



**US Family Business Survey 2025**

# **Navigating slower growth amid opportunity and change**



# Key stats to know

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70%

70% of US family businesses have documented family visions and purpose statements (vs. 57% globally).

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65%

see AI and generative AI as growth opportunities (vs. 61% globally).

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44%

Succession planning has impacted 44% of US family firms in the past year (vs. 34% globally).

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52%

of US family businesses achieved single- to double-digit sales growth in the last financial year (vs. 57% globally).



## **Family businesses continue to be a vital part of the US economy, combining long-standing heritage with a forward-focused mindset.**

Yet, PwC's 2025 Family Business Survey reveals a marked slowdown in growth for US family firms compared to recent years and global peers. This signals a shift from rapid expansion to emphasizing operational resilience, governance evolution, and sustainable value creation amid ongoing economic volatility.

Against this backdrop, family businesses are recalibrating priorities—reinforcing core operations, protecting margins, and evolving governance to weather economic headwinds while preserving their legacy. PwC's Family Business Survey 2025 delves into these trends, offering in-depth insights and practical guidance from specialists across leadership, innovation, and governance. Explore how family enterprises can adapt, compete, and thrive amid today's complexities, ensuring continuity for generations to come.



# Slowing growth amid economic headwinds

In 2023, 81% of US family businesses reported sales growth. By 2025, that figure fell to 52%. A smaller proportion—17%—achieved double-digit growth compared to 25% globally. This suggests a noticeable moderation in top-line momentum.

**Key takeaways:** US family businesses face broad macroeconomic pressures—from inflation to geopolitical risks—that have shifted their focus toward protecting margins and reinforcing core operations rather than aggressive growth. Market expansion remains a key priority domestically, reflecting a more focused approach, whereas global family firms tilt more toward strategic partnerships and collaborative ecosystems.

# Purpose and values—Clear, but communication gaps persist

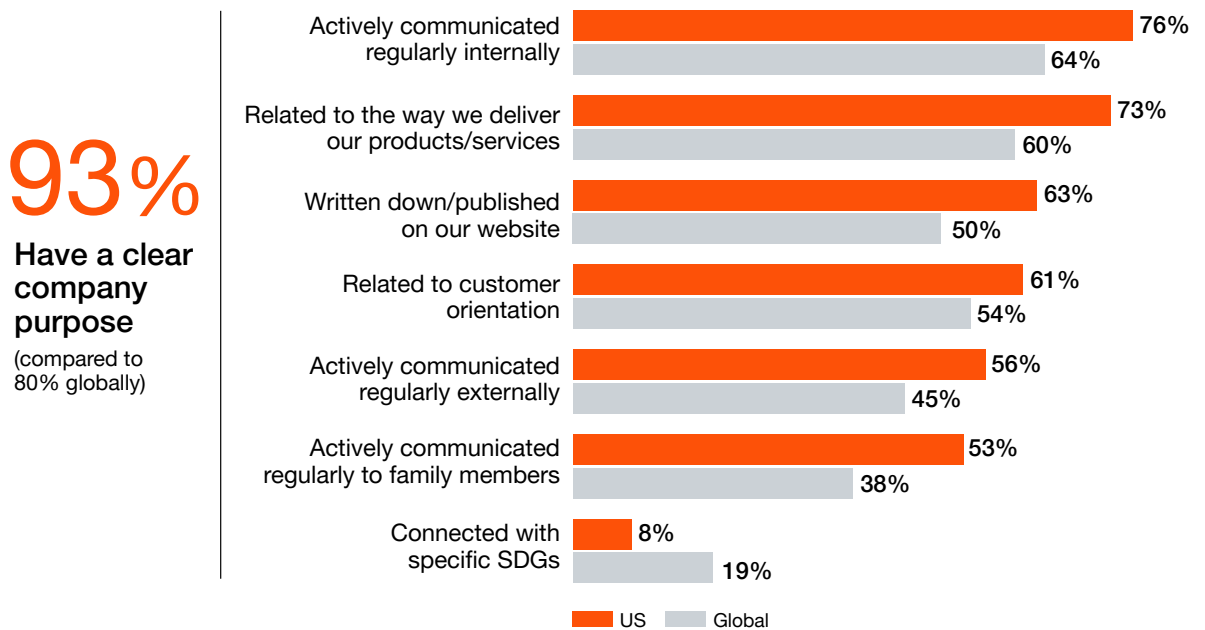
Nearly all (93%) US family businesses have a clear company purpose compared to 80% of global family businesses. For many, this purpose is tightly linked to how products or services are delivered and creates alignment across internal operations and customer value.

