



The Future of Family Business

Survival, succession and
stewardship in modern Britain

Research among UK family
business owners, advisers and
wealth specialists

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Methodological note

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 506 adults who are family business owners. Fieldwork was undertaken between 18th - 28th August 2026. The survey was carried out online.

Foreword

Family businesses have long been one of the cornerstones of the UK economy. They employ millions of people, provide stability through economic cycles and often take a longer-term approach than other forms of ownership.



Yet the environment in which many family businesses operate is changing. Rising costs, policy uncertainty, evolving tax rules and increasingly complex family dynamics are challenging assumptions that may once have felt secure.

This report explores not only whether family businesses can survive in the UK today, but what they need to do to remain family-owned across generations.

Drawing on interviews with business owners, advisers and wealth specialists, alongside original survey research involving more than 500 family business owners, the findings suggest that family businesses remain remarkably resilient but that survival is becoming more planned, more professionalised and less guaranteed than in previous generations.

James Cook
Partner

Executive summary

Family businesses remain confident about the immediate future, but confidence declines sharply as owners consider the next generation. While nearly two-thirds of owners are very confident their business will remain family-owned over the next two years, fewer than a quarter say the same of the next ten years.

Taken together, the findings reveal a sector that remains resilient today but is increasingly uncertain about tomorrow. Rising costs, succession challenges and concerns around future inheritance tax liabilities are all contributing to a growing confidence gap between the short and long term.

1. Family businesses are confident in the short term, but far less certain about the next generation

While 63% of owners are very confident their business will remain family-owned over the next two years, this falls to 38% over five years and just 24% over ten years.

2. Rising costs are the biggest immediate challenge

71% cite rising business costs, ahead of the political and economic climate (57%) and wider business taxation (44%).

3. Succession can no longer be taken for granted

One-third of owners believe a lack of a suitable or willing successor could ultimately threaten family ownership.

4. Tax is changing behaviour

More than one in five owners would consider selling their business following recent inheritance tax changes, while others are bringing succession plans forward.

5. Strong businesses today, uncertain ownership tomorrow

The findings suggest that rising costs, succession uncertainty and concern over future inheritance tax liabilities are combining to make long-term family ownership significantly harder to plan for.

The Report at a Glance



Source: YouGov research.

Chapter one

Can family businesses survive?



A sector under pressure

The research demonstrates that family businesses are operating against a backdrop of growing pressure.

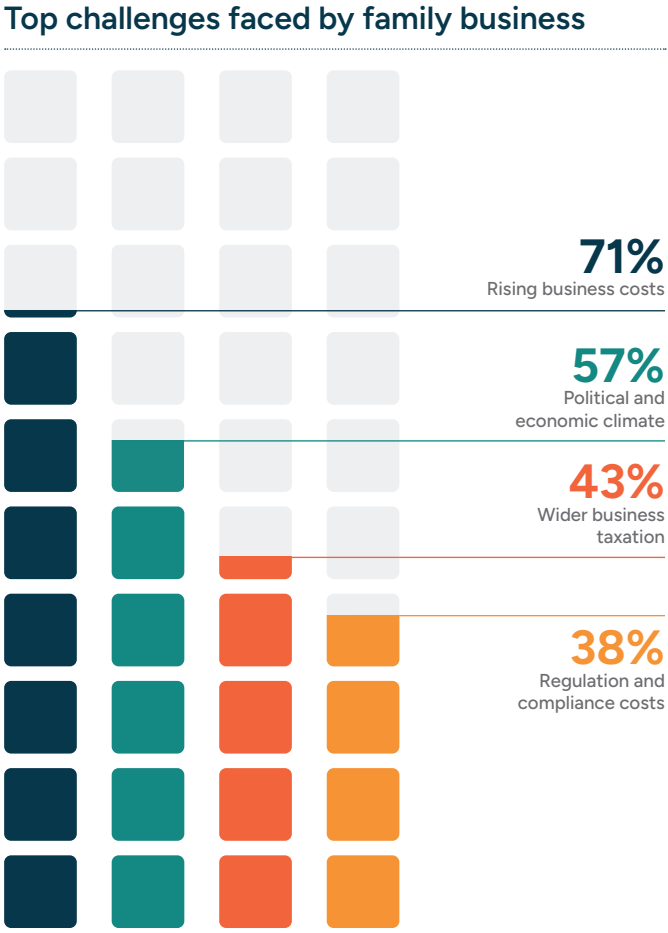
When asked about the biggest challenges facing family businesses today, 71% identified rising business costs. The political and economic climate was cited by 57%, while 43% highlighted wider business taxation and 38% pointed to regulation and compliance costs.

