PwC's 12th Family Business Survey

Reclaiming advantage

High-performing family businesses are leveraging their unique strengths to achieve growth in times of rapid change.

October 13, 2025

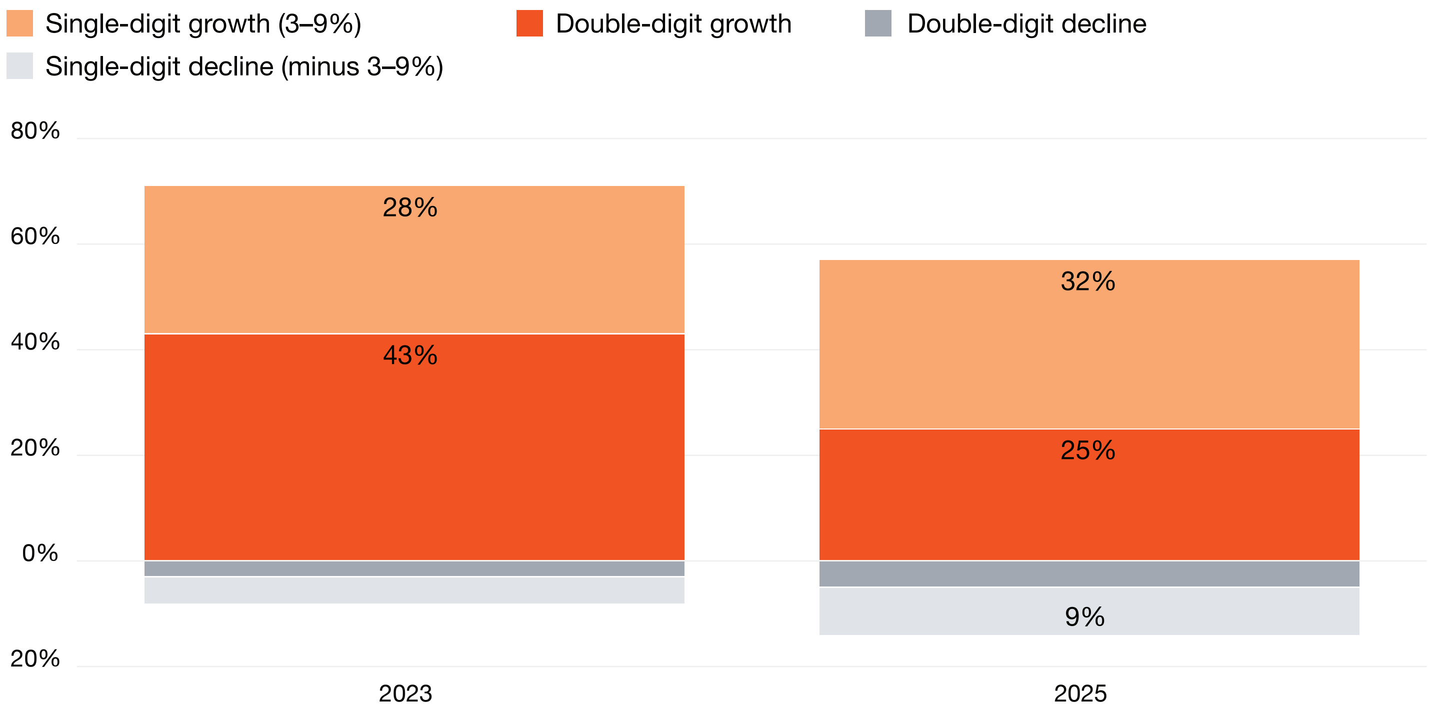
Introduction

Performance among family businesses is diverging. Our global survey of 1,325 owners and senior leaders in more than 60 territories shows that only one in four (25%) achieved double-digit sales growth over the past year. That is down from 43% two years ago and marks a return to mid-pandemic levels in a core sector of the global economy. The UN estimates family-owned or managed firms generate about two-thirds of global GDP and 60% of jobs. Long seen as more resilient than their publicly owned peers, many are now under mounting pressure.

Part of the challenge is that traditional strengths such as high reinvestment and low leverage are now proving harder to translate into growth. Geopolitical shocks, shifting trade policies, climate issues, and advances in generative AI (GenAI) are reshaping the operating environment. At the same time, PwC's Value in motion research shows that new sources of value will emerge as traditional industries reconfigure into dynamic ecosystems over the coming decade. The margin for error is narrowing, and for many, standing still may feel like progress.

Family business growth drops sharply

Q: Looking back over the last financial year, would you say your sales have been…?



Note: Excluding "Don't know" responses.
Source: PwC's Family Business Survey 2025

This raises a fundamental question: what separates today's highest-performing family businesses from the rest? To get at the answer, we combined our survey analysis with in-depth interviews with family business leaders and the insights of Professor Matt Allen of the Kellogg School of Management and PwC's global family business specialists. These perspectives show how leading firms are converting purpose, agility, long-term vision, and reputation into growth under pressure. They also shed light on how the family business playbook may evolve in the years to come.

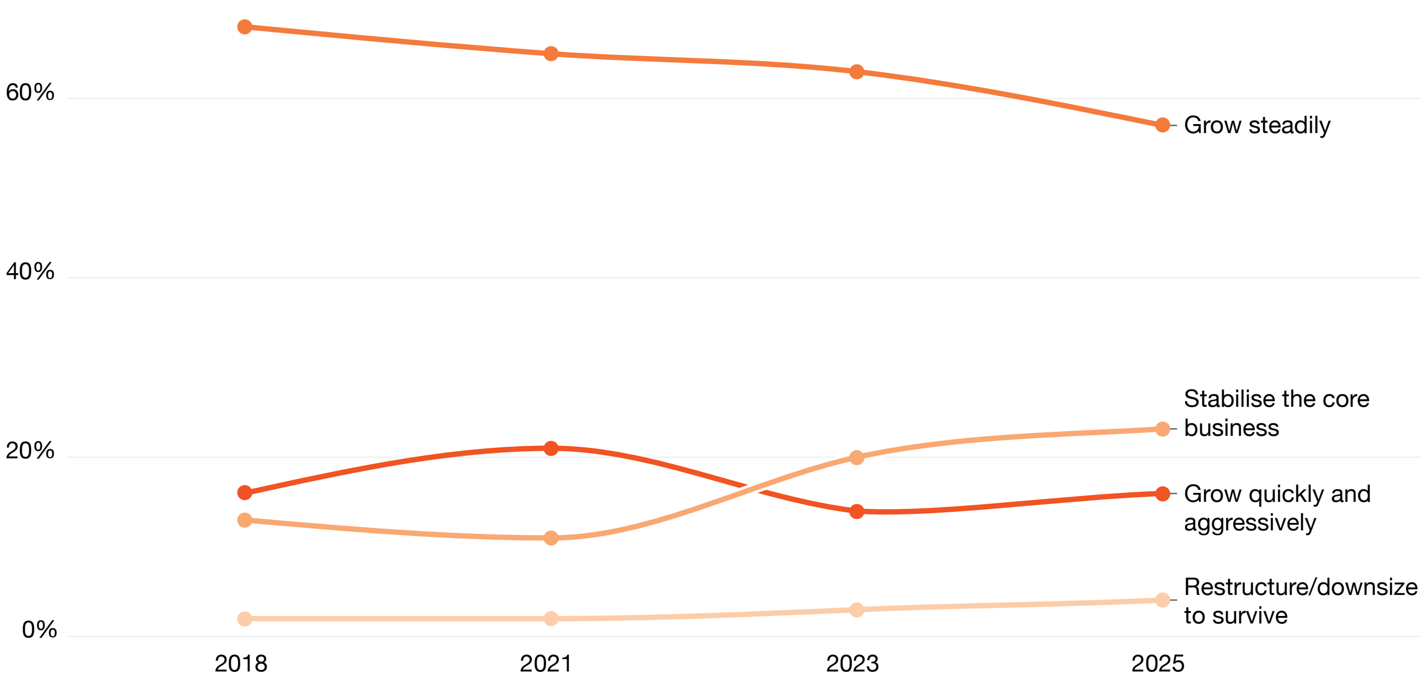
Navigating pressure: The challenge in context

