

# 2022 FEUSA Family Business Survey



Research Sponsors





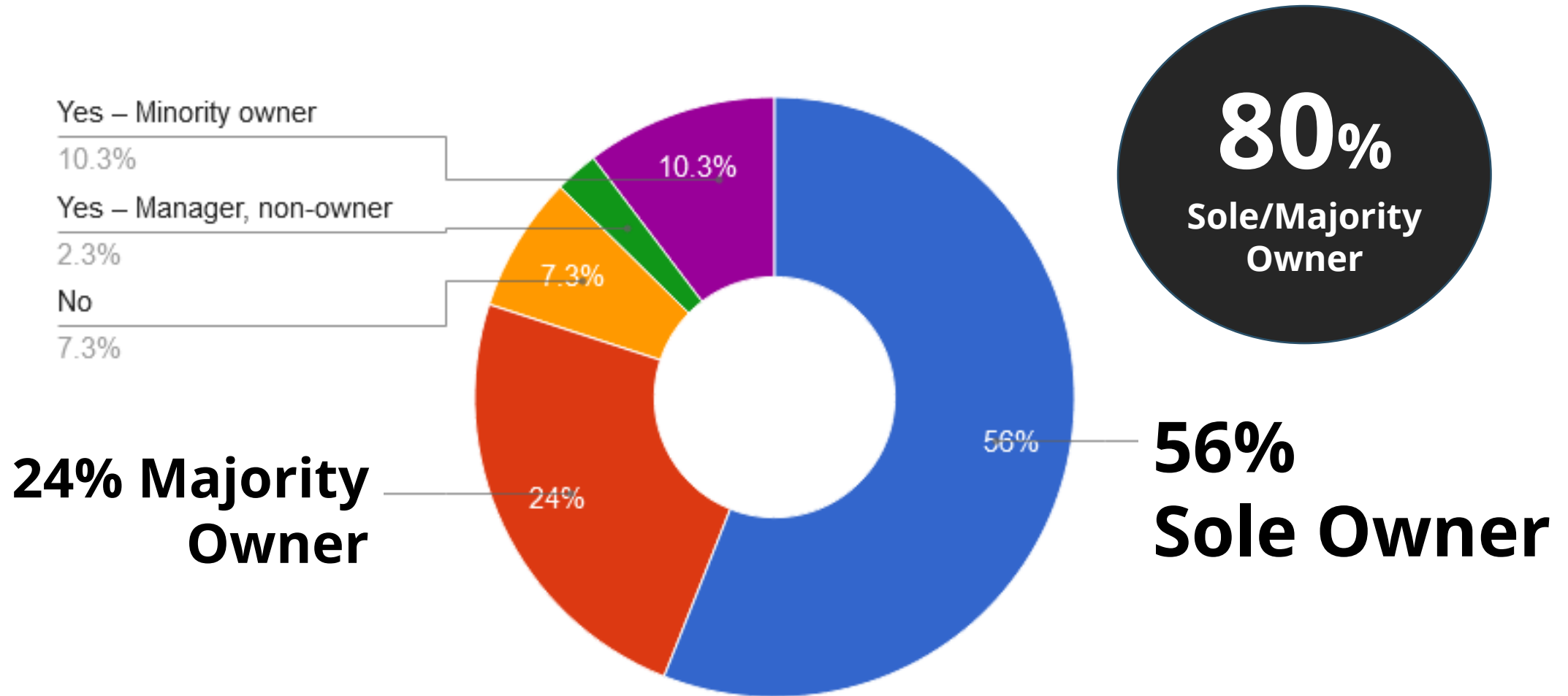
Brownstein Hyatt  
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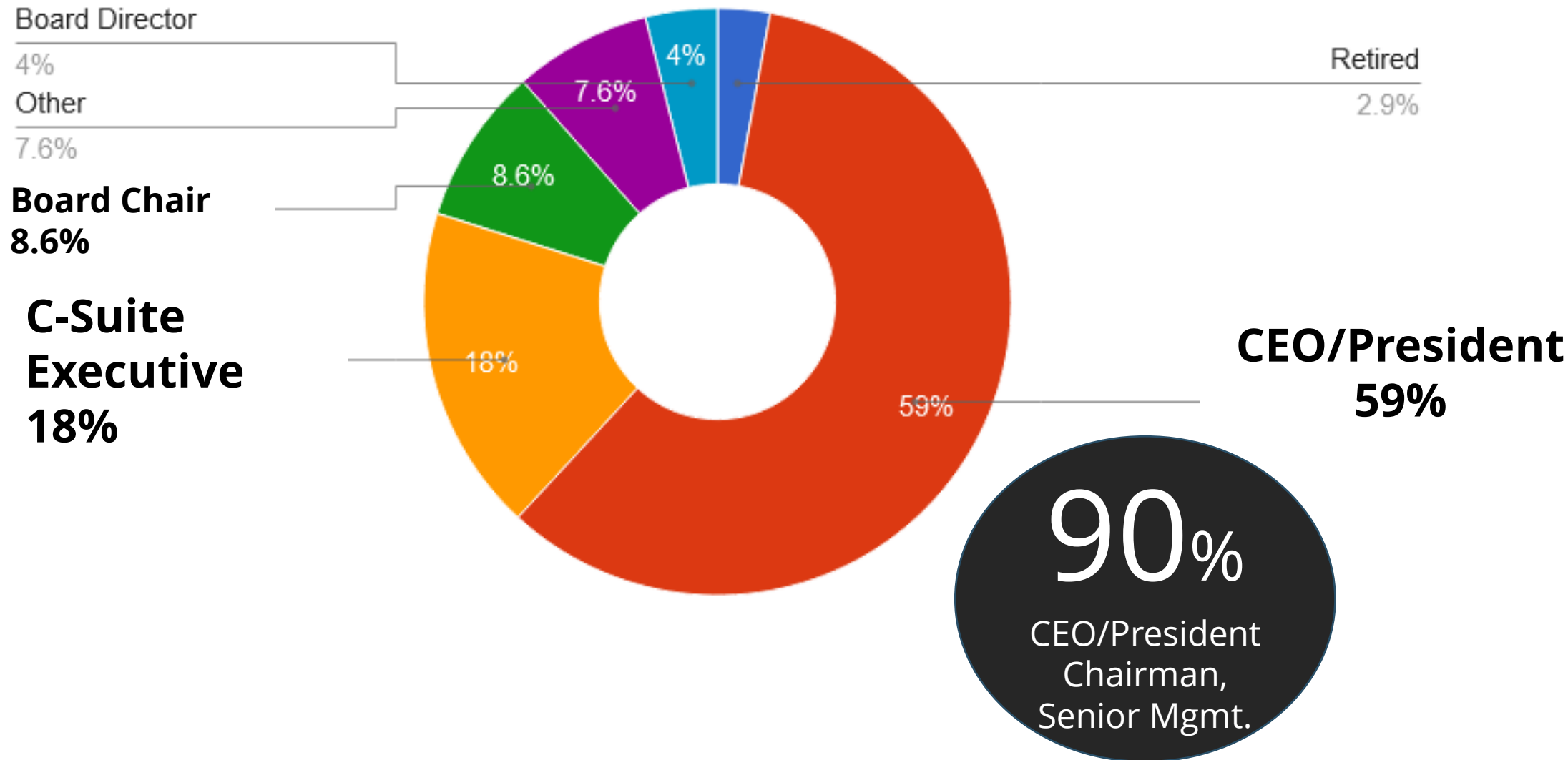
**STATS ON**

**RESPONDENTS**

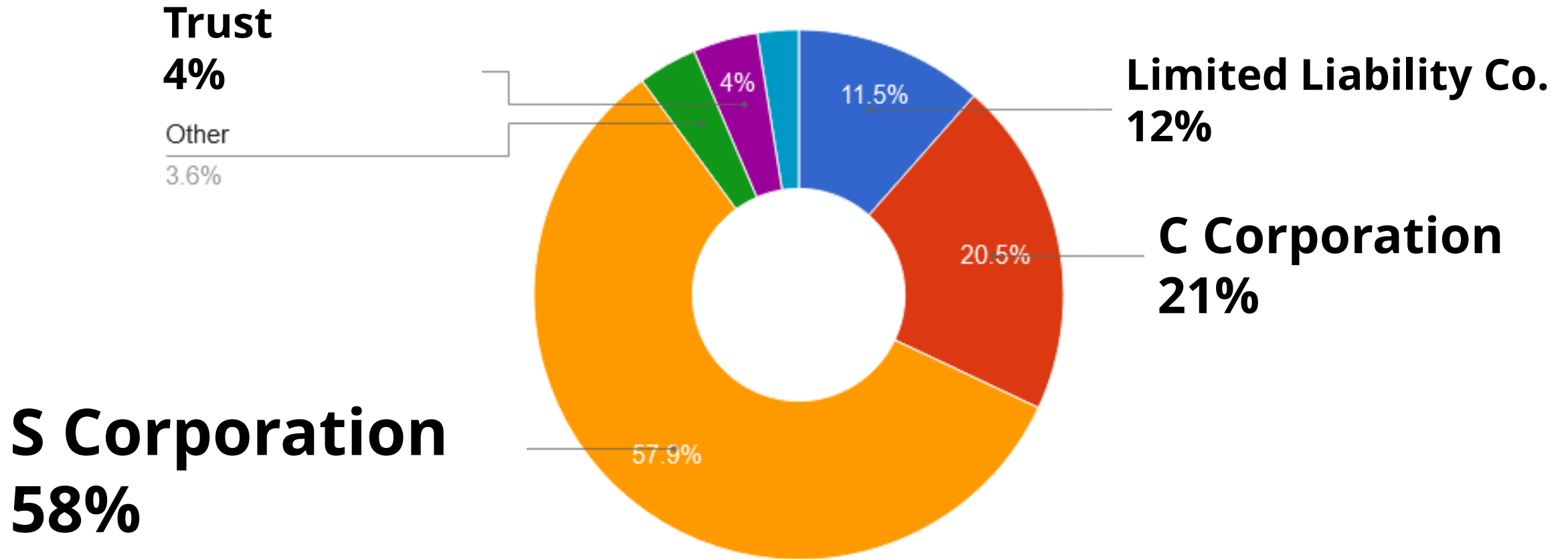
# Do You Own/Manage an Operating Family Business?



