

Family Enterprise USA (FEUSA), a 501 (C)(3), is the organization that family business owners and legislators in Washington DC go to for information on the family business industry. FEUSA has established itself as a trusted resource through research work, an annual survey of family businesses across the country, focus groups and general data gathering about the issues and challenges family businesses face every day.

FEUSA's membership consists solely of, and is supported by, family businesses with the single purpose of promoting family business in America, so they can continue to grow, thrive and add jobs.

How You Can Help

Membership in FEUSA is open to all family businesses. Please visit **www.familyenterpriseusa.com** to find out how you can join as a member of FEUSA and help educate legislators and others about family businesses in the USA.





2021 FEUSA Family Business Survey



— Survey Highlights —

- **This year's survey was conducted between January 6, 2021, and March 31st, 2021, and a total of 172 responses were collected; note this was during the Corona Virus pandemic.**
- **Almost 82% of the respondents are CEO/President/Chairman or Senior Management in the family businesses; 58% have annual revenues in excess of \$10 million and 30% have \$50 million or more; 2021 59% over \$20 million.**
- **35% have 50 to 500 employees and 17% have more than 500 employees. 52% of business owners believe they pay above average wages and benefits to their employees.**
- **Almost 17% of business owners have been in business 100 years or more and 76% have been in business for more than 30 years.**
- **Income tax is the key tax policy concern for business owners then Capital Gains and next the Estate tax. Business owners would prefer to have the current lifetime exemption made permanent, then have the rate reduced and then a repeal of the tax.**
- **Economic Policy issues are 1) the Estate tax, 2) too much government regulations, and 3) would like a simplification of the tax code**

What is your role in the family business?

