Family business in North America | Facts and figures

Introduction

Between them, Canada and the US have some of the biggest and most powerful family businesses in the world. Indeed, Wal-Mart – family controlled since 1962 – is one of the top five businesses globally in terms of revenues. It is estimated that as much as 90% of privately held businesses in Canada and the US are family controlled. Many of them are in their second generation of family ownership or beyond, which is testament to the resilience of family businesses across the two countries. Here is some information about them:

The importance of family businesses in North America

- 90% of the companies in North America are family-owned businesses.
- Employ 57% of North America’s workforce (more than 97 million employees).
- Generate 57% of the United States’ GDP.
- Create 60% of Canada’s GDP.
- Provide 55% of all charitable donations.

Some of the oldest family businesses in North America

<table>
<thead>
<tr>
<th>Company</th>
<th>Founded</th>
<th>Industry</th>
<th>Headquartered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shirley Plantation</td>
<td>1613</td>
<td>Plantation</td>
<td>Charles City, Virginia</td>
</tr>
<tr>
<td>Barker’s Farm</td>
<td>1642</td>
<td>Farm and orchard</td>
<td>North Andover, Massachusetts</td>
</tr>
<tr>
<td>The Seaside Inn</td>
<td>1667</td>
<td>Hotel</td>
<td>Kennebunkport, Maine</td>
</tr>
<tr>
<td>Miller Farm</td>
<td>1684</td>
<td>Agriculture, timber</td>
<td>Frederica, Delaware</td>
</tr>
<tr>
<td>Allandale Farm</td>
<td>1700</td>
<td>Fruit, produce, flowers</td>
<td>Brookline, Massachusetts</td>
</tr>
</tbody>
</table>

Some recent M&A deals involving North American family businesses

- 31 January 2014, US
  - RR Donnelley & Sons Co acquired the entire share capital of Consolidated Graphics Inc, a Houston-based provider of commercial printing services, for US$34.44 per share in cash and 1.651 RR common shares, or a total value of US$622.8m, including the assumption of undisclosed amount in liabilities.
- 19 March 2013, US
  - Comcast Corporation acquired the remaining 49% stake, which it did not already own, in NBCUniversal Media for US$16.7b. Brian Roberts, Chairman, President and CEO of Comcast, is the son of co-founder Ralph Roberts.
- 15 January 2013, Germany
  - News Corp raised its interest to 54.5%, from 49.9%, by acquiring a 4.6% stake, or 77.9m new ordinary shares, in Sky Deutschland AG, an Unterfoehring-based provider of cable TV services, for €4.46 (US$5.97) per ordinary share, or a total value of €347.43m (US$464.73m).
- 23 July 2013, US
  - Weyerhaeuser acquired the entire share capital of Longview Timber, a Longview-based owner and operator of timberlands, from Brookfield Asset Management Inc. for US$2.65b. Weyerhaeuser is currently under the control of the fourth generation.

Changes in leadership

- Ford Motor Company
  - On 1 March 2013, Elena Ford, representing the fifth generation of the Ford family, was appointed Executive Vice President. She is the daughter of Charlotte Ford, an heiress to the Ford Motor Company fortune, and the Greek shipping tycoon Stavros Niarchos. She is the first female Ford family member to hold a significant position at Ford.
- Bechtel Corporation
  - Bechtel Corporation, one of the largest family businesses in the US, has appointed its first non-family CEO and president, after fourth-generation Riley Bechtel announced he was stepping down due to health problems. Bechtel, 61, who will remain Chairman of the Board of Directors, had been at the helm of the engineering and construction business for nearly 25 years. He has been replaced by Bill Dudley, who has been President and COO since 2008.

Some interesting anniversaries

<table>
<thead>
<tr>
<th>Anniversary</th>
<th>Company</th>
<th>Family</th>
<th>Industry</th>
<th>Headquarters</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>125</td>
<td>1869-2014</td>
<td>Alco Inc.</td>
<td>Steiner</td>
<td>Rental of linen, uniforms and hygiene products</td>
<td>Salt Lake City, Utah</td>
</tr>
<tr>
<td>100</td>
<td>1914-2014</td>
<td>Yancey Bros. Co.</td>
<td>Yancey</td>
<td>Hydraulic equipment</td>
<td>Austell, Georgia</td>
</tr>
</tbody>
</table>
The largest family businesses in North America

In 2012, the top 10 largest family businesses in North America generated approximately US$1.1t — to North America’s total GDP of US$18.1t. And they employ more than 3.1 million people. The largest family businesses by revenue and number of employees are Wal-Mart and Ford, both headquartered in the US. The largest family businesses in Canada are George Weston and Power Corp.

### Key economic numbers – North America

| Source: The World Bank and the International Monetary Fund |

#### GDP per capita growth rate 2012

- **USA**: 2.0%
- **Canada**: 0.6%

#### Unemployment 2012

- **USA**: 8.1%
- **Canada**: 7.3%

#### Inflation rate 2012

- **USA**: 2.1%
- **Canada**: 1.5%

### Selected obituaries

We take this opportunity to remember some of the famous family entrepreneurs who died since 1 January 2013.

- **15 January 2013**: Dan Edelman, the head and founder of the eponymous PR business Edelman, which is now under the control of the second generation, died aged 92.
- **23 February 2013**: Paul McIlhenny, CEO and Chairman of McIlhenny Company, the family business behind Tabasco sauce, died. He was 68.
- **1 April 2013**: Barbara Piaszecka Johnson, the heir to the Johnson & Johnson family fortune, died aged 76.
- **11 May 2013**: Doris Schnuck, the matriarch of US grocery company Schnuck Markets, died aged 88 in St Louis, the city where the family business was founded in 1939.
- **12 July 2013**: Amar G. Bose, the visionary engineer, inventor and billionaire entrepreneur who founded the Bose Corporation, died aged 83.
- **09 October 2013**: Paul Desmarais, the patriarch of Canadian family empire Power Corporation of Canada and one of the country’s wealthiest individuals, died aged 86.
- **25 October 2013**: Paul Reichmann, a high-profile real estate developer and the man behind London’s Canary Wharf and the World Financial Centre in New York, died in Toronto at the age of 83. He was the founder of the construction group Olympia & York.
- **23 November 2013**: Peter Lewis, the second-generation head of the Progressive Group of Insurance Companies, which he developed into a multibillion-dollar company, died aged 80.
- **9 March 2014**: William Clay Ford Sr, was the last surviving grandchild of Ford Motor Company founder Henry Ford. He was 88.

Source: EY research, based on Factiva.