

Contact: John LaRosa

Marketdata Enterprises, Inc.
Phone 813-907-9090
Fax 813-907-3606
email: marketdataent@yahoo.com

Marketdata Enterprises, Inc.
8903 Regents Park Drive
Suite 120
Tampa FL 33647

Marketdata Enterprises
The Information Specialists

Press Release

U.S. Fertility Clinics & Infertility Services Market Worth \$3.5 Billion. Recession Is Not A Factor

November 5, 2013: Marketdata Enterprises, Inc., a leading independent market research publisher covering service markets since 1979, has released a new 123-page report entitled: **U.S. Fertility Clinics & Infertility Services: An Industry Analysis**. This market study investigates demand for and the dollar value of the services of: fertility clinics, sperm banks, egg donors, fertility drugs, and surrogacy programs. It's a loosely regulated niche healthcare sector that weathered the recession well. The study estimates industry revenues from 1988 to 2018 Forecast.

“Assisted Reproductive Technology (ART) now produces more than 50,000 babies per year in the U.S. via 152,000 IVF procedures, and demand is growing from the ranks of 7+ million infertile American women, many of which delayed childbearing due to careers. Foreigners and gay couples are two other areas of growth..”, according to Research Director, John LaRosa.

Major Findings:

- **Market Value...** Marketdata analysts estimate that the U.S. infertility services market reached **\$3.5 billion in 2012**. The recession hardly impacted this business, despite the fact that IVF is an elective and costly procedure, paid for with disposable income out-of-pocket. Moderate 3.6% annual growth in revenues is forecast through 2018.
- The market is comprised of 481 fertility clinics, 100+ sperm donor banks, egg donors (unknown number), fertility drugs and 1,700 reproductive endocrinologists – all competing for the business. IVF procedures are worth \$1.88 billion.

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- This market is largely untapped, as 75% of potential clients are not using infertility services. Only 15% of U.S. women have used fertility drugs, only 5.5% have tried artificial insemination, and only 1% have used IVF. However, the number of IVF cycles performed has grown from 70,000 in 1997 to an estimated 157,000 in 2012, expected to rise to 185,000 by 2018.
- The global market for fertility drugs tops \$1 billion, controlled largely by Merck Serono. The U.S. market is worth half of that, or \$500 million, and is a mature slow growth market segment. As IVF procedures' success rates improve, less of these medications are needed.
- Studies indicate that up to 15% of couples of childbearing age of 20-44 in the United States are clinically infertile (about 15% of women and 10-15% of men).
- Only one corporate "chain" of fertility clinics, IntegraMed, exists, as most programs are run by small MD practices or are part of a hospital or University. IntegraMed operates 35 clinics, and its revenues grew from \$112 million in 2006 to \$200 million in 2011. The company is now private, but operates six of the industry's top 21 fertility clinics. Nearly 25% of national IVF procedures are performed by this company. However, not all fertility clinics fared as well, and there is a lot of consolidation taking place.
- The sperm donor market is flat, at an estimated \$88 million. However, the egg donor market is growing strongly, estimated to be worth \$91 million last year, propped up by high demand from non-U.S. patients in Europe and the Middle East.
- The typical or "average" U.S. fertility clinic has revenues estimated at \$3.5 million.
- ART is not regulated by the federal government and only lightly supervised by state agencies. Since 1978 - when the world's first IVF baby, Louise Brown, was born in England – more than 3 million ART babies have been born worldwide, and some experts and ethicists fear the field's rapid expansion leaves too much room for abuses.

“Women who use infertility services are more likely to be Caucasian, college educated, older than 30, have higher incomes, and never have given birth or been married. However, the high price of IVF cycles (\$12,000 each and frequently multiple cycles), plus drugs, exams and tests, deters many. The total price tag can top \$50,000 or more. Only 14 states mandate insurance coverage, so most pay out-of-pocket.”, according to Research Director, John LaRosa.

Estimated Size of the Fertility Services Industry (\$ Millions) - 2012

Procedure or Service	Number of Procedures	Average Cost	Estimated Market Value (\$ millions)
Diagnostic			
M.D. Office Consultations, new patients	416,000 #	\$324	\$135
Semen Analysis	1,715,000	\$125	214
Hormone Evaluations	1,715,000	229	393
Therapeutic Approaches			
Tubal Reversal Surgeries	15,000	10,116	152
Assisted Reproductive Technology			
IVF Procedures	151,923	12,000	1,882
GIFT (gamete intrafallopian transfer)	500	11,000	5
Genetic Testing	NA	NA	NA
Fertility Drugs	NA	\$2,000*	500
Donor eggs	NA	\$4,500	91
Donor sperm	NA	\$300	88
Surrogate carriers	1,200+	\$30-120,000	27
Grand Total			\$3,487

NA – Data not available. * per IVF cycle

- Marketdata’s phone surveys determined that a typical clinic has 16 new patient visits per week, or 800 per year

Source: Marketdata estimates, based on proprietary mail and phone surveys, the CDC, company annual reports, interviews with leading company management, consultants, published articles and books.

Editor's Note: **U.S. Fertility Clinics & Infertility Services: An Industry Analysis**, October, 2013, is an independently researched study that is 123 pages long, has 32 Tables, and costs \$995. It is also sold by individual chapters. Free brochure and table of contents available. John LaRosa available for interviews. Contact: Marketdata Enterprises, 8903 Regents Park Drive, Suite 120, Tampa, FL 33647. (813-907-9090). Email: marketdataent@yahoo.com

A 20 pp. Overview summary available to the public for \$99, at: www.marketdataenterprises.com.