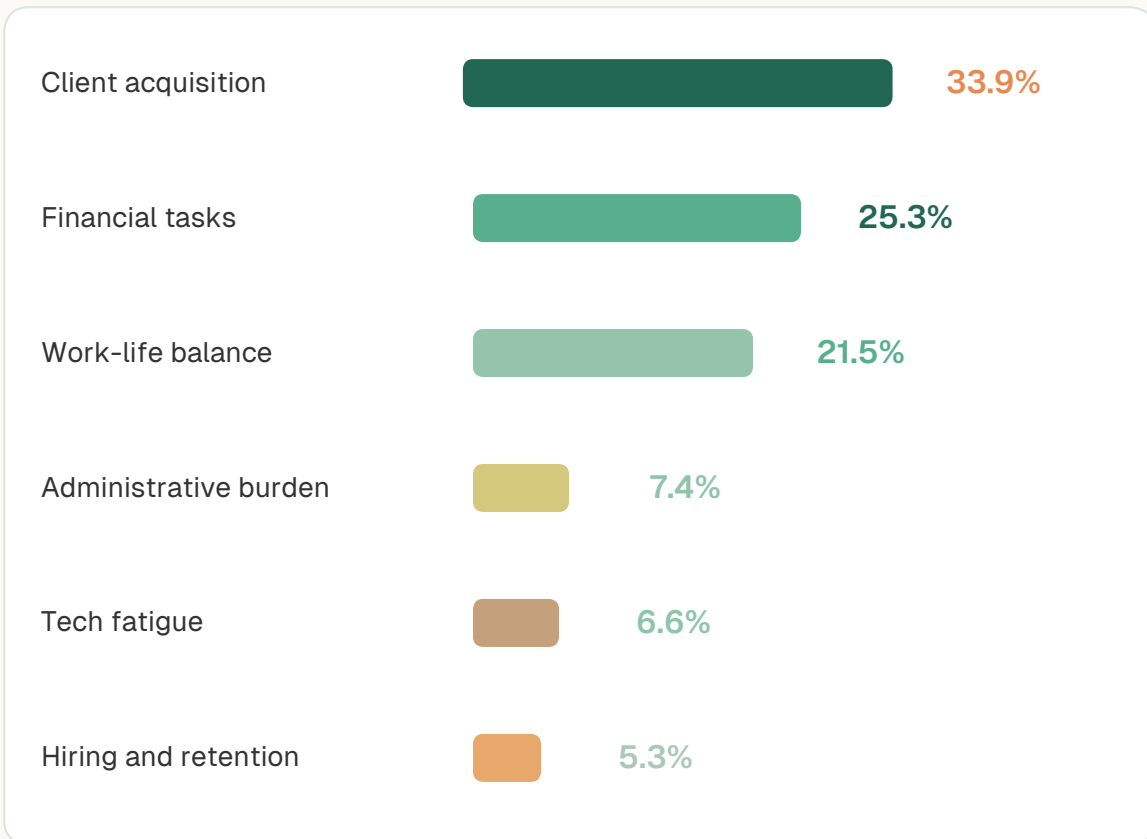


**Eli Keller, LMFT**  
Private Practice Skills

# The Heaviest Lift Looking Forward

When asked what weighs most heavily on them as they build their practices, therapists pointed to two connected challenges: getting clients and managing the money.

Client acquisition and financial tasks together represent nearly 60% of what weighs on therapists. These aren't separate problems — they're connected: the financial clarity to know whether your marketing is working depends on having your financial house in order first.

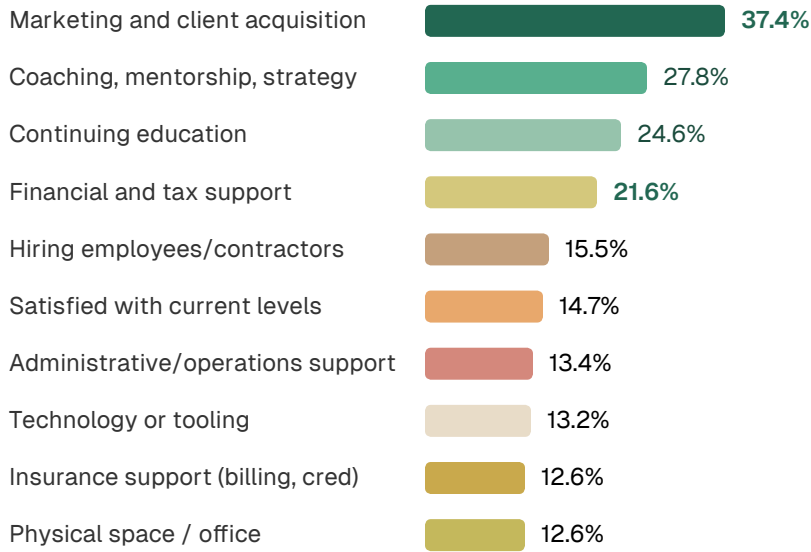


Respondents selected their single biggest challenge.