However, only 76% regularly communicate this purpose internally, and communication drops further when it comes to sharing within the family (53%) on their website (63%). Similarly, while 90% agree the family that owns the business has a clear family value set, just 72% say these values set clear expectations for family members. Over two-thirds (69%) of US family firms say they have a defined code of conduct, showing strong formalization but also opportunities to better translate values into actionable guidance.

**Key takeaways:** To strengthen the communication and embedding of purpose and values, family businesses should establish regular channels—such as family meetings, newsletters, and internal platforms—to share these core principles consistently with all family members and employees. Documenting a clear family values charter and code of conduct will formalize expectations and guide behavior across generations. It's also important to integrate the company purpose and values into daily decision-making, performance reviews, and strategic planning to ensure they actively influence actions throughout the organization.

Families should also increase transparency by publicly sharing their purpose and values on websites and marketing materials, building trust with customers and partners. Encouraging cross-generational understanding through mentoring or storytelling can help younger family members connect with the business’s legacy. Finally, embedding purpose-driven messaging into recruitment, onboarding, and employee engagement reinforces alignment and commitment, enhancing both employee retention and brand equity.

### Family businesses actively communicate a clear purpose



Qs: Do you have a clear company purpose i.e., one that you could sum up or articulate in one sentence? Which of these statements are true of your company’s purpose? (Select all that apply.)

Base: US 81, Global 1,325

Source: PwC’s 2025 Family Business Survey

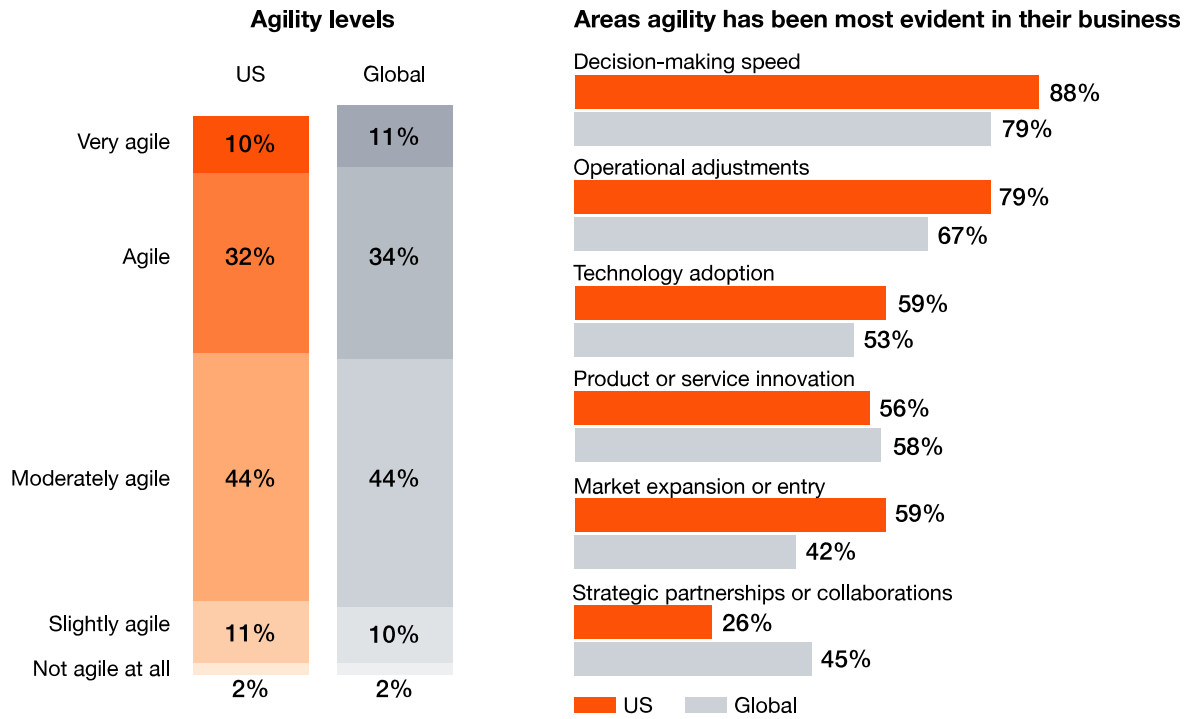
# Agility—Strength in decision speed, gaps in collaboration

