

# Family offices: The new architects of private capital

An EY perspective on how family offices and next-generation investors are redefining capital allocation and governance

August 2025



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence

---

## The Historic Wealth Transfer

# 1

A historic generational wealth shift is underway. Over the next two decades, an estimated US\$83.5 trillion in global wealth will be transferred.

Page 03

---

## The Rise of Private Capital

# 2

Private capital markets have demonstrated sustained growth over the past decade, reflecting a robust 9.4% compound annual growth rate.

Page 05

---

## Family Enterprises as Economic Powerhouses

# 3

The top 500 family enterprises generate US\$8.8 trillion in revenues annually and employ 25.1 million people worldwide.

Page 07

---

## The Next-Gen Investors

# 4

Nextgens are hands-on and want a seat at the table when decisions are made about their capital.

Page 09

---

## The Nordic Edge

# 5

The Nordic region presents a unique opportunity for private capital deployment and family enterprise growth.

Page 11

# The historic wealth transfer

A historic generational wealth shift is underway. Over the next two decades, an estimated US\$83.5 trillion<sup>1</sup> in global wealth will be transferred by the current generation to new heirs (mostly millennials and Gen X), including roughly **US\$30.9 trillion by 2033**<sup>2</sup>. This transition is not only reshaping the landscape of private capital but also redefining the role of family businesses and family offices in the global investment ecosystem.

As next-generation investors assume stewardship of family fortunes, their evolving expectations – centered on **digital access, impact-driven strategies and broader portfolio diversification** – are transforming how capital gets allocated.

This shift is anticipated to support innovation (fueling growth in technology startups, particularly in venture and scale-up ecosystems) while also prompting new governance structures and investment models to accommodate more active, transparent ownership.

<sup>1</sup> UBS, Global Wealth Report 2025

<sup>2</sup> Altrata, Family Wealth Transfer 2024

The generational wealth transfer is more than a financial event; it is effectively a redefinition of how capital is governed and deployed. **Family enterprises are at the heart of this transformation.**

**In the Nordics**– and across Europe – business-owning families have long served as economic anchors. Today, this legacy is evolving into a powerful source of opportunity. With a high concentration of ultra-high-net-worth individuals (UHNWIs), the **Nordics account for a growing share of Europe's private wealth**, making the region increasingly influential in shaping the future of wealth management.





## Historic wealth transfer

US\$ trillion **30.9**

By 2033, about US\$30.9 trillion is expected to be transferred as post-war generation pass down assets.

Roughly US\$83.5 trillion will change hands globally in the next 20 to 25 years, redefining capital ownership and control.

US\$ trillion **83.5**

## The evolving priorities of next-generation leaders

Successors to family capital are seeking digital transparency, impact-focused investments and greater diversification. Their hands-on, values-driven approach is already reshaping family capital allocation strategies.