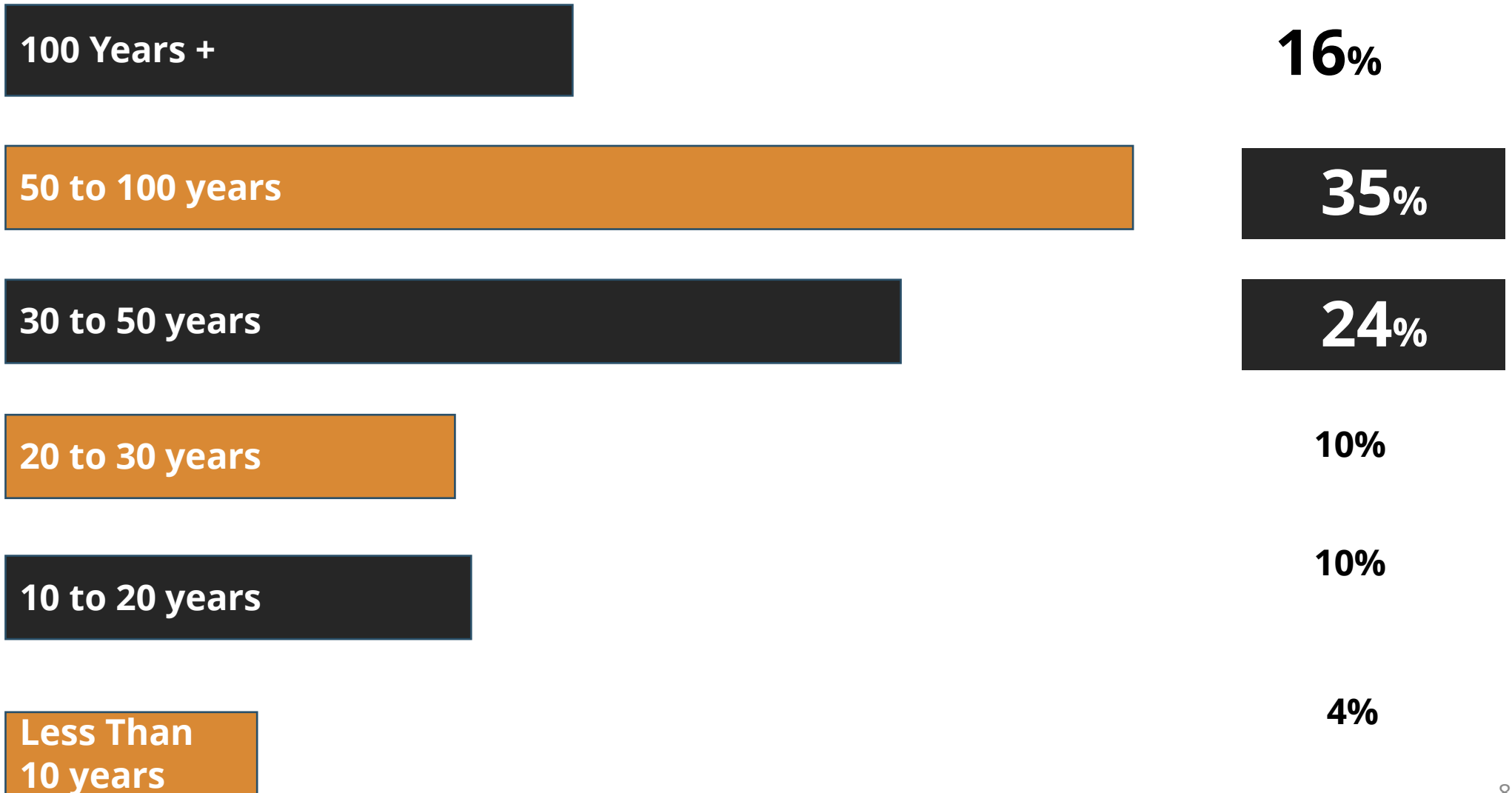
# What Role Do You Have in Your Business?



# How Do You Hold Ownership of Your Business?

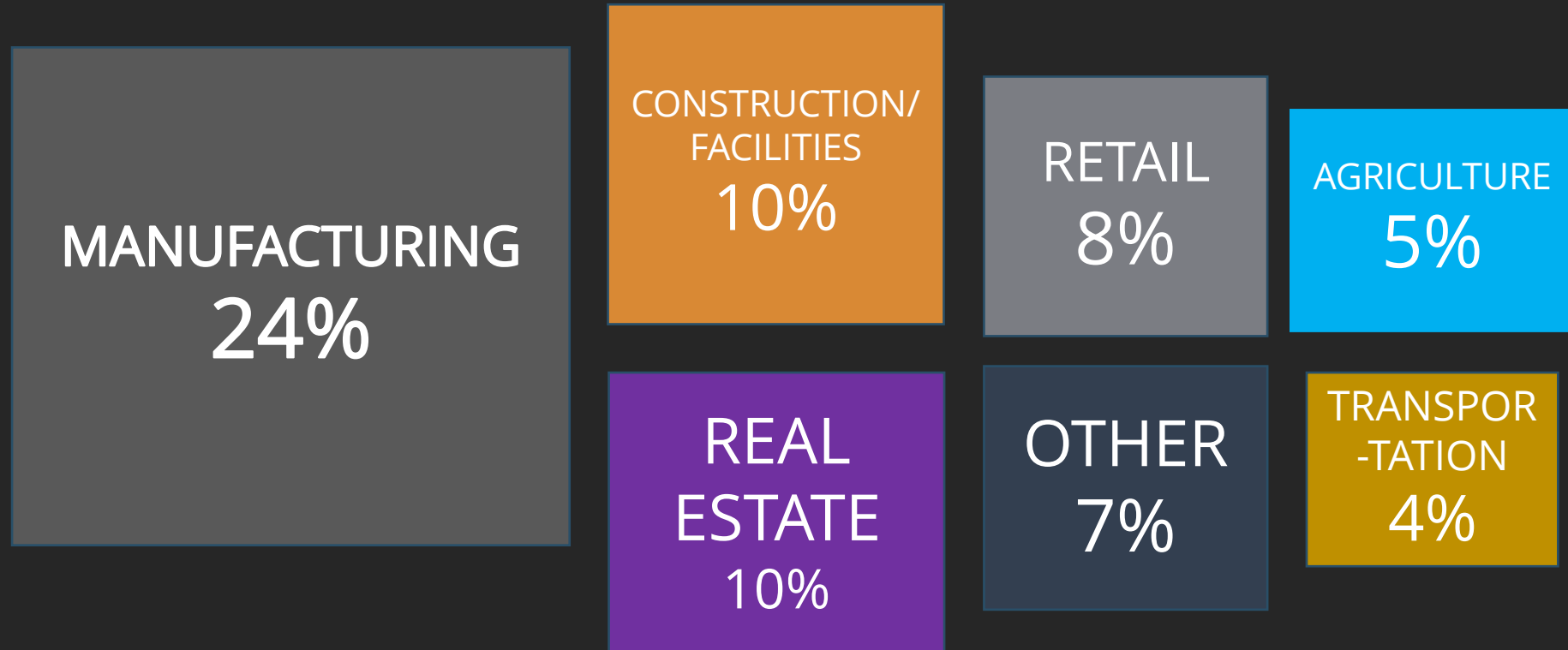


# How Long Has Your Business Been In Operation?

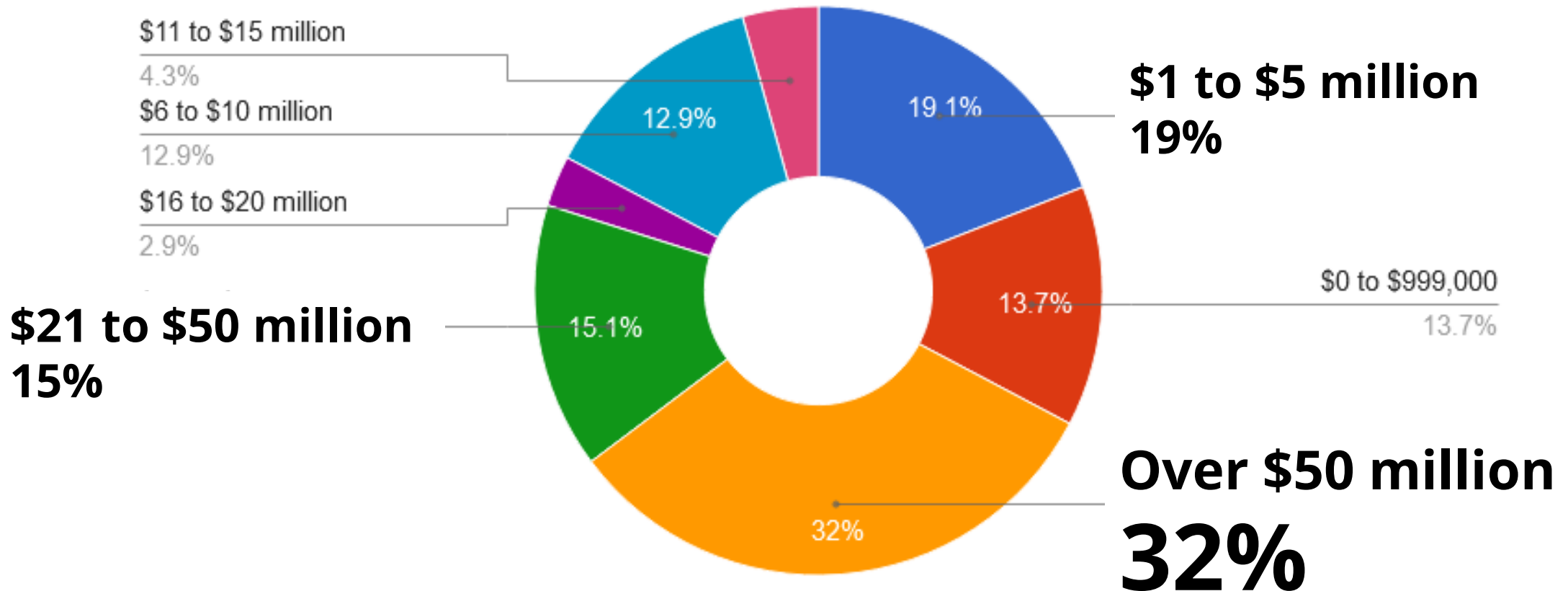




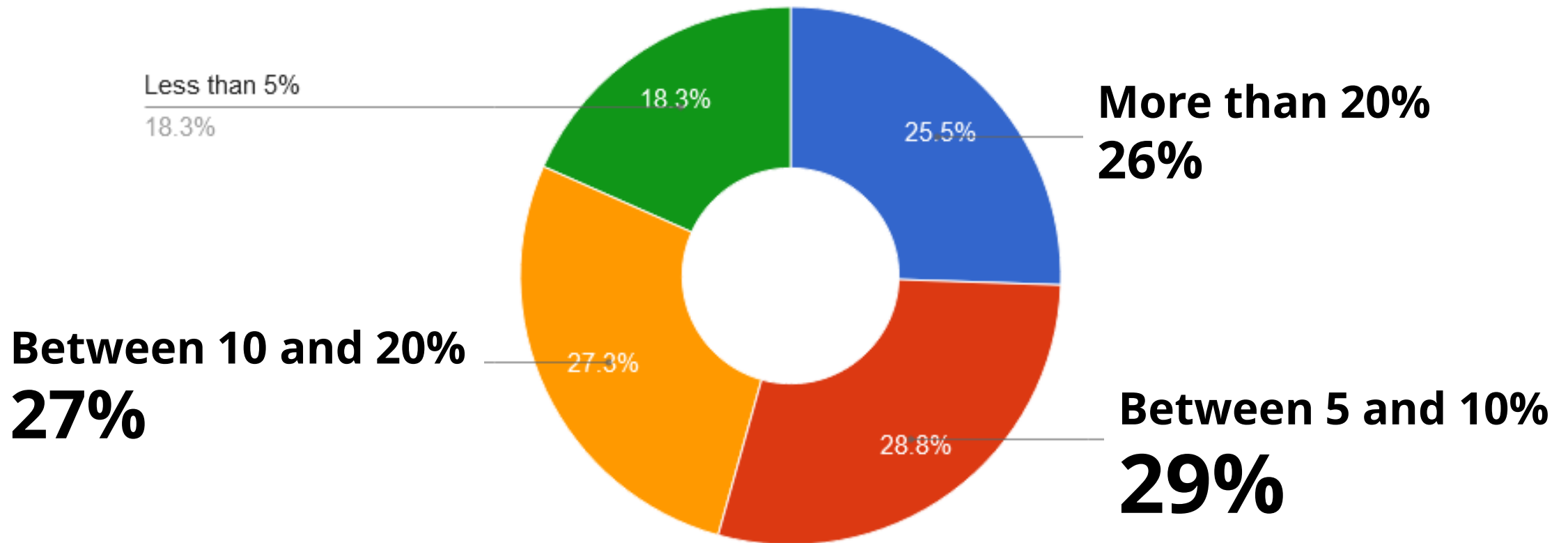
# Which Best Describes The Principal Industry Of Your Family Business?



