

What the Public Gets Wrong About Family Businesses

Katie Rucker (MacKenzie Corp.)

KEYWORDS: family business advice, Help with a family business, Family business innovation.

A new study shows that insiders see ambition, innovation, and complexity, but outsiders see tradition. Bridging that divide is key to future success.

If you ask someone what they think of a family business, the answers are usually immediate.

Trusted.
Honest.
Reliable.

Ask them how that business is evolving, innovating, or preparing for the future, and the answers get much quieter.

That gap is exactly what the 2026 Family Business Perception Study, a nationwide survey of more than 1,000 U.S. adults conducted by MacKenzie and Next Gen Collaborative, set out to explore.

People believe in family businesses. They are deeply embedded in everyday life. They shape communities, create jobs, and build relationships that span generations. Yet while their presence is familiar, public understanding of how they operate and evolve is often incomplete.

And in a world where perception shapes opportunity, that distinction matters more than ever. When people only see part of the story, they make decisions based on that version of you.

For family business leaders, the question is no longer “Are we trusted?” It is “Are we being seen for everything we actually are?”

Trust as the Strategic Foundation

Family businesses hold a meaningful place in the

communities they serve. When asked how important family businesses are to their community, nearly all respondents (95%) expressed a positive view and 63% rated them as “extremely important.” This strong consensus underscores the role family businesses play not just as employers or service providers, but as a familiar and trusted presence in everyday life.

Across every age group, family businesses are consistently associated with integrity and reliability. When asked to describe family businesses, respondents most frequently selected honest (60%), dedicated (58%), and reliable (54%).

When asked to compare business models, perceptions become even clearer.

	Family Business	Private Business	Public Company
Most genuine and authentic identity	77%	13%	10%
Most positive community impact	71%	16%	14%
Most trustworthy and transparent	70%	15%	15%

These findings show that trust is an earned advantage shaped by proximity, visible ownership, accountability, and long term stewardship. However, while trust establishes legitimacy, it does not communicate capability.

What this means in practice

Trust is already your advantage. But on its own, it is passive. If you do not actively build on it, it gets taken for granted and, over time, overlooked.

For family business leaders, the opportunity is to turn trust into something more visible and more strategic.

This could look like:

- **Make decision-making visible:** Instead of simply saying you think long term, show it. Share

moments where you chose reinvestment over short term gain, people over profit, or stability over speed. These are the decisions that differentiate you.

- **Tell the story behind the business, not just the business itself:** Customers and employees do not just connect to what you sell. They connect to why decisions are made, who is making them, and what is guiding those choices.
- **Connect trust to modern relevance:** Trust built over decades is powerful, but it needs to be paired with signals of evolution. Show how your values are shaping how you adapt, not just how you've operated in the past.
- **Equip your team to carry the narrative:** Your employees are often the most frequent touchpoint with your customers. Make sure they can clearly articulate what makes your business different and why it matters.

Trust is not something family businesses need to earn. It is something they need to use.

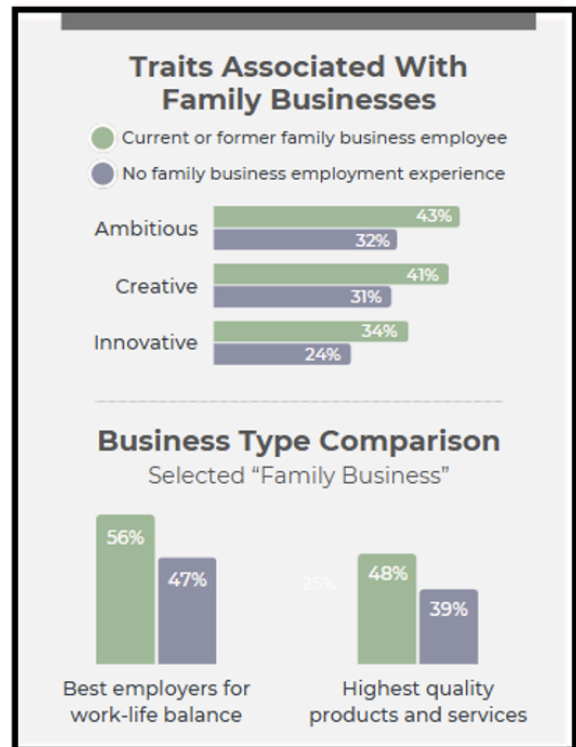
When activated intentionally, it becomes more than reputation. It becomes a strategic advantage that drives growth, attracts talent, and reinforces long term relevance.

Where Perception Falls Short

While values are visible from the outside, the operational and strategic capabilities required to sustain a family enterprise over time are far less apparent. To better understand where perception diverges from operational reality, the study compared responses from individuals with firsthand family business employment experience to those without.

The results reveal a clear insider-outsider divide.

Respondents with family business employment experience were significantly more likely to recognize forward-looking capabilities. For example, family businesses were described as ambitious by 43% of current or former employees compared to 32% of non-employees. Similar gaps appear for creativity (41% vs. 31%) and innovation (34% vs. 24%).