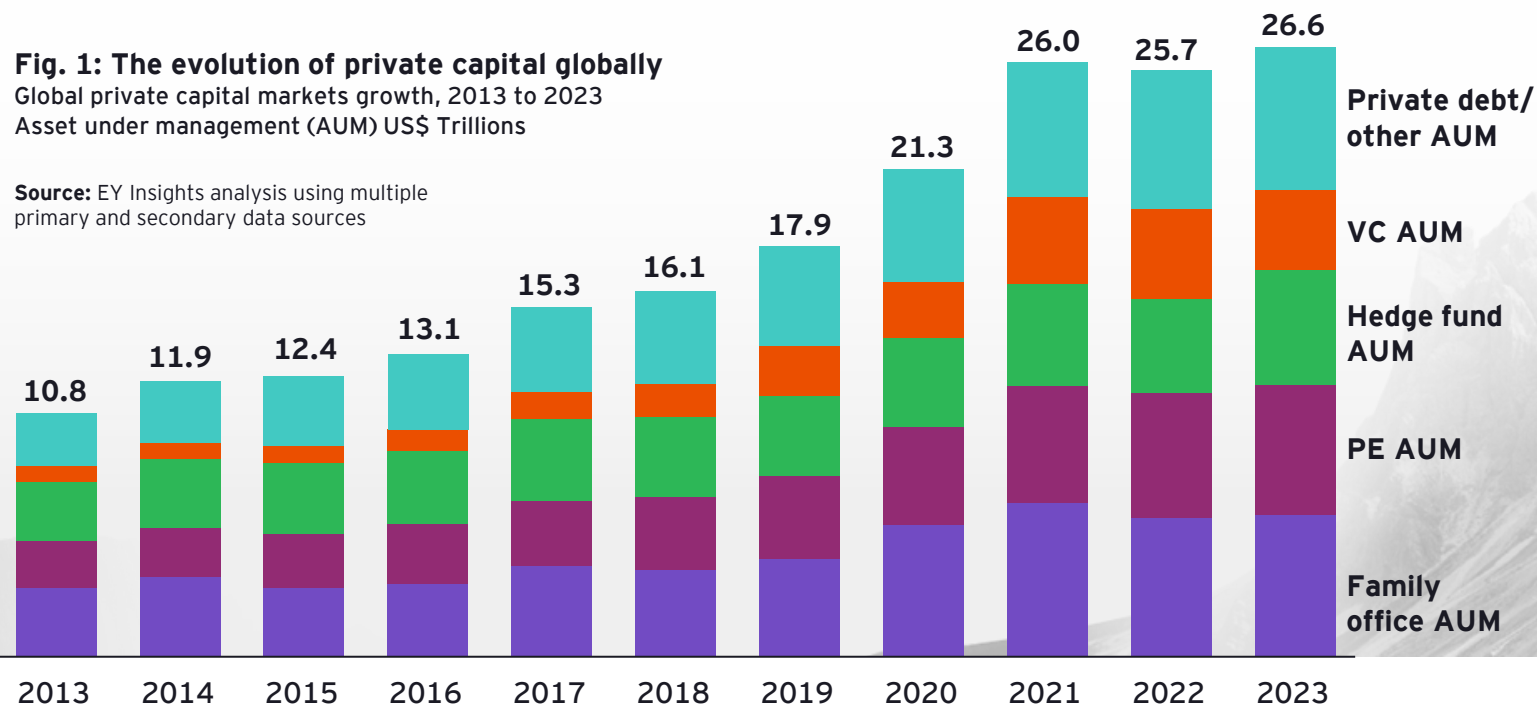
The coming years will likely see family offices – the private investment arms of wealthy families – taking on an even more influential role as “architects” of capital, channeling inherited wealth into new ventures, asset classes and societal impact.

# The rise of private capital

The landscape of private capital:  
A decade of resilience and growth

**Fig. 1: The evolution of private capital globally**  
Global private capital markets growth, 2013 to 2023  
Asset under management (AUM) US\$ Trillions

Source: EY Insights analysis using multiple primary and secondary data sources



Private capital markets have demonstrated sustained growth over the past decade. Total assets under management (AUM) in private markets worldwide climbed from about **US\$10.8 trillion in 2013 to US\$26.6 trillion in 2023**, reflecting a robust 9.4% compound annual growth rate. This expansion – **outpacing the growth of public markets** – underscores how investors' search for higher yields and new opportunities has driven more capital into private equity, venture capital, private credit and other alternative investments.

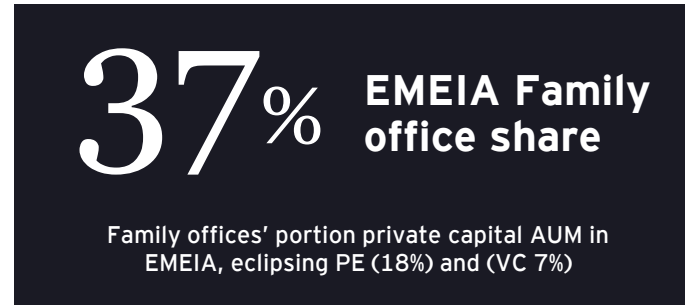
Since 2016, private markets have grown nearly twice as fast as public ones, supported by low interest rates (until recently), rising allocations to alternatives by institutional investors and high-net-worth individuals, and the ongoing intergenerational wealth transfer fueling private investment. This acceleration has also been reinforced by companies choosing to stay private longer, drawn by abundant funding and lighter regulation.

For many **large family-owned companies**, remaining private has also become more appealing, allowing them to pursue long-term strategies without the pressure of quarterly earnings. The 10-year picture reveals that **private markets have been consistently stronger and less volatile than public markets**, especially from 2016 onward.