# What Were Gross US Revenues of Your Business in 2021?



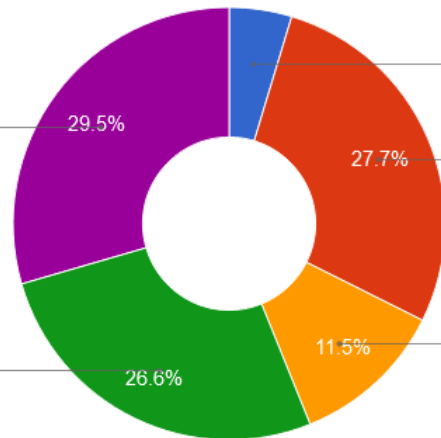
# By What Percentage Did Your Business Grow or Decline in 2021?



# How Many States Do You Operate In?

**21+**  
**30%**

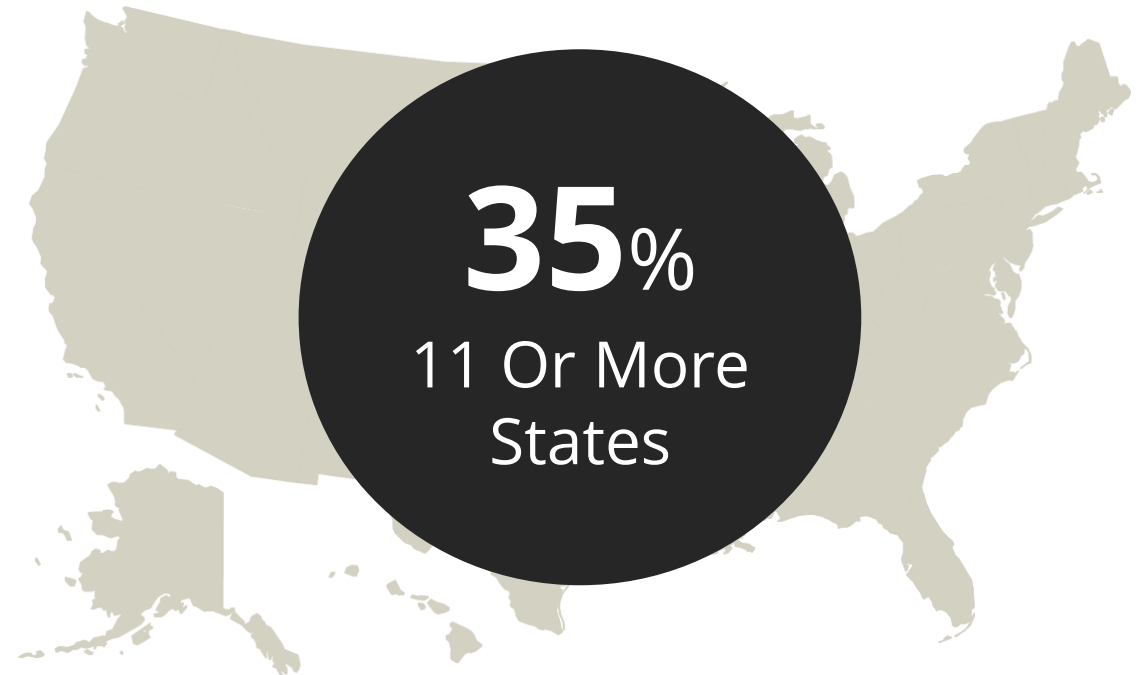
2 to 5  
26.6%



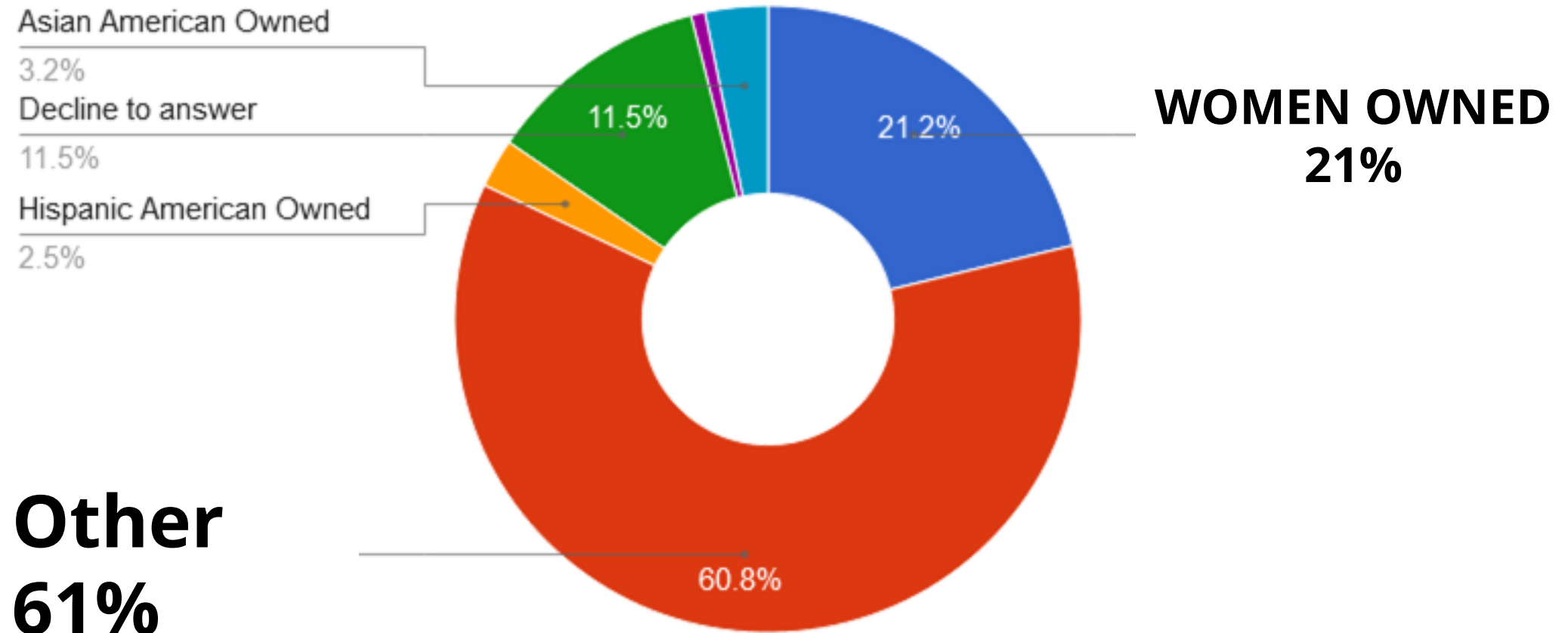