These concerns were reflected consistently throughout our research.

Business owners discussed rising wage costs, National Insurance increases, regulatory obligations and tax changes. Advisers reported that many clients remain positive about their business prospects but increasingly cautious when making long-term decisions.

Despite this, interviewees were far from pessimistic; a Director of a long-established family business described Britain as a strong environment for private enterprise and argued that family businesses have always demonstrated resilience through periods of change.

The challenge, therefore, is not whether family businesses can survive pressure, but whether they can continue to plan effectively for the future.



The Russell-Cooke perspective

“Succession planning is about preserving options and creating resilience, not simply reducing a future tax bill.”

The debate around inheritance tax has pushed succession planning higher up the agenda for business owners, with many family businesses reviewing their plans earlier than they otherwise might have done. The challenge is not simply transferring wealth, but handing over ownership, responsibility and control in a way that supports future generations while protecting the business from risks such as disputes, incapacity and liquidity pressures.

The most successful plans are developed well in advance and tested against different scenarios. While tax is an important consideration, families must also consider governance, contingency planning and how future generations will manage inherited wealth and responsibility. Ultimately, effective succession planning is about building resilience and safeguarding the long-term future of the family business, not simply reducing a future tax bill.

James Cook | Private client

The uncertainty problem

Many interviewees repeatedly returned to the theme of uncertainty. Notably, the concerns expressed were often less about specific policies and more about the inability to plan confidently for the future. One senior adviser to family businesses and family offices suggested that businesses and family offices can usually adapt to difficult conditions when the rules are clear, but that the greater challenge comes when policies, taxation and market conditions continue to shift.

The survey findings support this view, with more than half of respondents citing the political and economic climate as a major concern.

For many families, certainty appears to have become just as valuable as financial support. A senior adviser to family businesses and family offices observed that business owners are generally capable of adapting to changing tax and regulatory environments, provided they understand the rules. The greater challenge, he noted, is planning effectively when policy, taxation and market conditions remain uncertain.



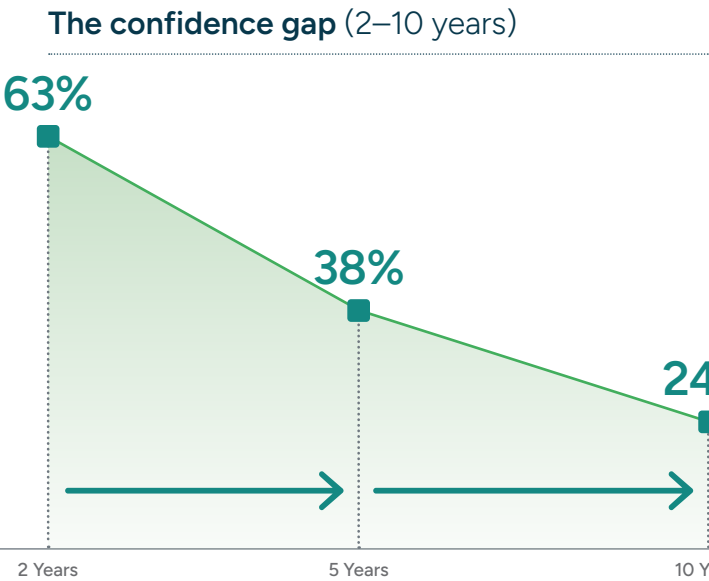
Family businesses appear largely confident about surviving the next few years, but are much less certain about surviving the next generation.

Is confidence holding up?