### WHAT THIS MEANS FOR YOUR MONEY

The two biggest challenges therapists face — getting clients and managing finances — are deeply intertwined. You can't know if your marketing investment is paying off without tracking where your money goes. You can't confidently raise rates without understanding your profit margins. And you can't build a sustainable practice without visibility into both. The therapists who report feeling "optimistic" and "successful" tend to be the ones who've solved the financial clarity piece first.

# Where Therapists Plan to Invest in 2026



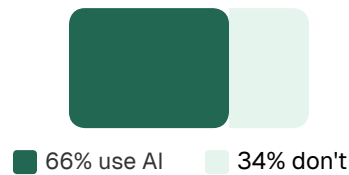
Respondents selected up to three choices.

**TOP PRIORITIES**  
 Marketing: 37.4%  
 Financial support: 21.6%  
 Together these address the #1 and #2 challenges ahead.

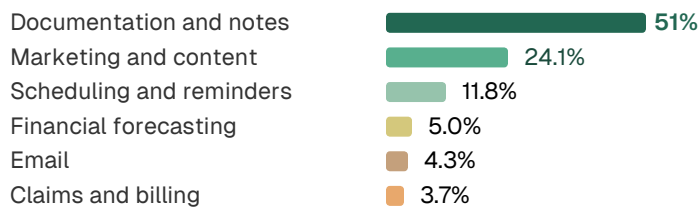


Marketing topped the list, which makes sense given that client acquisition is the #1 challenge ahead. But financial and tax support represents meaningful demand for the kind of help that determines whether your growth investments pay off. You can spend money on marketing to bring in more clients, but if your financial infrastructure isn't solid, more revenue can mean more complexity without more stability.

## AI is here



## Where They Are Using AI



Respondents selected up to three choices.

Two-thirds of therapists (66%) are already using AI. Documentation is the main way (51%), which makes sense given that clinical notes are one of the most time-consuming tasks in therapy. Marketing and content creation is growing (24.1%). AI for financial tasks (5%) is still early but represents a frontier.

This adoption happened fast. AI isn't a future trend for therapists, it's a current tool saving time on clinical work.

# Student Loan Debt is the Reality For Almost Half of Therapists

OF THOSE WITH DEBT

**1 in 5**

owe more than \$100K

53.6%

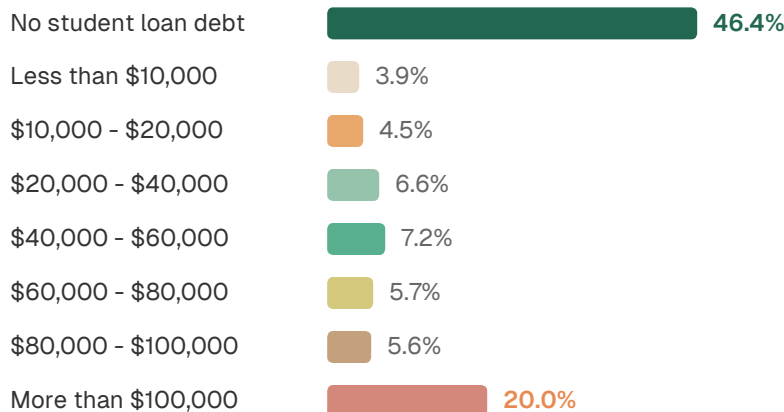
carry student loan debt

46.4%

carry no student loan debt



## STUDENT LOAN DEBT DISTRIBUTION



**THE \$100K+ GROUP**

For these therapists, getting finances right is essential, not optional.

This debt doesn't go away when you start a practice. It sits alongside every financial decision you make, from how much to invest in growth to how aggressively to save for retirement to whether you can afford to offer sliding scale. For therapists carrying six figures in student debt, getting the financial side of their practice right isn't just helpful, it's the difference between a career that sustains them and one that barely keeps up with what they owe.

### WHAT THIS MEANS FOR YOUR MONEY

You can't shrink your student loans overnight, but you can make sure the financial side of your practice isn't making them harder to manage. What you keep after taxes and expenses is what goes toward loan payments, savings, and everything else. Small things — your entity structure, your deductions, whether you're overpaying in quarterly taxes — add up to real money over the course of a year.

# The Heard Difference



Therapists who use Heard show stronger financial habits, particularly in the first five years of practice. Here's what the data shows, and what it doesn't. We want to be transparent about what the data shows and what it doesn't. Transparency builds trust, and trust is what we're here for.

