



EXECUTIVE SUMMARY

Family Enterprise USA 2025 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 among the largest and most comprehensive surveys taken to date, with 730 respondents from 45 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 2025, 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 2025

Family Business Overview

This year's survey found 82.7% of family business respondents were "Sole or Majority Owners" of their businesses and 80.3% were "Pass Through Entities," with 57.5% being "S Corporations."

The top three industry categories were "Manufacturing/Operations" with 25.9% of respondents, while 12.4% were in "Construction/Facilities," and 5.8% were in "Real Estate."

It was found that 70.9% of family businesses had majority ownership from first and second generations of family members and 30.8% have passed "Full or Controlling Ownership" on to the next generation. In addition, 81% of family businesses have been in operation for 20 years or more, results showed.

In terms of size, 47% of family businesses employ 51 workers or more. It was also found 71% have "Generational Employees," that is, non-family employees with their family members working in the business for several generations. The survey also found that 66.6% of Next Generation family members do work in the family business.

Economic Overview

The survey found 33% of family-owned businesses had between \$0 and \$5 million in gross revenues in 2024, and 28% of respondents had revenues of over \$50 million. The survey showed 59% of family businesses grew last year, while 36% of those grew by ten percent or more.

Questions about “Expected 2025 Growth” revealed 77% of family-owned businesses expected to grow this year. In 2024, 91.4% added between 1 and 50 jobs to their payroll. It was also found that when it comes to “Salary and Benefits” 90% of family-owned businesses pay “Above Average or Average” wages and benefits.

As for supporting local communities, it was found that 72% of family-owned businesses contribute from 61% to 100% of their charitable contributions to local charities or local chapters of national charities.

Policy Overview

The 2025 survey found the three tax policies “Of Top Concern” to family businesses were (by percentage of respondents): 1) Income taxes (47%); 2) Estate taxes (“Death Tax”) (19%); and 3) Capital Gains taxes (12%).

The survey also found the top economic policy priorities for family businesses right now are “Reduce the Federal Budget/Debt,” at 32%, and at number two, “Reduce Income Taxes,” at 21%.

When it came to Workforce Issues, the “Top 3” workforce challenges this year are: 1) Recruiting & Training (53%); 2) Benefits/Pay (26%); and 3) Culture Building (16%).

When asked about the “Greatest Impediment to Growth” this year and next, 29.3% of respondents said “Market Conditions” were the biggest barrier, while 25.4% said “Cost/Availability of Labor” was the greatest impediment to growth.

As for the Estate Tax, or Death Tax, the survey found 33.1% wanted to keep “Current Exemption Level,” a drop from the 36% who responded this way last year. Some 29.9% said they wanted to “Repeal the Estate Tax” completely, an increase from 26% in the 2024 survey.

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

“Each year, our annual survey on family-owned businesses in America gains in size and scope, but one thing remains true, family businesses are big business in our country,” Soldano said about this year’s results. “In this survey, we received responses from 730 family business and office executives in 45 states. We use these findings throughout the year to emphasize to our Congressional leaders the critical challenges and issues facing family businesses,” she said. “This research is an important annual tool to help educate our policy makers so they understand the importance and size of family businesses in our economy, and make better policy decisions to help family businesses grow and prosper for generations to come.”

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