Confidence remains relatively strong in the short term; almost two-thirds of owners are very confident their business will remain family-owned over the next two years.

However, confidence declines significantly over longer time periods; only 38% are very confident when looking five years ahead and just 24% express the same confidence over a ten-year horizon.

This reveals that family businesses appear largely confident about surviving the next few years, but are much less certain about surviving the next generation.



Not all family businesses are the same

One of the clearest findings from the research is that family businesses do not face universal challenges.

The data suggests there are effectively two different models of family business operating in the UK today. At one end are smaller family-run businesses, where ownership, management and family life remain closely intertwined. At the other are larger family-owned enterprises with more formal governance structures, broader leadership teams and greater separation between ownership and day-to-day management.

This distinction appears to have a significant impact on long-term confidence and resilience.

Two models of family business

Micro businesses	Larger family businesses
94% family managed	48% family managed
56% cite family circumstances as a risk	24% cite family circumstances as a risk
Lower confidence over 10 years	Higher confidence over 10 years
More dependent on individuals	More dependent on systems and governance

Size appears to be one of the strongest determinants of resilience.

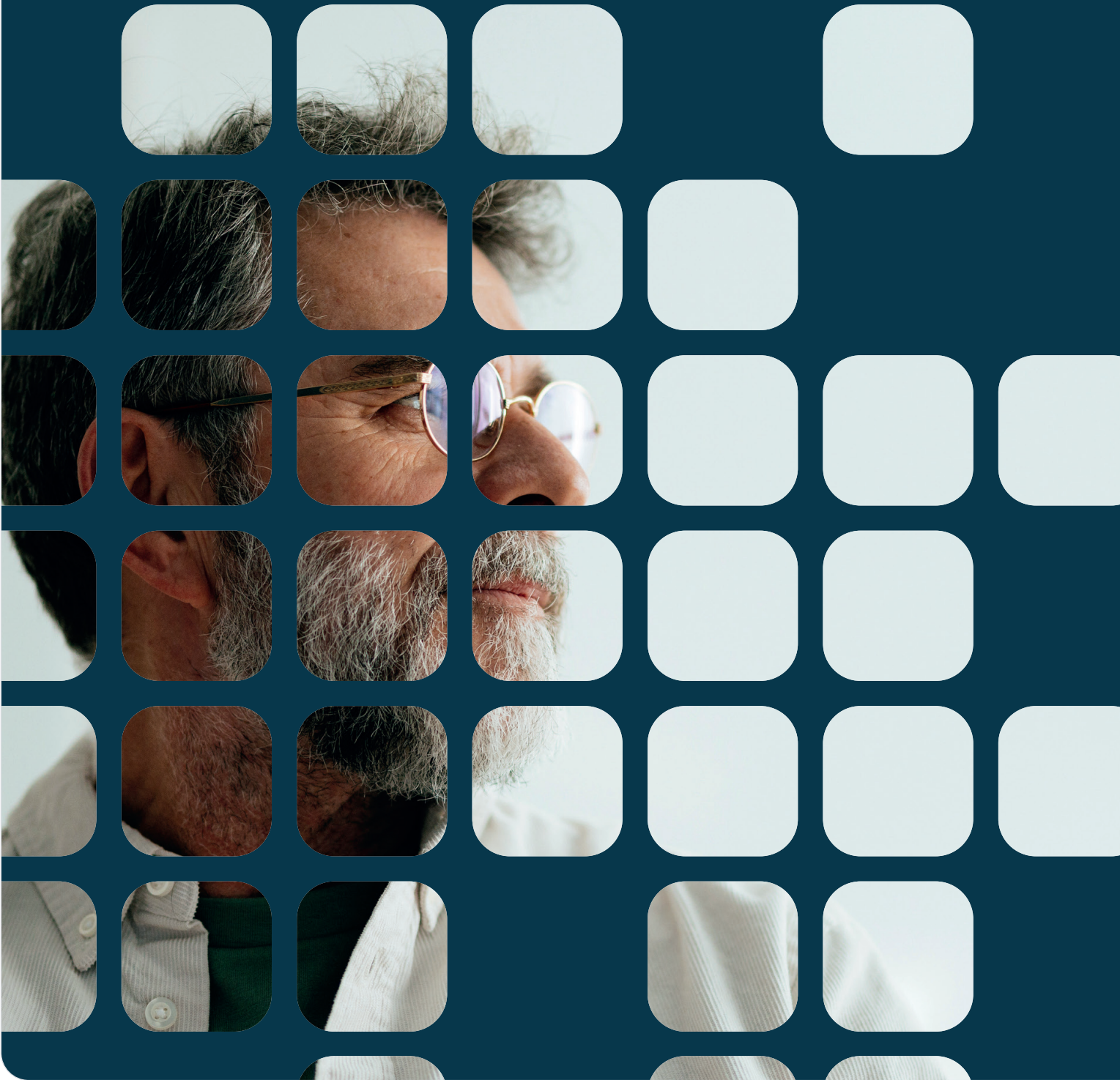
Smaller family businesses often operate as an extension of the family itself. As a result, illness, retirement, changing family circumstances or the absence of a successor can have an immediate impact on continuity.

