



EXECUTIVE SUMMARY

Family Enterprise USA 2024 Annual Family Business Survey

Each year, Family Enterprise USA conducts a survey on the state of family businesses in America. This year, the Family Enterprise USA Annual Family Business Survey was the largest and most comprehensive survey taken to date, with 789 respondents from 40 states completing the survey.

Previous research has revealed that America's family businesses, the largest private employer in the country, account for 83.3 million jobs in some 32 million family businesses across the country. These businesses contribute \$7.7 trillion annually to U.S. gross domestic product. (Source: 1)

Results from this year's survey, conducted in January and February of 2024, are highlighted here. The full report will be published shortly at www.familyenterpriseusa.com.

Key Findings from: The Family Enterprise USA Family Business Annual Survey 2024

Family Business Overview

The "Family Business Overview" category, consisting of 24 questions, found 85% of family business respondents were "Sole or Majority Owners" of their businesses and 78% were "Pass Through Entities," with 57% being "S Corporations."

The top three industry categories were "Manufacturing/Operations" with 33% of respondents, while 11% were in "Construction/Facilities," and 7% were in "Real Estate."

It was found that 72.5% of family businesses had majority ownership from first and second generations of family members and 33% have passed “Full or Controlling Ownership” on to the next generation. Some 81% of family businesses have been in operation for 20 years or more, the survey found.

In terms of size, 44% of family businesses employ 51 workers or more. It was also found 70% have “Generational Employees,” that is, non-family employees with their family members working in the business for several generations. The survey also found 33% of family businesses have a “Family Office,” and of those 79% have a “Single Family Office.”

Economic Overview

The survey found 40% of family businesses had between \$1 million and \$5 million in gross revenues in 2023, and 25% of respondents had revenues of over \$50 million. The survey showed 61% of family businesses grew last year, while 38% of those grew by ten percent or more.

Questions about “Expected 2024 Growth” revealed 74% of family businesses expected to grow this year and, last year, 90% added between 1 and 50 jobs to their payroll. It was also found that when it comes to “Salary and Benefits” 46% of family businesses pay “Above Average” wages and benefits.

Policy Overview

The 2024 survey found the three tax policies “Of Top Concern” to family businesses were (by percentage of respondents): 1) Income taxes (41%); 2) Estate taxes (19%); and 3) Payroll taxes (13%).

The survey also found the top economic policy priorities for family businesses right now are “Reduce the Federal Budget/Debt,” at 30%, and at number two, “Reduce Income Taxes,” at 23%.

When it came to workforce issues, the “Top 3” workforce challenges this year are: 1) Recruiting & Training (54%); 2) Benefits/Pay (25%); and 3) Culture Building (14%).

When asked about the “Greatest Impediment to Growth” this year and next, 31% of respondents said “Market Conditions” were the biggest barrier, while 26.5% said “Cost/Availability of Labor” was the greatest impediment to growth.

As for the Estate Tax, the survey found 36% wanted to keep “Current Exemption Level,” an increase from the 24% who responded this way last year. Some 26% said they wanted to “Repeal The Estate Tax” completely, a decrease from 31% in 2023 survey.

About This Year's Survey, From Pat Soldano, President, Family Enterprise USA

"Each year, our survey on family businesses in America gains in size and scope, but one thing remains true, family businesses are big business in our country," Soldano said about the 2024 results. "This year we received responses from nearly eight hundred family business and office executives, a record. We use these finding throughout the year to emphasize the critical challenges and issues facing family businesses," she said. "This research is an important tool to help educate our legislators so they understand the importance and size of family businesses in our economy, and so they can make better policy decisions to help family businesses grow and prosper for the next generation."

1) SOURCE: Update 2021: Family Businesses' Contribution to the U.S. Economy, by Torten M. Pieper, Ph.D., Franz W. Kellermanns, Ph.D., and Joseph Astrachan, Ph.D.