2025 Annual Family Business Report

Family Enterprise USA
Research Advocacy Legacy
Advocating for Family Business

2025 Annual Family Business Report

Family businesses experienced unique headwinds and tailwinds in 2025. This year, the most significant challenge for family businesses across the nation has been uncertainty – including uncertainty over inflation and new economic policies like tariffs. The most significant opportunity, however, was the chance to shape tax policies benefiting businesses and families for years and decades to come. Despite challenges, America's family businesses continue to be dynamic and resilient, fueling our economy.

This year's Annual Family Business Report provides an overview of family-owned business sentiment, our work engaging with lawmakers on Capitol Hill, and the critical messages we want to deliver to audiences of influence.

Each year we conduct our Annual Family Enterprise USA Family Business Survey, a roadmap to the critical issues and concerns affecting family businesses. Through this research we can craft the important messages, create initiatives, and detail the talking points we want to deliver to lawmakers on Capitol Hill. This report provides highlights from the survey, which had 760 respondents from 46 states, and the many actions we have taken collectively as an organization throughout the year.

The year also marked the third year we have worked with members of the Congressional Family Business Caucus, currently being reconstituted under the new Congress. The year also saw us organizing three sets of important Capitol Hill meetings with our Washington, D.C. team members. The meetings covered a diverse array of topics, from women-owned family businesses to community engagement to legacy and succession.

In the last 12 months, we have held hundreds of meetings with Congressional leaders and staff members to educate Congress on key issues that impact family-owned businesses. This year, we have also taken our messages and mission around the country at dozens of private regional events.

These efforts are done to help our Congressional lawmakers become educated on the size and importance of America's family businesses, the engine of our economy.

I want to thank our team, our members, supporters, and donors for their support and encouragement for what has been a year of exceptional growth and one of unprecedented challenges. With your help, we are now a powerful voice on Capitol Hill.

Pat Soldano, President, Family Enterprise USA

2025 FAMILY ENTERPRISE USA ANNUAL SURVEY

Each year, Family Enterprise USA conducts research on America's largest private employer, America's family-owned businesses.

This year, the study again demonstrated how family business remain the economic powerhouse of the U.S. economy. The study surveyed 730 respondents from 45 states.

America's family-owned businesses contribute $7.7 trillion annually to the U.S. gross domestic product, according to research (1). Additional research shows family businesses account for 83.3 million jobs, or 59% of the country's private workforce.

Conducted in the first quarter of the year, the survey shows that despite a change in administrations, tariff fears, inflation, burdensome regulations, and a new tax bill, family businesses continue to grow, prosper, and add jobs.

Here's a look at some of the key findings from this year's Annual Family Business Survey.

(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..

Family Business Growth

Family-owned businesses are a different kind of workplace.

Family businesses tend to invest back into their employees, keep them longer, and often have generations of workers.

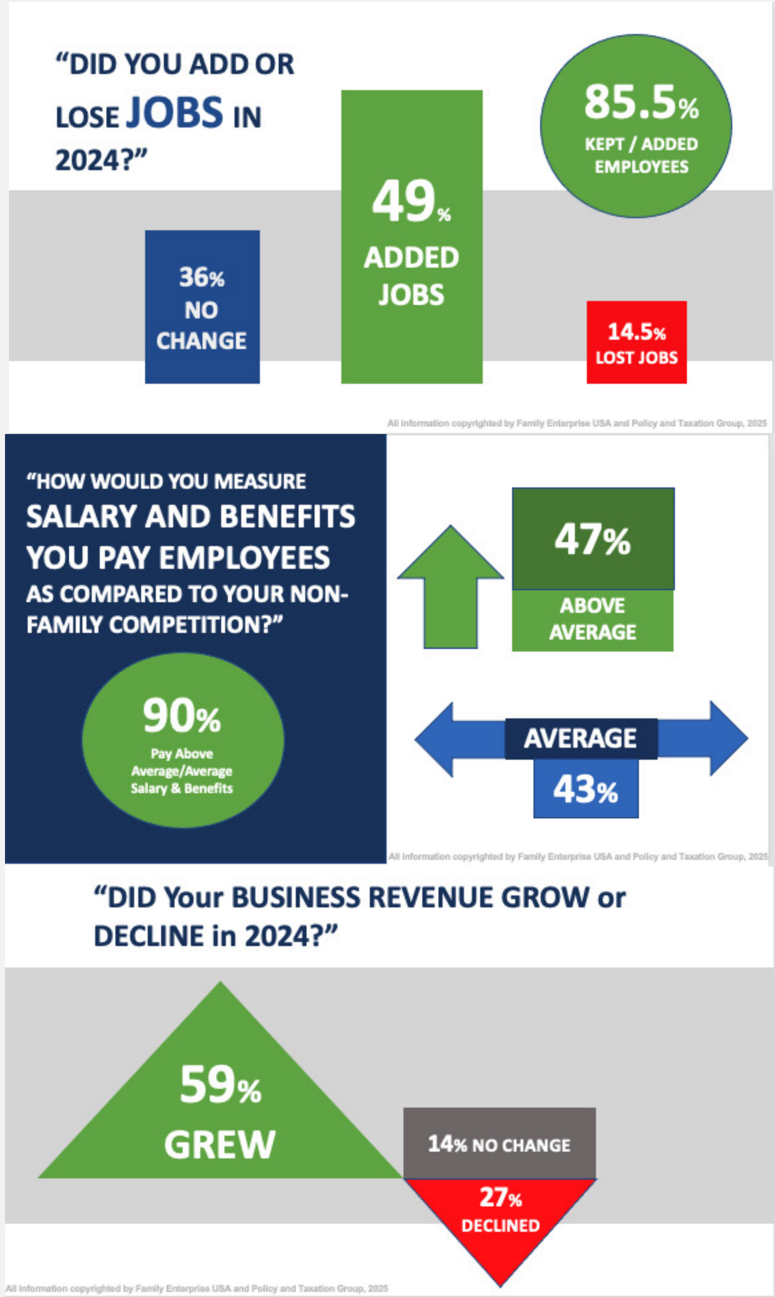
This year's survey found 85.5% of family businesses kept or added jobs, with 48% adding jobs and 14.5% cutting jobs.