**1 State**  
**28%**

11 to 20  
4.7%

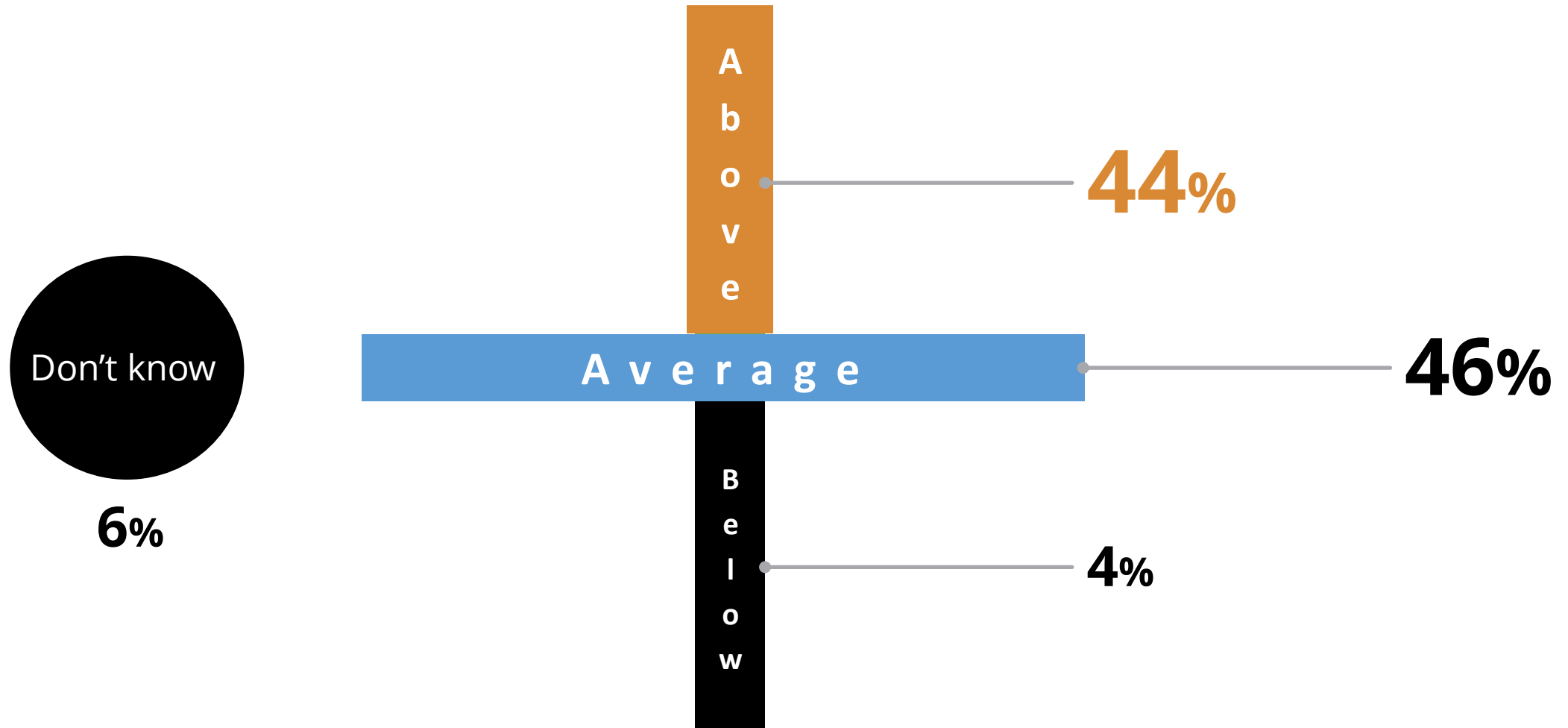
6 to 10  
11.5%



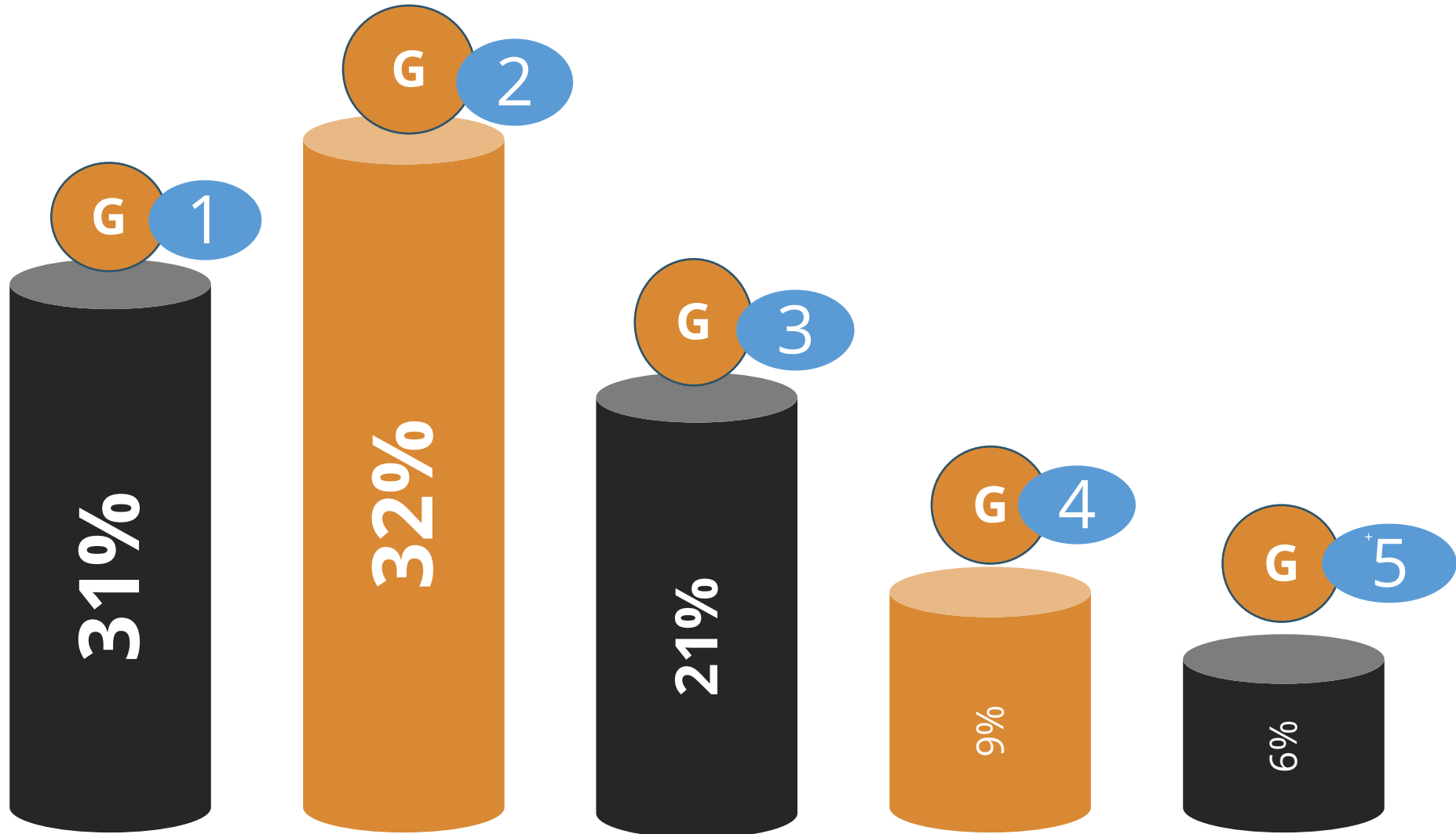
# Business is Owned by...?



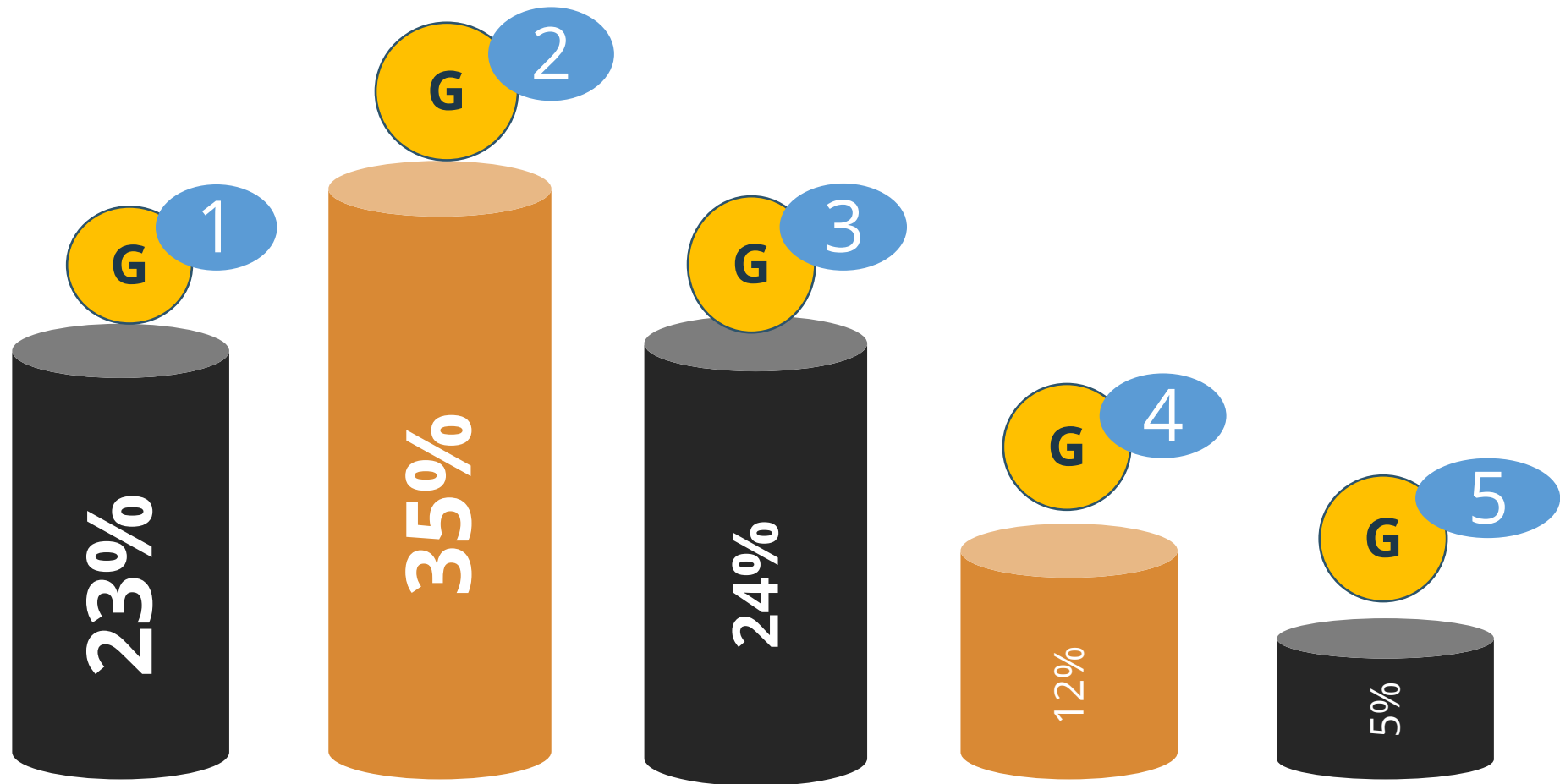
# Salary/Benefits You Pay Employees Versus Non-family Business Competition?