Persistent macroeconomic uncertainty and shifting regulatory frameworks now dominate boardroom agendas. Family business leaders also told us they are concerned about a set of perennial challenges: supply chain disruption, cost volatility, market saturation, and talent shortages.

Many family businesses are moving away from high-growth bets and towards measured, steady-growth strategies that reinforce their resilience. We've observed a trend of prioritising stable core operations, as two-year growth targets fall from 2021 and 2023 levels.

Company ambitions for the next two years

Q: Which of the following best describes your company's ambitions for the next two years?



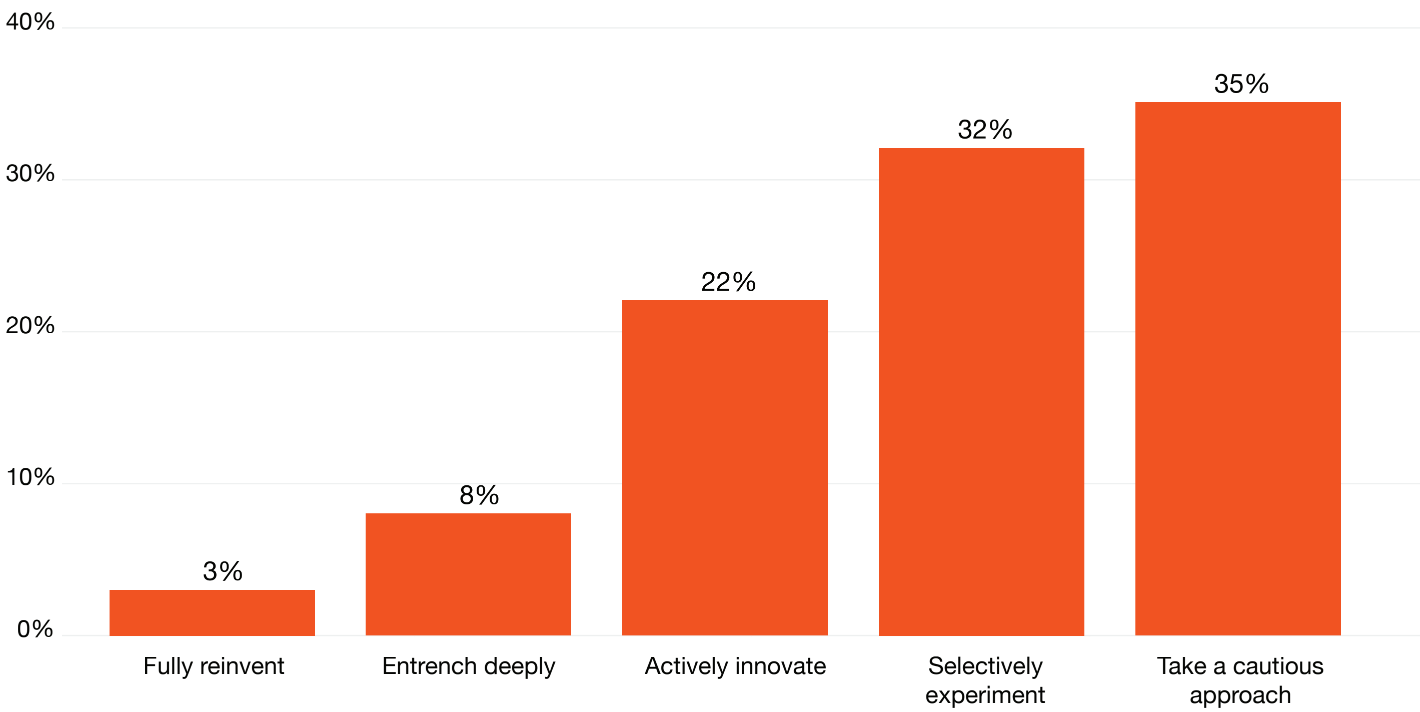
Source: PwC's Family Business Survey 2025

This shift is consistent with what we understand about the ethos of family enterprises, often recognised for their conservative approach. What's more, our survey this year reveals that during times of market disruption or industry changes only 22% say that they actively innovate, which includes rethinking their management strategies.

Just 3% of firms look to fully reinvent their businesses, with the majority favouring caution or taking a highly selective approach to experimenting with new management approaches. This caution suggests that in a world of industry convergence and ecosystem disruption, many family firms may be underestimating how much change is coming—and how fast.

Family businesses prefer conservative responses to disruption

Q: During times of market disruption or significant industry change, how does your family business typically respond in terms of management approach?



Source: PwC's Family Business Survey 2025

And yet, growth is not off the table. The most dynamic family businesses are pursuing sales momentum through stability, not volatility. Technological advancements and digital transformation remain top priorities for nearly two-thirds of family businesses (65% and 64%, respectively). These priorities are even more common among mid-sized firms that are scaling up.

In our recent roundtables with family business leaders, several executives reported tangible benefits from early experimentation with GenAI—cited by 60% of survey respondents as a growth opportunity. For example, some noted improvements in their dynamic pricing response times, which enhanced customer engagement, even though they made relatively modest capital investments in GenAI deployment.

Opportunities for expansion and diversification are also shaping strategy. Just over a fifth (21%) of the family businesses cited these factors as the trigger for recent shifts in direction. Among firms with revenues between US$100 million and $1 billion, momentum is building. Two-thirds (63%) of this group, which also recorded the highest growth rates over the past year, are targeting steady expansion in the years ahead, six percentage points above their 2023 average.

What high performers do differently

The challenge for expansion, as always, lies in execution. For family firms, the pursuit of growth is inextricably linked to their structural DNA: deeply embedded governance models, generational leadership transitions, and community-rooted stakeholder relationships.

