

Younger owners most determined to preserve and sustain the family business: Family Enterprise Foundation Report

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Younger family business owners are the most committed to preserving the family business and want to play a key role in sustaining its legacy for future generations, according to new research by Family Enterprise Foundation (FEF). The survey revealed that 97 per cent of next generation respondents consider it important to sustain the family business, while only 74 per cent of senior generation respondents feel the same.

“There is a generational shift occurring that challenges conventional thinking that next gens are not ready, willing or interested in the family business. In fact, they value the enterprise their family has built and want to preserve it. Our research shows that younger owners have as much, if not more, interest in retaining family control and preserving the business for their children,” says Olivier de Richoufftz, General Secretary, Family Enterprise Foundation.

The Foundation’s research on Canadian Family Business Transition Intentions is supported by KPMG in Canada’s Family Office and was conducted by Abacus Data. Our report, [Who are the Guardians of Family Legacy?](#), represents the second part of a national study, building on **Ready, Willing and Interested - or Not?** This landmark research provides the most comprehensive picture of transition intentions in Canadian business families to date.

In Part 1, significant misgivings about the passion and capabilities of the next generation to take over the family business were identified. However, these concerns do not seem to reflect the true intentions of the next generation. The findings in Part 2 clearly show that the senior generation are not the sole guardians of family legacy.

Key survey findings

The “family” piece of the business is important to all family members who work in a family enterprise. In particular, a large percentage think it’s extremely, very or somewhat important to build a sustainable business (91 per cent), work together as a family (88 per cent) and have someone within the family take over the business (77 per cent). However, when broken down by age groups, there are significant differences in the level of importance assigned to these and other aspects of family business legacy depending on the generation of respondents.



A comparison between younger (18–44 year-olds) and older (45+ year-olds) respondents shows the family business “spirit” is strongest in younger owners, especially when it comes to succession and the desire for long-term family control:

- Expectations are highest among younger respondents of continued family ownership of the business, with 87 per cent expecting to see company ownership remain in future generations, compared to 70 per cent of older respondents.
- The importance placed on direct family leadership of the business also diminishes among older family members as 95 per cent of younger respondents feel that family taking over has some importance, compared to their older counterparts at 65 per cent.

“It was great to find that the next generation has a strong attachment and loyalty to the family business that, if nurtured properly, can be extremely beneficial. It’s important for the senior generation to see this commitment as an asset to the business and the family. Clearly, giving the next generation a voice and a seat at the table early on is essential to the longevity and future success of the business. The skillsets and fresh perspectives of a younger, tech-savvy generation can improve business competitiveness and lead to exciting new opportunities,” notes Richa Arora, FEA, Senior Family Advisor, KPMG Family Office.

Even greater attitudinal differences are evident when the data is further refined across generations, contrasting next gens (18-35 year-olds) with senior gens (60+ year-olds):

- 96 per cent of next gens think of the family business as a legacy to leave future generations, while only 67 per cent of senior gens agree.
- 100 per cent of next gens surveyed consider working together as a family to be important, while the importance decreases with age, down to 77 per cent among senior gens.
- Interestingly, 95 per cent of next gens would be very willing or somewhat willing to invest in their next generation’s business, in contrast with 74 per cent of those in the senior generation.

“This research highlights some unexpected generational differences that are even more pronounced at each end of the age spectrum. The reduced emphasis on family continuity of the business among senior gens may simply reflect the personal experiences and expectations they have about their adult children and their likely career paths,” says Bill Brushett, President and CEO, Family Enterprise Canada.

While many of the senior generation are concerned that the next generation is not prepared or interested in taking over the family business, the research shows that most young family business owners are optimistic, committed and are even thinking further ahead about passing the family enterprise on to their own children one day.



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Methodology and Demographics

The survey was conducted with 300 Canadian business owners, involved in family-owned businesses with 20 or more employees, between the dates of June 3 to 11, 2021. A random sample of panelists were invited to complete the survey. The margin of error for a comparable probability-based random sample of the same size is +/- 5.65, 19 times out of 20.

About Family Enterprise Foundation

Family Enterprise Foundation (FEF) is the charitable foundation of Family Enterprise Canada. As the unified voice of family enterprise in Canada, Family Enterprise Foundation focuses on developing educational resources, conducting research, building a strong and connected ecosystem and promoting the success and sustainability of entrepreneurial families and their enterprises to ensure intergenerational longevity. To learn more, please visit FamilyEnterpriseFoundation.org.

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