



Foundation for
Family Businesses

Adjust the compass towards competitiveness

EU Family Business Survey 2026

September 2026 - Research Report



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Economic conditions differ across Europe, reflecting varying growth momentum and labour market conditions

IMF estimates (2024-2025) and latest IMF projections (2026)

Markets ordered based on GDP

Country		GDP Growth (%)			Unemployment (%)		
		2024	2025 (Est.)	2026 (Proj.)	2024	2025 (Est.)	2026 (Proj.)
	Germany	0.2	0.5	0.9	3.4	3.8	3.9 ↗
	France	1.1	0.8	1	7.4	7.6	7.9 ↑
	Italy	0.7	0.7	0.8	6.6	6.1	6.0 ↘
	Spain	3.2	2.5	2.3	11.3	10.5	9.8 ↓
	Netherlands	1.0	1.3	1.6	3.7	3.9	4.1 ↑
	Poland	2.9	3.2	3.5	2.9	2.8	2.8 →
	Sweden	1.0	1.8	2.6	8.3	8.3	8.4 ↗



Executive Summary



Executive Summary

1. Europe's confidence is holding, but the warning signs are becoming more severe	Business confidence remains resilient over the long term, with family businesses continuing to demonstrate greater resilience. However, expectations for the year ahead have softened across Europe, with Germany emerging as the clearest warning signal. Confidence remains intact, but it can no longer be taken for granted.
2. Germany's softening outlook is a warning to European competitiveness	Germany records the sharpest deterioration in short-term business confidence and is consistently more critical than other markets on competitiveness, taxation, regulatory burden and AI-related employment expectations. As Europe's largest economy, its changing business sentiment should be treated as an early warning for Europe.
3. Europe continues investment attraction, but businesses are demanding a more competitive operating environment	Businesses continue to invest across Europe and see the Single Market as a platform for growth. Future investment, however, increasingly depends on a more competitive operating environment, including competitive tax systems, faster approvals, lower administrative burdens and stronger economic growth. Businesses are not asking the EU for more intervention; they are asking it to remove friction so they can invest, grow and compete.
4. Administrative complexity is becoming one of Europe's greatest competitive disadvantages	Administrative complexity has become a competitive disadvantage. Regulatory compliance is absorbing resources that businesses would rather invest in innovation, digital transformation, infrastructure and skills. While businesses welcome simplification efforts, many remain unconvinced they will deliver meaningful relief, particularly in Germany.
5. Europe's competitiveness increasingly depends on its ability to scale AI	AI adoption is progressing, but most businesses have yet to move beyond implementation. Businesses consistently identify skills, regulatory clarity and harmonised rules as the foundations for wider AI adoption. Here too, the message is clear: businesses are not asking the EU to lead AI adoption for them, they are asking it to remove barriers, provide certainty and create the conditions that allow AI to scale.
6. Family businesses remain a strategic strength, but continuity cannot be assumed	Family businesses remain resilient and confident about generational continuity, but succession readiness is weakening. The growing gap between confidence and formal succession planning suggests that sustaining Europe's family business model will require both a stronger business environment and greater investment in long-term succession planning.