82% of Respondents are President/CEO/Chairman or Senior Mgt

57.7 %



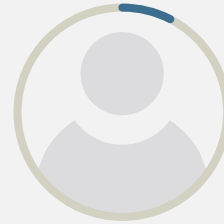
CEO/President

16.1%



Vice President or
Other C-Suite Exec

8.1%



Board Chair

4.0 %



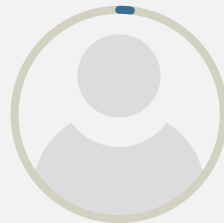
Board Director

3.4 %



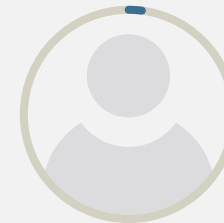
Retired

2.0 %



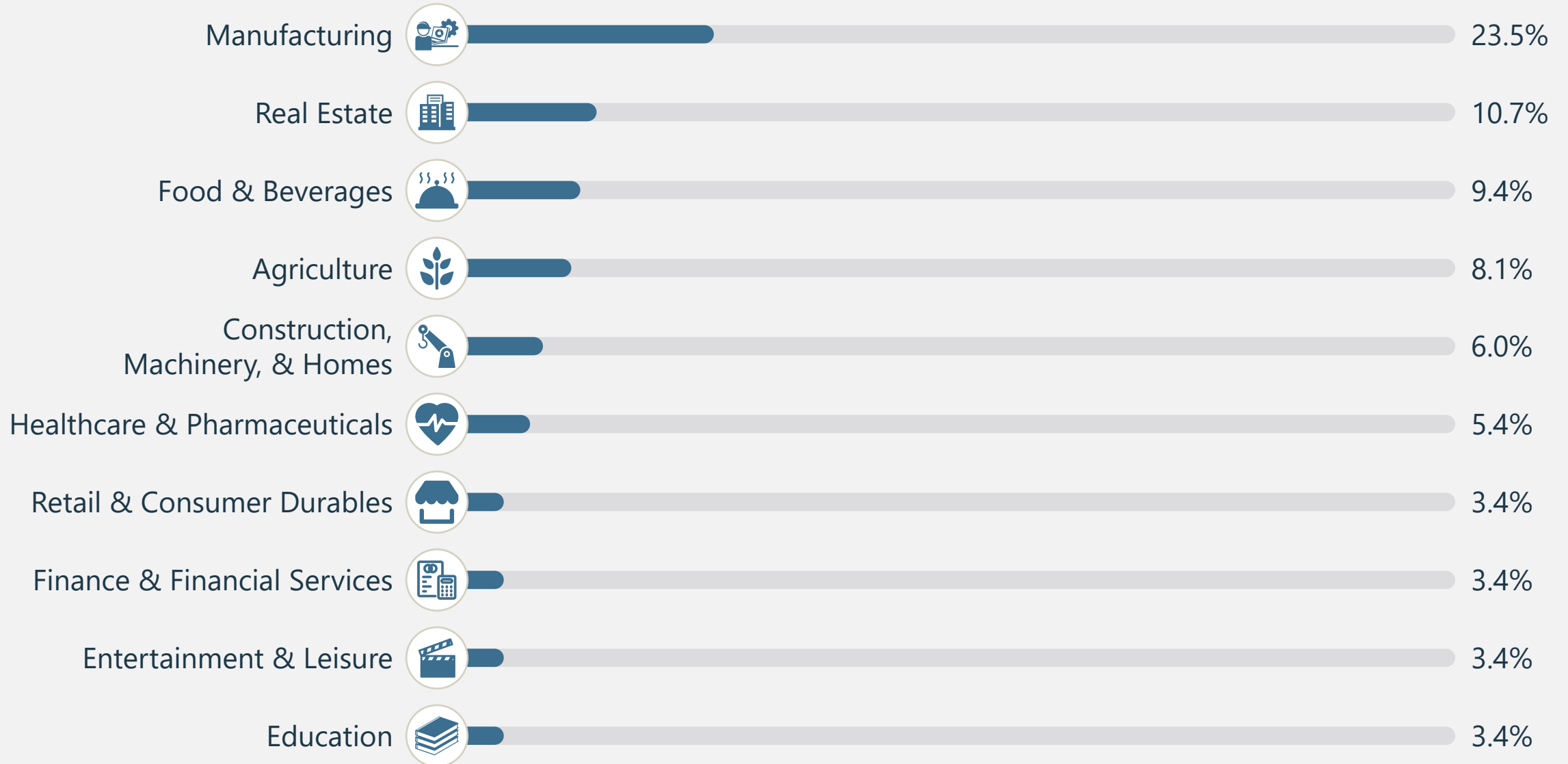
Other

2.0 %



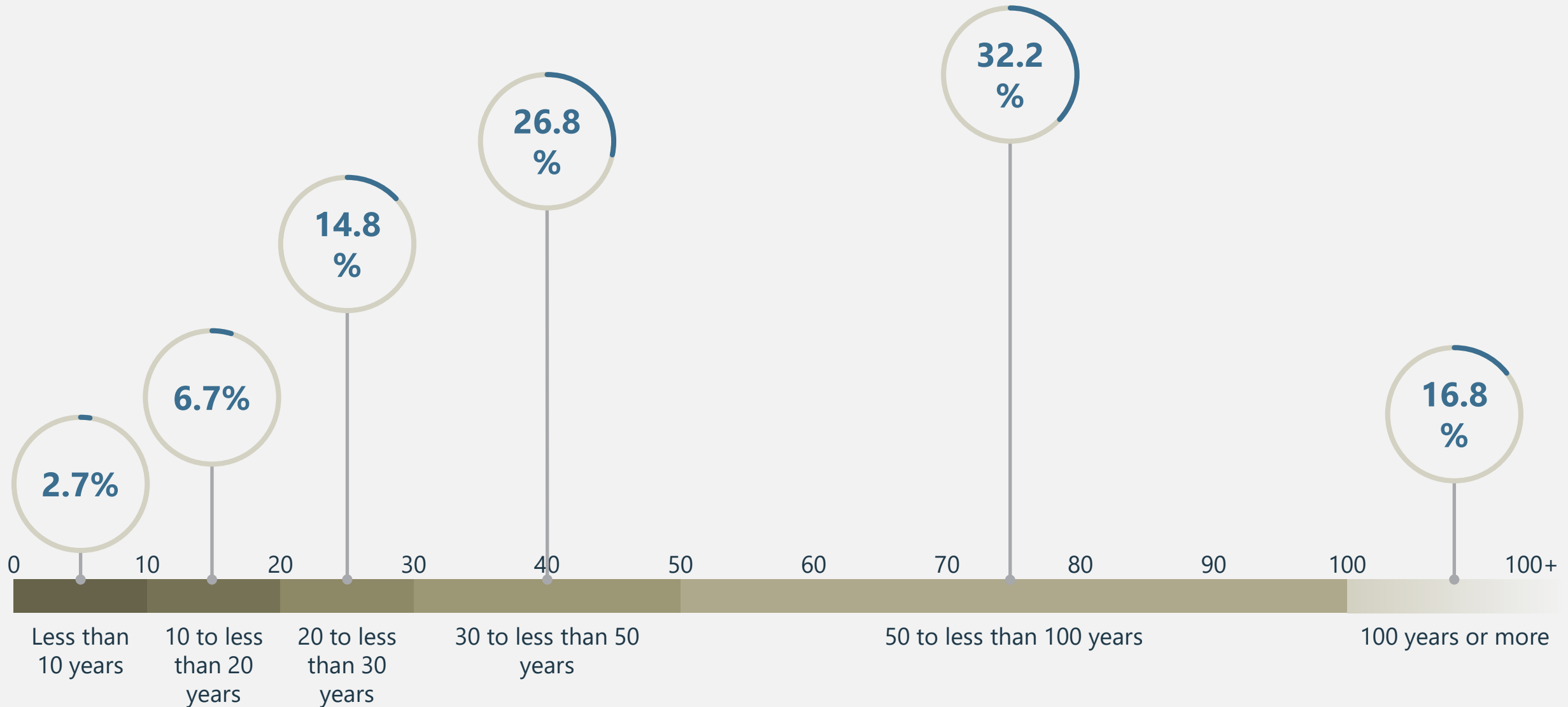
Owner

Which Of The Following Best Describes The Principal Industry Of Your Family Business?



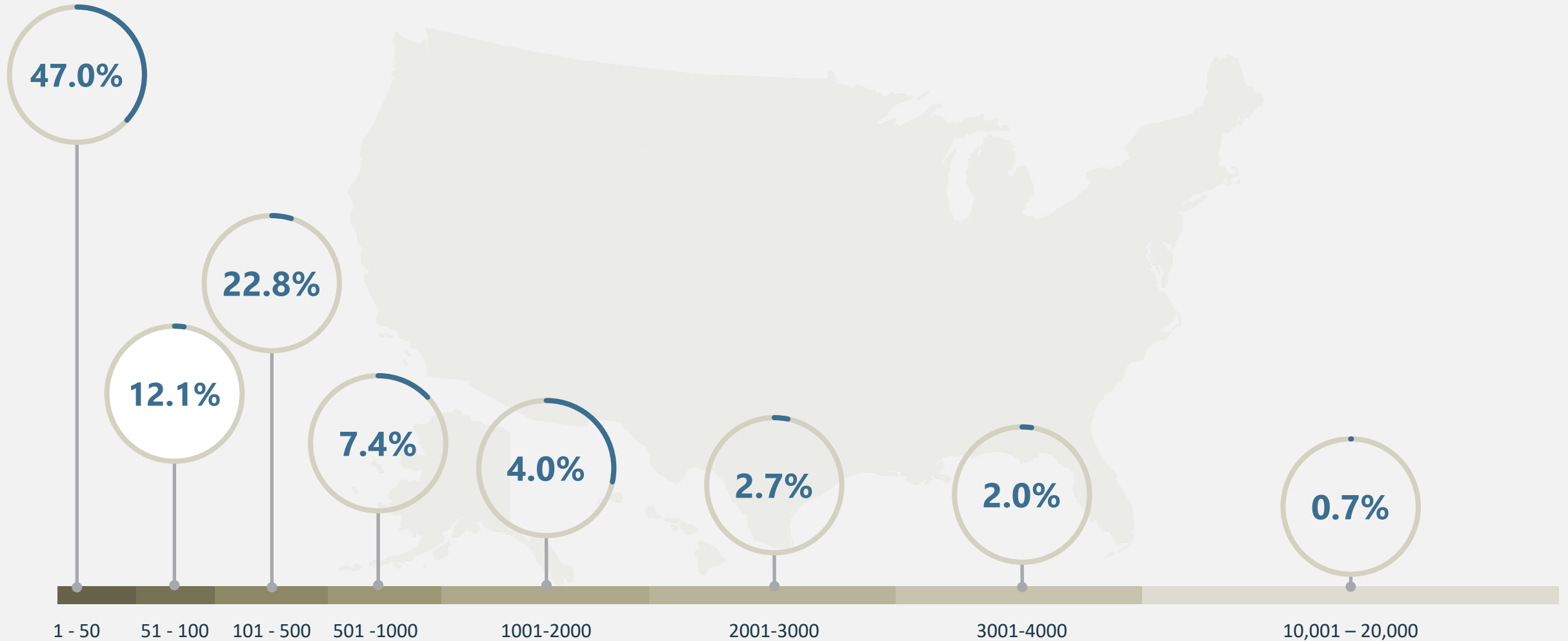
How Many Years Has Your Family Business Been In Operation?

17% of businesses in business over 100 years and 76% more than 30 years

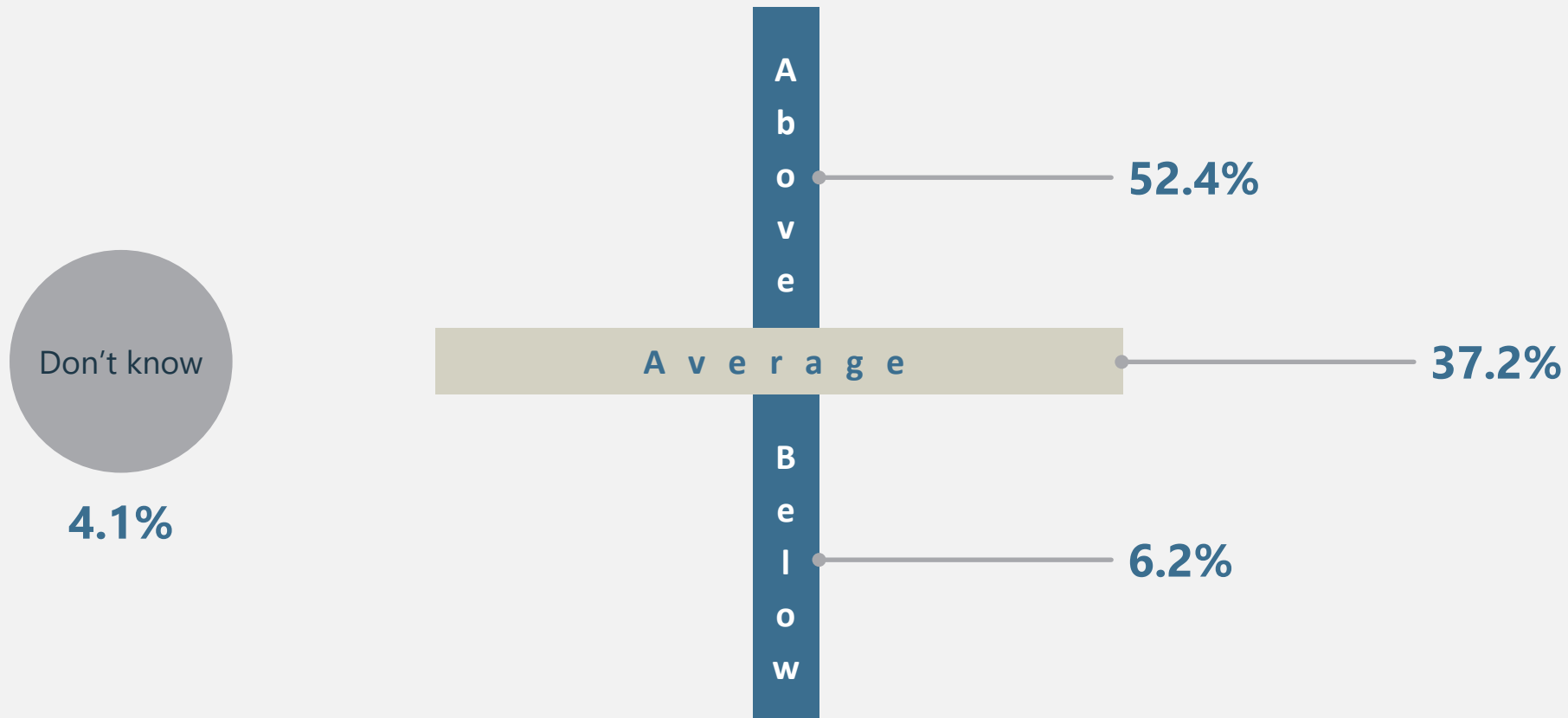


How many people did your firm employ in the US?