Among the 42% of US family businesses that describe themselves as agile, many say that agility is most evident in fast internal decision-making (88%) and operational adjustments (79%). However, only 26% of US firms point to strategic partnerships and collaborations as an area demonstrating agility compared with 45% globally.

This reflects a US emphasis on growing through internal market expansion—both domestic and foreign—over collaborative growth. Among less agile firms, 82% cite organizational, decision-making, and leadership alignment challenges as primary barriers, significantly above the global 54%.

**Key takeaways:** To enhance agility, US family businesses should optimize **governance** and decision rights, align leadership, and explore whether ecosystem partnerships to extend responsiveness beyond their own organizations.

## Nearly half of family businesses are agile in decisions and change



Q: On a scale of 1 to 5, how would you rate your company's agility in responding to market changes, customer demands, and operational challenges over the past year? (Select one.)

Q: In what areas has this agility been most evident in your business? (Select all that apply.) Note: Areas of agility shown among those who rated their company a 4 or 5 from a previous question.

Base: US 81, Global 1,325, US agile business 34, Global agile business 592

Source: PwC's 2025 Family Business Survey

# Marketplace pressures shape strategy

US family say that competition in their market is intense (90%). Economic volatility—including inflation and supply chain challenges—impacted 69% of respondents, followed by geopolitical risks (47%) in the past year. This reinforces the reality that global instability is influencing local decision-making. In this environment, capital allocation and growth planning are occurring against a backdrop of sustained uncertainty, not short-term disruption. Consumer expectations, labor shortages, and technological changes (including AI) also influence strategy and investments.

Nearly one in five (19%) US family businesses report that tax challenges have impacted their business in the past year, with recent changes under the ‘One Big Beautiful Bill Act’ (OBBBA) presenting both challenges and opportunities for financial agility through strategic planning around capital investments, ownership structures, and cash flow.

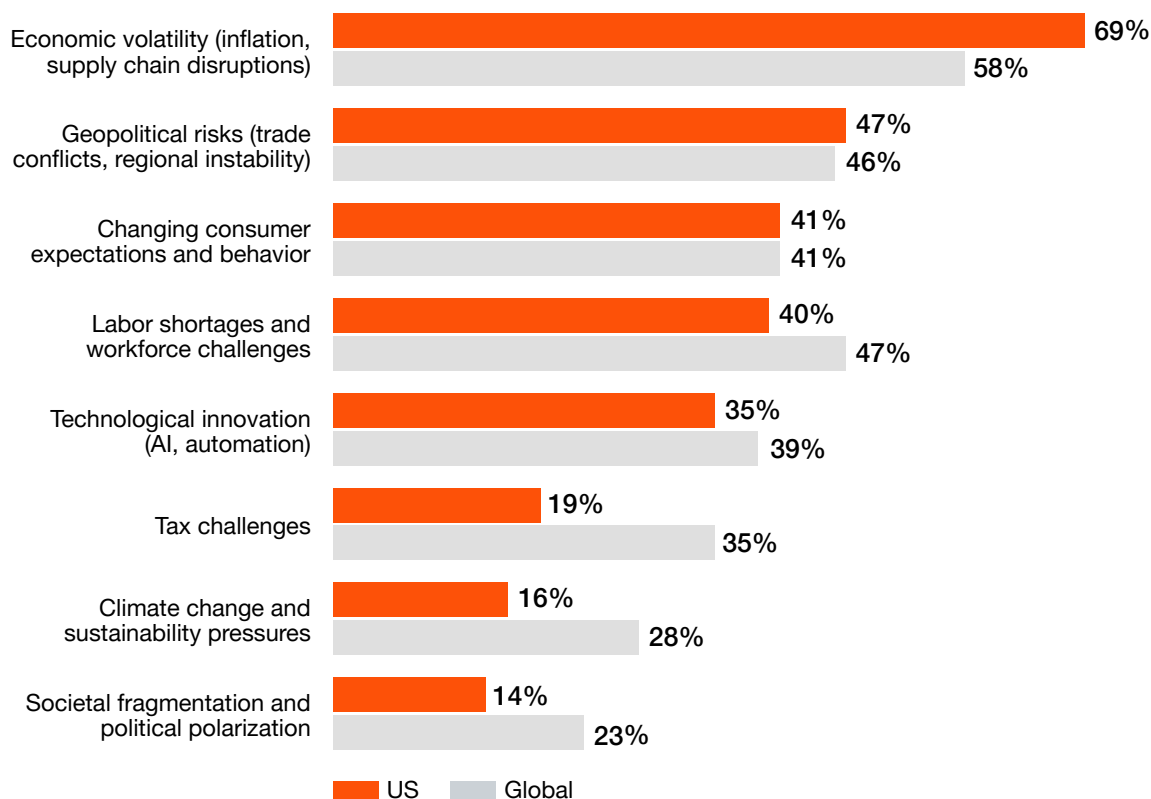
The prioritization reflects where leaders feel the pressure most acutely. Near-term economic and operational risks are dominating attention, even as longer-term structural shifts continue to build. Tax policy is one area where near-term complexity and long-term planning intersect.