# The role of family offices

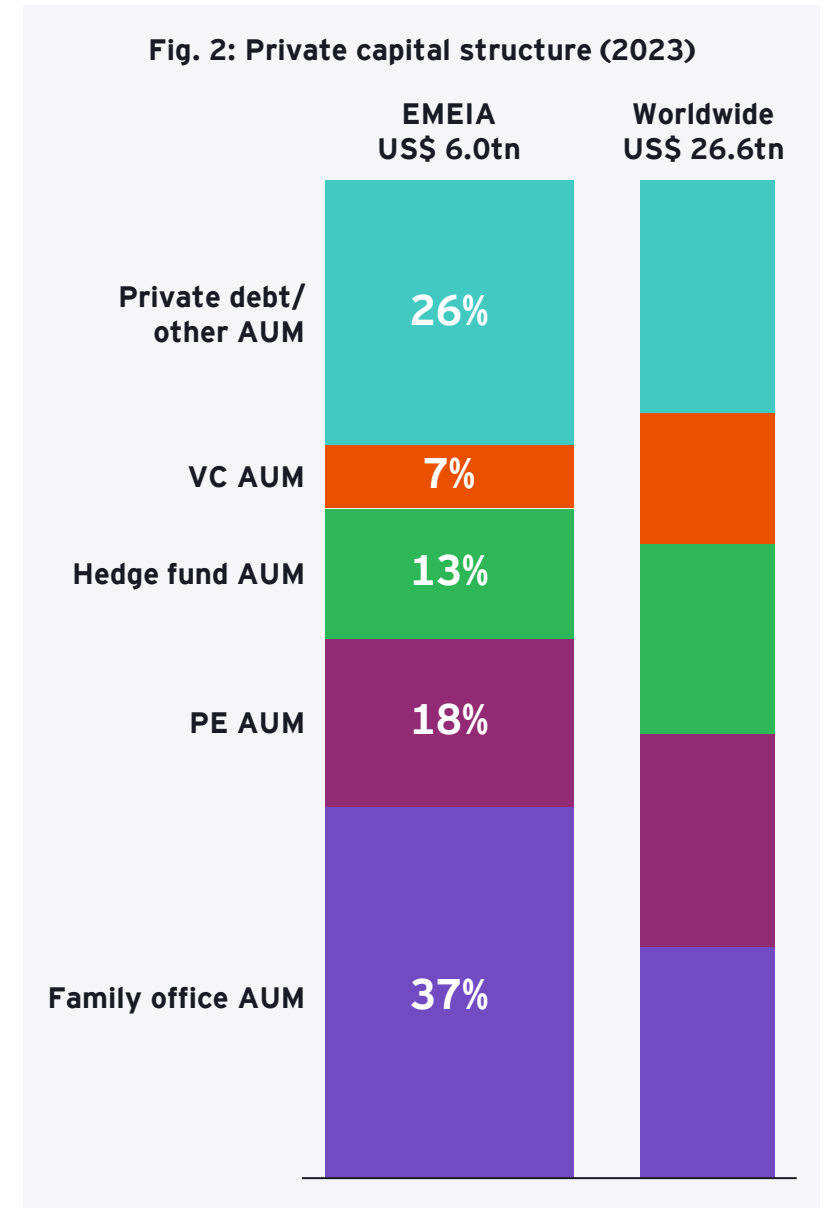


Family offices have emerged as dominant players in private capital during this period. EY analysis estimates that there are over 10,000 single family offices globally (and over 250 in the Nordics), managing about **US\$6.3 trillion** in assets (2023). That is projected to reach **US\$9.6 trillion by 2027**. In the EMEIA region, family offices account for an estimated **37% of private capital AUM** – more than double the share of traditional private equity funds (18%) and far above venture capital (7%). While venture capital currently represents just 2% of the average strategic allocation of family office AUM, it delivers an average return of around 6% – highlighting a compelling opportunity for future growth.



This shift reflects a broader trend: Business families are increasingly formalizing their investment activities via family offices, launching in-house “micro-funds” and co-investment vehicles, and diversifying into alternative asset classes such as FinTech, MedTech, blockchain and climate tech.