Yet what makes these firms resilient can also slow them down. In fast-moving markets, centralised leadership may deliver speed, or act as a brake on innovation at the edges. Leadership transitions often lag because the next generation isn't fully prepared. Many leaders acknowledge that their governance structures lack the agility to keep pace with rapid change. Consensus-driven boards, often composed of like-minded voices, can falter when decisive action is needed.

To grow with confidence, best-in-class family businesses are confronting their vulnerabilities and leveraging their unique characteristics. Our research points to four areas of focus that set top performers apart, which are discussed in detail below:

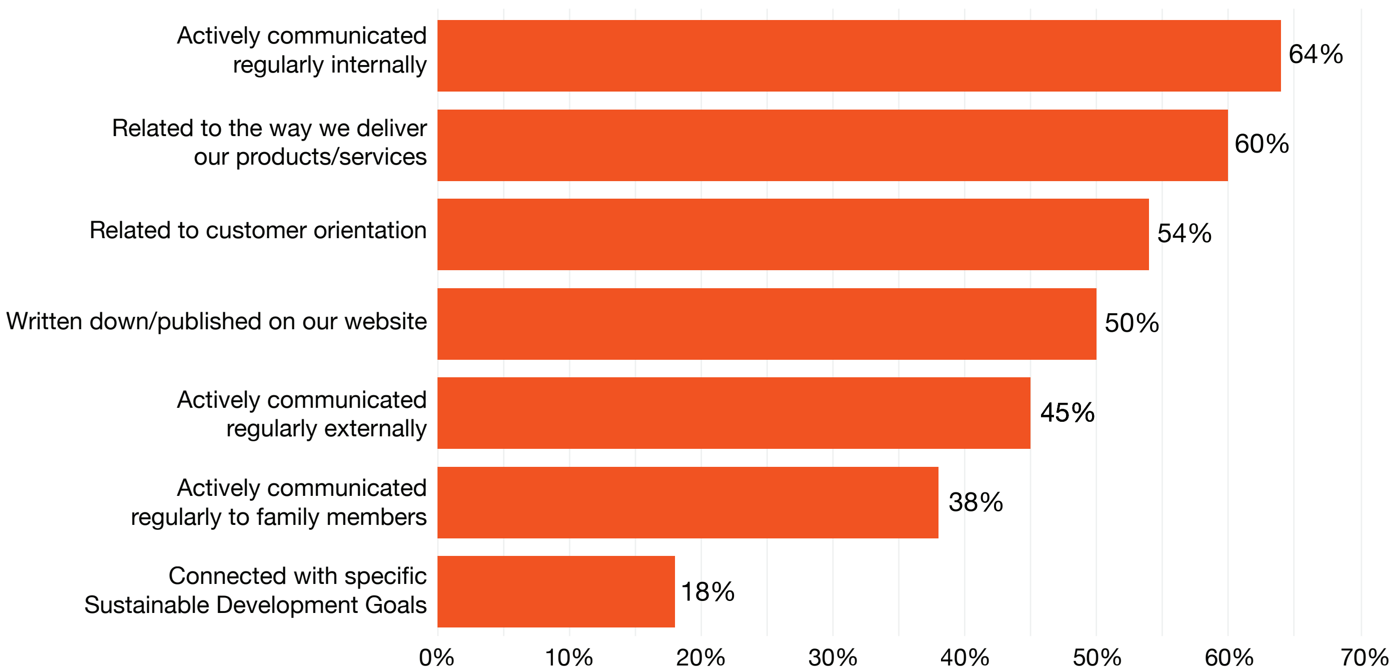
- **Scaling your purpose.** Clear and codified purpose is behind a range of capabilities that power growth.
- **Embracing your structural agility.** High-performing family businesses are leaning into centralised decision-making.
- **Putting your long-term capital to work.** In an era of macroeconomic uncertainty and geopolitical volatility, patient capital is proving to be a growth engine.
- **Protecting and activating your reputation.** For family businesses, reputation is both a legacy to protect and a lever to activate growth.

1. Scaling your purpose

We've long understood that company purpose can be a source of competitive advantage. Family businesses are steadily uniting around a clear, well-defined statement of their mission and values—80% of respondents can articulate theirs in a single sentence (up from 76% two years ago). 64% report that this purpose is actively communicated within the organisation. Moreover, 60% say it is directly linked to the products and services they deliver, a tangible driver of business strategy and customer value.

Family businesses deliver on their purpose

Q (asked of companies that have a clear purpose statement): Which of these statements are true of your company's purpose? (Please select all that apply)



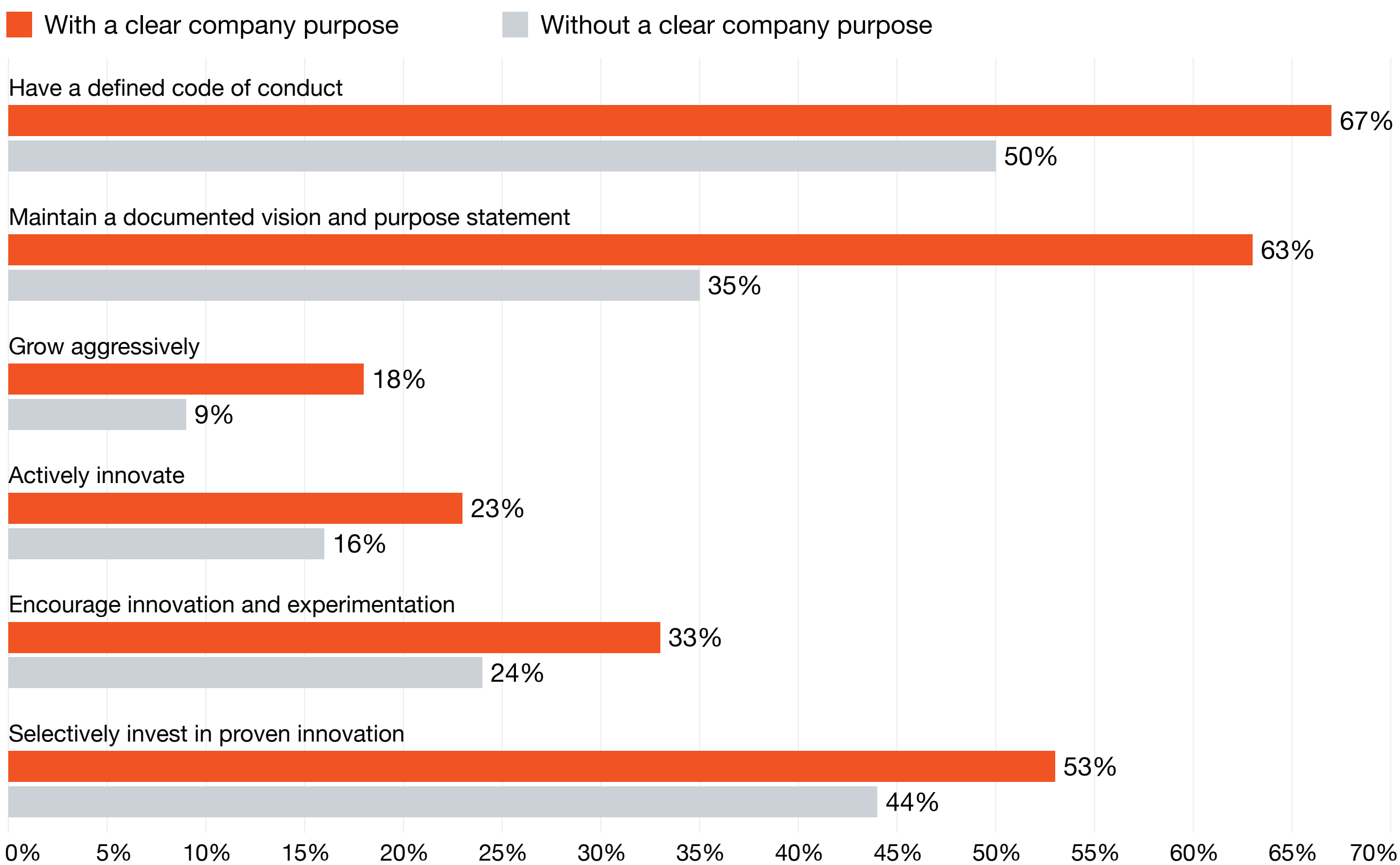
Source: PwC's Family Business Survey 2025