It was also found that nearly half, or 47%, said they pay "above average" wages and benefits, and 71% said they have "generational employees," that is multiple generations of the same family (not related to the business owners) who work or have worked for the family-owned company.

As for growth, in the last year 59% grew their business while 27% saw business decrease.

In addition, 72% of respondents donate funds to local charities or local chapters of national charities.

Simply, family-owned businesses, unlike traditional or publicly held corporations, strive to keep and invest in their employees for the long term, while at the same time giving back to their local communities.

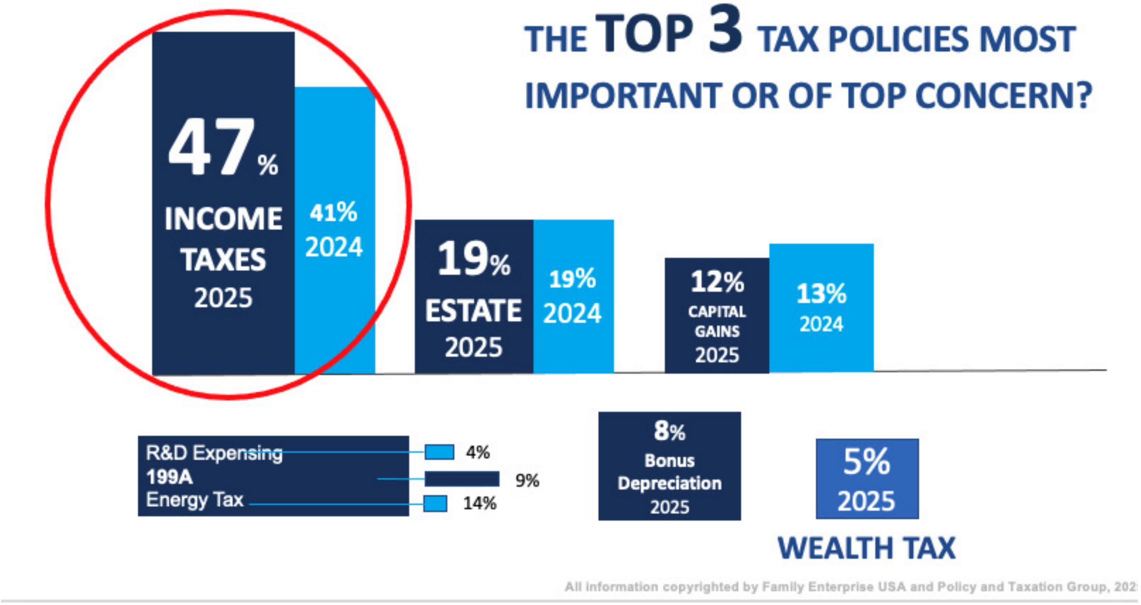


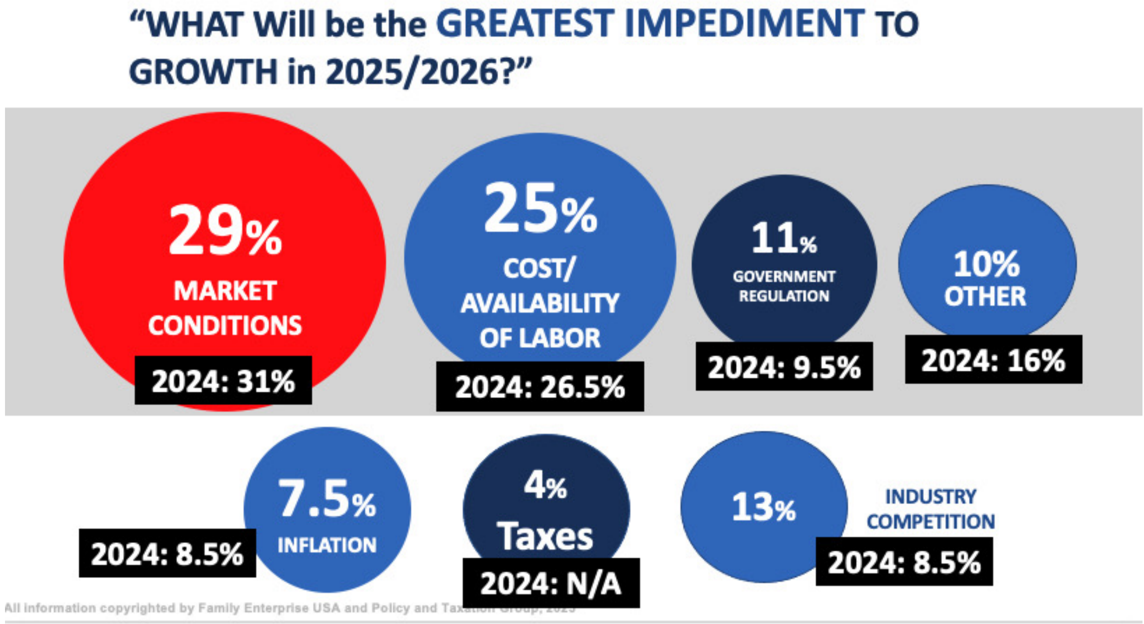
Top Family Business Priorities & Concerns

Income taxes and market conditions are the top tax and growth hurdles America's family businesses foresee this year and next year, according to the survey.

With taxes, the biggest worry among respondents was personal income taxes, with 47% of respondents saying their top tax issue is high personal income taxes, up from 41% a year ago.