The next generation of investors is driving much of this change, with a strong appetite for impact, sustainability, and real-time digital access to investment data and advice. **Family offices – once relatively conservative stewards of wealth – are now at the forefront of private market innovation.**



Source: EY Insights analysis using multiple primary and secondary data sources

# Outlook: Thriving amid headwinds

Despite some near-term headwinds, private capital markets are expected to **continue thriving** in the coming years. The same dynamics that drove expansion in the last decade – institutional investors increasing allocations, growing private wealth and abundant innovation – are likely to persist.

Many analysts forecast a significant further increase in private market AUM over the next five to 10 years, with family office capital and private equity taking a sizeable share of new assets. The **great wealth transfer** underway is expected to disproportionately benefit private markets: **As roughly US\$30 trillion shifts to younger generations in the next 10 years, much of it is expected to flow into alternative investments and direct deals.**

US\$ 30 trillion

As roughly US\$ 30 trillion shifts to younger generations in the next 10 years, much of it is expected to flow into alternative investments and direct deals.

# Family enterprises: Economic powerhouses

The 2025 EY and University of St. Gallen **Global Family Business Index (G500FB Index)** highlights the sheer scale and impact of the world's largest family-controlled businesses. Collectively, the top 500 family enterprises generate **US\$8.8 trillion** in revenues annually and employ **25.1 million** people worldwide.<sup>4</sup> If these 500 companies were a country, their aggregate revenues would represent the third-largest economy in the world – behind only the US and China. This underscores how pivotal family-owned firms are to the global economy. Nearly half of the companies in the Index were involved in at least one M&A transaction, with a third of those deals exceeding US\$250 million.

The 2025 Index figure of US\$8.8 trillion is a 10% increase from the 2023 Index, far outpacing global GDP growth over the same 24-month period (3.3% in 2023).<sup>5</sup>

<sup>4</sup> EY and University of St. Gallen Global500 Family Business Index.

<sup>5</sup> International Monetary Fund, World Economic Outlook (WEO), October 2024.



What makes these family enterprises so enduring? Their scale is impressive – the average annual revenue among the **G500FB** companies is **US\$17.6 billion**, with 80% of them reporting revenues above US\$5 billion. Many are industry leaders and household-name brands. Importantly, leading family enterprises are often known for combining a **long-term value horizon** with an agile, innovative approach that drives strategic advantage.

These attributes help explain why **84% of the companies in the Index have been operating for more than 50 years**, and one-third are over a century old (a remarkable 34% of the G500FB Index companies have a legacy spanning over a century.) Such longevity is a testament to effective stewardship through multiple generations, an ability, adapt, change & focus on sustainable growth over quick win.

In Europe, 234 family businesses feature in the 2025 Index (about 47% of the total), contributing US\$3.8 trillion in revenues and employing 10.5 million people.

These European family firms are not only sizeable and economically significant; they also tend to be deeply rooted. In fact, 84% of the European companies on the Index are older than 50 years, and roughly one-third have been operating for over 100 years.

**Nordic family businesses** play a significant role in the region’s economy, with 19 companies featured in the G500FB Index, generating a combined revenue of US\$226 billion. This accounts for 12.91% of the Nordics’ nominal GDP, highlighting their economic influence.

**Denmark’s status** is a case in point, highlighting the outsized economic contribution of family enterprises. Danish companies in the Global Family Business Index (e.g., world-leading firms in shipping, toys and pharmaceuticals) contribute roughly 23% of Denmark’s GDP – an astonishing figure for a single ownership segment, highlighting their economic influence and placing the region among the most impactful in the Index.

**EY and University of St. Gallen Global 500 Family Business Index**

Aggregate revenues

US\$ trillion **8.8**

**EY and University of St. Gallen Global 500 Family Business Index**

Global employment

US\$ million **25.1**





# The Next-Gen Investors

## The next generation: Redefining capital allocation and governance

The rising next generation of family investors brings a distinct mindset and set of priorities compared with their predecessors. Many next-generation family members are **more comfortable with risk**, more value driven in their goals, and more eager to actively participate in the entrepreneurial ecosystem. Rather than simply preserving wealth, they often seek to grow and deploy it in new ways – favoring co-investment models, demanding digital transparency and frequently rejecting the notion of handing over full control to traditional wealth managers.

