

Results from the 2002 American Family Business Survey

Women are making great strides in family businesses according to a national survey sponsored by the Raymond Family Business Institute in Alfred, NY. Women now head approximately ten percent of family businesses-up from five percent five years ago. Female family members are employed full-time at 27 percent of family firms compared with 19 percent five years ago. Asked whether their next CEO might be a woman, 34 percent said yes in 2002 versus 25 percent in 1997.

Family business experts have long recognized that daughters enjoy certain advantages over their male siblings or cousins with respect to succession. Generational transitions from fathers to daughters are typically smoother than those involving sons. Women are more sensitive to their father's ego and less likely to engage in conflict or competition. Research also has shown that women are often better at team building and communication---skills valuable in managing sibling or cousin ownership groups and executive teams. Family firms have always been more family-friendly and female-friendly than their non-family counterparts.

Societal trends are also supporting women's move to the top of the family firm. More women are completing degrees in business or law. They are achieving high profile leadership positions in public companies like Hewlett Packard, ebay and Lucent. The bias against women in business leadership has lessened in both family and non-family firms. Finally, the trends toward separating the board chair and CEO roles and the increasing use of sibling team leadership have opened additional opportunities for women to serve in top leadership positions.

The Raymond Institute Survey solicited responses to over 100 questions from 38,000 family businesses. Companies were at least 10 years old, had annual sales of over \$1 million and had at least two officers or directors with the same last name. Exactly 1143 surveys were returned. The Survey, was supported by Mass Mutual Financial Group. Joseph Astrachan, Ph.D., a principal of The Family Business Consulting Group, Inc. and director of The Cox Family Enterprise Center at Kennesaw State University lead the research team that included experts from Loyola University Chicago Family Business Center and Babson College. The survey builds on previously conducted family business surveys from 1993-1995 and in 1997. It can be found at <http://www.raymondinstitute.org/surveyresults.html>.

Please visit our website, www.efamilybusiness.com for more information on Dr. Joseph Astrachan and The Family Business Consulting Group, Inc.