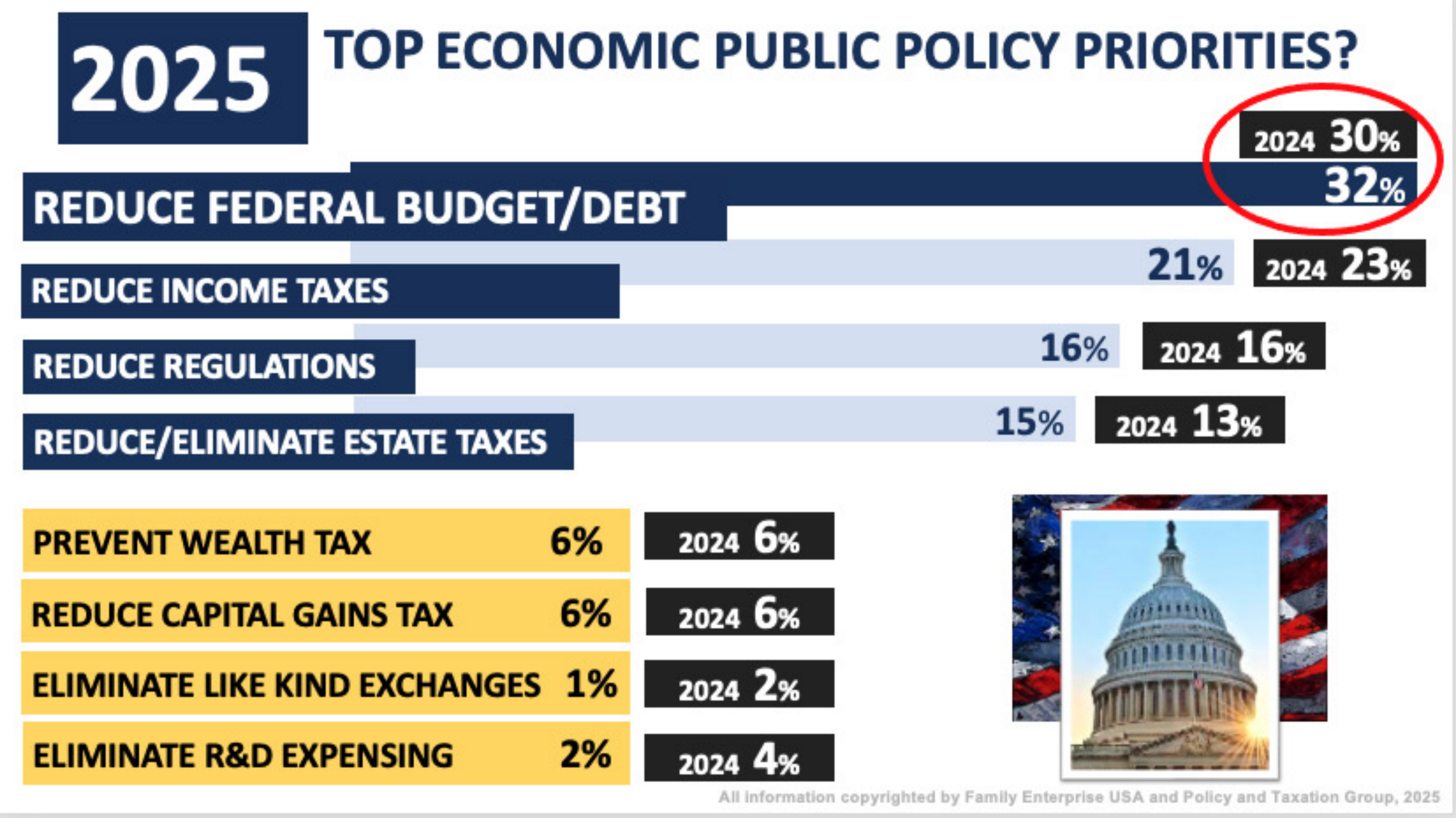
The key growth concerns were due to "Market Conditions," cited by 29% of family businesses and family offices, and "Cost of Labor," identified by 25% of respondents as a major challenge this year and into 2026.





Economic Issues

When it came to economic issues, FEUSA research uncovered increased worries by family-owned business leaders on “Reducing the Federal Budget/Debt (30%), “Reducing Income Taxes” (21%), and ”Reducing Regulations” (16%). With other economic issues, there was little change in respondents worries from 2024 to 2025.