There's a powerful link between purpose and the core enablers of sustained performance in family businesses. Firms with a clearly articulated purpose are not only more anchored in strong values but also more attuned to innovation, long-term vision, and stakeholder trust.

These businesses are twice as likely to pursue aggressive growth (18% vs. 9%), and significantly more likely to prioritise innovation (23% vs. 16%) and long-term goals (35% vs. 26%). A third (33%) actively foster a culture of experimentation and innovation, compared to just 24% of the total sample. Purpose-driven family firms are also more likely to operate with codified principles: they are more likely to have a clear set of family values or a defined code of conduct, and to maintain a documented vision and purpose statement.

The purpose–performance connection

Companies with a clear purpose report a higher likelihood of pursuing actions that fuel sustainable performance.



Source: PwC's Family Business Survey 2025

> Family firms that articulate a shared purpose, embedded within both the ownership and the organisation, often exhibit sharper strategic focus. That purpose acts as a unifying vision, guiding decision-making and aligning stakeholders across generations. In such environments, performance is no longer measured solely by growth metrics or innovation outputs, but by the degree to which these achievements serve a broader mission. As uncertainty and market disruptions increase, having a strong sense of purpose will become even more important.

—Matt Allen, John L. Ward Clinical Professor of Family Enterprises, Kellogg School of Management, Northwestern University

Actionable idea: Codify and communicate purpose publicly. Embed it in both the customer experience and the employee value proposition. Although 83% of family businesses say they are guided by a clear set of family values, only 57% have clearly documented it. This disconnect represents a missed opportunity, especially in an era where transparency and authenticity are key drivers of brand equity and trust building.

In the family business cut of PwC's Global Workforce Hopes and Fears Survey 2024, two-thirds of family business employees believed in their organisation's long-term goals, and 80% said their work aligns with their values or beliefs. As family businesses typically have strong employee retention, the findings underline how a clear purpose strengthens commitment and impact across the organisation.

2. Embracing your structural agility

The myth: Family businesses are too cautious to adapt quickly.

The reality: High-performing family businesses are leaning into their agility. Far from being held back by tradition, these firms are leveraging structural advantages—such as private ownership, flat hierarchies, and concentrated decision-making power—to move quickly and decisively.

Academic research into family firms has often focused on how their long-term orientation and close-knit leadership can foster resilience and innovation, especially in times of crisis, when empowered by the right culture and governance. Boards play a critical role in enabling responsiveness by defining clear authority lines, fostering strategic foresight, and supporting rapid capital deployment. Yet, many family businesses remain underpowered in this area.

The most dynamic family businesses are responding in agile ways to shifting market demands. For example, the Liverpool-based Bibby Line Group, founded in 1807 by John Bibby, evolved across six generations from a sailing ship operator into a diversified business group, including financial services and infrastructure.

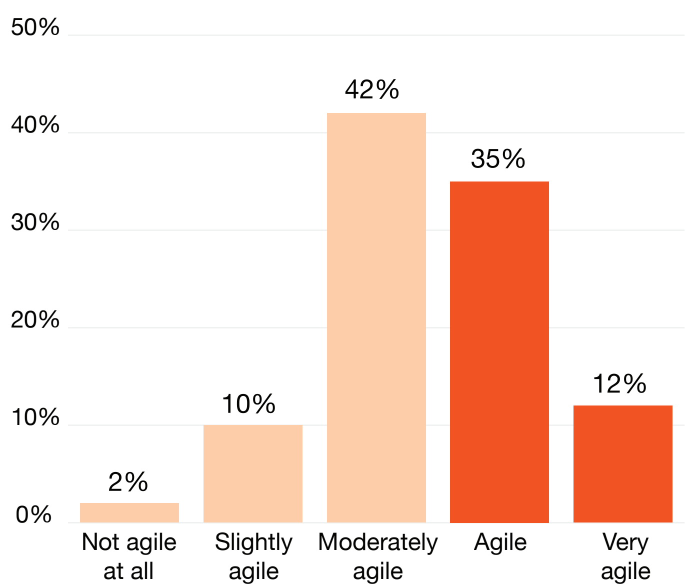
“We went from sail to steam to oil, and now we’re transitioning to electric propulsion systems and vessels to service offshore windfarms,” says Chairman Sir Michael Bibby, reflecting on the company’s constant reinvention. “You have to evolve. You won’t still be here in 40 years if you don’t. And that’s just one generation.”

According to Bibby, a central challenge for growing family firms lies in maintaining alignment between shareholders—family members with long-term stakes—and executives, who may not be incentivised to take entrepreneurial risks. This alignment is especially crucial to preserving agility, one of the defining strengths of early-stage and founder-led businesses.

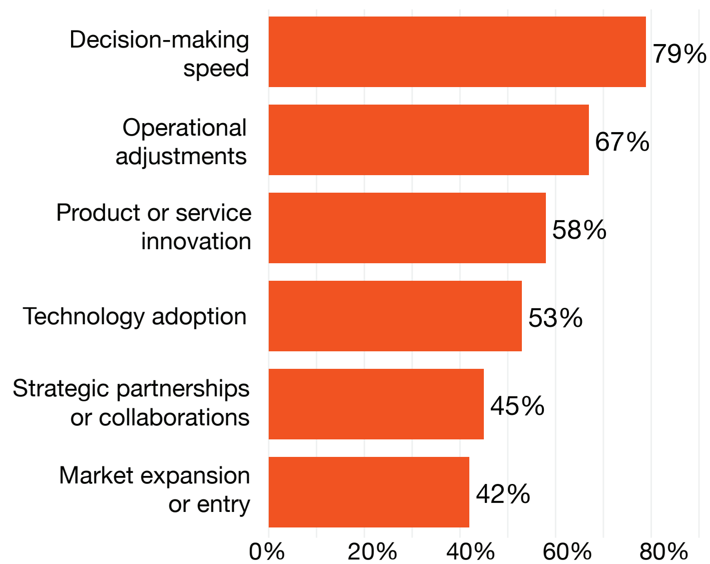
Operating with agility

Almost half of family businesses describe themselves as very agile or agile.