Larger family businesses appear more insulated from these risks. Although they are more likely to attract external investment or acquisition interest, they also appear more confident about remaining family-owned over the long term.

The likely explanation is not size alone, but the structures that often accompany growth: stronger governance, more formal succession planning and less reliance on any one individual.

Chapter two

Who will take over?



Succession emerged as the central issue running through almost every interview. The challenge facing many families is no longer simply building successful businesses, but determining who will lead them next.

The succession challenge

One-third of family business owners believe a lack of a suitable or willing successor could ultimately end family ownership.

This concern becomes even more significant when viewed alongside the broader confidence findings. While most owners remain confident about the next few years, confidence falls dramatically over a ten-year period, suggesting succession may represent one of the biggest long-term risks facing family businesses.

Interviewees described younger generations having more opportunities, broader career ambitions and less of an automatic attachment to the family business than previous generations. One family business governance and succession specialist repeatedly highlighted the importance of willingness and capability, noting that ownership alone does not create leadership; effective succession increasingly requires preparation, development and planning. According to a senior adviser to family businesses and family offices, recent inheritance tax reforms have accelerated succession conversations, prompting many families to address ownership, governance and wealth-transfer questions earlier than they might otherwise have done.





The Russell-Cooke perspective

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One issue that is discussed far less openly is the burden of succession itself.

Many family business disputes begin with a simple problem: families confuse equality with fairness. A founder may have several children with different skills, levels of involvement and ambitions, yet still want to treat them all equally. Add spouses, future generations and competing expectations into the mix, and it becomes easy to see how tensions arise. One issue that is discussed far less openly is the burden of succession itself. Many children feel a responsibility to continue a family business, whether or not that is what they genuinely want, and what is in the best interests of the business.

At the same time, some founders can struggle to step back because the business represents much more than a financial asset; it is often central to their identity. A family business itself is often much more than a business – it is a bind that keeps families and communities together and I do think should be protected, so far as possible but not at all costs. In some situations, families would benefit from discussing the future beyond succession. For example, giving the next generation freedom to sell the business, rather than preserving it at all costs, can remove pressure and prevent resentment from developing into dispute. It may, in some cases, also provide a better financial result for the family.

Sarah Arnold | Trusts and estate disputes

Case study

Director of a long-established family business

For one long-established family business, succession was viewed as a process rather than a single event.

Rather than assuming the next generation would automatically step into a leadership role, responsibility was introduced gradually over a number of years. The future successor was given opportunities to develop independent client relationships, lead new areas of the business and establish credibility in their own right.

This approach allowed leadership capability and confidence to develop before any formal transition took place. By the time succession became a reality, colleagues, clients and advisers already recognised the successor as a leader, rather than simply a family member inheriting a position.

Perhaps the most important lesson was that effective succession requires action from both generations. While the next generation must be prepared to step forward, the current generation must also be willing to step back and create space for new leadership to emerge.

The experience highlights that effective succession is rarely about transferring shares alone. It requires trust, preparation, clear communication and a willingness to allow the next generation to build their own identity within the business.