**Key takeaways:** PwC’s experience suggests that family businesses often take a careful, dual approach to megatrends—actively anticipating risks like geopolitical developments but adopting more reactive or waiting strategies around labor and technology disruptions. In a climate of sustained volatility, leaders who embed resilience into everyday decision-making, capital allocation, and workforce planning will be better positioned to deliver consistent results over time.

At the same time, with tax policy evolving across multiple jurisdictions, addressing **tax complexity** remains a key consideration for family businesses. This environment underscores the importance of reassessing structures, enhancing reporting processes, and building flexibility into tax strategies to help protect liquidity and support long-term growth.

## US family businesses navigating economic volatility and geopolitical risks among other megatrends

### Most impactful global megatrend on family business in the past year



Q11. How significantly have the following global megatrends impacted your family business in the past year?  
 Base: US 81, Global 1,325  
 Source: PwC's 2025 Family Business Survey



# Digital transformation and AI offer growth—but with adoption gaps

Digital transformation, automation, and AI stand out as the top growth drivers. Roughly two-thirds of US respondents see digital transformation and automation (68%) and AI or generative AI (65%) as opportunities for growth. However, 28% of firms take a cautious approach to emerging technologies like AI, either following a wait-and-see strategy or don't prioritize new technology investments. Many are exploring AI to make sure they're positioned to take advantage of opportunities as risks become clarified. This dynamic reflects a broader tension; ambition around AI is high, but confidence and readiness vary.

At the same time, family businesses continue to identify significant macro and operational risks. Economic conditions remain the greatest concern, with 57% citing inflation and recession as key risks. Nearly half of respondents also point to supply chain and operational cost pressures, as well as workforce and talent availability challenges.

These risk areas increasingly intersect with digital transformation and AI, as organizations look to technology-enabled forecasting, automation, and data-driven decision-making to improve resilience, operational efficiency, and responsiveness in a more volatile environment. In practice, digital transformation is not separate from risk management—it is increasingly seen as a means to handle ongoing economic uncertainty.

**Key takeaways:** Most firms remain in exploration or pilot stages rather than full-scale adoption. Barriers include limited technology investment, data infrastructure and governance challenges, and leadership constraints—especially where next-generation family members face resistance.