Q: How would you rate your company's agility in responding to market changes, customer demands, and operational challenges over the past year?



Q (asked of companies that chose "very agile" or "agile"): In what areas has this agility been most evident in your business?



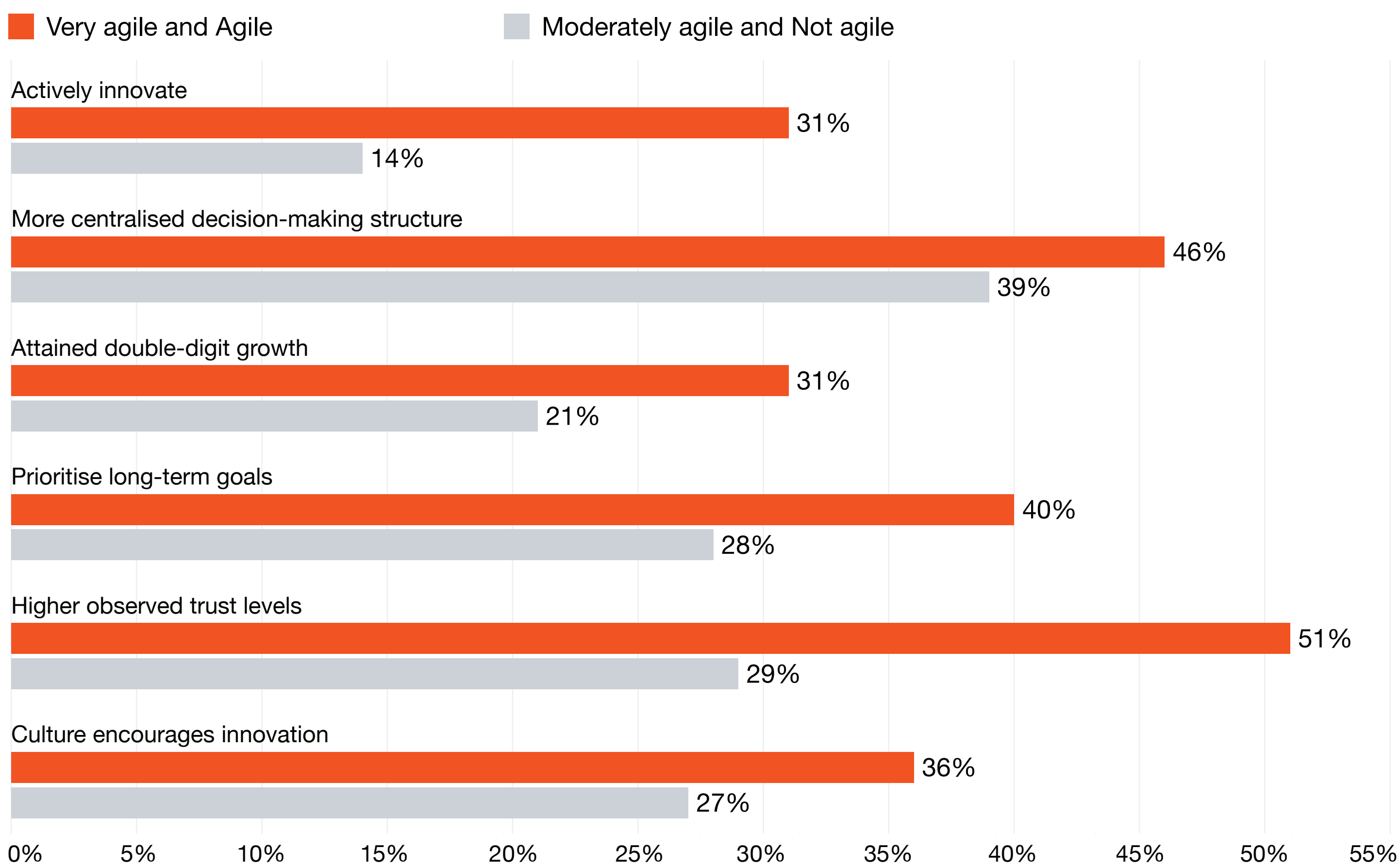
Source: PwC's Family Business Survey 2025

Those family firms reporting greater responsiveness to market shifts, customer demands, and operational challenges over the past year were significantly more likely to achieve strong commercial outcomes—31% recorded double-digit growth, compared to just 21% of the overall sample.

But the benefits extend beyond revenue. Agile firms tend to operate with more centralised decision-making structures (46% vs. 39%)—a key factor that supports faster, more coordinated responses across the business. They are also more likely to prioritise long-term objectives (40% vs. 28%) and to actively pursue innovation (31% vs. 14%). Notably, 51% have higher observed stakeholder trust levels, versus 29% of less agile firms.

The agility–performance connection

Agile companies outperform in several strategic areas.



Source: PwC's Family Business Survey 2025

Actionable idea: Reimagine your board's composition to include generational, gender, and experiential diversity to align with future growth aspirations. Agility is enabled through strong governance: defined decision-making, scenario planning, and flexible capital deployment.
But only 9% of family businesses have diverse boards, and only 30% have a family constitution, two major levers for agility. Build agility through intentional governance.

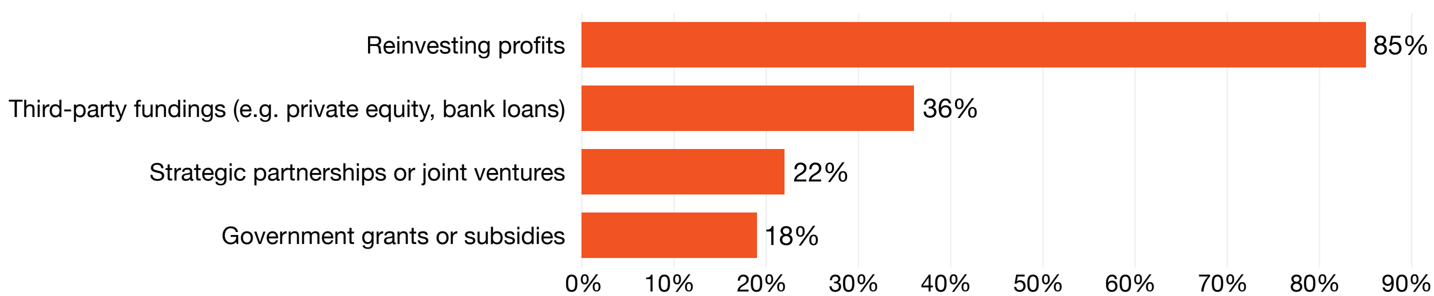
According to Professor Matt Allen, structural agility is not a naturally occurring benefit for every family business. "To capitalise on agility-related benefits, family businesses should focus on developing strong leadership that recognises and is able to exploit structural benefits. This ability is most important during leadership transitions. It is essential that families focus on preparing leaders who can think and act strategically, not just maintain what was accomplished by their predecessors."