Nextgens are hands-on and want a **seat at the table** when decisions are made about their capital. They often have entrepreneurial experience themselves and are keen on backing other entrepreneurs, sometimes as a way of making their own mark outside the core family business.

“

## Many next-generation heirs don't want full wealth manager control

They prefer to co-invest, learn and participate in the entrepreneurial ecosystem.

EY market intelligence – including the EY Family Office Survey, EY NextGen Network and EY family office advisors – suggests that this cohort's interest in technology – especially startups – is likely to intensify. Many family offices that previously focused primarily on traditional assets – such as real estate, insurance, pensions and financial instruments – are now making allocations to venture capital or directly investing in startups in areas like FinTech, BioTech and e-commerce.

The **EY NextGen Network**, which has engaged over 900 future family enterprise leaders across the world, reveals consistent themes: a **strong desire for active involvement**, a focus on innovation, and a heightened **commitment to responsible governance** in their family businesses and investments. They don't just want to continue the family legacy passively – they want to shape it.

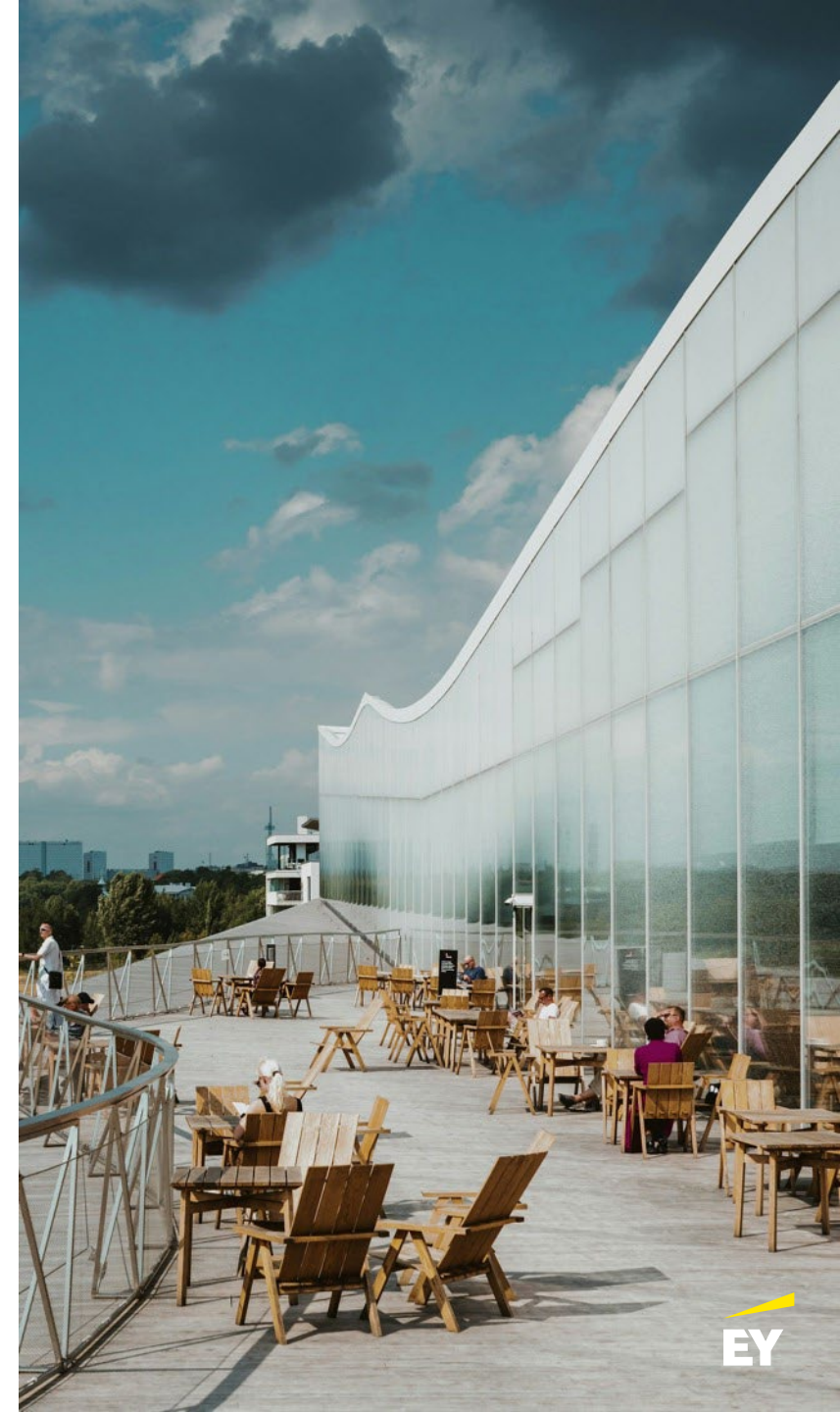
Research indicates that many nextgens reevaluate their professional advisor relationships upon inheriting. A significant number end up changing advisors or strategies to achieve greater **digital access, transparency and alignment with personal values** – such as sustainability or social impact.