35% have 50 to 100 employees and 17% have over 500 employees

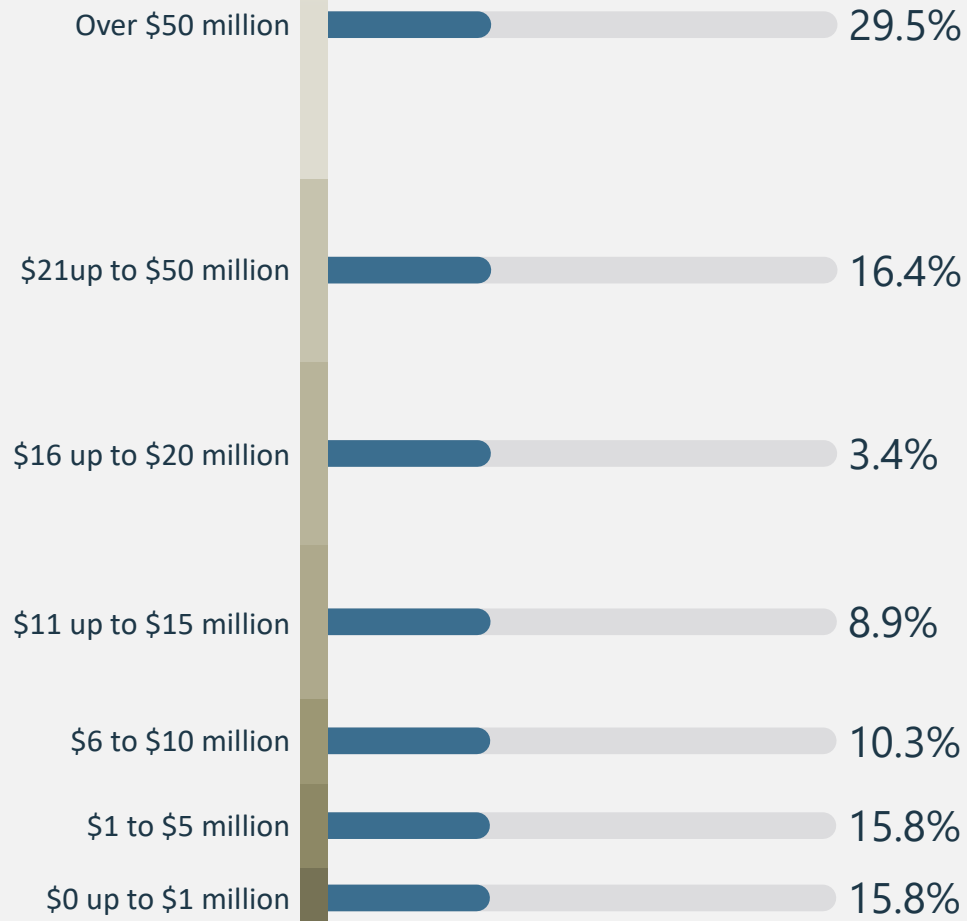


How would you measure the salary and benefits that you pay your employees as compared to your non-family business competition?

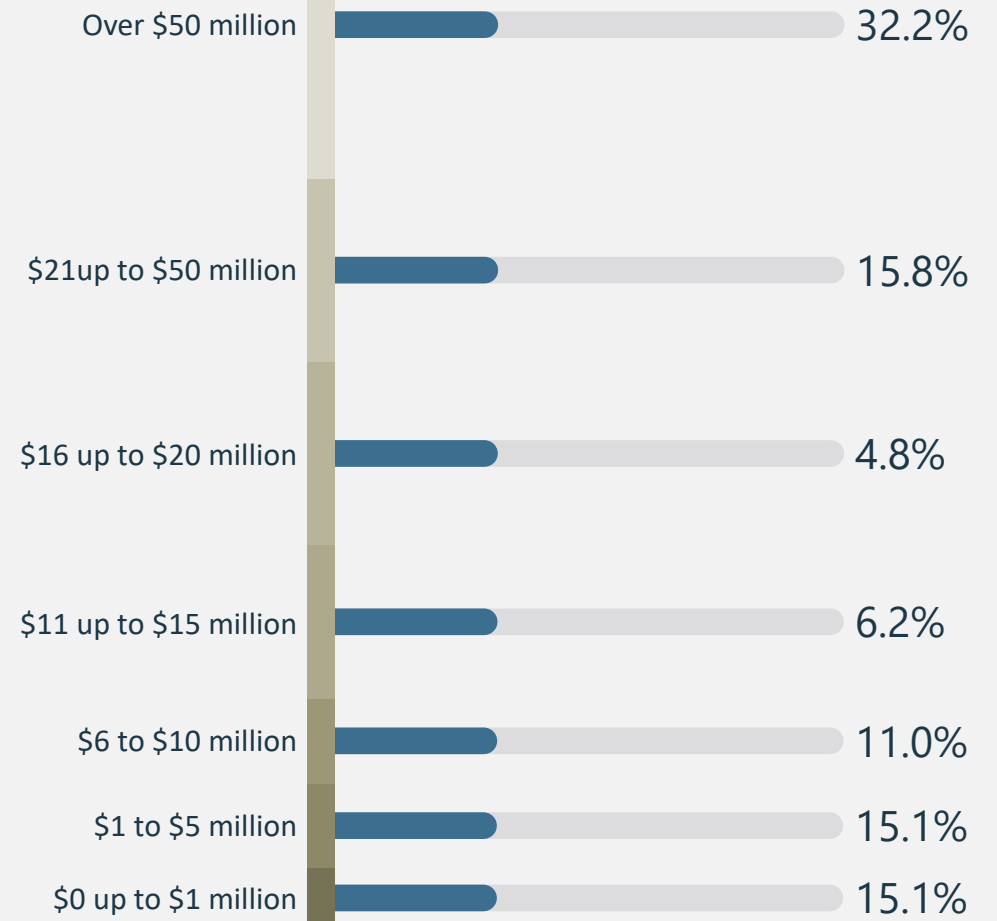


What were the gross US revenues of your business in 2020?

30% have over \$50 million in annual revenue and 58% have revenues over \$10 million

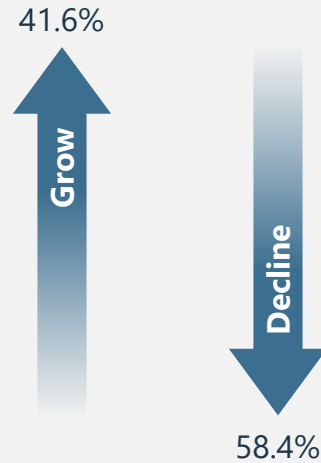


What are the estimated gross US revenues for 2021?

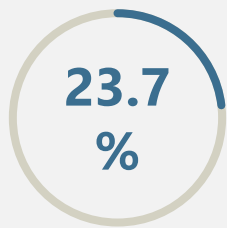


Did your business' revenue grow or decline in 2020?

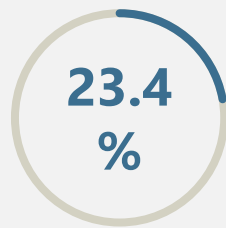
Note all top 3 are almost the same



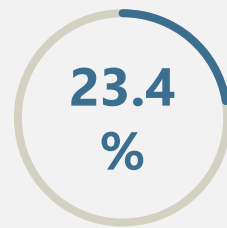
Why did your business' revenue grow or decline in 2020?