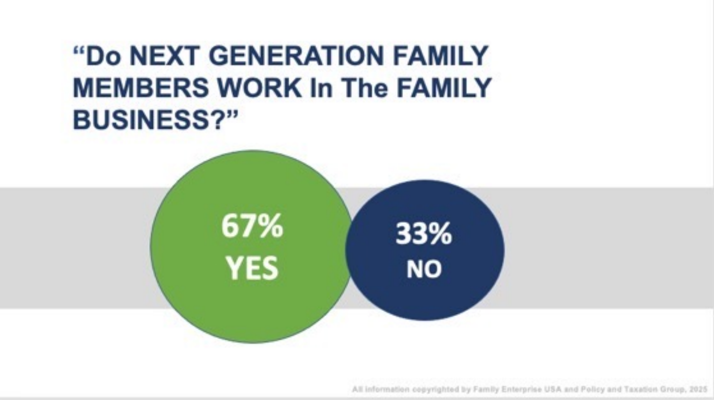


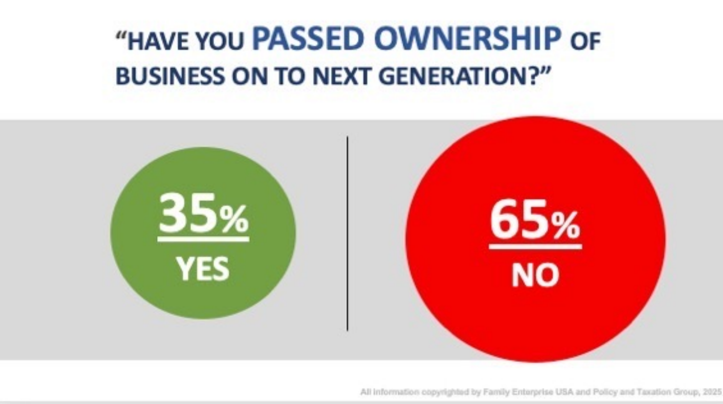
Legacy & Succession

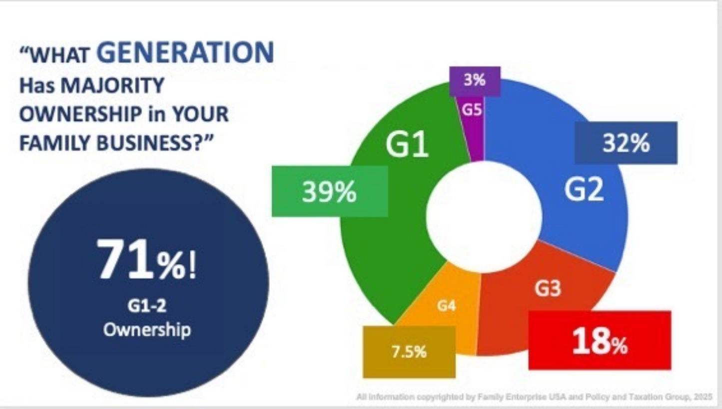
Developing the next generation of leadership and creating succession plans are top of mind among family business leaders.

When it comes to the next generation of family operators, 67% of survey participants said family members work in the family business. Yet, 65% have not yet ”Passed Ownership” on the to the next generation.

When it comes to ownership, the survey found 71% of the first and second generations have majority ownership.











THE CONGRESSIONAL FAMILY BUSINESS CAUCUS

The Bipartisan
Congressional Family Business Caucus

In 2022, the bipartisan Congressional Family Business Caucus was formed by four bipartisan co-chairs: Representatives Jodey Arrington (R-TX), Henry Cuellar (D-TX), Claudia Tenney (R-NY), and Brad Schneider (D-IL).

With the start of the 119th Congress in early 2025, our congressional champions began reconstituting the Congressional Family Business Caucus with new co-chairs and members. This process remains ongoing.

The Congressional Family Business Caucus is the first congressional caucus focused solely on the critical issues facing generationally-owned family businesses of all sizes and industries across the United States. Its core mission is to educate Congress on the importance of family-owned businesses to the country’s economy.

This year, FEUSA hosted three meetings with members of the Congressional Family Business Caucus. The topics of discussion were: Women in Family Business, Community Engagement, and Legacy and Succession.

In each meeting, family business leaders, experts, family office executives, influencers and others met with Members of Congress, Congressional staff members, and others who shape policy affecting family businesses.

FEUSA applauds past and future members of the Congressional Family Business Caucus and looks forward to working with the Caucus to help bring the importance of family businesses front and center to the many issues Congress faces.

Congressional Family Business Caucus

Mission Statement

- The Family Business Caucus seeks to educate Members of Congress about the contributions of family businesses, the backbone of the American economy, to the nation and local communities. This includes small to large-sized businesses from diverse industries located throughout the nation.
- The Caucus seeks to create awareness within the Congress about the issues impacting family businesses, including workforce challenges, tax policy, economic issues, and community development.
- The Caucus supports a regulatory landscape that is less burdensome and promotes entrepreneurship and free enterprise.
- The Caucus will connect Members of Congress with family businesses in their district/home state and create a dialogue that promotes a productive exchange of ideas.

Goals

- To promote the role of family businesses as community economic drivers, job creators, and significant donors to charitable and local needs, while also strengthening the national economy and contributing to government revenues.
- There is no legislative agenda.

Structure

- Scope: Bipartisan and bicameral.
- Leadership: One Democratic and one Republican Co-Chair in the House of Representatives and one Democratic and one Republican Co-Chair in the Senate. Additional leadership positions, as needed, will be developed and appointed by the Co-Chairs.
- Membership: The Caucus is open to all Members of Congress interested in promoting family-owned enterprises and in the issues impacting family businesses.

Supporting the Caucus

Family Enterprise USA was a key driver in the formation of the Congressional Family Business Caucus in 2022. Each year, three meetings with Caucus members are held on Capitol Hill. Topics of discussion have ranged from Community Engagement to Women in Family-owned Businesses to Legacy & Succession.

FEUSA will continue our work in encouraging Members of Congress to join the Caucus and in organizing meetings on Capitol Hill for our members to address legislators on critical issues.

In addition, through regular visits to congressional offices, and other calls to action, FEUSA will educate our legislators on the policies that promote and sustain family-owned businesses throughout the country.

A Year of Accomplishments

Family Enterprise USA is proud to say the year has been one of several major accomplishments for family businesses. FEUSA's educational efforts paid off for family-owned businesses with the positive provisions in the passage of the One Big Beautiful Bill Act. Our educational efforts showed clear results with Congress keeping the interests of family businesses front and center in a bill that includes a broad array of successful outcomes. Here's a list of the Top 10 accomplishments stemming from the passage of the bill on July 4, 2025.

	Goal		H.R. 1
1	No Increases in the Top Income Tax Rate	✓	37% Rate Made Permanent
2	No Increases in Estate Tax Rate or Reduction in Lifetime Exemption Amount	✓	No Rate Increase; Exemption Increased to $15 Million per Person
3	No Increase in the Top Capital Gains Tax Rate	✓	No Change in Capital Gains Rate
4	Make Section 199A Permanent	✓	20% Deduction Made Permanent
5	Restore R & D Expensing and Bonus Depreciation	✓	Restored Effective January 2025
6	Maintain Like-Kind Exchanges	✓	No Changes to Like-Kind Exchange Rules
7	Prevent the Establishment of a Wealth Tax or Surtax on Income	✓	No Wealth Tax in H.R. 1; Individual Tax Rates Made Permanent
8	Avoid the eliminating of Valuation of Discounts for Estate Tax Purposes	✓	Valuation Discounts Remain Available
9	Prevent the Elimination of Grantor Trusts	✓	Grantor Trusts Remain Available
10	Prevent the Elimination of Step-Up in Basis	✓	Step-Up in Basis Maintained

Championing Women in Business

This year, Family Enterprise USA formed the Women's Business Owners Group, a coalition of women business owners dedicated to highlighting and addressing the challenges faced by women-owned businesses in today's economy. The Group's mission is to amplify the voices of women entrepreneurs, foster collaboration, and advocate for policies that promote equity in business with Members of Congress in Washington, D.C.

