

# Snapshots of America's Family-Owned Businesses Show 80% are Pass Through Entities, Pay Higher Taxes, According to Survey

*Manufacturing is No. 1 Family Business Industry; 81% in Business for 20 Years or More*



WASHINGTON, DC, UNITED STATES,  
June 4, 2025 /EINPresswire.com/ -- If  
you own a family business today you

are likely to be structured as a "Pass Through Entity" and have been in business for 20 years or more, according to results from Family Enterprise USA's [Annual Family Business Survey](#).

The Annual Family Business Survey was among the largest and most comprehensive surveys taken to date, with 730 respondents from 45 states completing the survey in January and February of this year, according to Family Enterprise USA.

This year's survey found [82.7% of family business respondents were "Sole or Majority Owners"](#) of their businesses and 80.3% were "Pass Through Entities," which pay more in taxes than traditional corporations.

A pass-through entity is a business structure, such as an S-Corp, Limited Liability Company (LLC), partnership or sole proprietorship, in which profits pass through to the owner(s) of the business and are taxed at the individual tax rate rather than the federal corporate tax rate of 21%. The survey found that 57.5% of family-owned businesses operate as "S Corporations."

The survey also found [70.9% of family businesses had majority ownership](#) from first and second generations of family members and 30.8% have passed "Full or Controlling Ownership" on to the next generation.

When it came to understanding top industry sectors, the survey found the top three industry categories were "Manufacturing/Operations" with 25.9% of respondents, while 12.4% were in "Construction/Facilities," and 5.8% were in "Real Estate."

Previous research revealed America's family businesses, the largest private employer in the

country, account for 83.3 million jobs in some 32 million family businesses across the country. These businesses contribute \$7.7 trillion annually to U.S. gross domestic product, according to research.

Family Enterprise USA and Policy and Taxation Group educate and advocate on behalf of family-owned businesses, family offices, and successful families on tax and economic policy issues with Congress.

“This is the kind of data that is useful to our Congressional leaders as they finalize the new tax bill and the provisions in it critical to family businesses,” Soldano said. “This research is an important annual tool to help educate our policy makers, so they understand the importance and size of family-owned businesses in our economy and make better policy decisions for generations of family-owned businesses to come.”

For more information on 2025 Annual Family Business Survey, go to:  
[www.familyenterpriseusa.com](http://www.familyenterpriseusa.com).

#### About Family Enterprise USA

Family Enterprise USA promotes generationally owned family business creation, growth, viability, and sustainability by advocating for family businesses and their lifetime of savings with Congress in Washington DC. Since 2007, Family Enterprise USA has represented and celebrated all sizes, professions, and industries of family-owned enterprises and multi-generational employers. It is a bipartisan 501.c3 organization. [www.familyenterpriseusa.com](http://www.familyenterpriseusa.com)

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