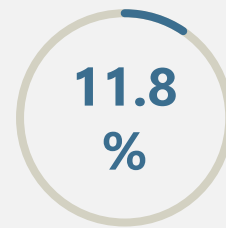
Industry conditions



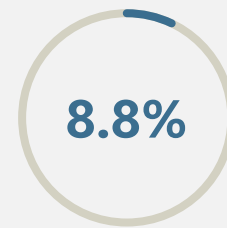
Economic conditions



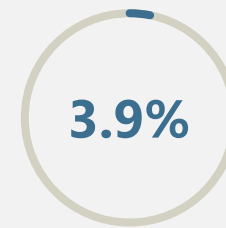
Coronavirus



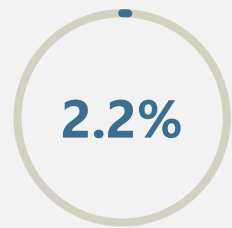
Strategic business choices



Government regulation



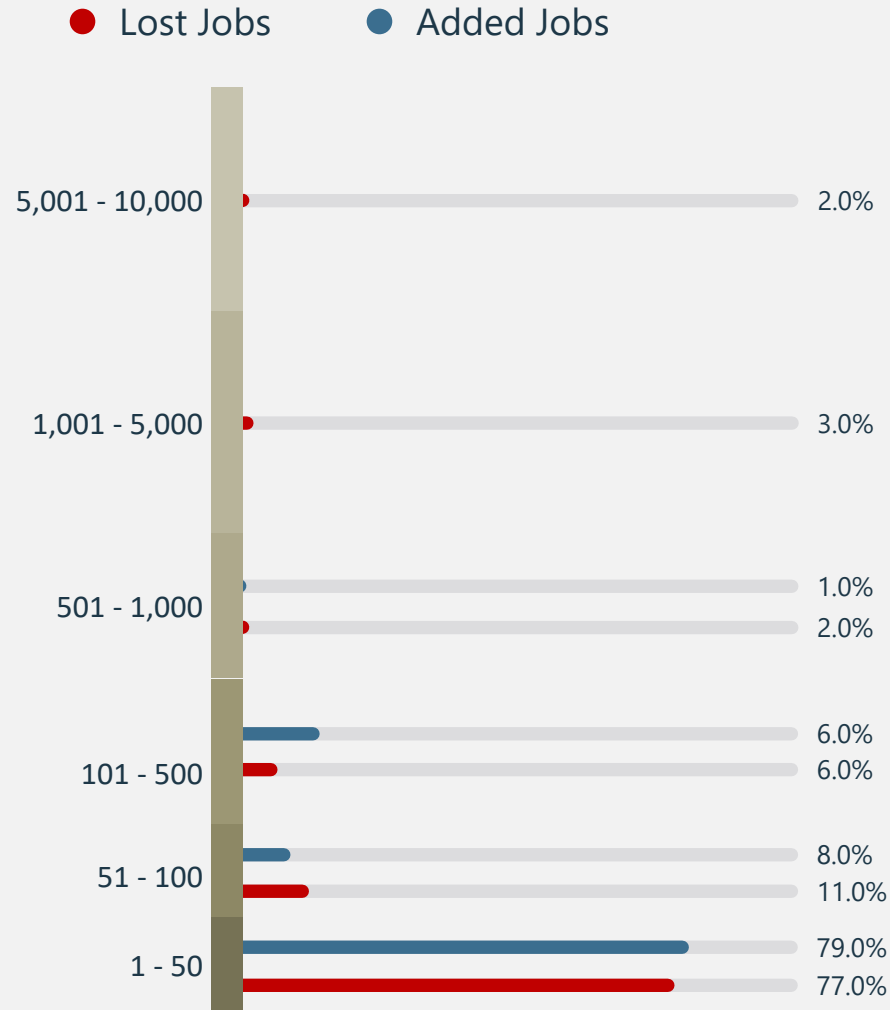
Capital investments into business



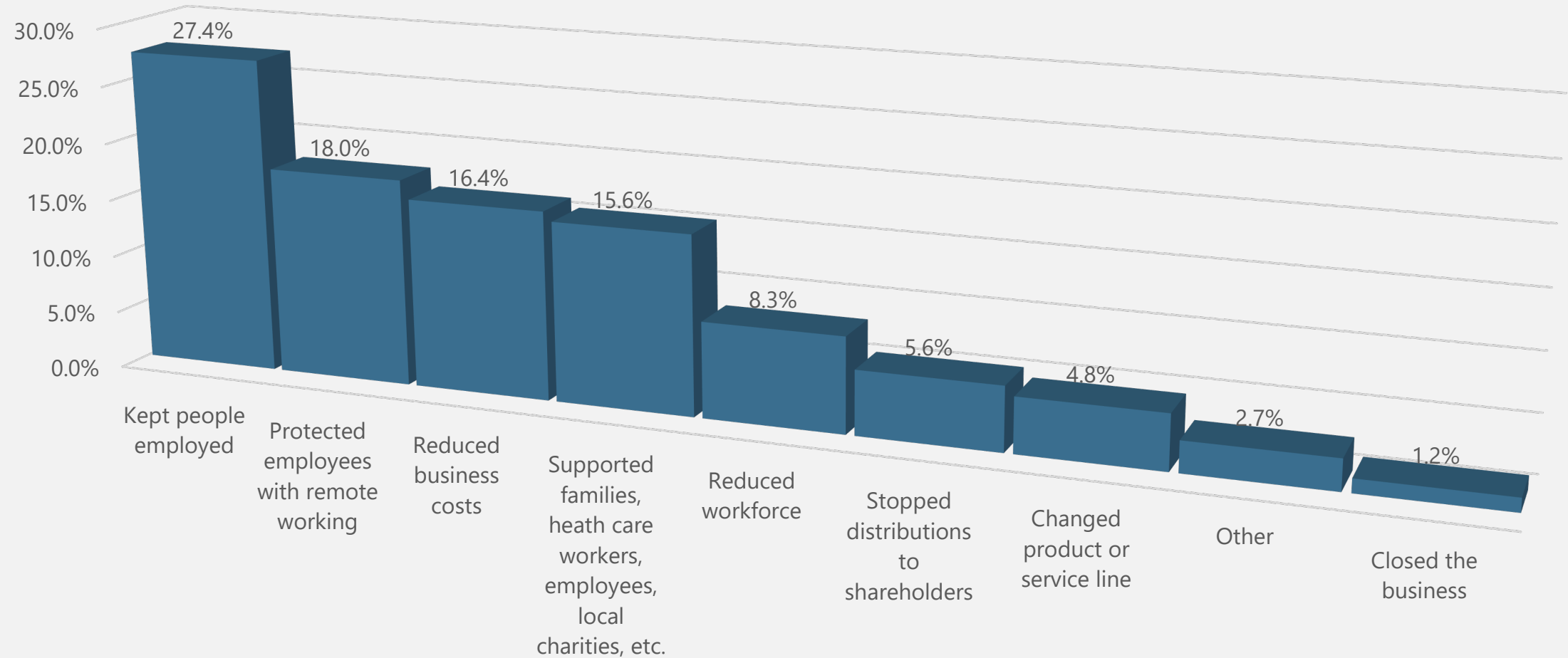
Trade regulation

How many net US jobs did you ADD or LOSE in 2020?

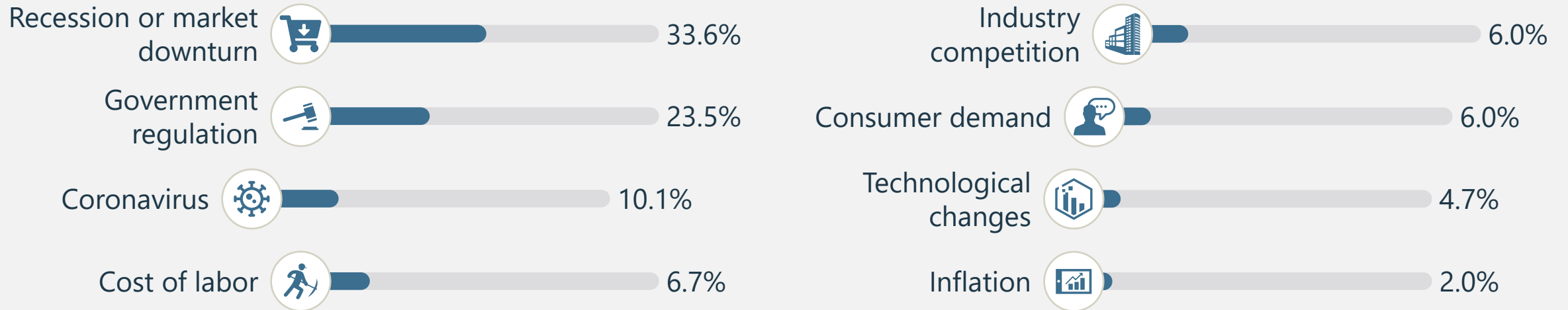
Most job change, add or lost, was in 1 to 50 employee