The Impact of Women-Owned Businesses

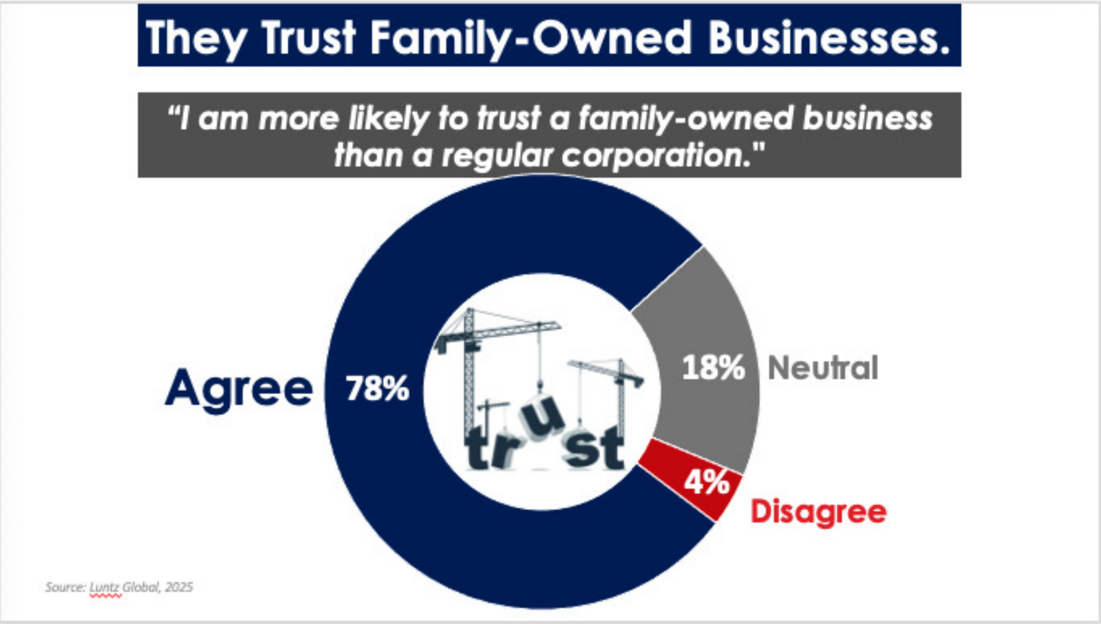
- Women-Owned Businesses: 40% of All U.S. Enterprises
- Generating $2.7 Trillion in Revenue Annually
- Employing Over 12.2 Million People Nationwide
- 1.4 Million Jobs Added During the COVID-19 Pandemic
- Driving Economic Growth and Innovation
- Essential Contributors to the U.S. Economy