Key lesson: Effective succession is not simply about transferring ownership. It is about building the credibility, capability and confidence needed for the next generation to lead effectively.

The myth of automatic succession

Historically, family businesses often assumed ownership would naturally pass from one generation to the next, but the research suggests that assumption can no longer be taken for granted.

Many business owners are increasingly viewing businesses as sources of family wealth rather than assets that must necessarily remain family-owned forever. Almost 30% of survey respondents said an attractive acquisition offer could end family ownership, while others highlighted financial pressures or succession concerns.

The question increasingly being asked is not simply “how do we keep the business?” but “should we?”

What could end family ownership?



Why governance matters

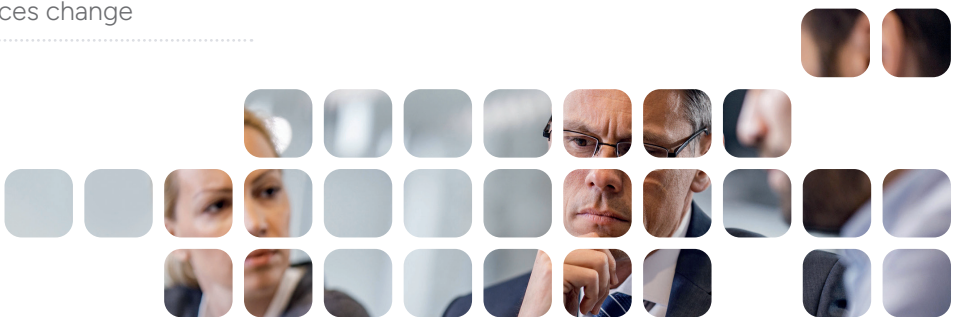
Throughout the interviews, governance emerged repeatedly as a survival mechanism. For family businesses, governance is not corporate bureaucracy, but essential to establish clear expectations before problems arise.

Interviewees discussed:

- who should own shares
- who should lead
- how decisions should be made
- what happens when circumstances change

Families that discuss these questions early appear better placed to manage transition successfully. One adviser noted that governance structures such as family charters are most effective not as documents in themselves, but as mechanisms for encouraging meaningful conversations and alignment between family members.

The research indicates that businesses with stronger governance and succession arrangements are often better positioned to navigate change and maintain continuity across generations.



The Russell-Cooke perspective



The earlier conversations begin, the easier it becomes to align expectations and avoid conflict later.

In family businesses, disagreements are rarely about shares, structures or legal documents alone. More often, they stem from differing expectations between family members.

Parents, children and siblings may all want the business to succeed, but they do not necessarily share the same vision of what success looks like. One of the greatest risks is that assumptions go unchallenged for years, only to emerge during succession planning or following a significant life event such as divorce.

Facilitated conversations can play a valuable role here. Families often need a forum where everyone feels able to express their views openly and honestly, particularly where traditional family dynamics mean some voices are heard more readily than others. Fairness and equality are not always the same thing, especially when some family members are actively involved in the business and others are not.

The earlier those conversations begin, the easier it becomes to align expectations and avoid conflict later.

Katie Longmate | Family law



How do you keep one family moving in the same direction once everyone has different lives?

Family business governance and succession specialist



Preparing the next generation

The most effective succession stories involved gradual preparation rather than sudden transition.

The daughter of a Director and former Chair of a long-established family business we spoke with was given real responsibility and developed independent relationships before eventually becoming leader. The owner of a growing second-generation family business has begun exposing the next generation to business discussions and decision-making long before any transfer occurs. These examples demonstrate that ownership can be transferred quickly, but leadership takes much longer. In addition to this, a senior adviser to family businesses and family offices highlighted the benefits of introducing future leaders gradually through minority shareholdings, board participation and increasing responsibility, enabling successors to build both experience and credibility before taking control.

Five questions every family should ask before succession



Does the next generation actually want the business?

Many succession plans fail because families assume interest rather than discussing it openly. A successful transition starts with understanding whether the next generation genuinely wants to take on the responsibility of ownership and leadership.



Are we preparing successors or simply naming them?

