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MEDIA RELEASE

Daughters neglected in family-owned business dynasties

There has been plenty of discussion recently about the glass ceiling and the low level of female participation on public company boards.

But working for the family business is worse for females – and has been for years!

Now a new academic survey has revealed that only 7 per cent of business owners have daughters currently involved in the business and fewer than 2 per cent have their sisters involved.

Sons continue to rule the roost - they are five times more likely to be involved in the family business and to succeed the CEO than their sisters, according to a landmark survey.

But the sons are angry and discontent as well.

Because of the Global Financial Crisis (GFC) and the resultant lack of available funds for an adequate generational buy out, their fathers are shelving retirement plans and continuing to work - placing succession plans in disarray.

Australia's two million family businesses are valued at \$1.5 trillion and employ almost half the nation's workforce.

The MGI Australian Family and Private Business Survey 2010 was undertaken by RMIT University and supported by MGI, a leading international accounting firm specialising in advice to family and privately owned businesses.

The survey among 5000 Australian companies is the seventh in a series by Professor Kosmas Smyrniotis. He was assisted with the 2010 survey by Mr Lucio Dana.

Professor Smyrniotis said a surprising result of the survey was the low level of female participation as owners and managers had hardly changed over the past seven years.

Survey results, released today, highlight that females own only 11 per cent of family business operations.

Executive Chairperson of MGI and one of Australia's most prominent advisors to family business, Ms Sue Prestney, said the survey raised many pertinent questions about whether females were less interested in owning and managing the family business than their brothers or did parents favour sons being involved in the business ahead of daughters?

"Do the requirements of parenting prevent females from being able to devote the time to running a business?"

"Or do daughters shy away from the traumas involved in running the family business where decisions are often made over the Sunday roast and discussed at the family barbeque?" Ms Prestney said.



Family members most actively involved in the family business are spouses (35.4 per cent), sons (35 per cent) brothers (8.8 per cent), daughters (5.9 per cent) and sisters (1.6 per cent).

Findings of the survey were:

- In 2006 a total of 75 per cent of owners were considering selling their operation if approached. In 2010 it's down to 61 per cent.
- Previously 17 per cent of owners said they did not have enough funds for retirement. This has increased to 31 per cent on the back of reduced investment values.
- Concerns about the future financial performance of the company jumped from 31 per cent to 54 per cent.
- Just under half of owners said they would still be working beyond 65 years of age with one third saying they needed the ongoing income or to sell the business to fund retirement.
- Succession planning is now a major concern for 20 per cent of businesses a jump from 9 per cent in 2006.

MGI is represented by 283 offices in 82 countries and has been operating in Australia and New Zealand for 25 years.

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**For the full *The MGI Family and Private Business Survey 2010* visit
www.mgiaust-survey.com**

For an mp4 file of Sue Prestney and Professor Kosmas Smyrnios in conversation on the research, visit www.mgiaust-survey.com

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