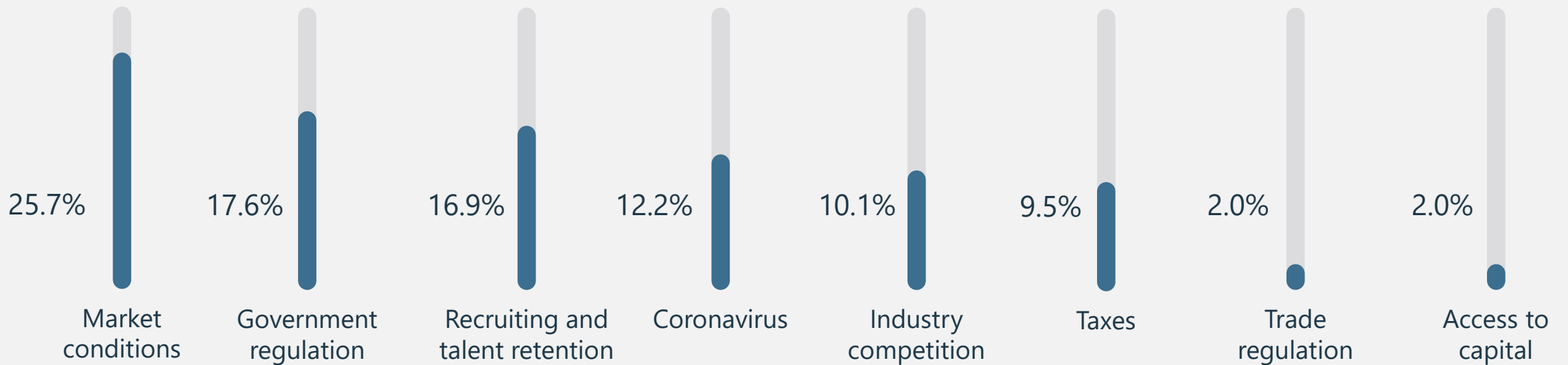
How have you managed the business during the pandemic?



What is the top business risk to the success of your business?



What will be the greatest impediment to your business growth in 2021/2022?



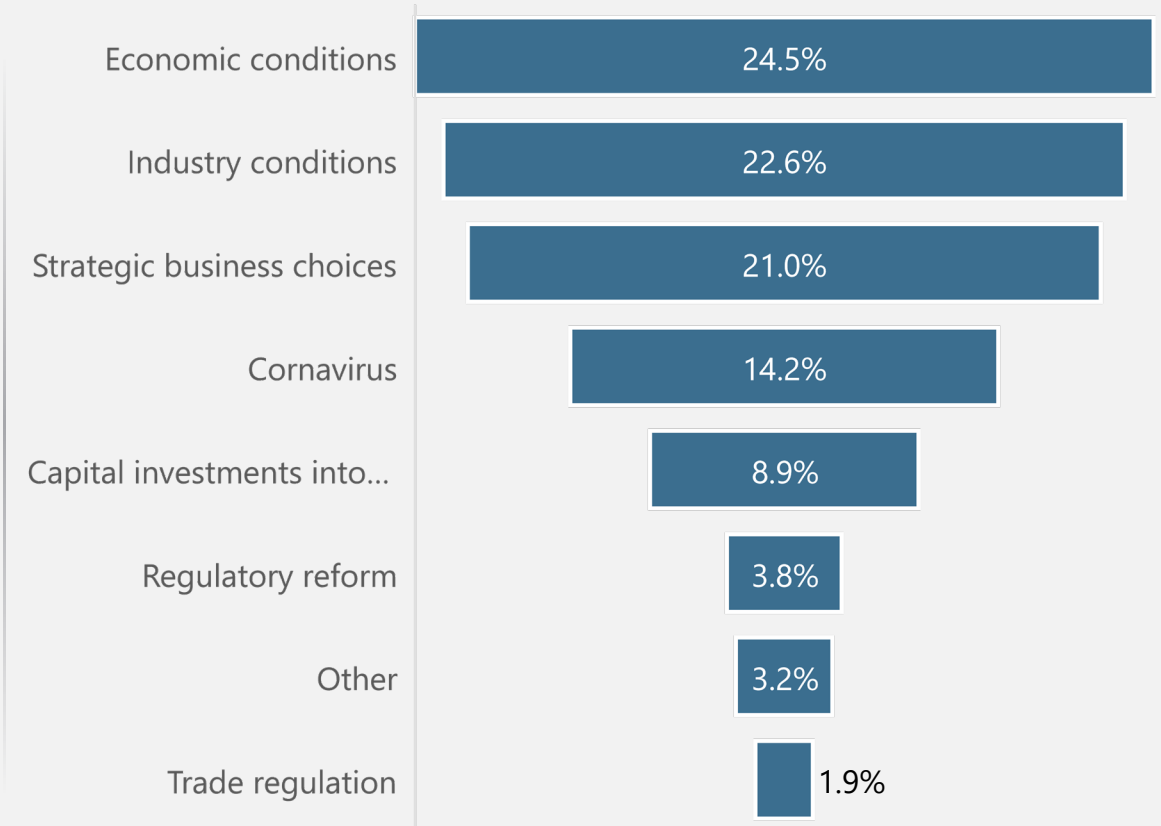
Do you expect your business' revenue to grow or decline in 2021?