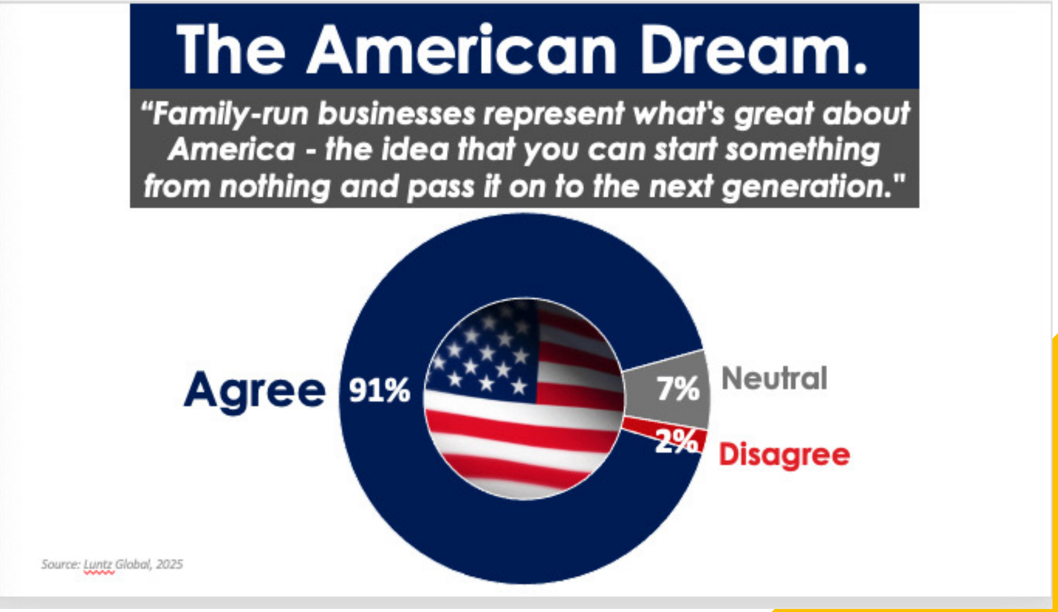
SURVEYING CONSUMER & VOTER ATTITUDES

Survey of 1,000 Consumers on Family Businesses

By Luntz Global, LLC

What 1,000 Consumers/Voters Think About Family Businesses…





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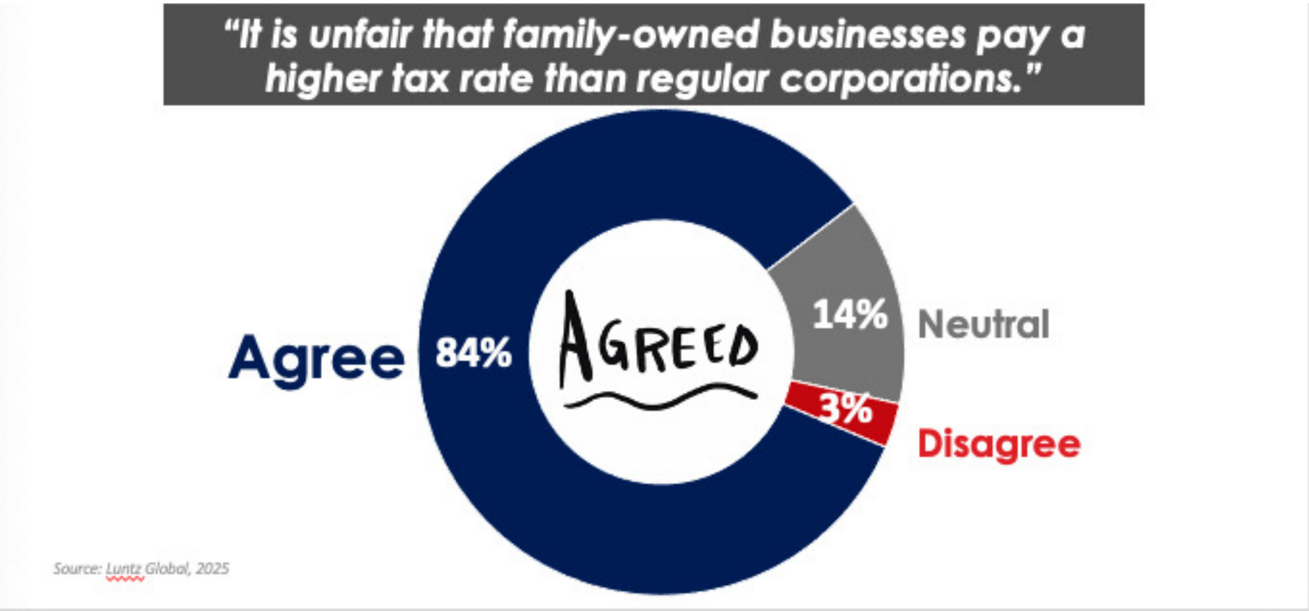
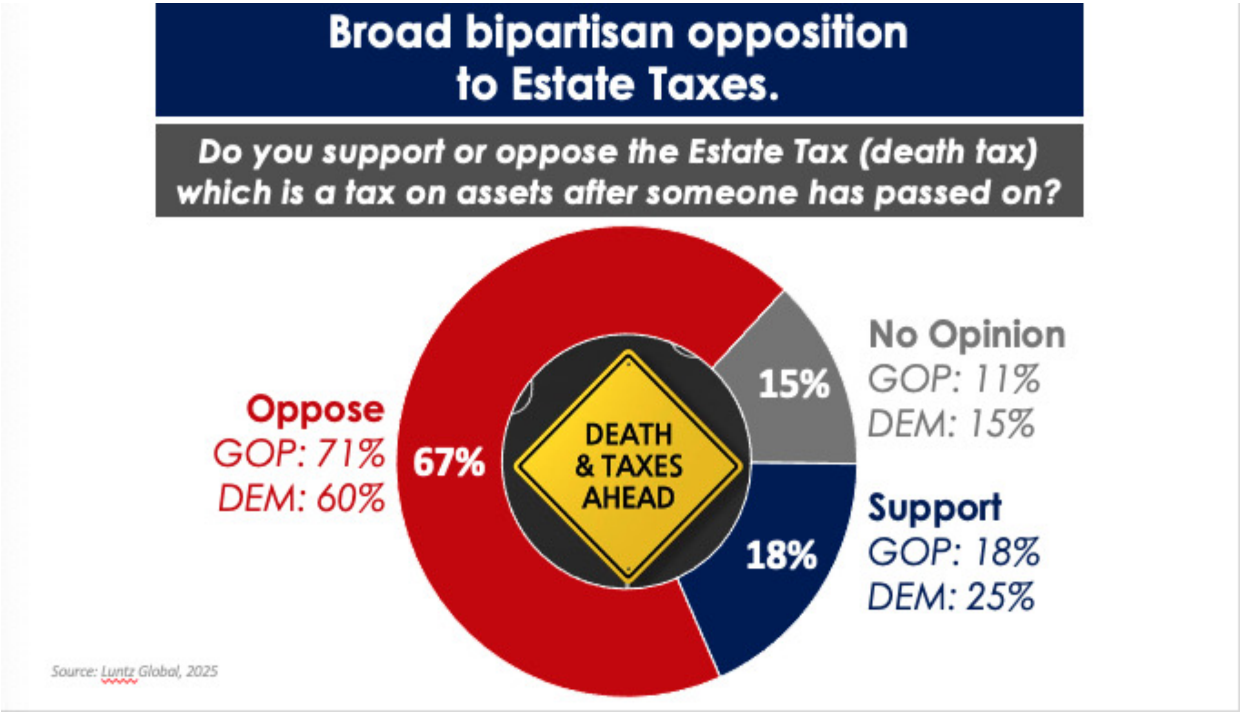


It's about building something that lasts.

Which is the most important business to protect from high taxation?

Total	
45%	A generationally owned family business built on hard work and perseverance.
14%	A business that's been an active part of the community for at least 30 years.
12%	A business with 100 employees
12%	A medium sized business.
9%	A business that represents the American Dream.
8%	A business with $100 million in annual revenue.

What 1,000 Consumers/Voters Think About Family Businesses…



Death: Not a taxable event.

Which statement do you agree with the most? (top 3)

Total	
57%	Death should not be a taxable event.
36%	A lifetime of hard-earned success shouldn't be taken by Washington at death.
27%	Family-owned businesses provide 59% of the jobs in America. Those businesses are often sold or broken up just to pay for the estate tax, and that hurts all of their employees – literally millions of people.

