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Family Business Owners on Public Policy

Economists seem to be in agreement that 2013 will be a repeat of 2012, with only a slight uptick. GDP growth will be at best 2%, unemployment marginally better at 7.5%, and consumer confidence flat to slightly up.

A recent survey completed by the Family Enterprise USA (FEUSA), an independent non-profit organization, provides a look at the attitudes of family business owners on key issues related to public policy. There were 230 family business owners that responded to this 2013 survey. Because Albu Consulting is heavily invested in family and private businesses, we felt it important to commit this January issue of Albu on Strategy to highlight some key findings from this important survey.

For the complete report, please visit either FEUSA's website at <http://www.familyenterpriseusa.org/>, or our website at <http://www.albuconsulting.com/>.

Profile of Respondents

This year's respondents represent every region of the country and are involved in a broad cross-section of industry sectors including manufacturing, construction, wholesale trade, retail trade, real estate, finance, agriculture, hotel management, restaurants, and more.

Over half of respondents are CEOs or Presidents, 28% are family members. The majority of respondents are from well-established, stable and successful family businesses.

Business Outlook

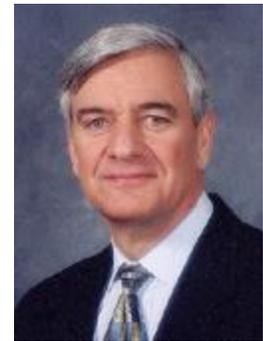
FEUSA's survey measures basic attitudes toward business growth in order to see trends over time.

- 70% report revenue growth in the last 12 months, up from 50% last year.
- 54% of respondents grew their workforce in the last 12 months.
- 75% of respondents anticipate revenue growth in the next 12 months.
- 45% believe they will add workers, down from the 54% last year.

The dip in projected hiring is likely due to anxiety and uncertainty about the economic climate and public policy.

Last year, 82% of respondents said that external factors were a greater threat to the future of their family business. This year, 91%, indicated sensitivity to the economic environment and the role of government policy.

Consistent with the commitment that family firm's make to their employees, FEUSA continues to see evidence that family businesses retain their workers despite flat or lower revenues.



Dick Albu

Linked in.



Rob Krist

Linked in.

US Family Businesses

64% of US GDP (\$5 Trillion)

35% of Fortune 500 Companies

34% of S&P 500 Companies

Wal-Mart is the largest family business (\$408 Billion)

Attitudes about Public Policies

Survey respondents were asked to rank how important various public policy issues are to them. The issue that got the strongest response was reducing the deficit and debt (54% important; 32% very important).

Regardless of size or age of the family enterprise, 41% of respondents favored eliminating estate taxes altogether, 20% believed the tax should be reduced for every estate, regardless of size, and 28% believed it should remain at the current levels.

Regarding increasing individual income tax rates, 47% of firms will disburse additional funds to owners to ensure that they receive sufficient funds to pay their taxes, which will result in less money available for capital investments and other company expenditures.

Concerning government regulations, 38% said that regulations often focus on issues that their company had already addressed.

When asked an open-ended question, what is the most important federal policy or regulation confronting their family business is right now, 29% said Obamacare/health care and 22% indicated taxes (income, estate tax, and general unpredictability).

AlbuInfo

Albu consulting is a strategy consulting firm focused on engaging and energizing leadership teams to formulate robust business strategies and follow through on execution of key strategic initiatives. Our mission is to help our clients achieve and strive to exceed all their business objectives. We do this by establishing strategy management as an organizational competency and part of everyone's day-to-day responsibility. We work collaboratively with goal driven, proactive CEOs of middle market companies that are open to new ideas and passionate about increasing the value of their businesses today and tomorrow.

To learn more, call us for a free consultation. For more information about Albu Consulting, visit our website at <http://www.albuconsulting.com/>.

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