Those with internal experience also have a more realistic view of complexity. Succession challenges were identified as significantly more difficult by employees than by the general public, with 58% of employees recognizing the challenge compared to 40% of non-employees. This suggests that while outsiders often focus on visible family dynamics, insiders better understand the structural, leadership, and technological work required to sustain continuity.

When people cannot see how your business actually operates, they do not just underestimate the challenges. They underestimate what you are capable of.

What this means in practice

Most family businesses are already evolving, modernizing, and solving complex challenges. They are just not showing that work externally.

This creates a risk. If people cannot see how you are growing, they assume you are not.

To close that gap:

- **Show the evolution, not just the legacy:**
Move beyond "we've been here for 40 years"

and start showing how you have changed over those 40 years. What have you had to rethink, rebuild, or modernize to stay relevant?

- **Make succession visible before it happens:** Do not wait until a transition is complete to talk about it. Share how future leaders are being developed, what they are working on, and how leadership is evolving in real time.
- **Humanize the complexity behind the business:** Talk about real decisions, tradeoffs, and challenges. Not in a way that creates concern, but in a way that builds credibility and shows the level of thinking required to run the business.
- **Expand the narrative beyond the family name:** Highlight the operators, leaders, and teams who are helping drive the business forward. This reinforces that the business is both deeply rooted and broadly capable.

The goal is not to prove that your business is strong. It is to make sure people can actually see it.

Innovation as an Opportunity

Innovation occupies a relatively neutral space in public perception. Only 28% of respondents associate family businesses with being innovative, yet just 14% identify a lack of innovation as a key challenge. This neutrality presents a strategic opportunity.

Because innovation is not strongly expected, family businesses that clearly communicate how they modernize, invest in technology, and develop future leaders have the ability to reshape perception quickly and credibly. Rather than needing to overcome skepticism, they can make visible what is already occurring and set new expectations through intentional communication.

What this means in practice

This could look like:

- **Make everyday innovation visible:** Not every innovation is a breakthrough. Show process improvements, customer experience upgrades, or operational changes that demonstrate forward momentum.
- **Give the next generation a visible platform:** Highlight how new ideas are being introduced, tested, and implemented. This signals evolution without needing to abandon legacy.

- **Close the loop between customers and change:** Show how feedback turns into action. “Here’s what we heard, and here’s what we changed” is far more powerful than generic claims about innovation.
- **Turn internal progress into external proof:** Most innovation stays inside the business. Choose a few examples and consistently bring them outward in a way that is simple and clear.

Instead of saying “we value innovation,” show how your business is actively changing in real time. That is what reshapes perception.

Implications Across Generations

When segmenting respondents by age, a consistent pattern emerges: familiarity strengthens understanding. Older respondents were more likely to associate family businesses with honesty and community impact, with 64% of those aged 60 and older selecting “honest,” compared to 59% of younger respondents.

Younger audiences share many of the same values, but they rely more heavily on what they can actively see. This has important implications for family business leaders, advisors, and centers. Implicit strengths must become explicit.

Acknowledging complexity does not weaken trust. It builds credibility. Aligning values with communication matters, particularly as many family businesses contribute to their communities quietly. While humility is admirable, limited visibility can allow meaningful impact to go unnoticed, especially among younger generations who prioritize social responsibility and purpose.

Public support provides a strong foundation. Nearly 90% of respondents support policies that help family businesses successfully transition leadership to the next generation, signaling broad alignment around continuity and stewardship.



- **Meet people where they are already paying attention:** This is not about being everywhere. It is about showing up in ways that feel current, accessible, and aligned with how people consume information today.

Humility has long been a strength of family businesses. But in today's environment, invisibility can limit your ability to attract, retain, and inspire the next generation.

Conclusion

Public perception of family businesses is anchored in trust, but trust is not the destination. It is the foundation.

At a time when many organizations are navigating shifting customer expectations, workforce uncertainty, and changing market conditions, family businesses possess an advantage that cannot be manufactured. The strategic imperative is not to change the model, but to more clearly articulate the value it already creates.

By making complexity visible, demonstrating innovation, and reinforcing long term stewardship, family enterprises can transform trust from a passive benefit into an active strategic differentiator.

The opportunity is not to change who you are. It is to make what has always made you strong impossible to miss.

If familiarity drives understanding, then visibility becomes the lever for growth.

Younger generations are not questioning your values. They are looking for evidence of how those values show up today. If they cannot see it, they do not assume it.

For family business leaders, this requires a shift from implicit reputation to explicit communication.

This could look like:

- **Make impact visible, not implied:** If you are investing in your community, supporting employees, or creating long term value, show it. What has historically been done quietly now needs to be seen to be understood.
- **Translate values into real, observable actions:** Move beyond statements like "we care about our people" and show what that actually looks like in decisions, policies, and everyday behavior.
- **Show where the business is going, not just where it has been:** Younger audiences are drawn to momentum. Share what you are building, testing, and evolving toward.