# What Generation is Ownership of Family Business?

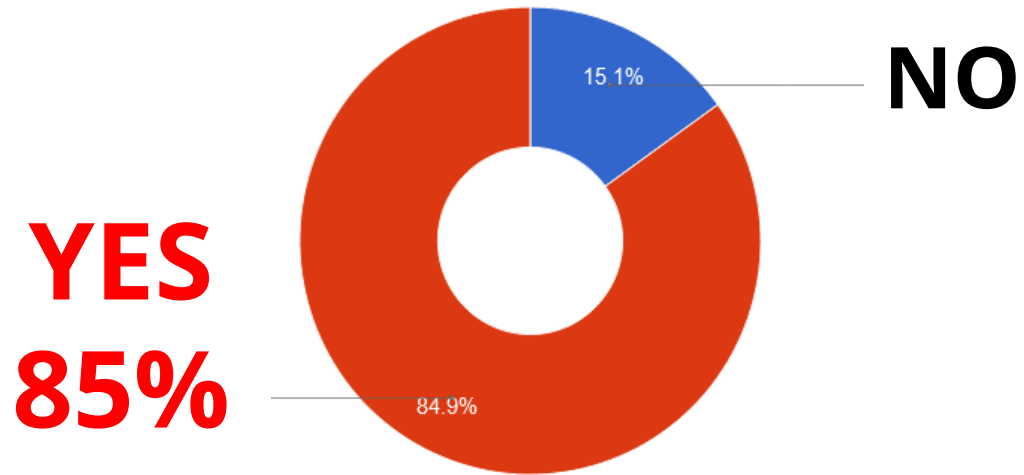


# What Generation is Active in Management?

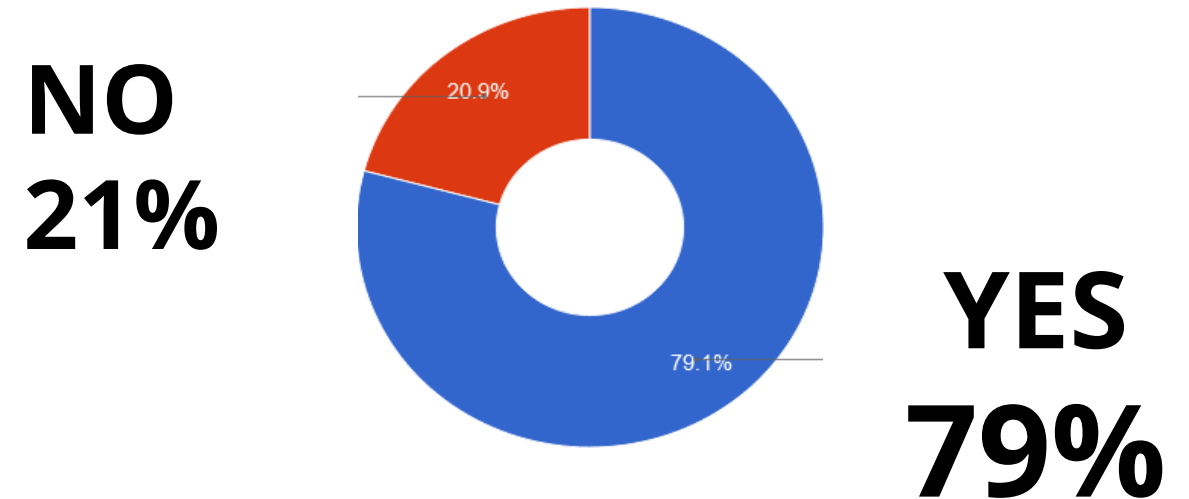




## Important to Have Next Generation Sustain Business and Create Jobs?

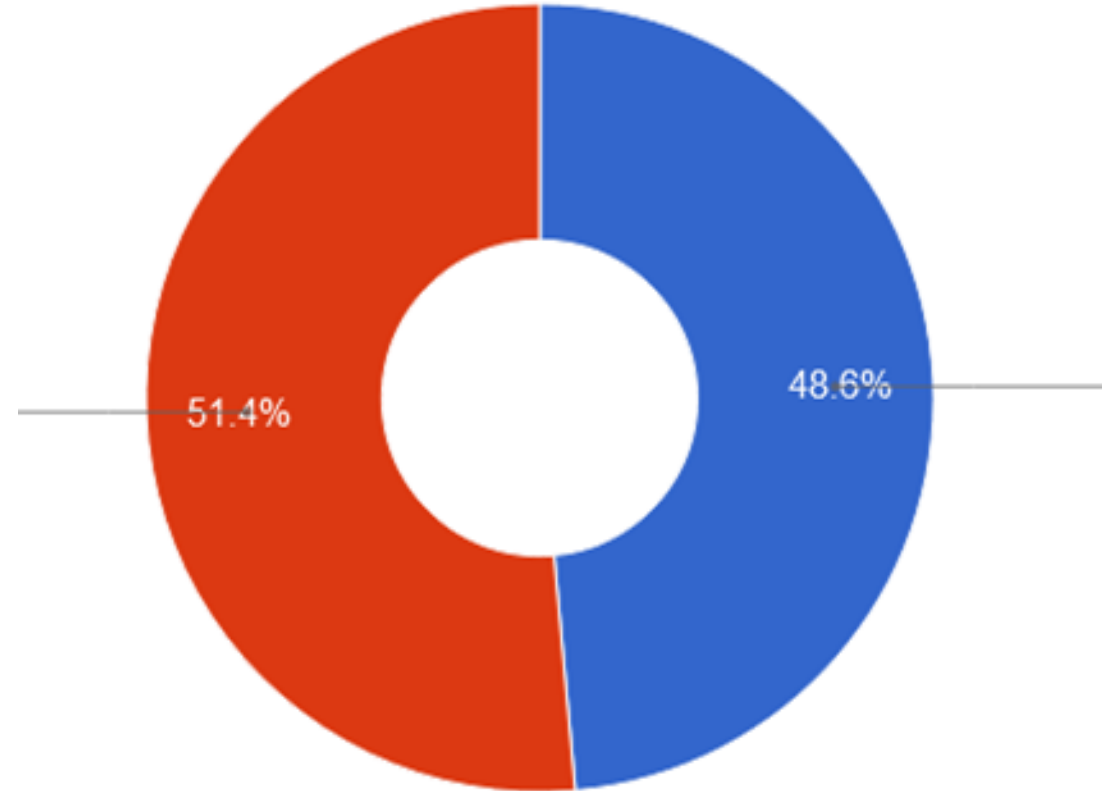


## Is the Business Part of Children's Legacy?



# Have You Passed Ownership to Next Generation?

**YES**  
**51%**



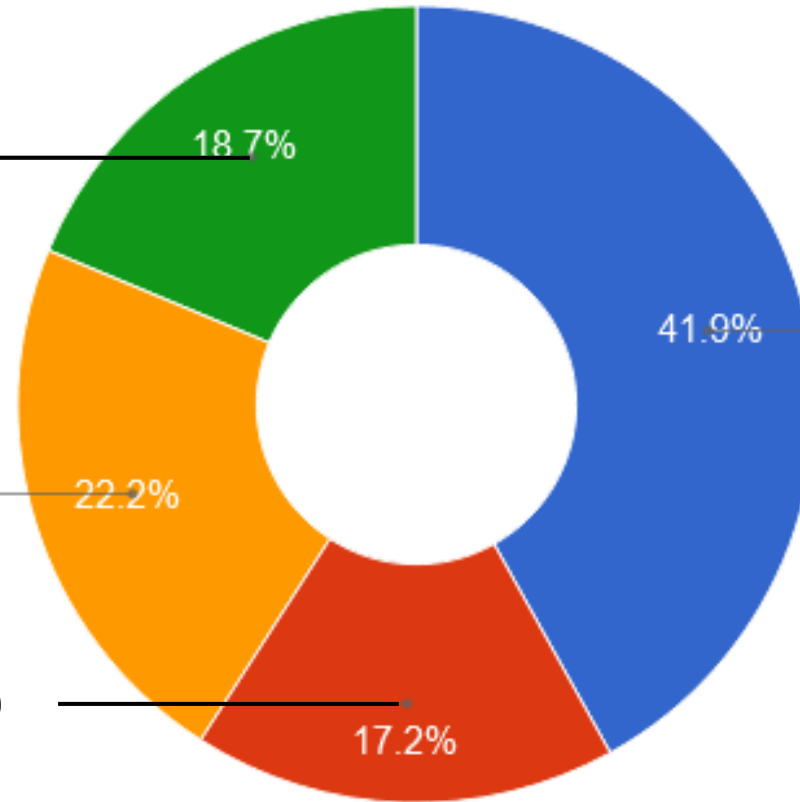
**NO**  
**49%**

# Passed on Controlling or Full Ownership?

**Controlling  
Ownership  
19%**

Non-controlling ownership  
22.2%

**Full Ownership  
17%**



Partial Ownership  
42%

**35% Passed on  
Full/Controlling Ownership**

# What Strategy Did You Use To Pass Ownership?



48%

Gift



25%

Sale



11%

Loan

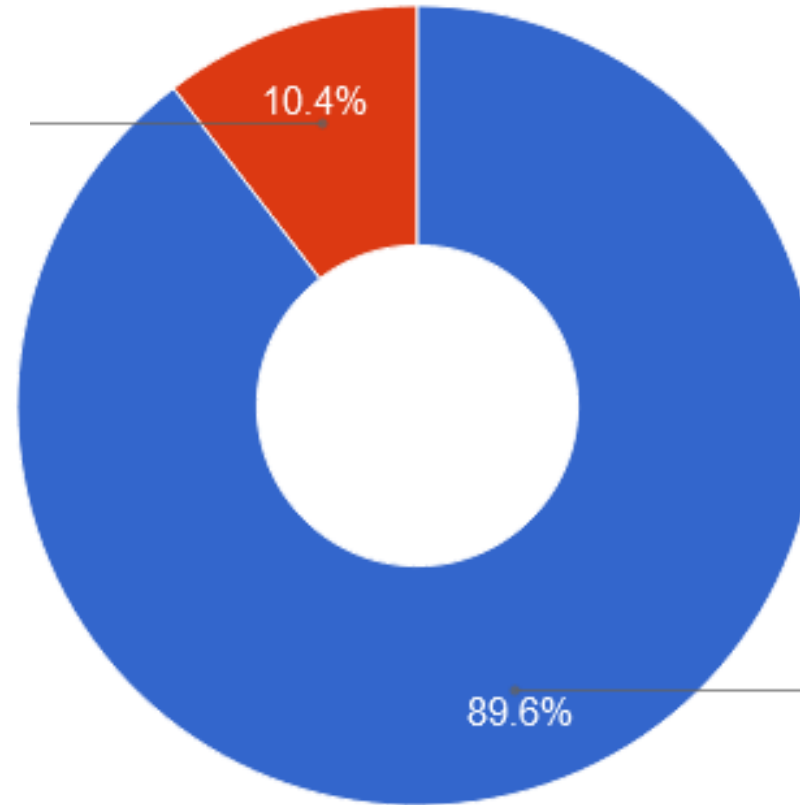
**IMPACT**

**OF**

**PANDEMIC**

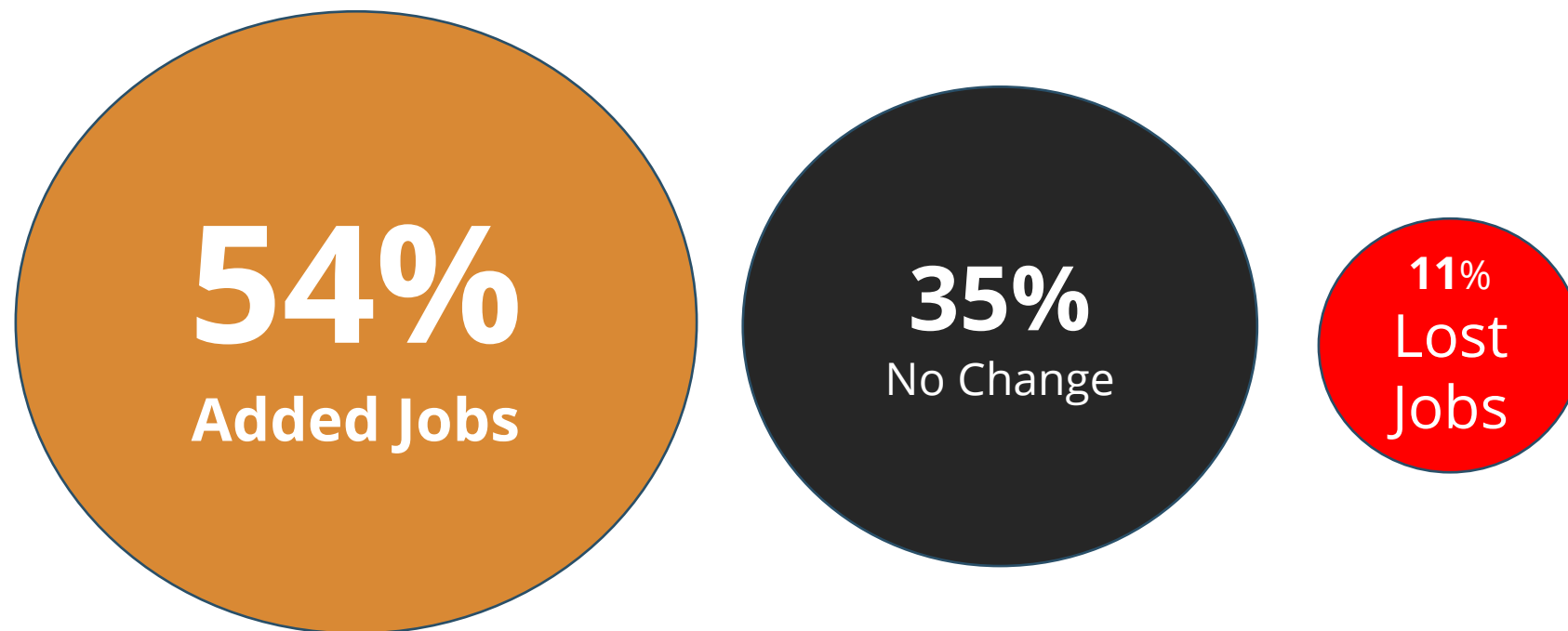
# How Have You Managed Business During 2021 Pandemic?