3. Putting your long-term capital to work

Family businesses have traditionally been defined by long-term, patient investment and a commitment to long-term value creation. When asked how they balance near-term results with long-term goals, three-quarters of family businesses favour either a long-term or balanced view. Just one in four takes a short-term approach. Similarly, 85% of firms reinvest profits to fund innovation, relying on internal capital over external financing and signalling a clear preference for sustainability over speed.

Investing for long-term value

Q: How do you fund innovation in your business?



Note: Excluding "Other" responses
Source: PwC's Family Business Survey 2025

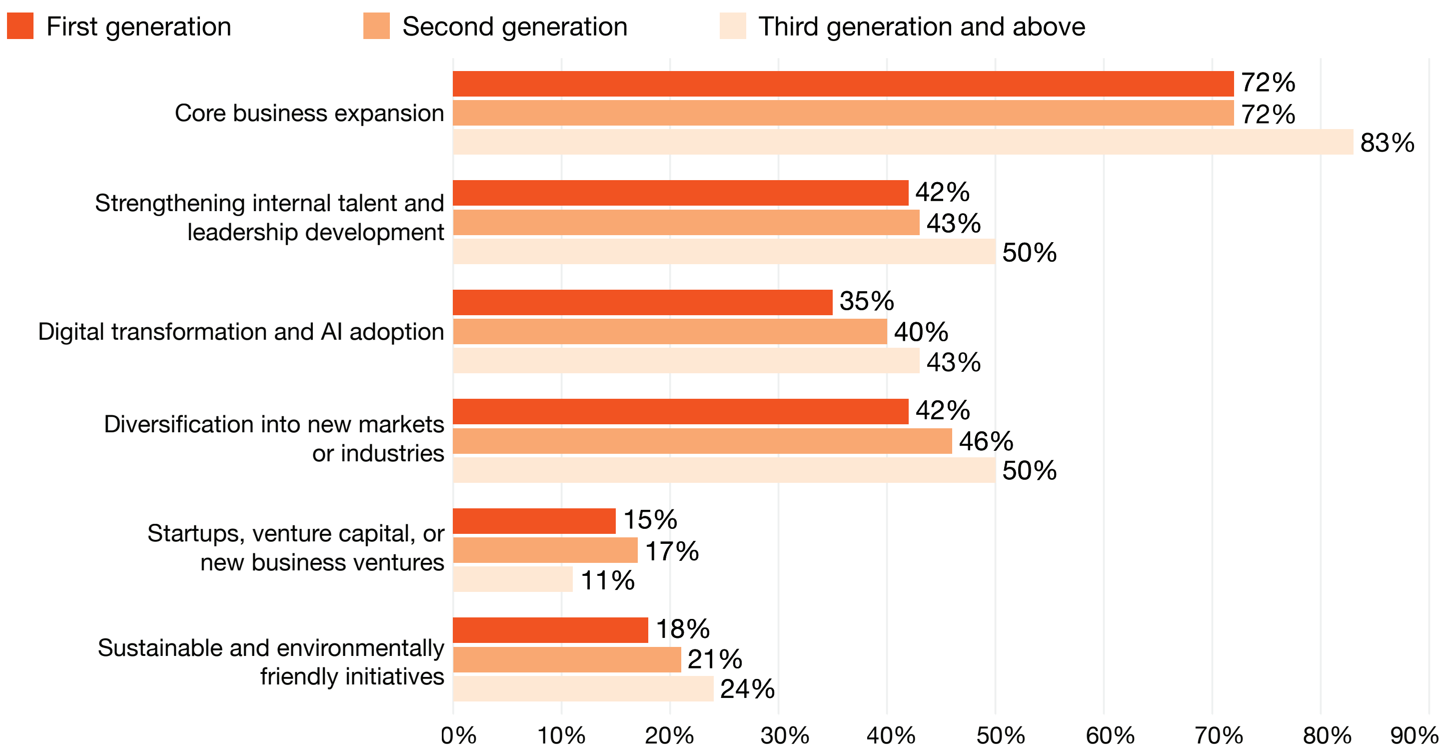
In interviews, family business leaders explained how a more patient investment thesis can be a source of competitive advantage. One second-generation multinational secured exclusive franchise rights in Saudi Arabia for a major US convenience store chain. This marks a bold investment into a nascent yet rapidly evolving retail sector, but one that may be off the table for listed companies driven by short-term returns.

“We knew the sector was modernising, but that it would be challenging to enter and require a long-term investment,” says Dr Ghassan Alsulaiman, Founder and Chairman of the Jeddah-based Alsulaiman Group. “But we are looking beyond what can be accomplished in the next few years. We are looking at investments that can carry the family business through several generations.”

The highest growing family businesses (those reporting double-digit growth over the last financial year), show only slight differences in growth priorities. However, generational maturity strongly shapes investment behaviour, with later-generation firms favouring core expansion, leadership development, and digital transformation. Younger-generation family businesses lean towards startups.

Long-term investment priorities

Q: Where is your family business currently prioritising investment for long-term growth? (Select all that apply)



Source: PwC's Family Business Survey 2025

Several dimensions stood out in our analysis about how these long-term-oriented businesses consistently outperform their short-term-oriented peers. They're more likely to achieve single-digit growth (33% vs. 21%), a sign of stable and sustainable performance. They're also more focused on strengthening their core operations (78% vs. 67%) and significantly more inclined to adopt new technologies (21% vs. 12%).

One interesting dimension is the role of family offices, which manage a family's financial affairs across generations. While family offices have long focused on wealth preservation, anecdotal evidence suggests they can also play a role in business growth. With flexible capital and a long-term outlook, they allow family firms to back early-stage ventures, explore adjacent markets, and test emerging technologies, without burdening the core business. This separation creates space for experimentation, with successful ideas often feeding back into the operating company.

Long bets, early wins

Long-horizon strategies appear to be delivering results in the near term, particularly in emerging technology and sustainability. Take GenAI: although around one-third of CEOs from non-family businesses report increased revenue (29%) and profitability (32%) from the technology, the returns among public family businesses are markedly stronger. According to family business data in PwC's 28th Annual CEO Survey, nearly half (46%) of these firms report that GenAI has boosted both revenue and profitability.

The same pattern holds true for climate investments. Publicly listed family businesses are nearly twice as likely to deploy patient capital into climate-friendly initiatives. And this commitment is paying off: 46% of public family firms say their sustainability investments over the past five years have directly increased revenue, compared to just 32% of private companies and a third of company CEOs overall.

Actionable idea: Distinguish yourself through a long-term investment strategy. Moves made by SRF Ltd, a diversified chemicals conglomerate in its second generation of family ownership, exemplify the ability to take calculated risks and invest with a focus on long-term returns.