85.1%

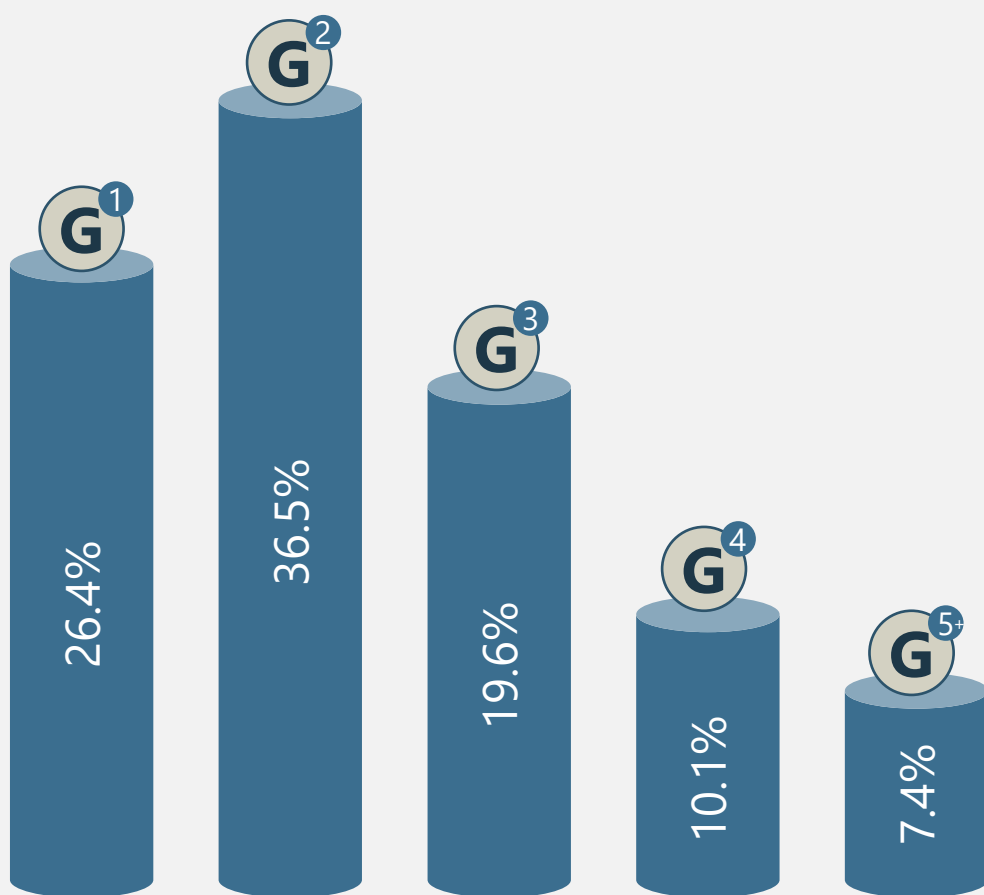


14.9%

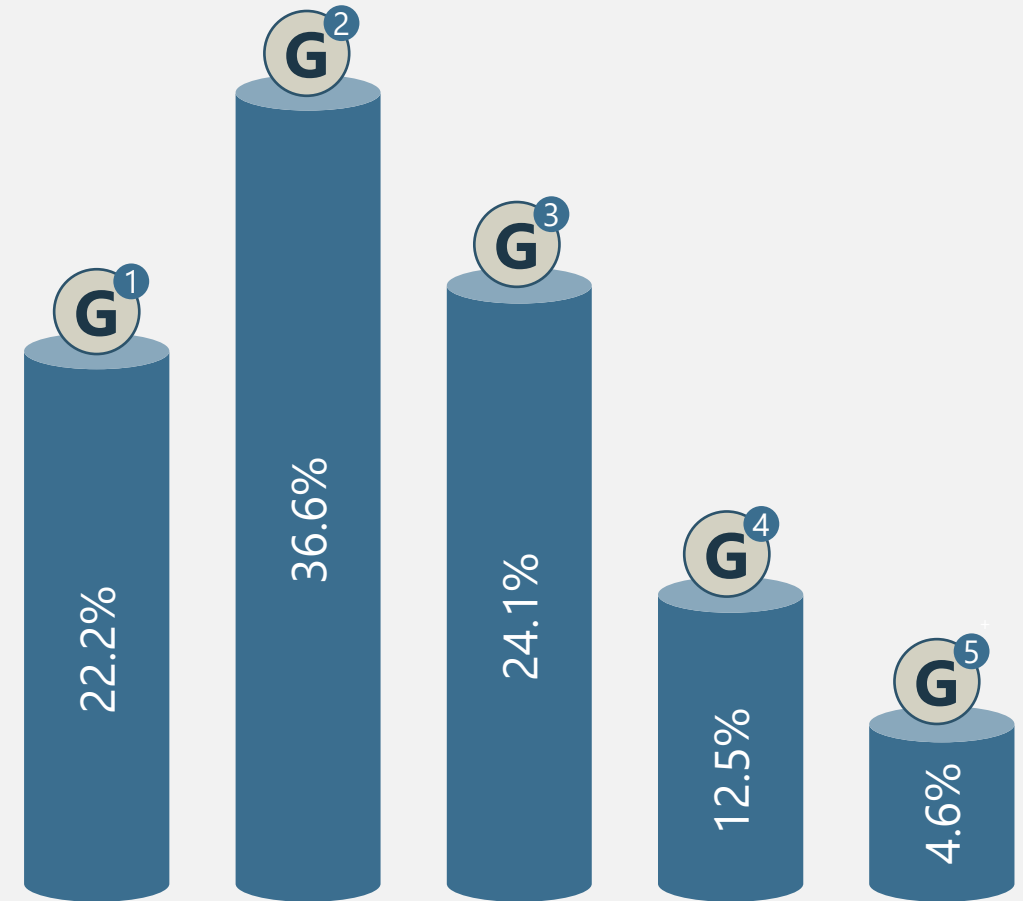
Where would that come from?



What generation is the
OWNERSHIP of your
family business?



Which generations are
active in the
MANAGEMENT of the
family business?



Have you passed ownership of the business on to the next generation?



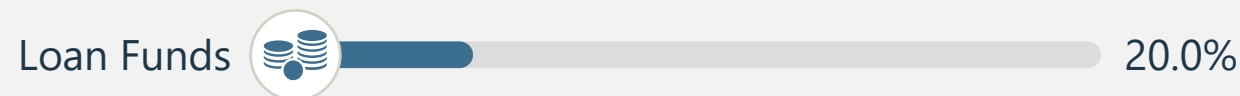
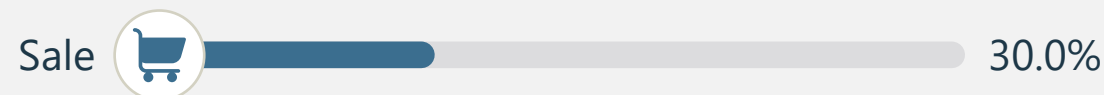
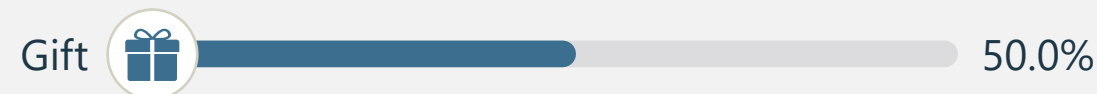
Do you think that passing ownership on to the next generation is important to the sustainability of your business over generations and the creation of more jobs?



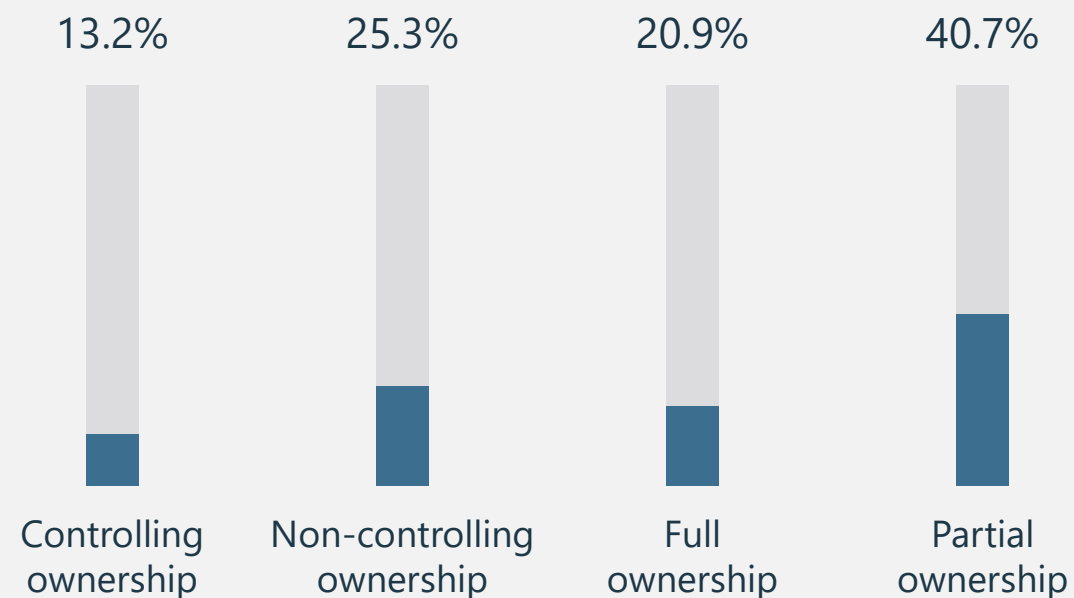
Do you consider your family business to be part of your children's legacy?



What strategy did you use to pass ownership of your business?