EY teams working with family offices observe a growing preference for investments that align with a social or environmental purpose. Whether it's renewable energy projects, sustainable agriculture or venture funds focused on inclusive FinTech, the next generation is leaning into impact investing.

This trend is likely to continue – and even accelerate – as more wealth shifts to successors who have grown up with climate change and social justice as central issues. As nextgens exert more influence on long-term strategy, family investment portfolios are shifting accordingly.

A notable example is **Sweden's Wallenberg family**, one of Europe's most influential business dynasties. As it began transitioning to its sixth generation, the family initiated a strategic shift by exploring asset classes beyond equities. While corporate ownership remains central, their US\$700 billion family foundations – anchored in companies like Ericsson, Saab and AstraZeneca – are now broadening their investment approach to enhance diversification.<sup>6</sup>

<sup>6</sup>FT, March 2025 [Wallenbergs step up succession pace with board appointments](#): The Wallenberg family of industrialists has stepped up its succession planning, placing the first members of its sixth generation on listed company boards in Sweden.





# The Nordic edge

## Nordics set the pace in evolving private capital markets

The Nordic region presents a unique opportunity for private capital deployment and family enterprise growth. The Nordics (Denmark, Sweden, Norway and Finland) have a high concentration of significant family businesses that have long been leading forces in shaping their economies. These firms benefit from robust governance cultures, and they are embedded in strong innovation ecosystems (the region is known for its startup scene and tech-forward policies).

This combination of deep-rooted family enterprises and thriving innovation makes the Nordics well positioned to lead in the next phase of private capital evolution. Family investors in the region are able to draw on a legacy of industrial success while also embracing new technology and sustainable business models.

Moreover, Nordic family-owned organizations are actively engaging with **emerging technologies** – particularly artificial intelligence (AI) – in ways that reflect their values and long-term vision. A recent EY **Nordic Responsible AI survey** shows that while

companies across the region are optimistic about AI's potential, they tend to adopt it with care, emphasizing responsible use, strong internal governance and alignment with broader societal goals.

**Family capital is not a niche in the Nordics; it's central to the economy.** They exemplify how family capital can be a catalyst for broader economic development. The region's family businesses and family offices combine the strengths of legacy with the agility to pivot into new industries.

## About EY Family Enterprise

EY teams are dedicated to supporting family enterprises in shaping their future with confidence. As trusted advisors to most of the world's largest 500 family enterprises, EY teams have the experience and know-how to support you, your family, your business and your investments. Our mission is to assist you to grow a more valuable enterprise, navigate disruptions and manage successful generational transitions.

Through the EY Family Enterprise DNA Model, we focus on four strategic drivers for long-term success: business growth, company capitalization, generational transition and shareholder liquidity. Our model is built on over 100 years of experience working with family enterprises like yours.

For more information, visit [ey.com/familyenterprise](https://ey.com/familyenterprise).

## Contacts

---

### Jennifer Rock-Baley

Family Enterprise Leader, EY  
Sweden  
[jennifer.rock-baley@se.ey.com](mailto:jennifer.rock-baley@se.ey.com)

### Lauri Oinaala

EY Global NextGen Leader  
Europe Family Enterprise Leader  
[lauri.oinaala@eyg.ey.com](mailto:lauri.oinaala@eyg.ey.com)

## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

### All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

© 2026 EYGM Limited.  
All Rights Reserved.

006682-25Gb1  
ED NONE

[ey.com](https://ey.com)