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### What the plastic surgery industry can tell us about the path of the economy

Jennifer Sor | October 1, 2023



Demand for cosmetic surgery is down around 50%-60% since the pandemic, a veteran surgeon told Insider.  
REUTERS/Punit Paranjpe

There are a lot of weird economic indicators out there. Everything from lipstick, to men's underwear, to cardboard boxes have a story to tell about the economy. Anyone looking for more under-the-radar economic signals can add plastic surgery to the list.

As inflation remains high and Americans start to rein in their spending, interest in cosmetic surgery has plummeted after a boom during the pandemic, when people flush with savings were seeking out procedures at higher rates.

According to **Dr. Steven Williams**, the president-elect of the American Society of Plastic Surgeons, demand across all cosmetic procedures – a market that encompasses everything from tummy tucks to rhinoplasties to Botox injections – is down as much as 60% compared to the heyday of the pandemic, when many practices were experiencing a boom in business.

Williams said that among the universe of cosmetic procedures, demand for filler treatments is the bellwether that points to the wider health of the industry, and it's plummeted.

"I think that in the med spa environment, most patients will do Botox no matter what," he told Insider. "Most patients give up filler first."

Demand for filler, which is more expensive than Botox injections, is down around 30%-40%, Williams estimated of his own practice, a sign he calls a "canary in the coalmine" for the industry.

It's another unusual indicator that amateur forecasters have used to diagnose a recession, guided by the logic that when the economy tightens into a downturn, Americans dial back their discretionary spending.

A pullback in cosmetic surgery, RV purchases, lipstick sales, cardboard box demand, and even men's underwear sales are thought to be signs of a coming downturn.

Experts are wary of using seemingly random data points as barometers for economic health. According to Yaniv Konchitchki, a UC Berkeley economist and professional forecaster for the Federal Reserve, diagnosing a recession is more complicated than watching sales for a certain coveted luxury decline.

"The problem is that [those indicators] relate recession to one or two observations. You don't really have a strong scientific stance of statistical influence," Konchitchki said, noting that he bases his recession forecasts using real-time data on S&P 500 company profits, which show a more detailed image of consumer discretionary spending.

### **The plastic bubble pop**

But within the plastic surgery industry, the pullback in demand is undeniable, particularly considering how hot business was through 2021. Like other business owners, cosmetic surgeons were initially slammed by the onset of the pandemic. Many had to loan equipment like ventilators to local hospitals to keep the lights on, Williams says.

Then, COVID hospitalizations started to calm down, and surgeons saw a huge upswing in business that felt unreal.

Aesthetic surgical procedures jumped 54% in 2021, according to data from the Aesthetic Society, a plastic surgeons' industry group. And in a 2022 ASPS survey, more than three-quarters of plastic surgeons in the US said that their services were in higher demand compared to pre-pandemic days. Of that group, 23% said business had even doubled over that time frame.

Most practices saw an increase in clients ranging from 30%-70%, Williams said. He attributes that to a confluence of factors: more people were working from home, meaning it was the perfect time to recover from an intensive cosmetic procedure. Planned vacations to Europe had suddenly been slashed. Americans had cashed in their stimulus checks, and, for the most part, were trying to feel better about themselves, Williams thinks.

"It's something that really took most of us by surprise," he said of the pandemic's plastic surgery boom. "It kind of became this perfect storm of factors where people said, I'm ready to do it. There's not going to be a better time for the next few years."

But the enthusiasm to revamp one's appearance has faded in a tighter economy, with Americans now struggling against higher inflation and higher costs of borrowing. Aesthetic surgical procedures dropped off 12% last year, the Aesthetic Society said in their latest statistical report. And while cosmetic procedures increased 19% overall, that's partly because large practices schedule their patients around six to 12 months in advance, Williams said, who thinks most firms started to feel business slow earlier this year.

By now, Williams estimates, businesses have largely worked through their backlog of cosmetic surgery clients. New patients who are rolling into his office are mentioning financial constraints and trying to prioritize what procedures they want done – just a tummy tuck, for instance, rather than bundling that with a handful of other procedures in a pricey one-and-done makeover.

"Anyone who's looked at the financial situation in the United States, it's not exactly clear how big a recession we're going to be in, or if we're already in one, or if we're going to be able to avoid it," Williams said. "But what is clear is that there's a ton of media attention around it. And media attention ... that influences discretionary purchases and plastic surgery. Aesthetic plastic surgery is definitely a discretionary purchase."

Market forecasters have warned of a growing odds of a recession as Americans run out of savings and pull back on spending. Robust spending habits have been a major boost to the economy over the past year, but Americans are now set to run out of excess savings by the end of this quarter, according to a study from the San Francisco Fed. Economists warn that this could help push the economy into a downturn.

<https://www.businessinsider.com/recession-indicator-plastic-surgery-pandemic-us-economy-outlook-consumer-spending-2023-9#:~:text=There%20are%20all%20kinds%20of,quarter%2C%20a%20Fed%20study%20warned>