Portion of ownership passed



Rate Economic Public Policy Priorities In Terms Of Their Importance

Reducing or eliminating estate taxes

1

2

Reducing regulations

3

Simplifying the tax code

4

Reducing income taxes

5

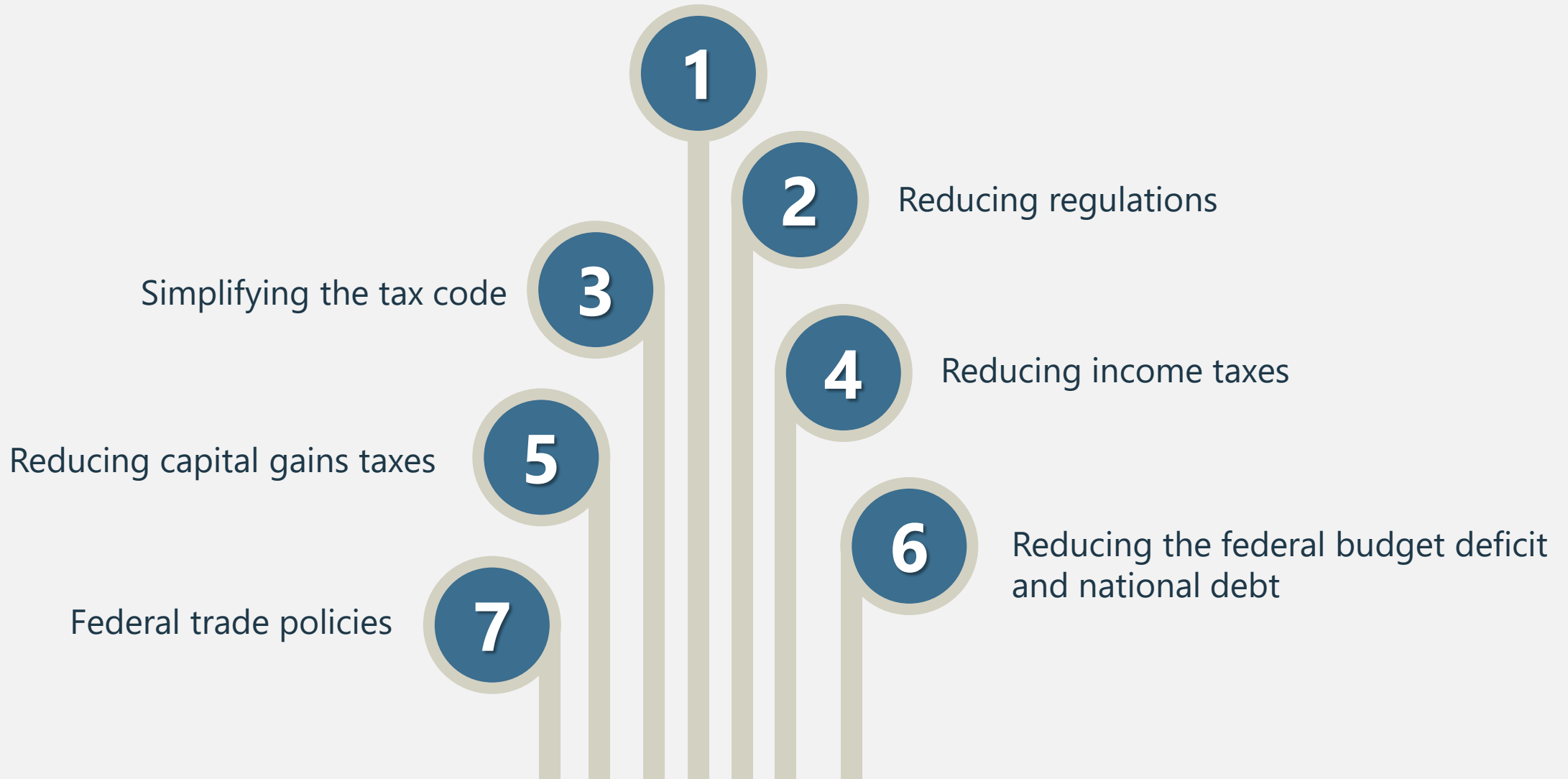
Reducing capital gains taxes

6

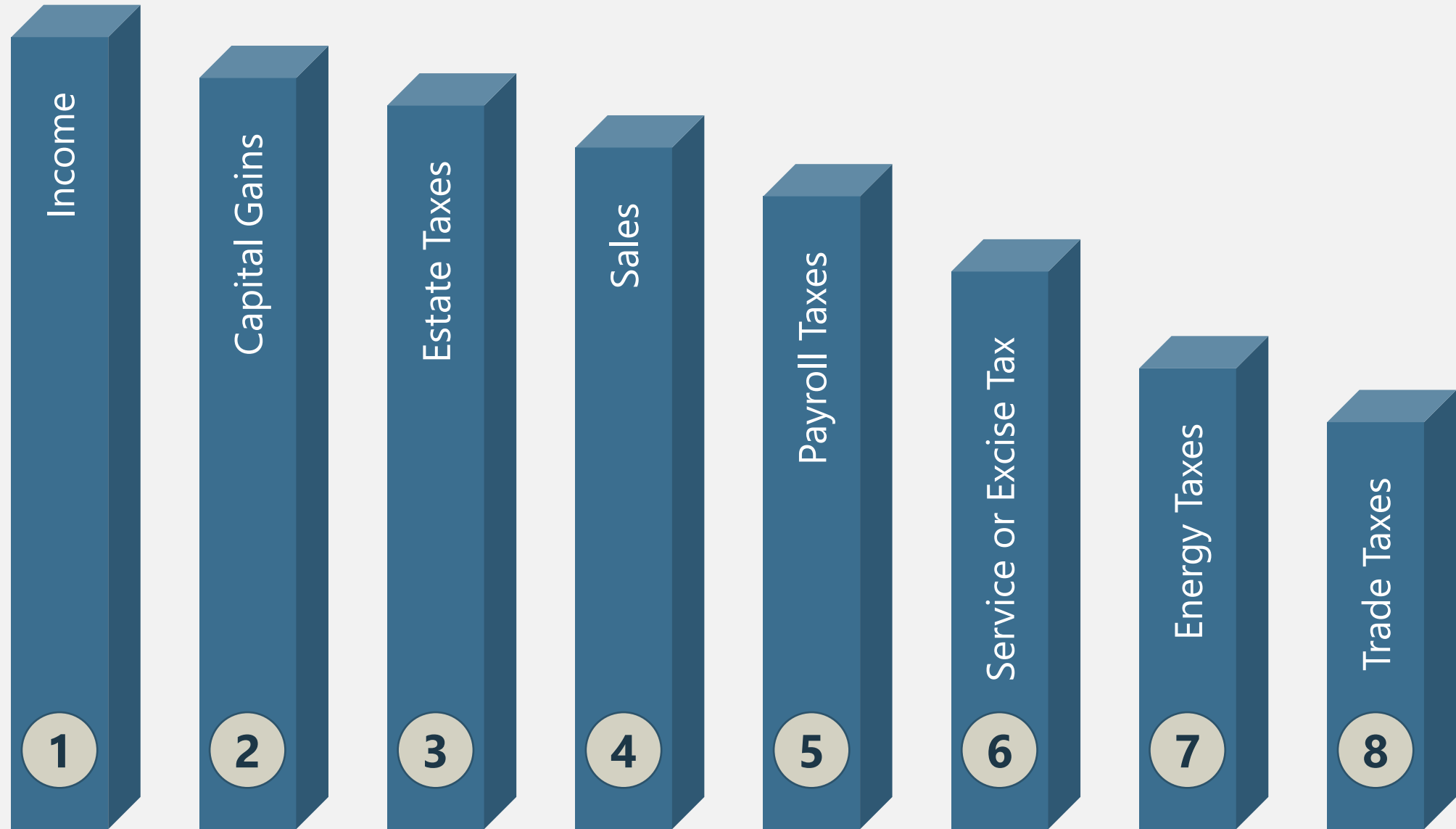
Reducing the federal budget deficit
and national debt

