

## **Small-business Savvy: Family Businesses in the Economy**

By Glenn Muske, Rural and Agribusiness Enterprise Development Specialist  
NDSU Extension Service

You will find a family business in one out of every 10 households.

Family businesses contributed more than \$10 trillion, by one estimate, to our U.S. economy.

Family businesses generate more than 50 percent of U.S. business revenue.

Family businesses employ more than 50 percent of the U.S. workforce.

Do you get a sense of my topic this week? Yes, it's the role and contributions of family businesses to the economy.

Family businesses are found in all segments of the economy, from large (Walmart) to micro in size (one person working off his or her table after he or she works another job all day and handle his or her family responsibilities). And you will find family businesses in every segment of the economy but dominating in farming and retail.

The family business is a unique entity because it combines the traditional business system with the family system. And all of this is done while being a part of the larger community system.

With these connections, family businesses can, and do, have the ability to use the resources and time of family members in helping get work done. They also have been found to be more successful when the community is supportive of the business.

Yet this intermingling and exchange of resources is often a two-way street, with businesses providing resources, beyond a paycheck, to the family, as well as being a supporter of the community. Such community support, though, often is tempered by the perception of the business owner as to how much the community is supporting the business, along with business revenue, and the age of the owner and the business.

The most common community support provided by family businesses includes direct and indirect financial support. In communities that are struggling, the amount of this support only grows, as do the involvement in community leadership roles of family members.

Technical assistance is another form of support offered by family businesses to communities.

I have had the good fortune to work on the Family Business Research group for some time. Because these businesses are so prevalent and important in rural communities, a better understanding is helpful in developing a stronger group.

Recently, the group released a 20-year highlight newsletter. You can find it at <http://tinyurl.com/fambizresearch>. You also can find a list of the more than 400 publications produced by the group, as well as a link to the group's annual and project reports.

According to Ramona Heck, Baruch University, and Kay Stafford, The Ohio State University, (1999), the importance of family businesses to our economy and society is exceeded only by the importance of the family unit itself. They are a vital economic engine. Their support will help everyone grow.

For more help, visit our website, <https://www.ag.ndsu.edu/smallbusiness>, and sign up for the monthly newsletter.

More information is available at your local Extension office, as well as at <http://powerofbusiness.net> and <http://www.eXtension.org/entrepreneurship>.

The Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, along with many other state agencies, also can be valuable resources.

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Source: Glenn Muske, 701-328-9718, [glenn.muske@ndsu.edu](mailto:glenn.muske@ndsu.edu)

Editor: Ellen Crawford, 701-231-5391, [ellen.crawford@ndsu.edu](mailto:ellen.crawford@ndsu.edu)