Being related to the founder does not automatically prepare someone to lead. Families should consider whether future leaders have the experience, credibility and support they need to succeed.



Have we agreed who makes decisions and how?

Ownership and control are not always the same thing. Families should have clear discussions about leadership, voting rights, governance structures and how disagreements will be resolved.



What happens if circumstances change?

Illness, retirement, divorce, death or changing family relationships can all disrupt succession plans. Families should consider whether their arrangements would still work if the unexpected happened.



What are we trying to preserve?

Is the goal to preserve the business itself, family wealth, the family name, shared values, or a combination of all four? Understanding the long-term objective makes succession decisions much easier.

Chapter three

Planning for life's transitions



Stewardship beyond ownership

The research suggests the future of family business is increasingly linked to wider questions of family wealth, reputation and stewardship.

Preserving more than wealth

Interviewees frequently discussed values, reputation and responsibility alongside financial success. For many family businesses, the family name itself forms part of the asset being passed to future generations.

A Director of a long-established family business we spoke to explained that while the company could ultimately be sold, the family name could not. This reflects a broader view of inheritance that includes:

- reputation
- trust
- relationships
- values
- culture



The Russell-Cooke perspective

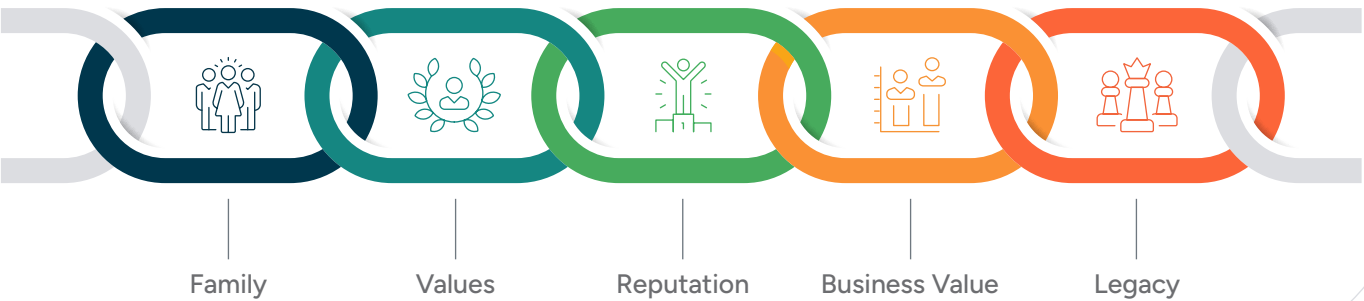


Honest conversations, even difficult ones, are almost always preferable to allowing assumptions and frustrations to build.

When succession goes wrong, the problem is rarely a lack of legal structures. More often, it's a failure of communication. Many family businesses reach a point where different generations have very different ideas about the future. Founders may expect continuity, while the next generation wants to take the business in a new direction or pursue different opportunities altogether. If those conversations are avoided, disagreement can become entrenched and family relationships can begin to fracture. The situations that become most challenging are often those where underlying tensions have been left unaddressed for years. By the time issues surface publicly, the real causes are frequently much deeper than the immediate dispute. For that reason, the most valuable advice may also be the simplest: start talking sooner. Honest conversations, even difficult ones, are almost always preferable to allowing assumptions and frustrations to build. Communication may not prevent every disagreement, but it remains one of the most effective tools for preserving both family relationships and long-term business stability.

Matt Bosworth | Reputation management

Reputation as an asset



From family business to family wealth

One of the most significant themes emerging from the research is the shift from thinking about business succession to thinking about family wealth.

Inheritance tax changes are influencing ownership decisions. More than one in five owners indicated that selling the business would be their most likely response to current inheritance tax reforms. Others would consider accelerating succession plans.

This suggests taxation is influencing behaviour and long-term ownership decisions. One adviser observed that while tax considerations are important, many families ultimately prioritise retaining control and preserving long-term stewardship, even where alternative structures may be more tax efficient.

Responses to recent inheritance tax changes

Thinking about the next five years (to August 2031), and recent changes to inheritance tax reliefs available to family businesses, which of the following would your business be most likely to consider?