In the early 2000s, guided by the founder's vision, the company, which is based in Gurugram, India, made a significant R&D investment in a specialty chemicals business, despite the company facing early financial challenges and years of unprofitability. "Today, it's our biggest business," says Managing Director Ashish Bharat Ram. "It was a journey of 15 years. It was risk-taking. But this is where family businesses can truly make a difference, taking on long-term risk that others cannot."

In the founder generation, this approach is often instinctive, driven by vision and conviction. As ownership passes to the second and third generations, however, the dynamics can change. Shared family capital creates opportunity and tension, as owners weigh reinvestment in the core business against diversification. When the family is no longer involved in daily operations, every investment decision demands a careful balance.

At this stage, governance becomes critical. Clear covenants and decision-making frameworks help align the ownership group with the business's long-term objectives. Education also plays a vital role: families that build capability around ownership, governance, and shareholder expectations are better equipped to manage these tensions and sustain alignment across generations.

4. Protecting and activating your reputation

For family businesses, reputation is both an asset to protect and a lever to activate. In our survey, safeguarding the business (78%) and preserving the family's legacy (77%) rank as the top long-term goals for family business leaders—well ahead of generating dividends (68%) or providing employment for family members (27%).

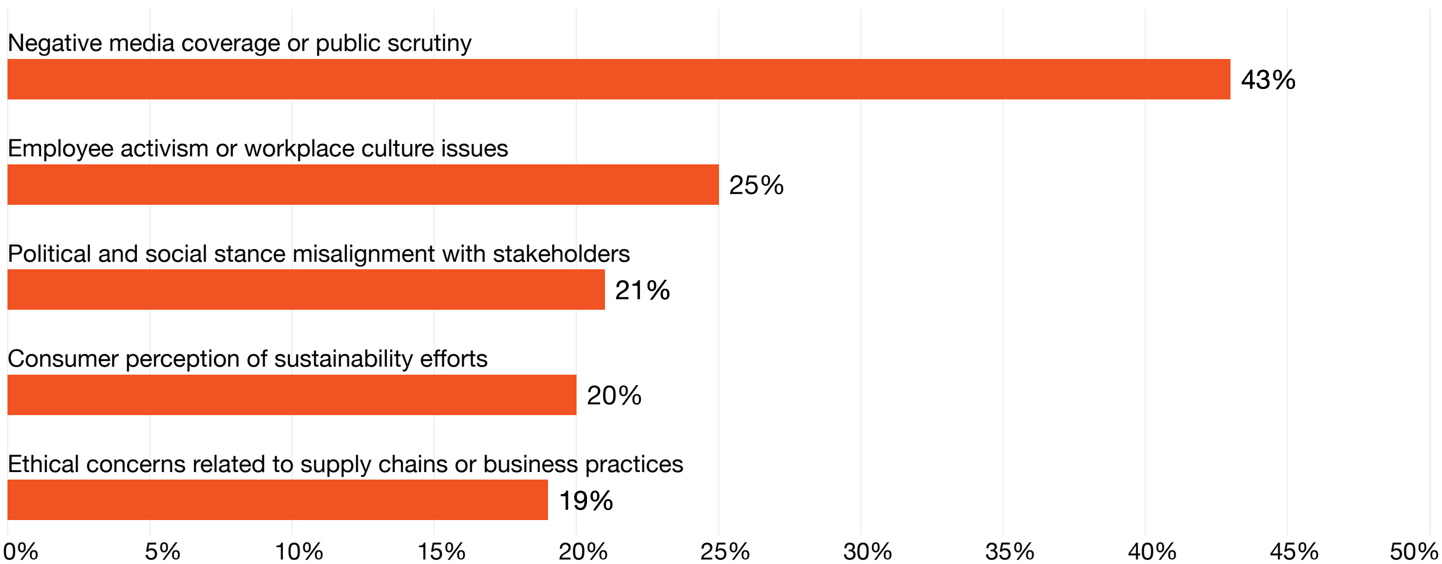
Reputation—the public perception of a company derived from its past behaviour, including its products, services, values, and treatment of stakeholders—is positively correlated with business growth, though the pattern skews toward stability rather than rapid expansion. Firms that rate reputation as "very important" are significantly more likely to report any growth (59% vs. 47% among those neutral or less focused on it). However, this growth is more likely to be single digit (33% vs. 21%), pointing to a conservative approach rooted in risk management and continuity.

Reputation-minded firms also exhibit stronger capabilities linked to long-term performance, including clearer articulation of purpose, stronger values communication, and more formal governance structures. Reputation is not only more highly valued in older-generation firms, but also more systematically embedded. As family businesses mature, they are significantly more likely to reinforce reputation through purpose-led strategies and institutional policies, and these can reap rewards both internally and externally. "Family branding and reputation help attract good people into your organisation," says Sir Michael Bibby. "They can also attract good customers and clients, and help foster those relationships over the long term."

At the same time, family business leaders are focused on the potential of reputational risks—including media criticism, misperceptions about privilege, or opaque governance—to limit the strategic agility required for growth. Many leaders acknowledge heightened exposure in a high-media-scrutiny environment. And those firms with more acute reputational vulnerabilities tend to be less agile, more financially constrained, and more reactive in times of crisis.

Negative attention is the greatest risk to reputation

Q: Which of the following factors pose the greatest risk to your business's reputation? (Select up to two)