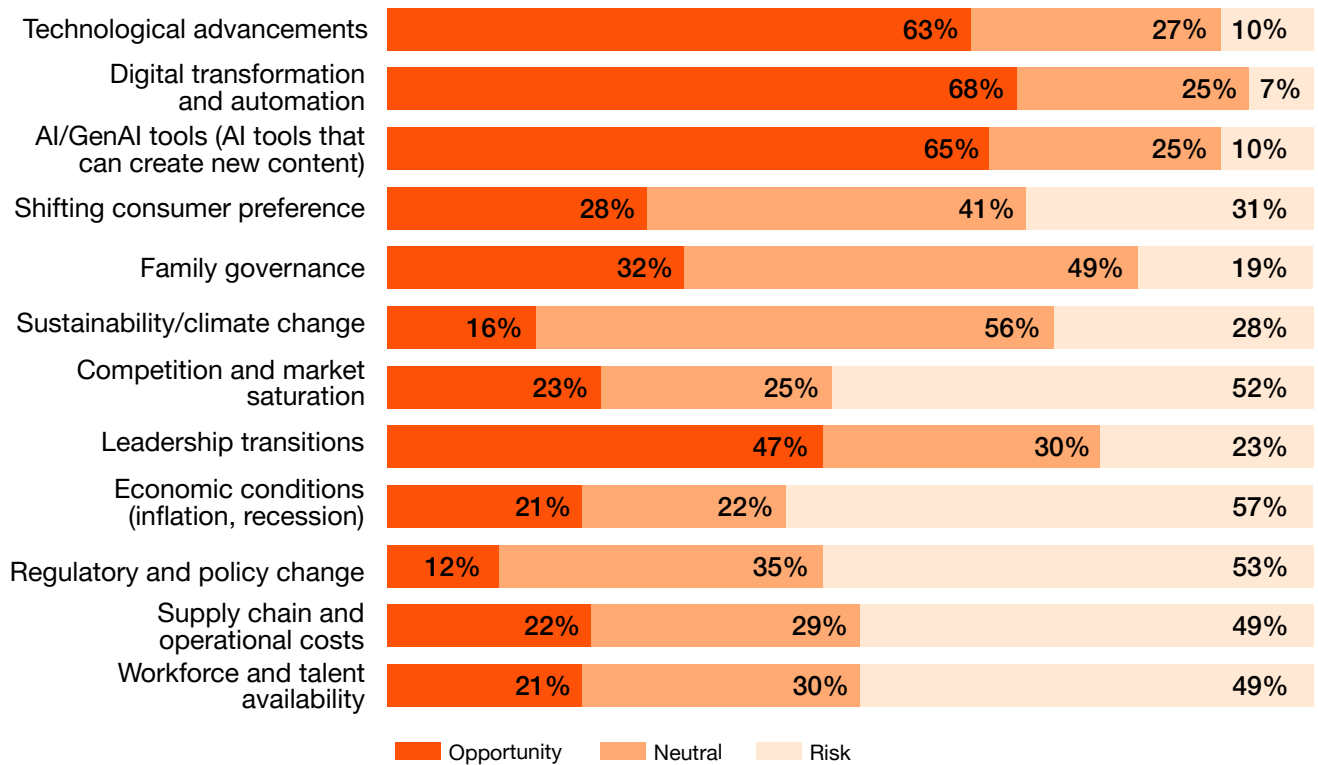
**Scaling AI** from experimentation to enterprise-wide integration demands leadership commitment, data readiness, and change management to improve operational efficiency and navigate economic uncertainty effectively. These technologies are viewed as potential enablers of competitive advantage, operational efficiency, and innovation. Yet recognition of opportunity does not necessarily translate into scaled adoption.

When implemented at scale, digital transformation and AI in family firms can enhance decision-making, improve operational efficiency, and help organizations better manage economic uncertainty, supply chain complexity, and workforce constraints.

Organizations that delay adoption risk weakening competitive positioning, limiting their ability to respond to evolving market pressures, and complicating talent attraction and retention as technology-enabled workplaces become an expectation.

## Digital transformations and GenAI seen as biggest growth opportunities for family businesses

### Areas of opportunities and risk for family businesses



Q15. For each of the following factors, indicate whether you see it primarily as a risk to minimize or an opportunity for growth in your family business.

Base: US 81, Global 1,325

Source: PwC's 2025 Family Business Survey

# Governance and leadership alignment— The backbone of continuity and agility

Ownership and decision-making structures are mostly centralized—with 48% highly centralized and 40% somewhat centralized. Such concentration supports quick decisions but heightens the need for leadership alignment.