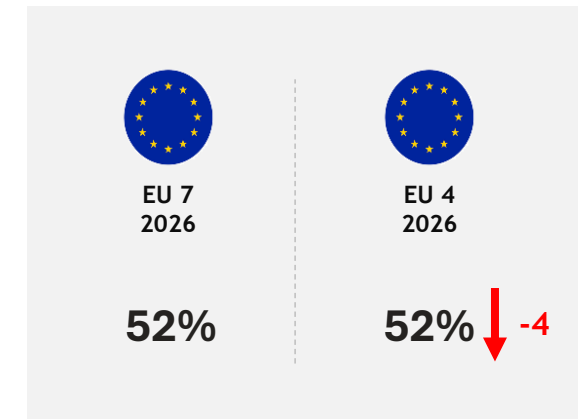
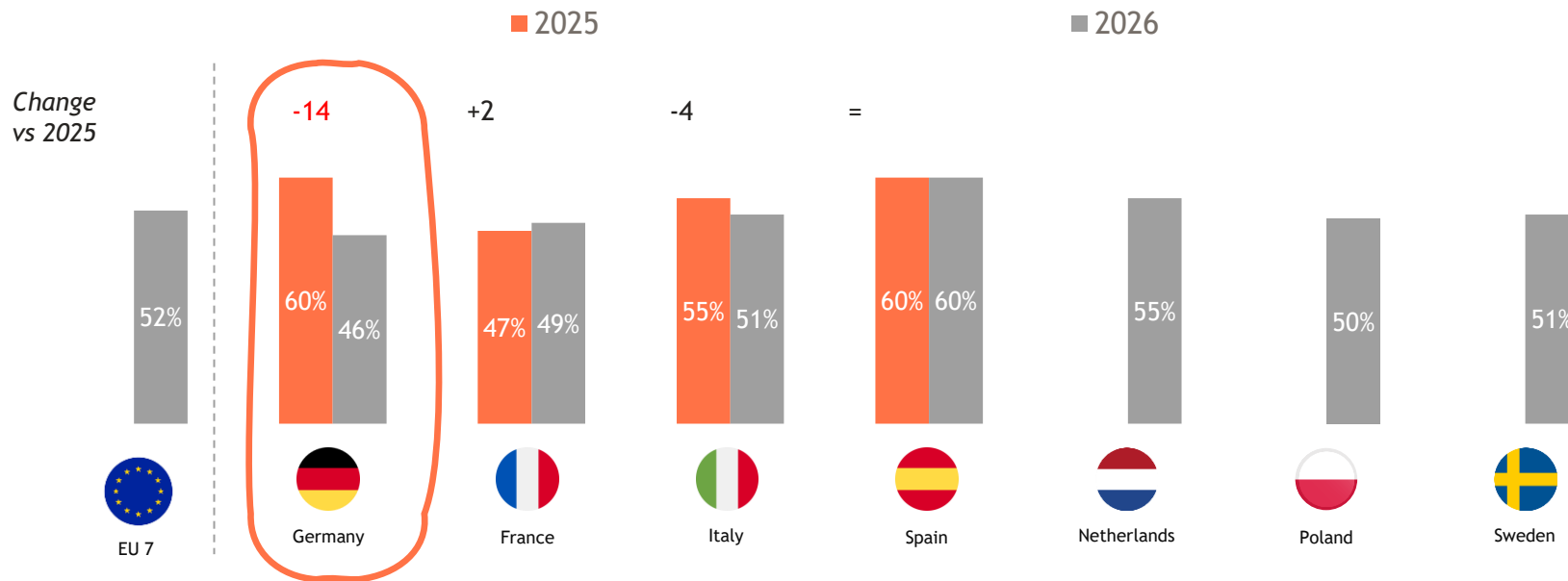
Confidence remains resilient, but growing caution signals a changing business mood



➤ Short-term business confidence is giving way to growing unease, with Germany emerging as the clearest warning signal

Future outlook for the next 12 months: Better than today 2025 vs 2026

Markets ordered based on GDP



Business confidence is cautiously positive, with more optimism in the South and Germany most pessimistic.

EU 7: the 7 European markets tracked in 2026 / EU 4: the 4 markets tracked in 2025 (Germany, Spain, Italy and France)