7

Federal trade policies



Ranking Of Tax Policies Concerns



Support Of Estate Tax Provisions

1

Make the current level of lifetime exemption permanent and not expire in 2025

2

Reduce the rate of estate tax from 40% to that of a capital gains tax rate

3

Repeal the estate tax

4

Increase the lifetime exemption from current level

5

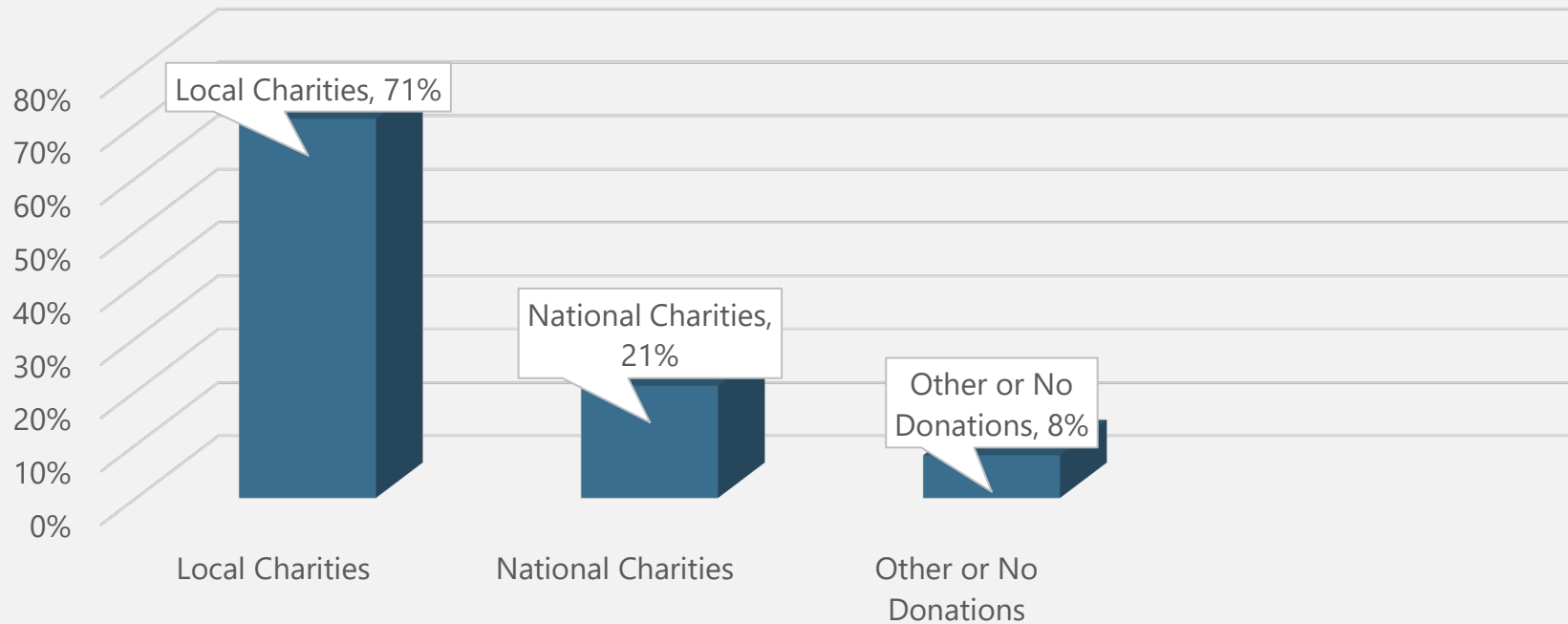
Increase the estate tax

6

None of these

Bulk of Charitable Contributions Allocated Locally

Average Allocation of Contributions to Charities:
Local vs. National



— Quotes About Estate Tax —

The estate tax will drain capital from our business and force us to limit growth and liquidate some assets. It drastically reduces our ability to grow our business, acquire, renovate, improve and develop properties.

Donald - Seattle, WA

Extremely unfair to tax assets and income over life and then tax again on death. Diverts our attention, adds to cash flow risk.

Chicago, IL

We would be able to grow at a fast pace and add more jobs if the tax laws were more favorable to family businesses.

Jackson - Anaheim, CA

Our business pays millions in taxes every year. It is a goose that lays an egg that grows tax payments every year. However, the estate tax is a destroyer of wealth...not only for the taxpayer but also the collector. Raising the estate tax rate directly reduces investment and growth of the business; lowering the unified credit will likely force the sale and destruction of a family business employing 1,700 (pre-pandemic). It is not fair nor in societies best interest.

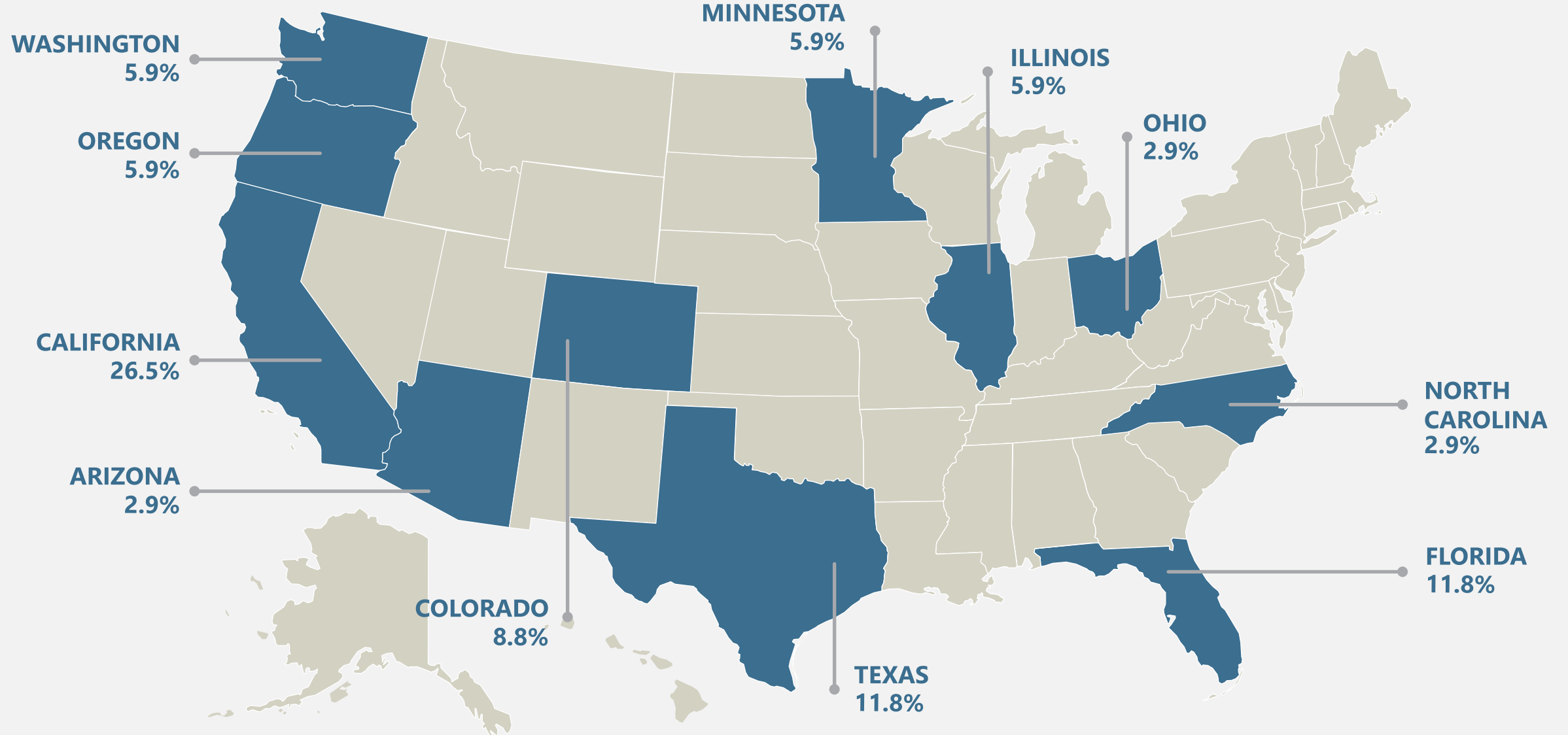
The taxes will either force a sale of the business or substantially burden the business. It depends on the strength of the business at that time. At this time, it puts a damper on investments for growth.

James - Kingsville, TX

They drain the passion out of generational involvement. The business just shrinks until no one can work here.

Pennsylvania

State Of Respondent





About FEUSA

Focus

There are 32.4 million Family Businesses
in the US
who create

59% of the WORKFORCE

83.3 MILLION JOBS

Generate 54% of the GDP

\$7.7 TRILLION

Mission and Approach

Family Enterprise USA (FEUSA), (501.c3) is dedicated to educating the public and legislators about the implications of public policy upon closely held and family-owned businesses. FEUSA conducts non-partisan research that highlights the contributions of family enterprise to the American economy and the challenges these businesses face, which is then used to educate legislators, policy makers and the public on the important role of family businesses in the economy and local communities.

Impact; FEUSA Annual Family Business Survey

Through its annual Family Business Survey, FEUSA has distinguished itself as an expert in data collection and research on family business across the United States.

For more information visit www.familyenterpriseusa.com



BNY MELLON

WEALTH MANAGEMENT

BNY Mellon Wealth Management is proud to support FEUSA

For more than two centuries, BNY Mellon Wealth Management has helped families build, manage and preserve their wealth. Our specialized teams have the tools, knowledge and experience to develop comprehensive solutions for our business owner clients that address each client's personal financial objectives and family dynamics, as well as issues specific to his or her business. For business owners considering a family office, our dedicated Family Office team brings more than 50 years of experience providing solutions and strategic insights to help family offices grow and preserve wealth across generations. For more information, visit www.bnymellonwealth.com or follow us on Twitter @BNYMellonWealth.

Thank You For Participation

FEUSA is grateful to the university-based family business centers and other organizations who distributed the survey and, most of all, to the family business leaders who took time to share their perspectives by completing this survey.

- BNY Mellon Wealth Management
- Capital Region Family BS Center, Roseville, CA
- Goering Center for Family & Private Business
- Drucker School Global Family Business
- Smith Family BS Initiative
- Family Business Coalition
- Family Office Exchange - FOX
- Mississippi State Center of Family Enterprise Research
- Schulze School and Family Business Center
- Family Business Council
- Institute for Family-Owned Business
- University of North Carolina
- The Institute for Entrepreneurial Excellence
- Loyola Family Business Center
- Prairie Family Business Association
- LA Consulting Group
- Dr Jeremy Lurey
- National Association of Wholesale Distributors
- American Farm Bureau Federation
- National Cattlemen's Beef Association



Family Enterprise USA

Research

Advocacy

Legacy

**Advocating for
Families in DC**

THANK YOU!

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