Governance tools—family councils, codes of conduct, shareholder agreements—are widely used, but effectiveness hinges on practical application, especially during leadership transitions and innovation adoption. Embedding non-family perspectives via independent board members emerges as a best practice for objectivity.

**Key takeaways:** Strong governance and clear decision-making structures are the backbone of organizational agility, helping organizations overcome complex decision-making and complex family dynamics. The long-term orientation and patient capital of family firms can impact rapid change, but when governance mechanisms are well developed and aligned with an entrepreneurial mindset rooted in the family's legacy, agility improves substantially.

Family businesses that clarify authority, streamline decision processes, and align leadership priorities are better positioned to respond quickly without compromising continuity. This balance between legacy and adaptability is increasingly important as competitive pressures intensify.

# Succession and talent—Preparing for leadership continuity and innovation

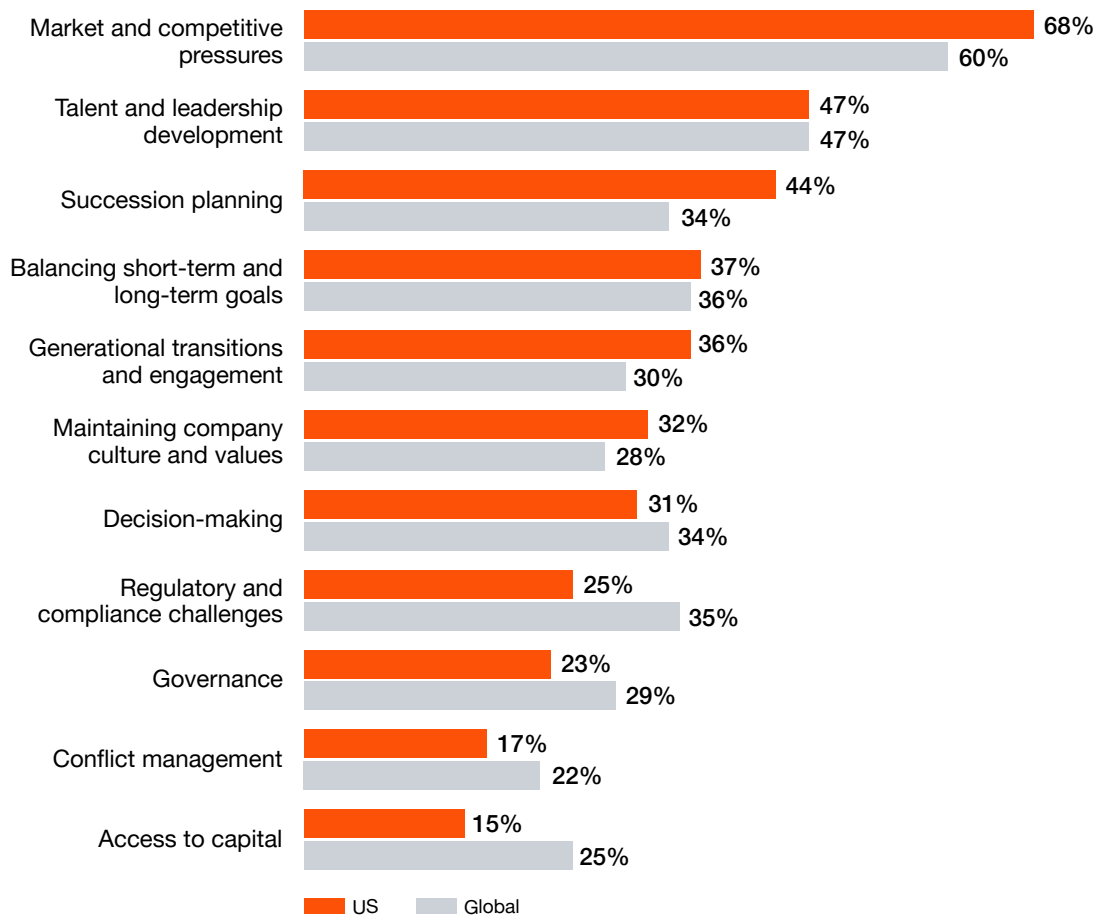
Succession planning remains a top concern, with 44% of US family firms citing impacts on their business in the past year. Similar trends exist globally, with 34% flagging succession issues. Talent and leadership development affect 47% of US and global respondents. Together, these findings suggest that leadership continuity—not just ownership transfer—is emerging as a central strategic priority, particularly as businesses face sustained volatility and competitive pressure.