**Reduced Workforce**  
**10%**



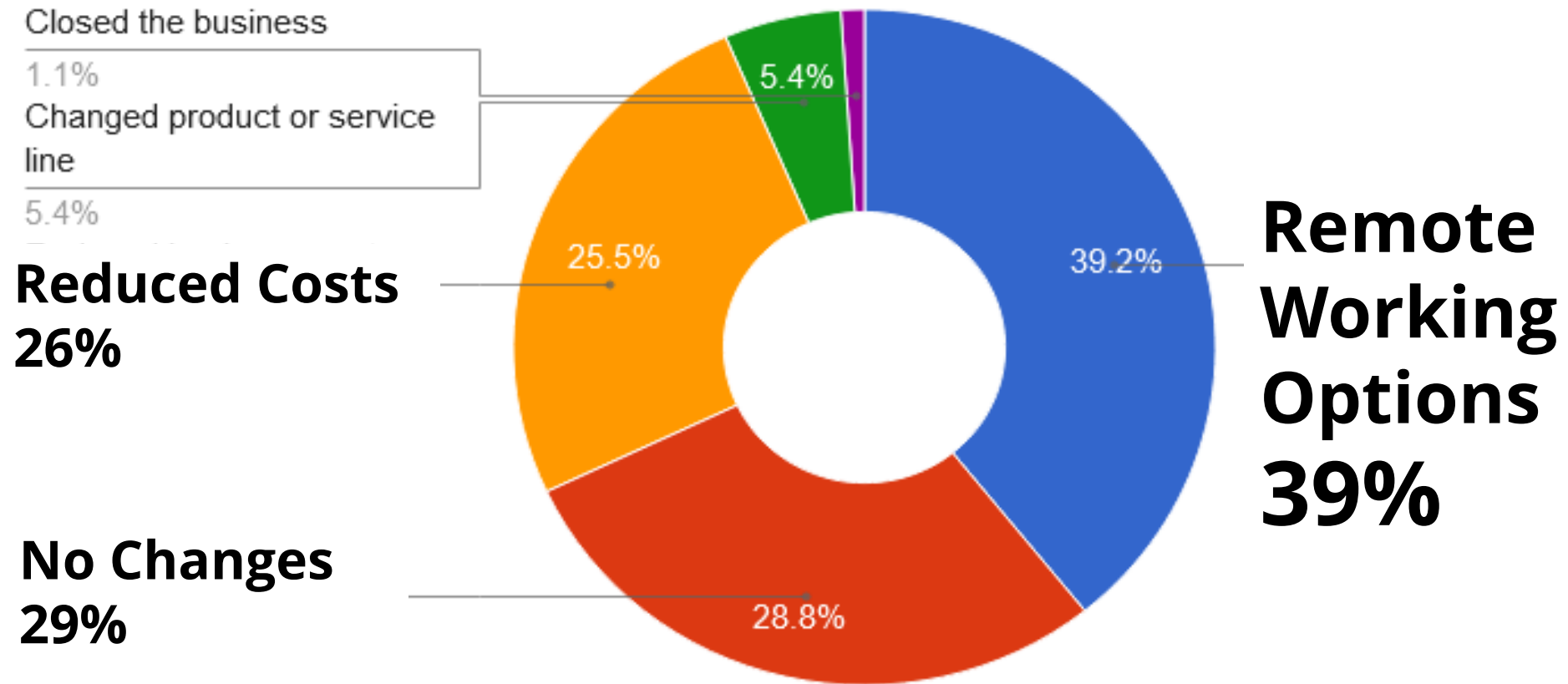
**Kept People Employed**  
**90%**

# Did You ADD/LOSE Jobs in 2021?



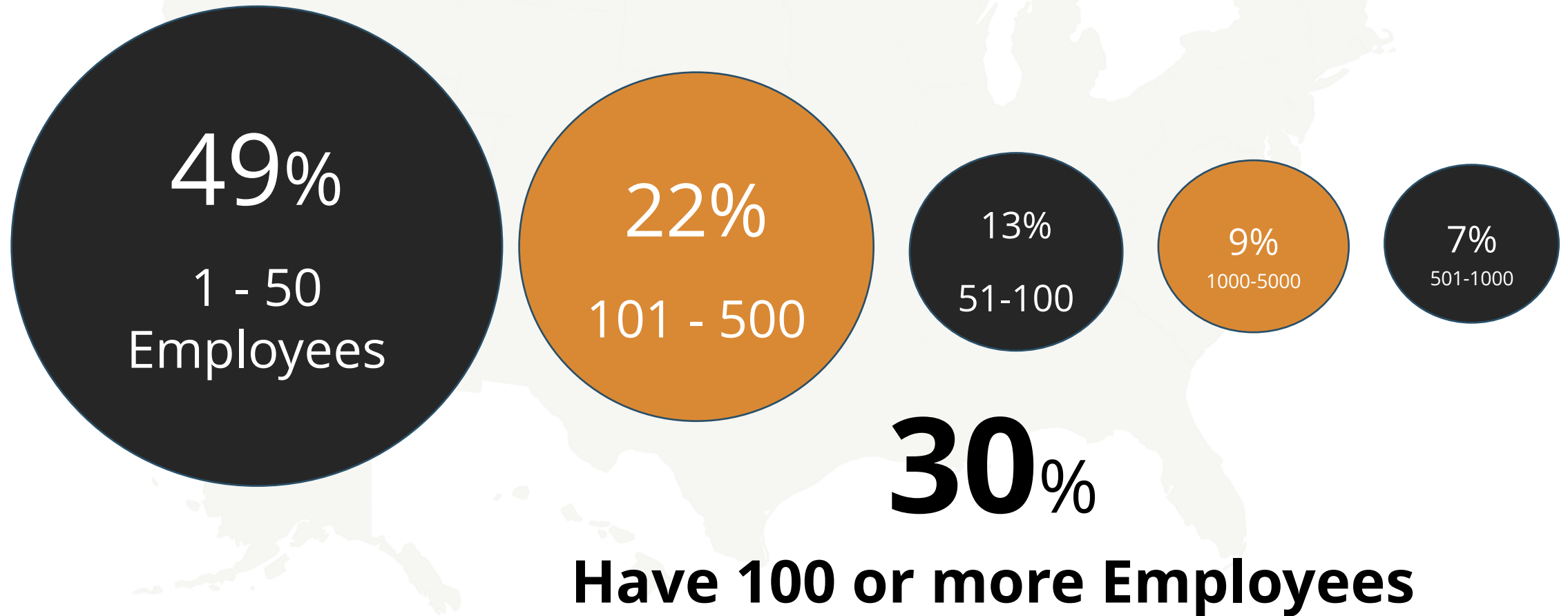
**90% Kept Existing Staff Employed**

# How Did You Manage Costs and People?





# How Many People Did You Employ?



**Did revenue grow or decline in 2021?**

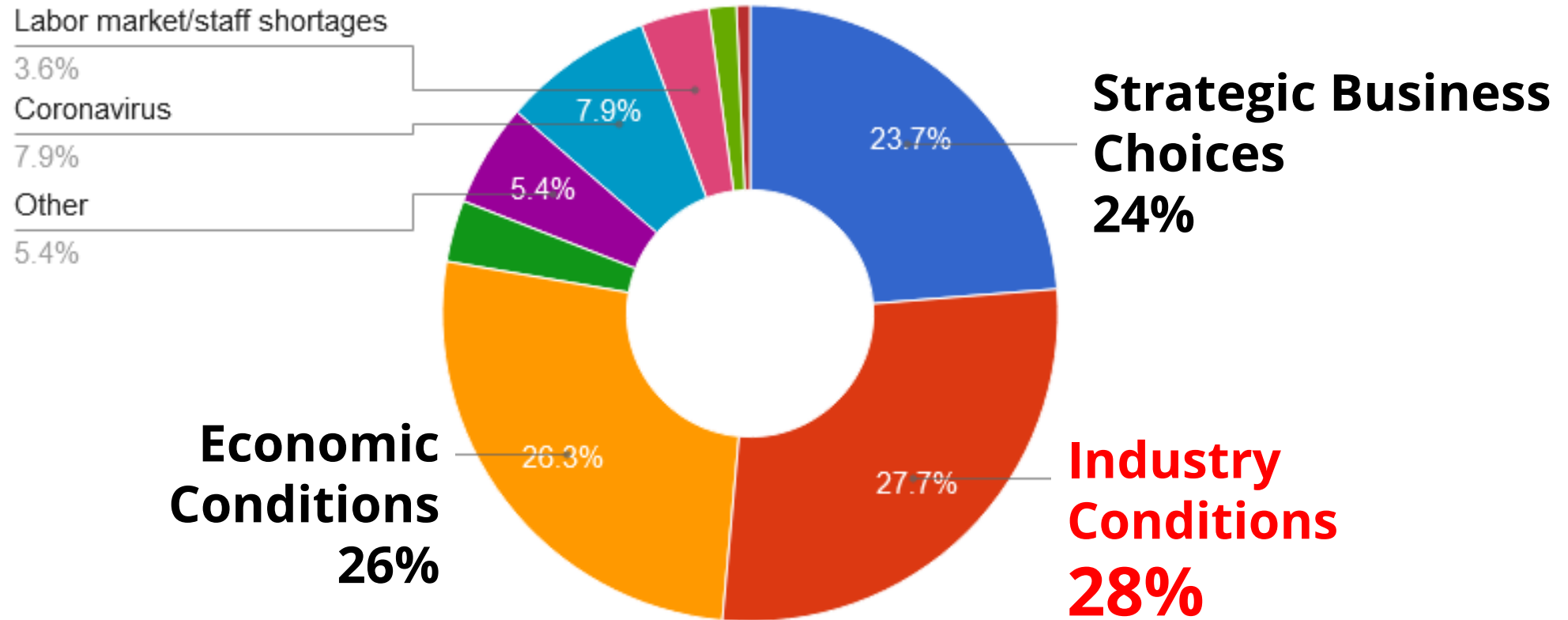
**80%**  
**Grow**



**Decline**  
**20%**



# Why Did Your Business Grow/Decline in 2021?



# Expect business revenue to grow/decline in '22?

89%



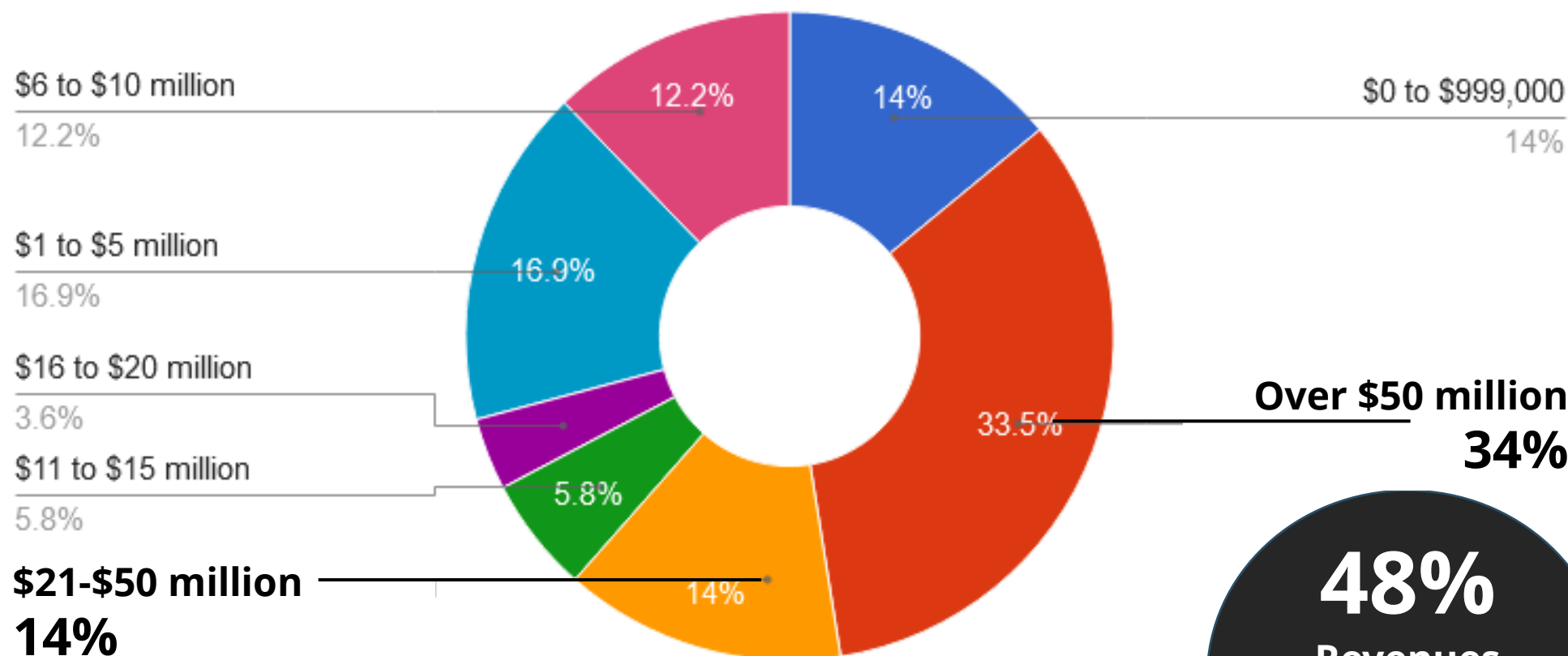
11%

## Growth Comes From?

### Top Three

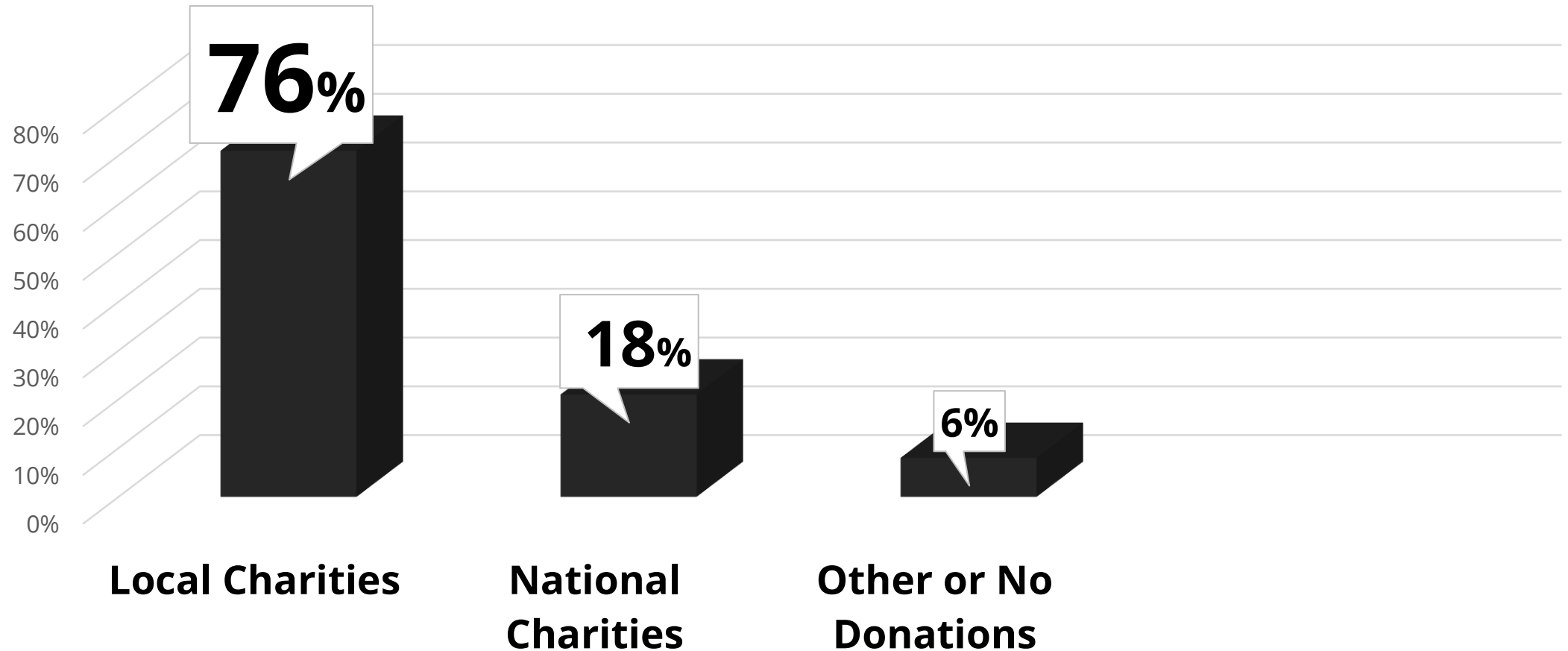
Strategic Business Choices	35%
Economic Conditions	24%
Industry Conditions	23%