## Financial Health Comparison

### REVENUE: HEARD MEMBERS VS NOT

**\$95.8K**

Heard Members

**\$75K**

Non-Heard Members

### PROFIT: HEARD MEMBERS VS NOT

**\$59.4K**

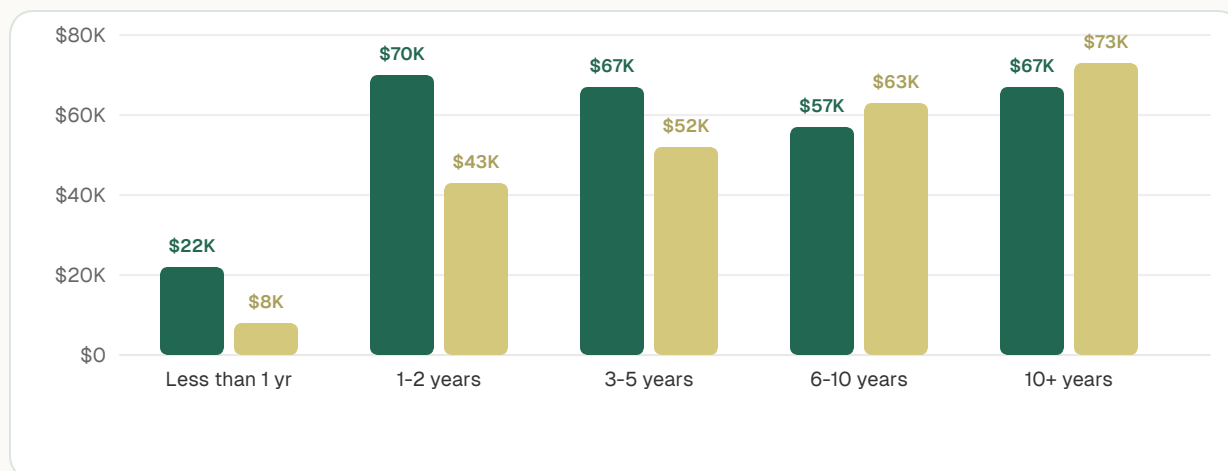
Heard Members

**\$51.1K**

Non-Heard Members

## Solo Practitioner Profit by Experience Level

■ Heard     ■ Non-Heard



### KEY INSIGHT

In the first 5 years, Heard members keep \$14K-\$17K more in profit. After 6+ years, the gap closes as practitioners gain experience.

### AN IMPORTANT CAVEAT

All comparisons are correlational, not causal. Therapists who seek financial support may already be more financially engaged. However, when we controlled for experience level and revenue band, Heard members in their first five years showed a \$2,000-\$5,000 profit advantage. At six years and beyond, the gap disappeared.

# The financial side of your private practice is the foundation everything else is built on.

The data in this report tells a story that's both encouraging and sobering. Therapists are earning more, growing faster, and more optimistic about the future than at any point in the four years we've been running this survey.



But the gap between earning and keeping is real.

53%

pay quarterly taxes throughout the year

45%

jump in expenses in a single year

10 hrs

per month spent on financial admin

53.6%

carry student debt alongside every decision

The therapists who are closing that gap aren't the ones who earn the most. They're the ones who treat the money side of their practice with the same intentionality they bring to their clinical work. They build systems, get support, and make financial decisions based on clarity rather than guesswork.

You didn't go to school for this part. But the financial health of your practice is what makes everything else possible: the ability to see the clients you want to see, to offer sliding scale when it matters, to invest in growth, to take time off, and to build a career that sustains you for the long term.

**That's what the money side is really about.**

### Ready to close the gap?

Heard is the financial back office built for therapy practices. Bookkeeping, taxes, and business finances, handled by people who specialize in therapists.



# Methodology

|                      |                                         |
|----------------------|-----------------------------------------|
| <b>SURVEY PERIOD</b> | 2025                                    |
| <b>RESPONDENTS</b>   | 1,950 total                             |
| <b>METHOD</b>        | Online survey                           |
| <b>SAMPLE</b>        | 528 Heard (27%), ~1,100 non-Heard (73%) |

## ANALYSIS NOTES

All percentages use per-question response counts as the denominator, not the total sample of 1,950

Some questions allowed multiple responses, so percentages may add up to more than 100%

The survey experienced natural dropoff: early questions had approximately 1,912 responses, later questions approximately 1,622

Revenue growth rates were filtered to exclude respondents with 2024 revenue under \$1,000 and capped at 1,000% to remove outliers

Heard vs. non-Heard comparisons include both pooled (full sample) and like-group (controlled for experience and revenue band) analyses where noted

All Heard comparisons are correlational. The survey does not establish causation.

## ANTITRUST COMPLIANCE

Certain data points in this report have been presented using ranges and percentage-based framing rather than precise figures, consistent with current DOJ/FTC guidance on information sharing among market participants. This report is shared for educational purposes and does not constitute guidance for setting rates or prices.