Balancing long-term legacy goals with short-term business imperatives is another challenge. 42% of firms prioritize long-term objectives explicitly, while 43% seek to balance long- and short-term goals equally. This tension mirrors earlier findings on agility, that decisive leadership is valued, yet aligning next-generation vision with current operational demands can slow momentum if roles and decision rights are unclear.

**Key takeaways:** Effective succession in family businesses goes beyond simply preparing the next generation of family members. It involves establishing robust succession plans that prioritize leadership capabilities and organizational needs—regardless of whether the successor is a family member or an external executive. A clear understanding of the distinct roles of leadership, governance, and ownership is essential to ensure smooth transitions and sustained success.

While many next-generation leaders bring fresh perspectives and drive innovation, including digital transformation and AI adoption, the ultimate goal is to appoint the right individuals who can balance respect for the family's heritage with strategic vision. Clear authority, accountability, early transparent communication, and the engagement of non-family executives when appropriate are critical elements in building effective, future-proof leadership structures.

### Competitive pressures, talent development, and succession planning challenge US family businesses



Q: Which of the following challenges have impacted you in the past year? (Response of '4' and '5-Significant impact'.)  
 Base: US 81, Global 1,325  
 Source: PwC's 2025 Family Business Survey

# Mergers, acquisitions, and partnerships— Accelerating strategic priorities

Private companies face heightened pressure to improve operations, boost efficiency, and create long-term value amid lean teams and elevated owner expectations. US family businesses prioritize core business expansion (86%) and diversification (57%) as investment areas for long-term growth. Strengthening internal talent (64%) and investing in digital transformation also feature prominently. Digital transformation and AI adoption remain important, with about one-third focusing investments there—investing in the right systems and tools to more effectively measure performance and track outcomes. Over the next five years, nearly all family businesses stress enhancing financial performance and profitability, diversification, advancing governance and succession planning, and establishing long-term resilience.

This strategic focus aligns with a robust M&A market fueled by a surge in AI-driven and private equity-backed deals. The strong M&A market—with record \$1.6 trillion global **deal value** and 20% of megadeals AI-themed—offers private companies effective paths to quick growth, access to technology, and talent. Smart partnerships balance innovation with preserving long-term family legacy and control.

**Key takeaways:** Private companies and family businesses seeking to accelerate growth should prioritize core business expansion, diversification opportunities, talent development, and technology adoption, as these remain top investment areas.