# Estimated Gross Revenues for 2022?



**48%**  
Revenues  
**\$20**  
million-plus

# Average Allocation of Contributions to Charities: Local vs. National



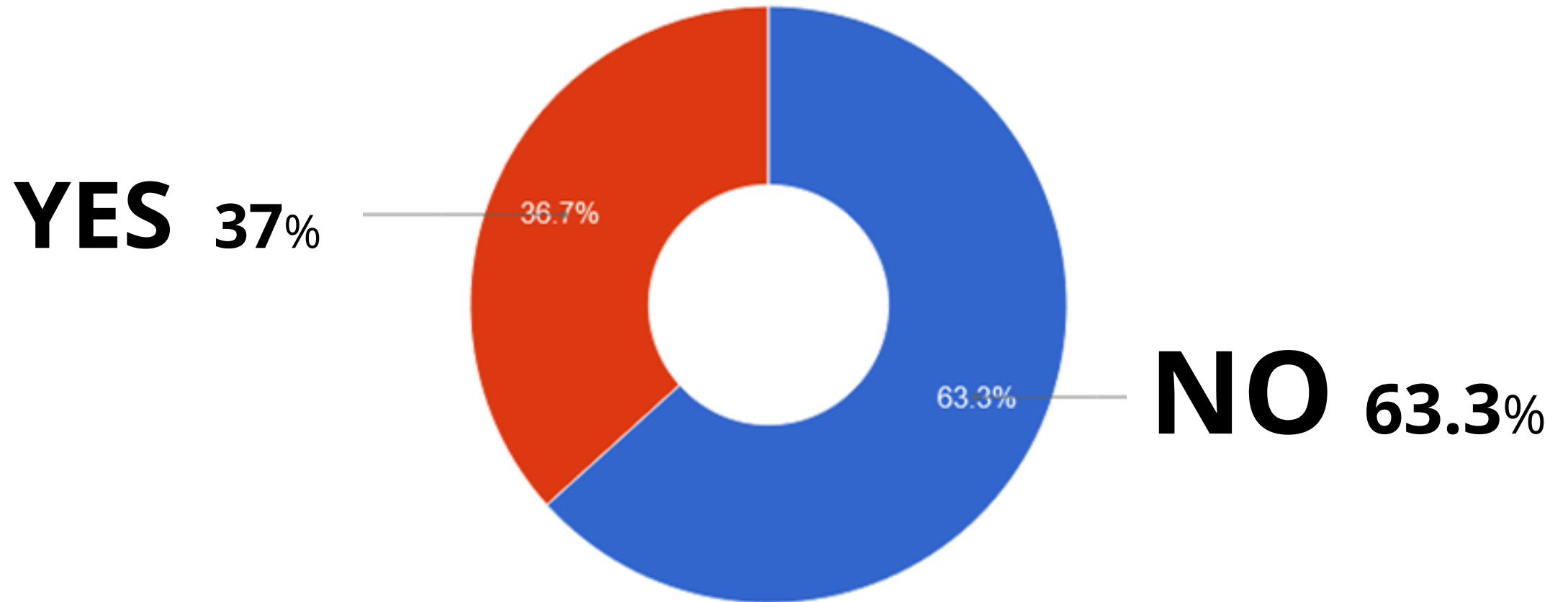


RISKS

IMPEDIMENTS

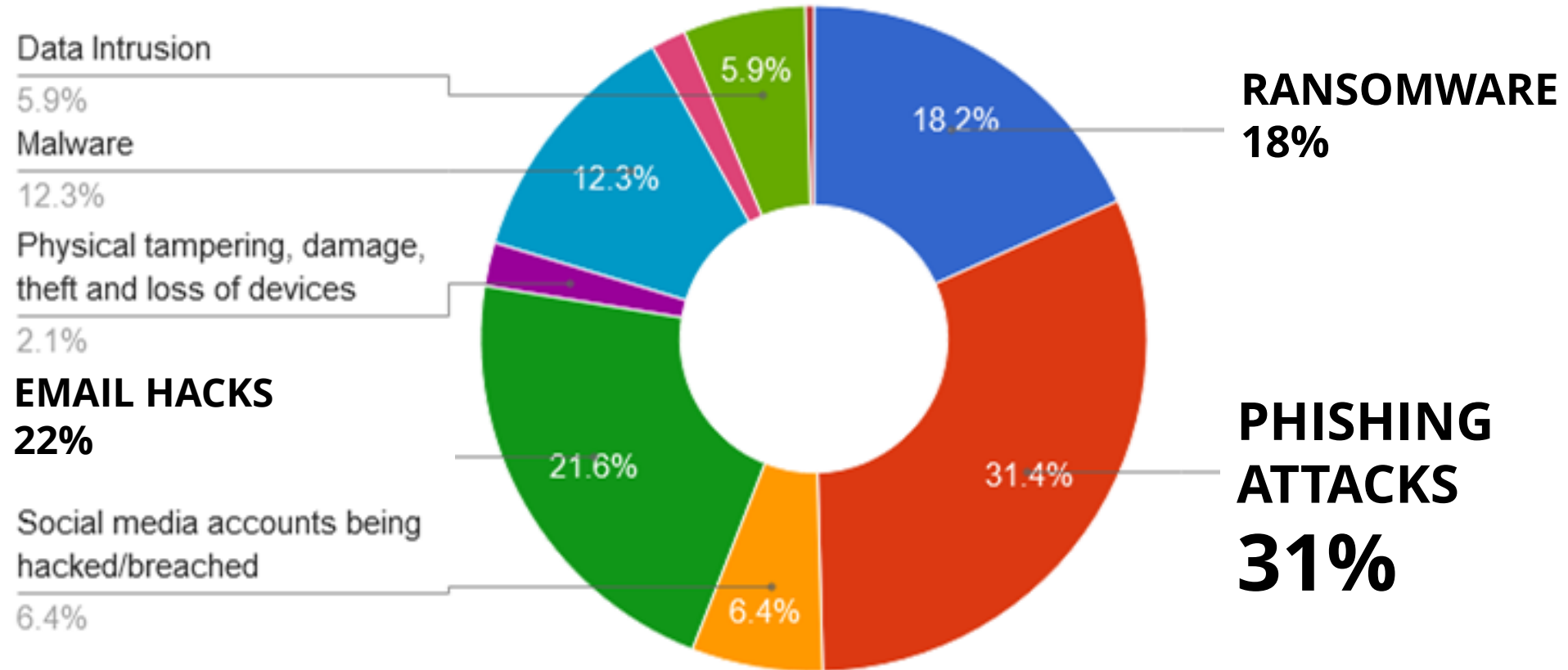
TAXES

# Affected by Cyber Crime/Hacking?






# GREATEST CYBER THREATS?




# What is Top Business Risk?


**Recession or market  
downturn**  27%


**Availability of labor**  23%

**Government  
regulation**  14%

**Inflation**  11%

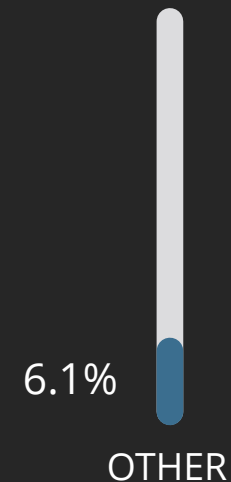
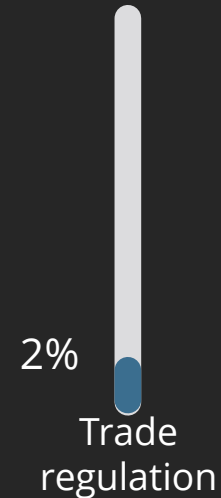
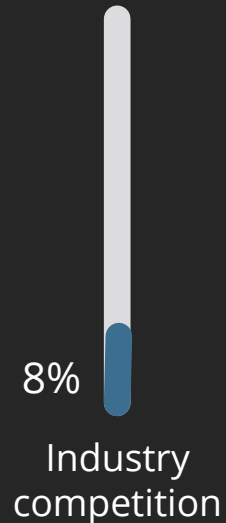
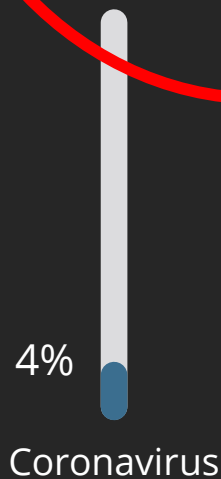
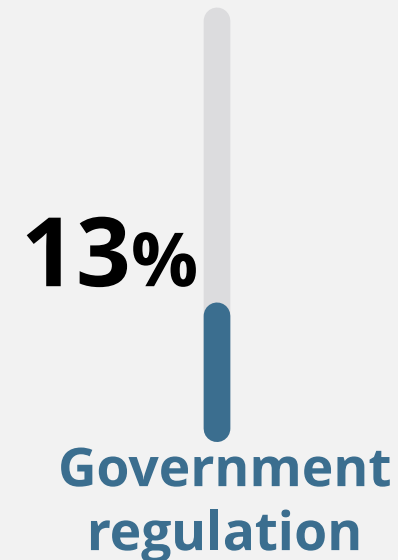
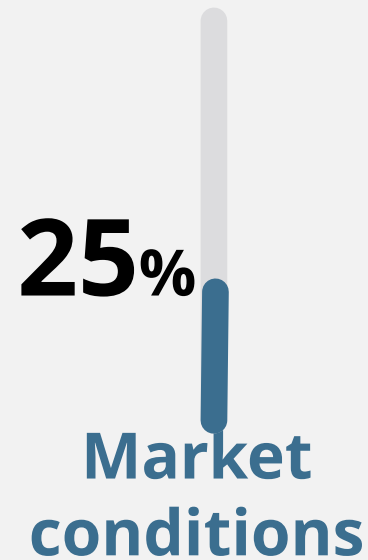
