

Family-Owned Businesses

Generation	Still in the Family
1st	100%
2nd	30%
3rd	12%
4th	3%

January 29, 2023

<<First Name>>,

As an entrepreneur, you've worked so hard to build and grow your business. You deserve to enjoy it. But you should also have plans in place to protect the value of what you've created if something happens to you! What would your family do with the business if you weren't here?

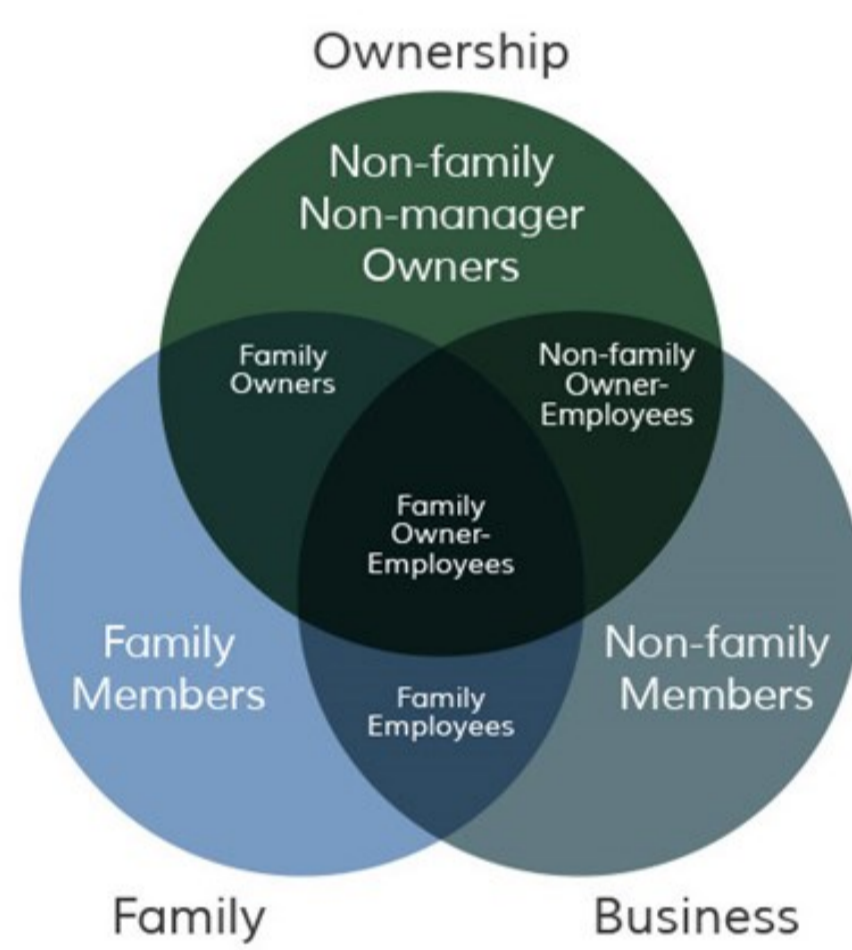
We have some [PACIFIC CAPITAL](#) clients who are running 4th-generation businesses very successfully today. Such a cool legacy to see. Yet, as you can see above, nearly 90% of businesses don't even survive the children of the founders.

Here are 5 important considerations for entrepreneurs with a family:

#1 What's the best use of trusts and other legal entities, including a potential family holding company, to protect your assets and minimize tax liability? Each case is different. But it's important to set up legal structures to protect what you've grown and what you own.

#2 How do your family dynamics impact your succession plan? Will there be family challenges with favoritism, jealousy, and lack of trust can get in the way of keeping the business thriving after you're gone? Which professional advisors do you trust to be involved in the process and how early should you invite them to the table?

#3 What percentage of your family's assets and net worth are tied up in the business? Will there be a lack of liquidity once you're gone and how does the business manage the risks of losing the founder and having other family members (who may not be qualified, prepared, or even interested) step in and take over?



#4 How will your spouse or kids own the business if some of your family works in the family business and others do not? Will all of your beneficiaries receive an equal distribution of the business ownership and income if some are working outside of the business?

#5 What are the legal, financial and emotional challenges that your family and business would face with any unexpected crisis to the founder, such as incapacity, disability, divorce, or death?

In theory, it seems simple, however, when a family succession event comes, it's too late to prepare and get family members and business stakeholders aligned. There are a lot of things you can do today to protect your assets and transfer them efficiently to the next generation the right way.



It's a sensitive topic and conversation sometimes within families. I've seen a lot of relationships splinter because there wasn't communication around the business goals and succession. It doesn't have to be like that.

We've got experience in serving as a neutral fiduciary to help you work through the big decisions and communicate it the right way so there's unity and alignment in both your family and your business! [Click here](#) to talk with us about how we can help you.

Sincerely,

Ofelia ★★★★★

"We have been with Pacific Capital for all of our Business and Personal investments as well as for our retirement planning. We feel our finances are in great hands with this team of professional and experienced individuals. You will also be pleased with the way they take time to explain everything well and answer all questions."

Schedule a Call

Refer Someone