Note: Excluding "Other" responses
Source: PwC's Family Business Survey 2025

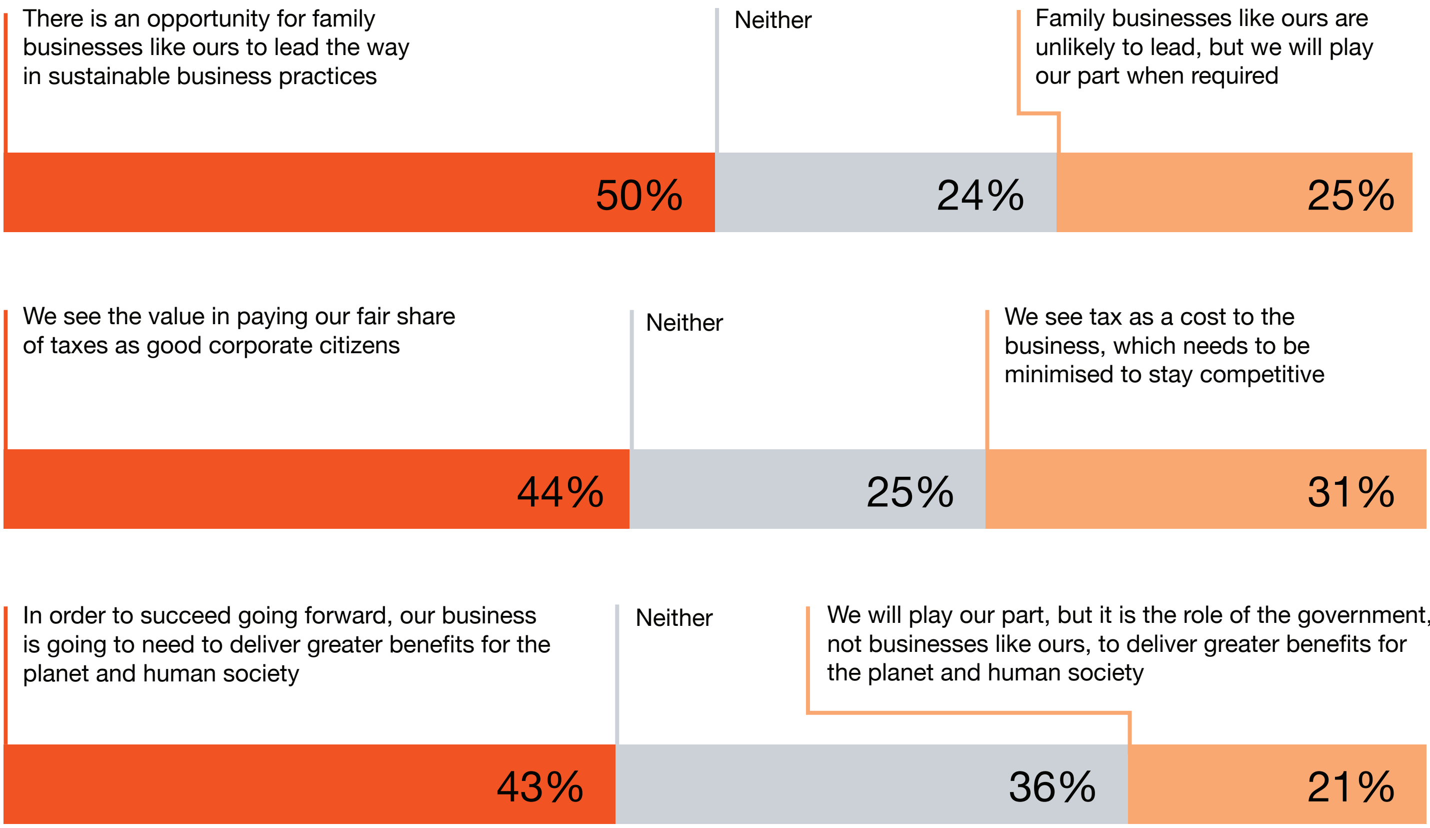
The trust factor

Trust compounds reputational challenges. Once an inherited advantage, trust is becoming a competitive battleground, especially in high-stakes ecosystem partnerships and the expectations of stakeholders. More than two-thirds (74%) of family business leaders say their organisations are more trusted than non-family businesses—a view aligned with how these firms have traditionally been perceived by customers, employees, and communities. However, the Edelman Trust Barometer, an annual survey that measures trust across business, government, media, and NGOs, shows this trust gap is shrinking—from 16 points in 2015 to just 8 in 2025. This trend suggests trust is no longer a given, but something to be actively earned.

Trust Barometer data shows consumers often have different expectations for corporate social responsibility from publicly held businesses compared to privately held and family-owned enterprises. Family businesses are expected to invest in their communities. Yet half or fewer of our survey respondents see an opportunity to lead as corporate citizens or to contribute actively to people and the planet. Silence, in this context, is risky. As stakeholder expectations evolve, the absence of clear, purpose-driven communication creates space for doubt and disengagement.

The role of the family business

Q: Which of the statements below best describes the way you feel about the role of your family business today?



Source: PwC's Family Business Survey 2025

Actionable idea: Share messages about your role in local communities. The DNA of family businesses is deeply intertwined with their local roots. Even for successful multinational family enterprises that are now in their third or fourth generation, maintaining a strong local presence could be a source of competitive advantage, as well as a counterweight to rising scepticism of businesses.

For some, this involves a mindset shift, according to Richard Edelman, CEO of the global communications firm Edelman: "Instead of being multinational, you've got to be multi-local, especially since trust is now hyper-local and built through work relationships and information sources that are close to home or relatable to the intended audience."

What does this look like in practice? "Start by emphasising your local sourcing and integrating local products into the supply chain," says Edelman. "This also means building brands that resonate locally, investing in country-specific innovation, training and elevating local talent, and engaging with communities through relevant conversations and partnerships with trusted local institutions.
By rooting operations, talent development, and communications in the local context, a company can foster deeper trust."

Edelman recommends a range of other considerations, including mastery of the fast-paced media landscape, particularly social media, by equipping employees with a deep understanding of your company's story and values and empowering them to be credible communicators. In addition, consider integrating younger family members into the business more directly to benefit from their insights into modern media and consumer trends to ensure the brand remains vibrant and relevant in its messaging.

PwC's 2025 Family Business Survey highlights a pivotal moment for family enterprises worldwide. In a landscape shaped by economic turbulence, rapid technological disruption, and shifting stakeholder demands, some family businesses are setting themselves apart by combining traditional resilience with bold evolution. Our key findings include:

- **Purpose as a differentiator:** Companies that define and embed a clear purpose into strategy consistently outperform those without it. Purpose acts as both a unifying vision and a competitive edge.
- **Agility through structure:** Private ownership and streamlined governance allow many family firms to adapt faster to changing consumer and technological demands. This agility proves especially vital during periods of disruption.
- **Long-term investment advantage:** Family businesses benefit from long-term capital, giving them the flexibility to invest in both adjacent and non-adjacent sectors. A patient, generational view can realise growth over extended time horizons, unconstrained by short-term market pressures.
- **Reputation as both shield and lever:** Trusted reputations protect firms in volatile markets, but must be actively managed in an evolving media landscape. Reputation, when harnessed, can deepen community trust and unlock growth.

The long-term resilience of family businesses will increasingly depend on combining timeless strengths—purpose, patient capital, reputation—with innovative strategies around agility and governance. Those who embrace this shift are not only safeguarding their legacy but expanding their global economic influence.

About the survey

PwC's Global Family Business Survey 2025 is an international market survey of family businesses. The goal of the survey is to gain an understanding of how family business leaders perceive their companies and the business environment. The survey was conducted online in collaboration with the John L. Ward Center for Family Enterprises at Northwestern University on behalf of its Kellogg School of Management. The survey conducted 1,325 online interviews in 62 territories between 1 April and 17 June 2025. Respondents comprised businesses ranging from under US$10 million in revenues (18%) to multibillion-dollar enterprises (9%). Over half (54%) report annual revenues of more than US$51 million (with 41% of more than US$101 million). Manufacturing accounts for 34% of the businesses surveyed, 29% are in consumer goods, and the rest come from financial services, technology, and healthcare, among other industries.

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https://www.pwc.com/gx/en/issues/business-model-reinvention/family-business-survey.html

Contacts:

Francesca Ambrosini
Family Business Client Programs, PwC United Kingdom

Jonathan Flack
Global and US Family Business and Family Office Leader, PwC United States