

The Family Business

Successes and Obstacles

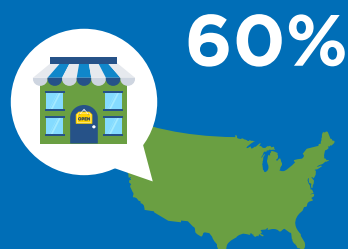


“Family-owned” means:

Any business in which two or more family members operate the company, and the majority of ownership or control lies within a family.



Are family businesses successful?



Family-owned businesses employ **60%** of the US workforce and create **78%** of all new jobs.



GDP

Family businesses generate **64%** of Gross Domestic Product (GDP)

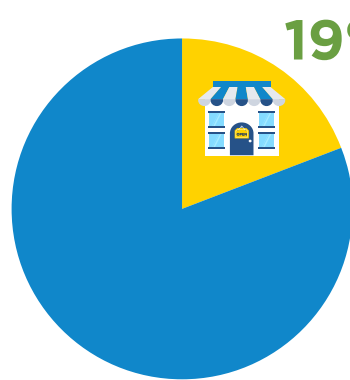
Family-owned businesses range in size



1.2 million family-owned small businesses are run by a husband and wife



Family businesses can range from **2 people** to **thousands** in a Fortune 500 company



28.8 million small businesses in the US - **19%** are family-owned.

Challenges family-owned businesses face



30% of family businesses survive the transition from first to second generation ownership.



12% survive the transition from second to third generation.



13% of family businesses remain in the family over 60 years.



47% of family business owners expecting to retire in five years **DO NOT** have a successor.

How do family businesses survive?



● **Good governance** - **94%** of family-owned firms are controlled by supervisory or advisory boards.

● **Focus on the next generation** - Over **40%** of companies included younger family members on boards and committees to nurture business and management skills.

● **Customer and employee-oriented** - **74%** of family-owned firms report stronger values and culture.

Work with a **SCORE** mentor to help make your family business a success.



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Sources:

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