

A Family Illness Can Infect the Business, Too

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Serious health problems can disrupt leadership, finances, customer relationships, and more. New research shows how family firms can prevent illness from becoming a business crisis.

Family businesses are unique because family life and business life are deeply connected. When one family member becomes seriously ill, the effects often spread far beyond that individual. The illness can affect relationships, finances, leadership, employee workloads, and day-to-day business operations. Through our research we've met people who've told us that they "had to get a loan for the treatment," highlighting the financial strain that medical expenses placed on both the family and the business. Others described disruptions to business operations, an inability to fill orders, lingering staffing challenges, and the loss of longtime customers or clients.

Even though researchers have studied topics like succession planning and family business resilience, very little research has examined how a personal health crisis affects the family business itself. We wanted to better understand what happens to a family business when a family member experiences a serious health problem, such as cancer, a stroke, major surgery, or another major illness. We chose this problem because health crises are becoming more common: A 2023 World Health Organization report notes that chronic illnesses accounted for three-quarters of premature deaths. It's clear that family businesses need better guidance on how to prepare for and respond to these challenges.

Our Hypothesis

We expected to find that a serious health crisis in the family would create stress not only for the individual and the family, but also for the business. At the same time, we believed family businesses might respond differently than non-family businesses because family members often provide emotional support, flexibility, and extra help during difficult times. In other words, we expected family businesses could either become stronger and more resilient during a health crisis — or experience even greater strain — depending on the resources and support available to them.

What We Studied

We conducted a qualitative study using detailed survey responses from 20 members of family businesses located in several countries, including the United States, Mexico, the United Kingdom, South Africa, Portugal, Poland, Chile, Spain, and Zimbabwe.

Participants were owners, managers, employees, or other family members working in the business. Each participant had experienced a serious personal or family health crisis within the past year.

We recruited participants through an online research platform called Prolific. First, we screened more than 1,300 people to identify individuals who worked in a family business, were part of the business-owning family, and had recently experienced a serious health issue requiring hospitalization or ongoing treatment.

The final group included people who had experienced events such as cancer, stroke, kidney failure, major surgery, long COVID, pneumonia, and mental illness.

We asked open-ended questions about:

- how the illness affected the business,

- how it affected family relationships,
- how much stress it created,
- whether the family business helped or hurt during the crisis,
- changes in business performance,
- financial strain,
- support systems, and
- whether the family business became more resilient or more vulnerable afterward.

What We Found

One of the most important findings was that a personal health crisis can quickly become a business crisis in a family business. We found that illnesses often created emotional stress, financial pressure, staffing shortages, lost customers, delayed growth, and strain on family relationships.

However, we also discovered something surprising: Many participants said working in a family business actually reduced some of the stress because family members stepped in to help. In some cases, the crisis brought the family closer together and even improved the business. Some families became more adaptable, developed new skills, improved communication, or strengthened succession planning.

For example, some participants reported positive business outcomes despite the challenges, noting that “we are growing and expanding,” and “our performance has become better.” Others reflected on efforts to create a more supporting workplace, stating “new business initiatives are implemented, such as reducing work stress and plans to employ more employees.” Some family members developed new skills to fill the gaps. One participant explained that illness “...forced my family to learn at least a little bit of social media management, so it was kinda positive.” Beyond the business itself, participants touched on how the crisis strengthened family relationships, stating that “it brought us much closer.”

In other cases, the opposite happened. When families lacked resources, planning, or healthy communication, the crisis created even more tension and instability. For example, one participant shared that “the family thought I was just being lazy not wanting to work.” Others emphasized the emotional burden of balancing the responsibilities, noting that “it was a lot of stress for my family and it was hard to concentrate on business.” Some participants described setbacks in their careers

and/or professional development, stating “I feel like I didn’t grow professionally during that period of time,” and “I reached a setback (and) couldn’t see a way forward. I ended up losing a lot.”

One of the most surprising findings was that the family itself could either be the business’s greatest resource or one of its biggest stressors during a crisis.

Takeaways

Our research shows that family businesses should not treat health crises as purely personal matters. A serious illness can affect the entire business system.

The businesses that handled crises best were the ones that already had strong family relationships, open communication, financial resources, health insurance, flexible leadership structures, and plans in place for emergencies or succession.

Family businesses can become more resilient if they prepare before a crisis happens. Our findings also highlight the importance of emotional support. Families that communicated well and supported one another were often better able to protect the business during difficult periods.

Here are some strategies to help family businesses stockpile resources that would offset the potential resource losses that could follow a health crisis:

- **Creating succession and emergency plans.** The respondents in our research who noted that they had succession plans also reported more positive responses to the health crisis.
- **Cross-training employees and family members who can be trusted to step in as interim leaders.** This also provides the successor and business with a good “trial run” at these key positions until the illness is treated and overcome.
- **Documenting key business responsibilities.** This helps the cross-trained employees and family members quickly and seamlessly fill in as interim leaders
- **Improving communication among family members, perhaps with family therapy.** This strengthens bonds and fosters the business family’s resilience prior to a health crisis event.
- **Preparing financially for unexpected events.** For example, the individual with the

health crisis may need to take out a loan to cover medical expenses and/or the business may lose clients.

- **Developing stronger support systems** -- both inside and outside the business.

One important takeaway is that resilience is not just about financial resources. Relationships and communication matter just as much. Advisors working with family businesses should encourage conversations about contingency planning, leadership backup plans, and family communication long before a crisis occurs.

The most surprising finding for many family business owners may be that the family itself can either protect the business or unintentionally make the crisis worse. Supportive families often helped businesses recover and adapt. But when family relationships were strained, the stress of the illness sometimes spread throughout the business and created additional problems.

Explore the Research

Shanine, K. K., Madison, K., & Whitman, M. V. (2026). [Exploring the spillover effects of a family member's personal health crisis on the family business.](https://www.sciencedirect.com/science/article/abs/pii/S0148296326002602?casa_token=9OUTV3f_AZcAAAAA:fwmmz4rd58Ga5E4_OE26VICZjrDREntkCJ4JfZx7Kyj76ESMO0RAm33LBu5g_yipeA9J825kL_mH) (https://www.sciencedirect.com/science/article/abs/pii/S0148296326002602?casa_token=9OUTV3f_AZcAAAAA:fwmmz4rd58Ga5E4_OE26VICZjrDREntkCJ4JfZx7Kyj76ESMO0RAm33LBu5g_yipeA9J825kL_mH) *Journal of Business Research*, 213, 116225.