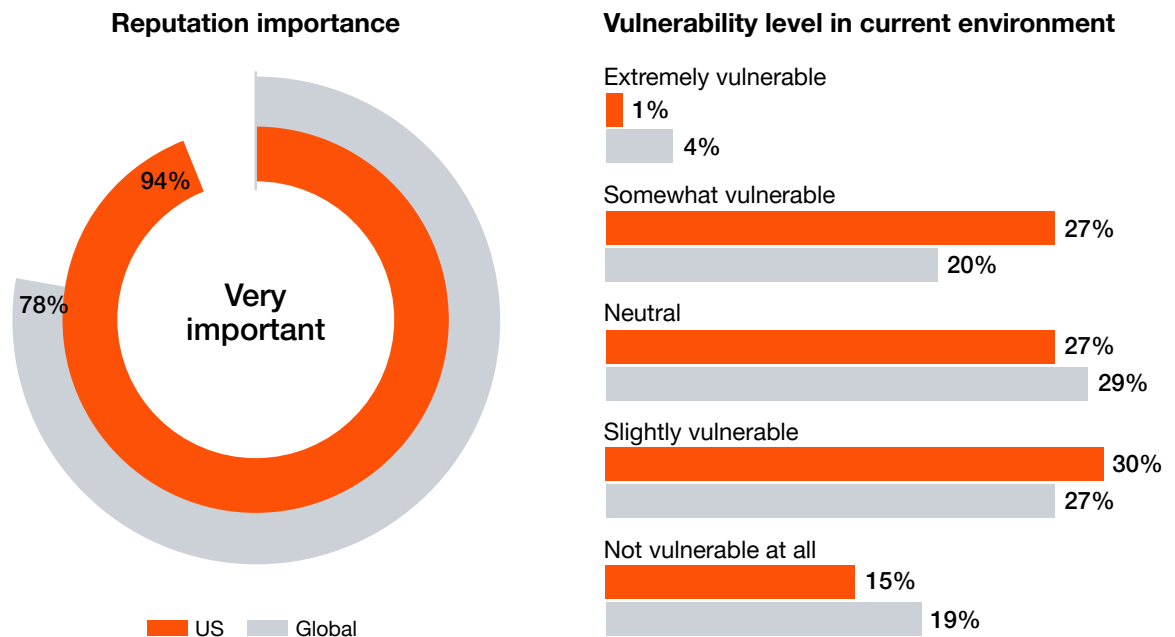
The current M&A environment, marked by record-high deal values and a significant wave of AI-themed transactions, presents fertile opportunities to advance such priorities effectively. Success, however, requires going beyond traditional due diligence as well as an earlier focus on financial, commercial operational levers that drive value. Importantly, family businesses, M&A, and strategic partnerships provide a pathway to innovate and expand while safeguarding long-term values and legacy.

# Reputation—A valuable but vulnerable asset

Reputation is paramount—94% rate it very important—but 27% feel somewhat vulnerable in the current business environment, where reputational risks can arise from issues such as negative media and workplace culture issues. Many firms lack formal, proactive reputation management plans, exposing them to escalating risks in a transparent, fast-paced media environment.

**Key takeaways:** Because family and business reputations are intertwined, proactive reputation management—including clear policies for family member conduct and crisis preparedness—is essential to safeguarding long-term value. In an era of heightened transparency and rapid media cycles, reputation damage can escalate quickly, making preparedness a top leadership responsibility.

## Family businesses feel vulnerable about their reputation



Qs: How important is maintaining your family business's reputation to you? (Response to 'Somewhat important' and 'Very important'.)  
 How vulnerable do you feel your family business's reputation is in the current business environment? (Response to 'Somewhat vulnerable' and 'Extremely vulnerable'.)  
 Base: US 81, Global 1,325  
 Source: PwC's 2025 Family Business Survey



## Recommendations for family business leaders

- **Embed purpose into action:** Move beyond statements by communicating purpose consistently across family generations and all organizational layers, aligning values with behavior and decisions.
- **Strengthen governance to enable speed:** Clarify authority, decision rights, and accountability to improve responsiveness, especially during transitions.
- **Build organizational agility:** Empower decisive leadership, streamline processes, and pursue collaboration to extend agility beyond internal boundaries.
- **Scale AI and digital transformation:** Invest in enterprise-wide AI strategies supported by data readiness and strong change management.
- **Start succession planning early:** Develop leaders who can blend legacy respect with innovation, regardless of family status, ensuring business continuity.
- **Leverage tax as a strategic asset:** Monitor evolving tax legislation proactively to enhance capital flexibility and financial resilience.
- **Protect reputation intentionally:** Establish formal crisis and reputation risk management plans to safeguard trust and brand value.

# Looking forward— Balancing legacy with innovation

The 2025 survey underscores the strengths of family businesses—purpose-driven stewardship and commitment to legacy—but also the need for business leaders to enhance agility, governance, and digital capabilities. Those that successfully integrate tradition with innovation will sustain competitive advantage and relevance for generations.





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The insights in this report are drawn from PwC's 2025 Global Family Business Survey, which collected data from family enterprises worldwide. Our global survey included 1,325 owners and senior leaders in more than 60 territories, carried out in collaboration with the John L. Ward Center for Family Enterprises at Northwestern University on behalf of its Kellogg School of Management. The US-specific results presented here reflect the responses of American family firms within that global study and provide a focused lens on how US family businesses are navigating the current economic and market environment.

For more on the full global survey and findings, visit [PwC's Global Family Business Survey webpage](#).