2025 Family Business "Rising Gen" Survey

The 2025 Rising Gen Survey probed current college students enrolled in family business or entrepreneurship courses about what was most important to them as it related to their family business. Not surprisingly, communication is king.

Conducted in partnership with the Smith Family Business Initiative at Cornell University, Family Enterprise USA, and The Roberts Group, 164 current students shared their perspectives as they relate to their family's business. This survey revisited a similar tool that was administered in the 2024 academic year.

For the second straight year, legacy was the word most associated with family business. Legacy is a layered term that could have both positive and negative connotations. Family and succession were also associated words, as well as complicated, private, small, and loyalty.

For those students identified in the survey as coming from a family who owns or operates a family business, nearly 75% of those businesses were founded after 1951, with nearly 50% representing the second generation of their family, and 31% representing the critical third generation. Only 1 in 5 students had an ownership stake in the business at this stage, while 33% were unsure if they had an ownership in the business at all.

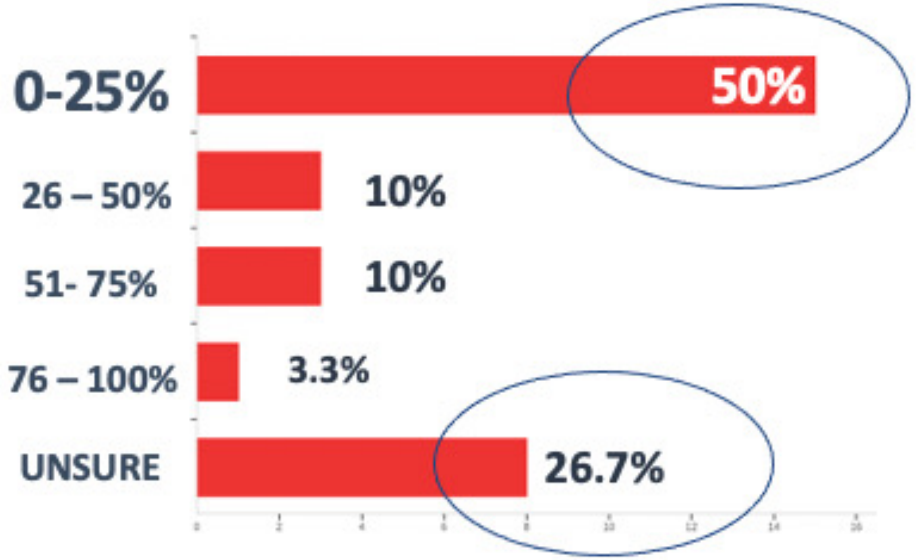
Cornell SC Johnson College of Business

Smith Family Business Initiative at Cornell

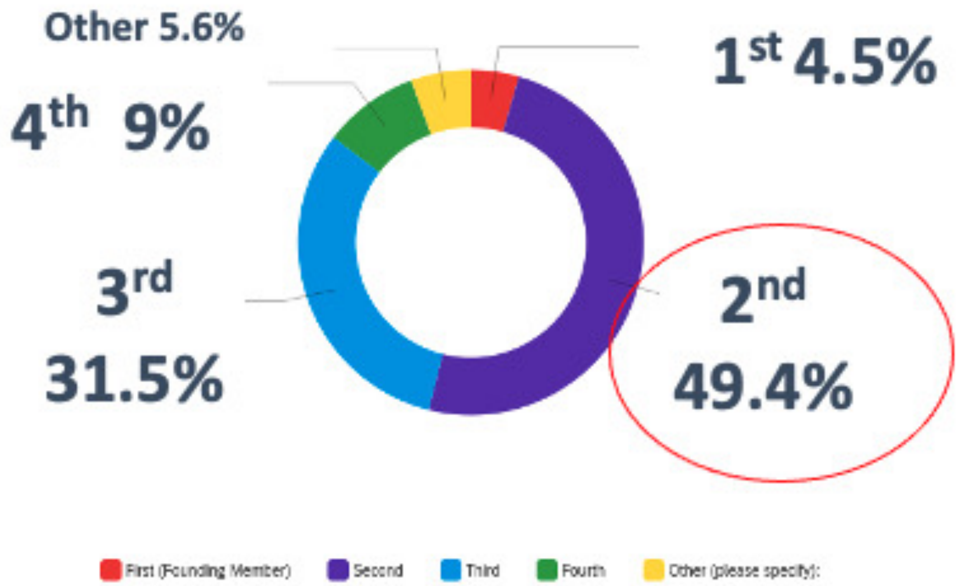
Family Enterprise USA
Research Advocacy Legacy
Advocating for Family Business