**NEW!**

**Cost of labor**  6.8%

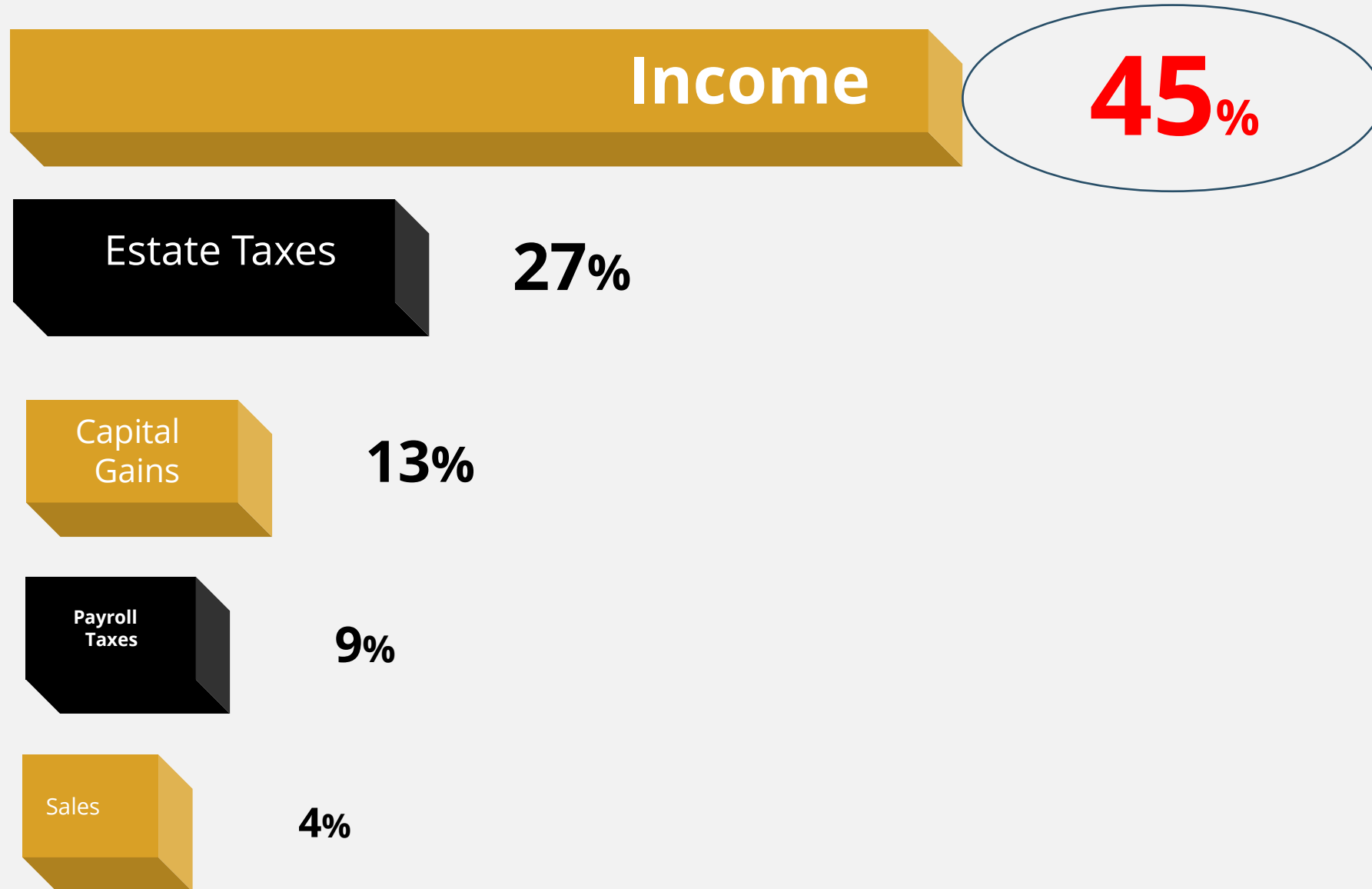
**Consumer  
demand**  4.0%

**Industry  
competition**  5.4%

# Greatest Impediments to Business Growth 2022/2023?



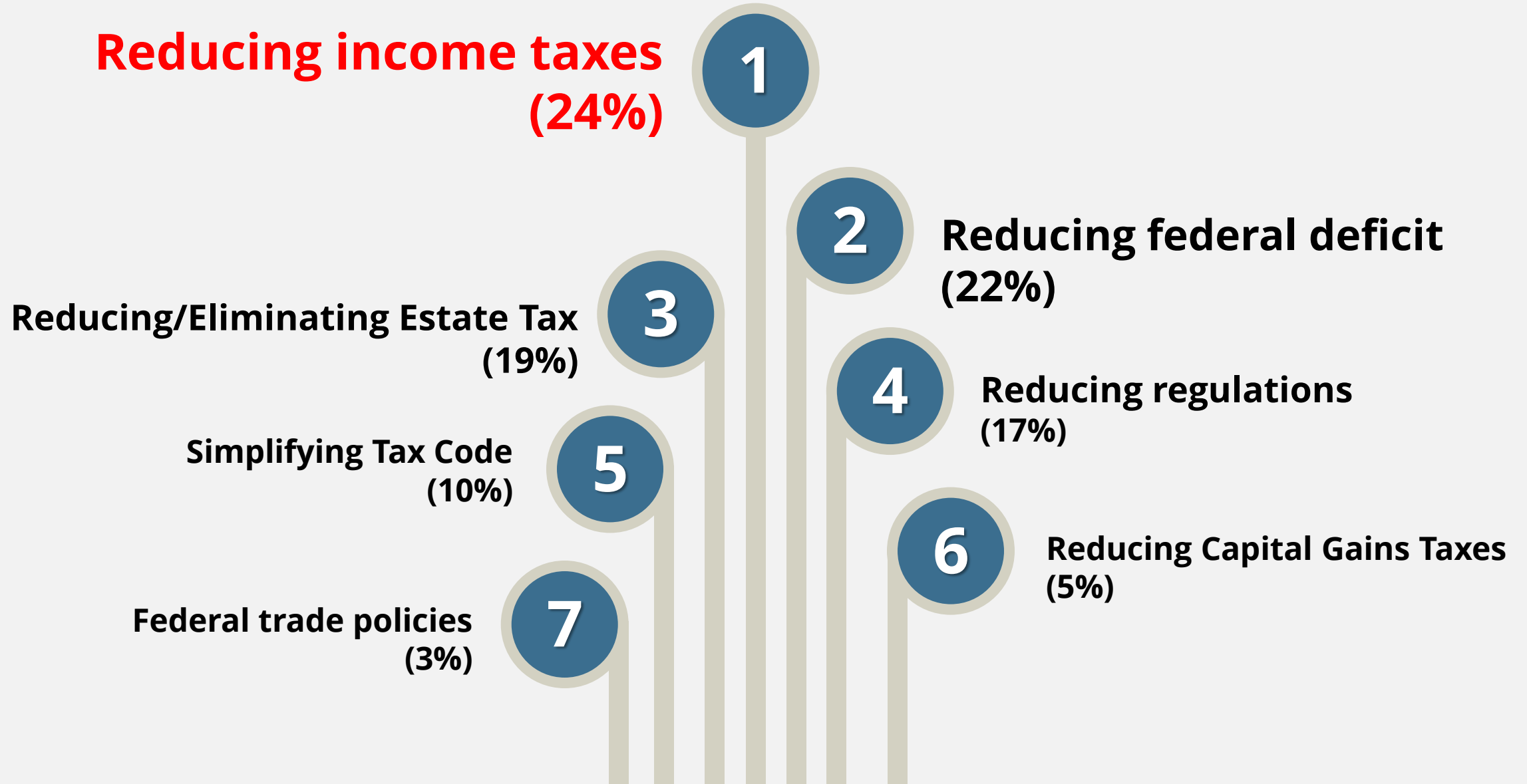
# Ranking Of Tax Policies Concerns



# Estate Tax Provision That Is Most Important?

- 1** Repeal the estate tax **31%**
- 2** Make current level of lifetime exemption permanent **24%**
- 3** Reduce rate of estate tax from 40% to capital gains tax rate **20%**
- 4** Increase the lifetime exemption from current level **13%**
- 5** Increase the estate tax **1%**

# Rate Economic Policy Priorities by Importance





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