

Why do Hearing Aids Cost So Much

Just as you can buy \$3 reading glasses at the supermarket, you can get a pair of [hearing aids](#) for a few hundred dollars online or at a big-box store. But if you're looking to purchase a custom-fitted, quality pair from an audiologist, you can expect to pay up to \$3,600 (and some top-end pairs can go for more than \$7,000).

So why exactly do hearing aids cost what they do? Well, you are not only buying a high-tech device that requires extensive research, but also likely paying for service across the life of your hearing aids.

On the manufacturing end, materials such as microprocessors and microphones may be about 10 percent of the final cost for some hearing aids. Research often accounts for double to triple the cost of materials. "It is a substantial part of the price: All the major companies have phenomenal research," said Patricia Kricos, an audiology professor at the University of Florida and president of the American Academy of Audiology. Between electrical engineers, audiologists, computer programmers and musicologists, an immense amount of technical knowledge is required to produce these miniature devices.

When customers visit an audiologist in an office (rent and overhead can be 10 to 15 percent), they spend time learning about their condition, going over various products available and then getting fitted — often requiring a hearing-test booth and a sound box for calibration. These high-tech machines need to be replaced every few years and can account for about 8 percent of the total cost. But even before the customers walk in the door, the audiologist needs to purchase licenses and insurance, about 3 percent for some practices. Customers frequently return for adjustments, cleaning and seminars, all of which take time and are usually included in the price of the hearing aids. Salaries can account for 10 to 20 percent of the cost, depending on the size and scope of the practice.

Like any business, there are marketing activities to attract and retain customers (5 to 10 percent) as well as continuing-education requirements and staff training (5 percent). It all adds up quickly for the audiologist, who in a good year may take home from 10 to 15 percent of a practice's revenue. This is before any interest payments and taxes and depends on the mix of product sales and services such as testing. "You can buy a hearing aid anywhere, but it will only be as good as the person fitting it," says St. Joseph, Mich., audiologist Gyl A. Kasewurm.

Using the approximate price of \$3,600 for a pair of hearing aids, here is how the costs break down:

Overall cost — \$3,600

Costs for the manufacturer:

Materials — \$360

Research — \$1,080

Other retailer costs:

Rent/overhead — \$450

Testing/diagnostic machines — \$288

Licenses/insurance — \$108

Salaries — \$540

Marketing — \$270

Continuing education/training — \$180

Potential profit for the retailer (pretax) — \$324

Approximate product cost for retailer — \$1,440

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