The Roberts Group

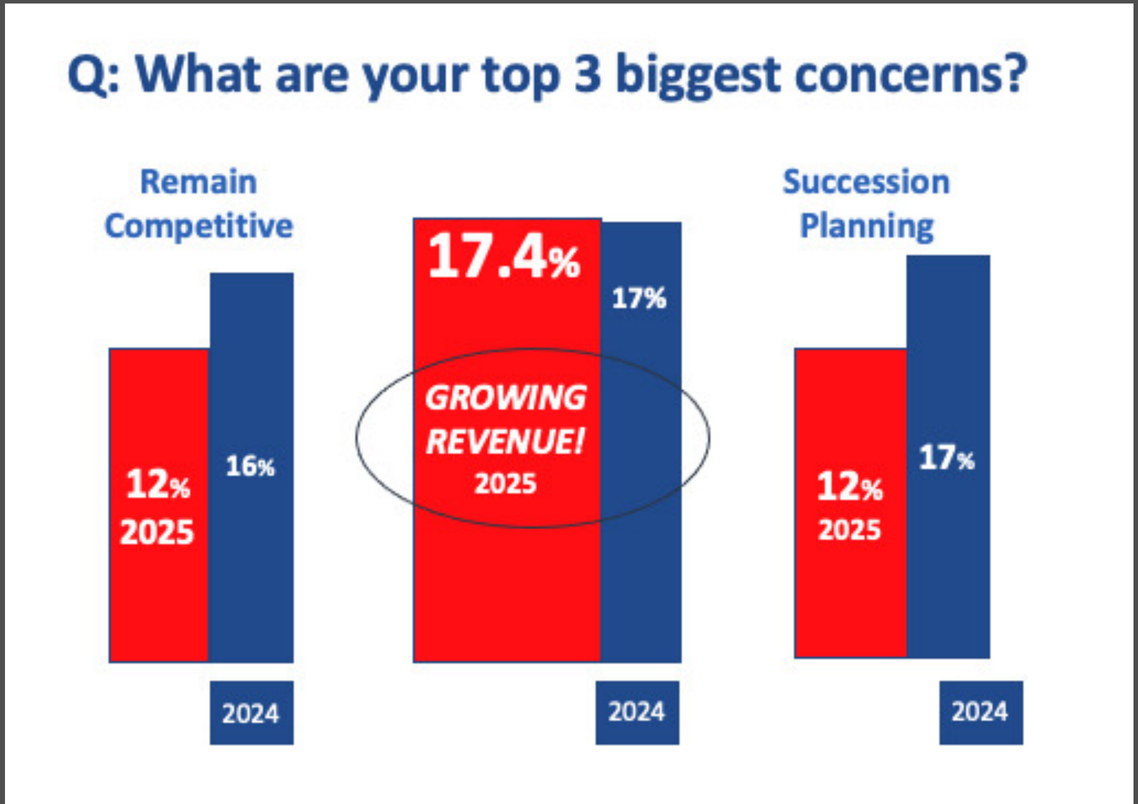
Q: What percentage ownership do you have in the family business?

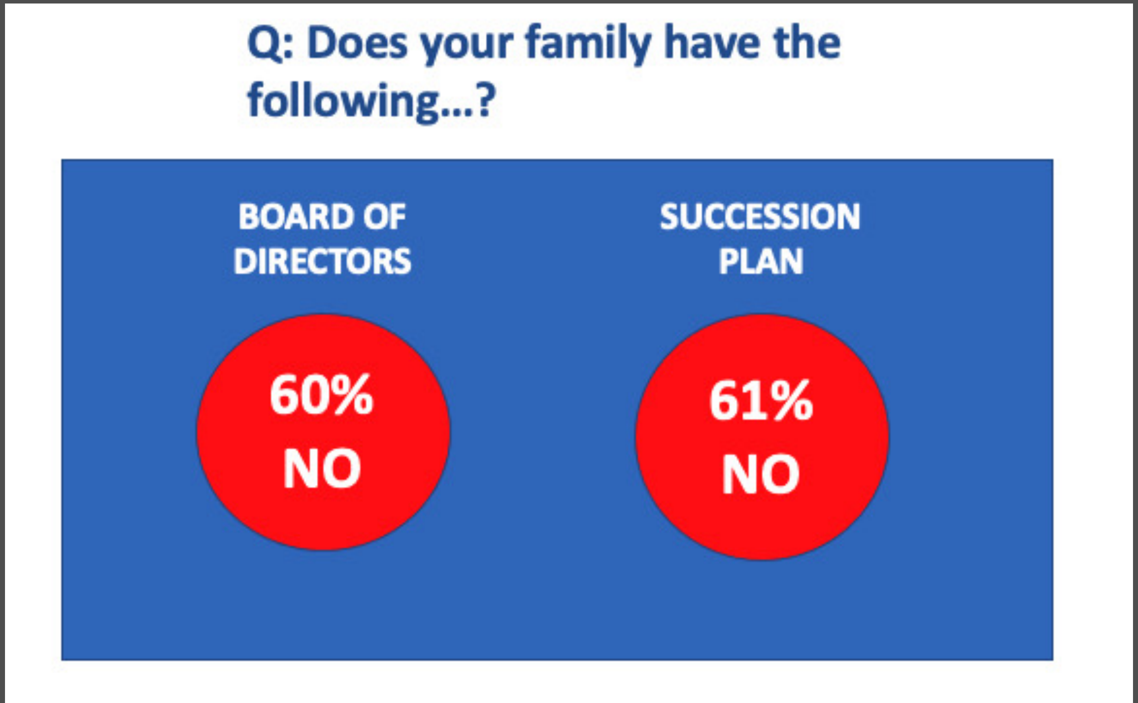


Q: What generation do you consider yourself in the family business?



Source: Cornell University: Rising Gen Study, 2025





Source: Cornell University: Rising Gen Study, 2025

Going Into 2026

Like many, we see 2025 as a pivotal year that sets the stage for a strong 2026.

Our efforts have been paying off. Our lawmakers are listening to us. The policies they are putting forward and implementing are now more favorable than ever before for family businesses. But in Washington, D.C., policies can change rapidly.

Right now, FEUSA is preparing for our 2026 Family Enterprise USA Annual Survey and adjusting our messages for a new year working with Congress. In addition, we are going into our fourth full year of working with members of the Congressional Family Business Caucus.

Next year, the FEUSA annual survey will delve deeper into the critical issues family businesses will be navigating, from tax issues to succession to workforce development.

The goal is to cast a wider net, to reach businesses, influencers, and even voters in all 50 states. We are compiling our questions and outreach plan right now. Next year's survey will be the most thorough and comprehensive to date.

We at FEUSA look forward to working even more closely with our partners and supporters, with family business leaders, our experts, and with members of the Congressional Family Business Caucus.

As more legislators learn of the power of family businesses for our country, and in their own districts, our voice and message will become louder, and clearer.

The voice of family business is growing rapidly, and stronger, and will continue with your help.

Thank you for your support.

Pat Soldano
President, Family Enterprise USA