Responses from 500+ family business owners



Planning for life’s transitions

- The biggest threat to continuity identified by respondents was not tax, but changing family circumstances. The research highlights the need to plan for:
- retirement
 - illness
 - incapacity
 - death
 - changing family relationships

This uncertainty underlines the importance of planning ahead for ownership transitions and unexpected life events. Without appropriate succession and

contingency arrangements, families may be forced to make significant decisions under pressure, including the sale of part or all of the business.

The findings suggest that succession planning is increasingly becoming a present-day issue rather than a future consideration. Planning for life’s transitions is therefore not simply prudent, but central to long-term continuity.

However, tax remains a concern. Fewer than half of respondents (45%) were confident that future inheritance tax liabilities could be paid without selling part or all of the business.



The Russell-Cooke perspective

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The most successful families plan for events they hope never happen.

Family businesses make an enormous contribution to the economy and wider society. Their long-term outlook allows them to invest differently, support local communities and create sustainable value across generations.

However, preserving a family business at all costs can sometimes distract from the more important question: what is actually best for the family, and what is best for the business?

Where there is a strong business model and willing, capable successors, a transition to the next generation may be the right outcome. But every family is different. In some circumstances, an exit or alternative ownership structure may offer a stronger future for both the family and the business.

Recent tax changes have brought succession issues into sharper focus for many families. Yet the real challenge is often not tax itself, but achieving alignment within the family. The businesses that navigate succession most successfully are those prepared to have those difficult conversations early.

David Webster | Corporate and commercial law

The Survival Playbook

Six principles consistently emerged throughout the research.



1

Plan earlier than you think you need to.



2

Have difficult conversations before they become disputes.



3

Prepare successors rather than merely appointing them.



4

Review structures regularly.



5

Protect reputation as carefully as wealth.



6

Think beyond the business to the wider family legacy.

Conclusion

The future belongs to prepared families

Family businesses remain remarkably resilient. The research provides little evidence that owners have lost faith in entrepreneurship, long-term ownership or the value of family enterprise. Despite rising costs, economic uncertainty and a changing policy landscape, many family business owners remain optimistic about the future.

As one senior adviser to family businesses observed, certainty is often more valuable to owners than any particular policy outcome because it enables families to make long-term decisions with confidence. What has changed is not confidence in business itself, but confidence in continuity. While nearly two-thirds of owners are very confident their business will remain family-owned over the next two years, that confidence falls sharply over longer time horizons. As families begin to consider the next generation, questions around succession, governance, ownership and wealth transfer become increasingly important.

The findings suggest that the greatest challenge facing family businesses may no longer be commercial survival, but ensuring successful continuity of ownership across generations - but this challenge is not felt equally across the sector. The research indicates that smaller family businesses are often more closely tied to individual family members, making them particularly vulnerable to retirement, illness, changing family circumstances and the absence of a willing successor. Larger family businesses appear more resilient, often benefiting from stronger governance structures, broader leadership teams and more formal succession planning. Size alone does not appear to be the differentiator. Rather, it is the degree to which businesses are able to separate long-term continuity from any one individual.

Across every interview and survey response, one message consistently emerged: survival is becoming more deliberate. Successful family businesses are increasingly characterised by early planning, open communication, clear governance and a willingness to address difficult questions before they become urgent ones. They are investing not only in the future of their businesses, but also in the future of their families.

The challenge is no longer simply building a successful business, but ensuring that business can successfully navigate succession, governance, family dynamics and long-term stewardship.

Ultimately, the future of family business is not simply about preserving ownership; it is about preserving relationships, values, reputation and opportunity across generations. The families most likely to thrive over the coming decade will not necessarily be those that avoid difficult decisions, but those that make them early.





Family businesses remain resilient.

But survival is becoming more planned, more professionalised and less automatic.

The challenge is no longer simply building a successful business, but ensuring it survives the next generation.

About our Family Office service



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With special thanks to:

We are grateful to those who took part in the research for this report. Their contributions have helped shape a timely discussion of the issues facing family businesses today.

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