Family Business Survey, Execs Say Tax Savings Will Grow Businesses, Pay Employees More, and Help Communities

Latest Survey Results, Execs Speak Out at Congressional Family Business Caucus; Saved Money Will Go Toward Reinvestment, Workforce, Charities

WASHINGTON, DISTRICT OF COLUMBIA, UNITED STATES, May 8, 2024 /EINPresswire.com/ -- Funds saved from lowered Estate Taxes, and other taxes, will go directly toward reinvestment into family businesses and to employee salaries and benefits, according to results from a new survey and recent interviews with family business leaders on Capitol Hill.

The new survey, based on responses from nearly 800 family business executives from across the country, reveals money saved from tax policies will fund business investment, payroll improvement, and local communities.

The survey, Family Enterprise USA's Family Business Annual Survey 2024, found 52% of respondents would "Invest more in my business" while the next highest response, 30%, would "Pay my employees more."

Only 8% said they would "make distributions to owners," the survey said.

"It's clear from our research and from executives we've interviewed there is a false perception that reducing or repealing the Estate Tax will be a windfall for owners," said Pat Soldano, President of Family Enterprise USA. "The savings will fuel business growth," she said.

Family Enterprise USA, based here, is a bipartisan advocate for family business and helped organize the Congressional Family Business Caucus event, where the topic was "Workforce Challenges."

America's family businesses, the largest private employer in the country, account for 83.3 million jobs and contribute $7.7 trillion annually to U.S. gross domestic product, according to research.

In addition, the survey research showed 52% of family business leaders want the current exemption levels for the Estate Tax to remain “as is” or “reduced,” while 26% want it fully repealed. The current exemption level is $12.92 million per person to the end of 2025, when it reverts to pre-2017 levels.

Family Business Speaks Out

When five family business executives recently met on Capitol Hill, for the Congressional Family Business Caucus, they were asked a similar question: “If you paid less in taxes, what would you do with the extra funds?”

The executives cut across different geographies and businesses, including midwestern food companies, an international tile company, a California technology company, and a Silicon Valley real estate business.

The family business leaders’ responses were unified: money saved from a better tax policies will go directly into business investment, payroll improvement, and local communities.

“Any additional funds or savings we might get from an improved tax policies will be re-invested back into the business and into employee development,” said Matt Nielsen, Vice President, Strategic Initiatives, Massy-Nielsen Vanillas based outside of Chicago. “We want to make sure our employees have upward movement, and we also want to donate to our local charities,” Nielsen said.

Robert Loggins, Director of External Affairs, Bush Brothers, the Chestnut Hill, Tenn-based bean company, agreed investing more into the business is primary.

“The additional funds from taxes savings would allow us to pour more capital assets into the business to fuel our growth, buy new equipment, increase our brand development, and make company acquisitions,” Loggins said. “This will help build the company and build the community,” he added.

“Any savings we would get would be re-invested back into our employees and specifically into research and development,” said Ron Nash, President, COO, Laticrete International, based in Bethany, Conn. “We would do this in order to continue our investment into the future,” he said while attending the Caucus meeting. “The stark reality,” according to Nash, is “America needs to start inventing again.”

In addition, he said, research and development tax policies “need to be revised so companies can start investing in America, we no longer are a country of doers and makers, we need to get back to that, back to investing in America.”

Re-investing funds back into Southern California-based Golden Star Technologies is also of primary interest to its second-generation CEO, Dennis Wang.

“I would re-invest back into the business,” Wang said. “I would hire more people, give them skills training, buy more equipment, and expand,” he said.

But for Silicon property development company CEO Dave Henderson, Cilker Henderson Properties, the issue is more about looking at the stark tax reality of what might result from what many call the “Death Tax.”

“I’m turning seventy-three and I have to think about how my business assets will be affected,” Henderson said. “What do I need to sell or not sell to make sure I can pay the estate tax obligation,” he said. “This all impacts on how we look at future investments, and it’s not insignificant.”

Highlights of the Family Business Annual Survey 2024 and the video of the five family business executives speaking on the Estate Tax can be viewed at www.familyenterprise.com.

About Family Enterprise USA

Family Enterprise USA promotes multi-generational family business creation, growth, viability, and sustainability by advocating for family businesses and their lifetime of savings with Congress in Washington DC. FEUSA represents and celebrates all sizes, professions and industries of family-owned enterprises and multi-generational employers. FEUSA is a 501.C3 organization

Bob Chew
Family Enterprise USA
+1 310-383-0528
rzchew3@gmail.com
Visit us on social media:
Facebook
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Instagram