■ / ■ Significantly higher / lower than 2025 at 95%

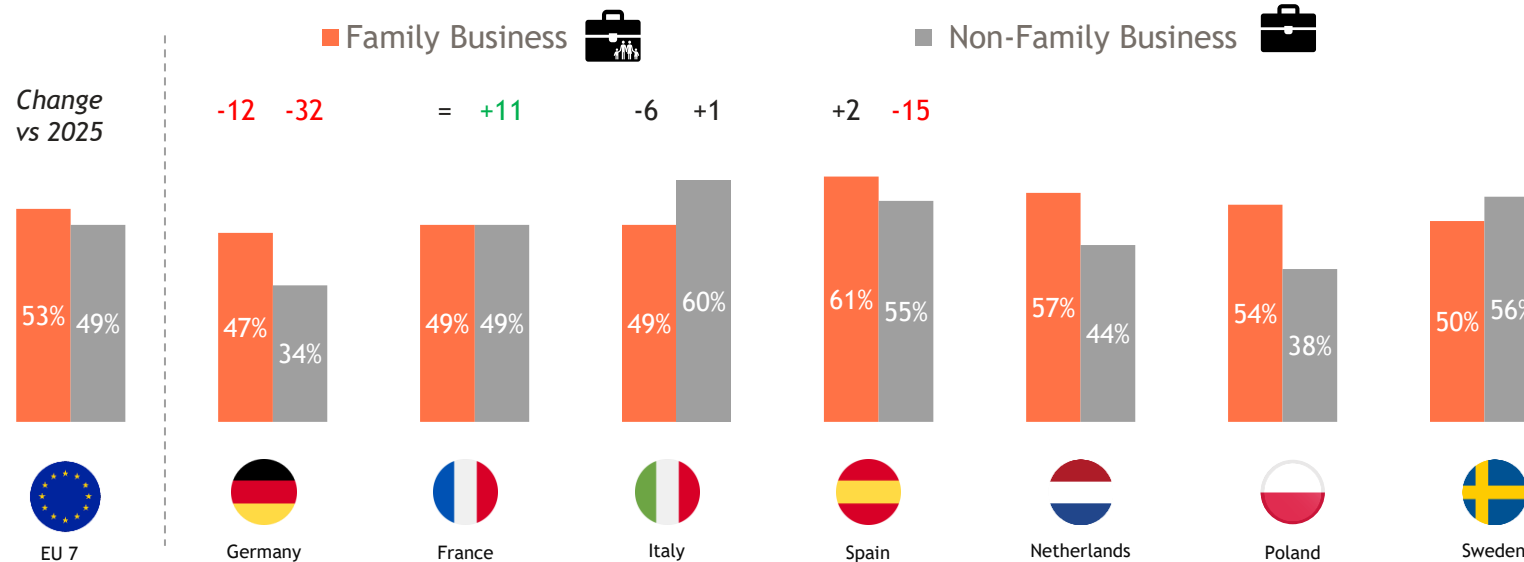
Q1. What do you think the general state of your company will be in each of the following? Please select one response per statement using a 5-point scale where 1 means "A lot worse than today" and 5 means "A lot better than today". Top 2 "Better than today in the next 12 months". Base: All respondents - 2026 (N = 2,101), All respondents - 2025 (N = 2,401).



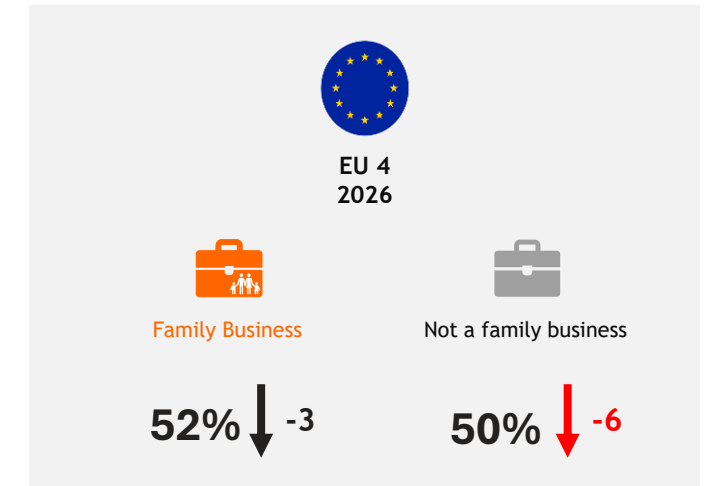
Family businesses demonstrate greater resilience across most markets, although Italy and Sweden stand out as notable exceptions

Future outlook for the next 12 months: Better than today by business model

Markets ordered based on GDP



2026 vs 2025



The decline in confidence observed in Germany and Spain, particularly among non-family businesses, is driven primarily by a shift towards more neutral rather than more pessimistic expectations, suggesting growing caution rather than declining confidence.

EU 7: the 7 European markets tracked in 2026 / EU 4: the 4 markets tracked in 2025 (Germany, Spain, Italy and France)

Green / Red: Significantly higher / lower than 2025 at 95%

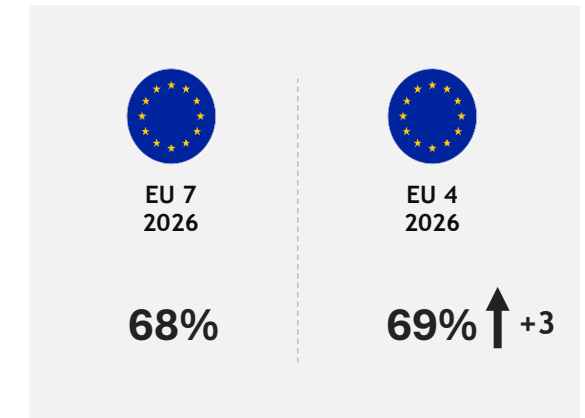
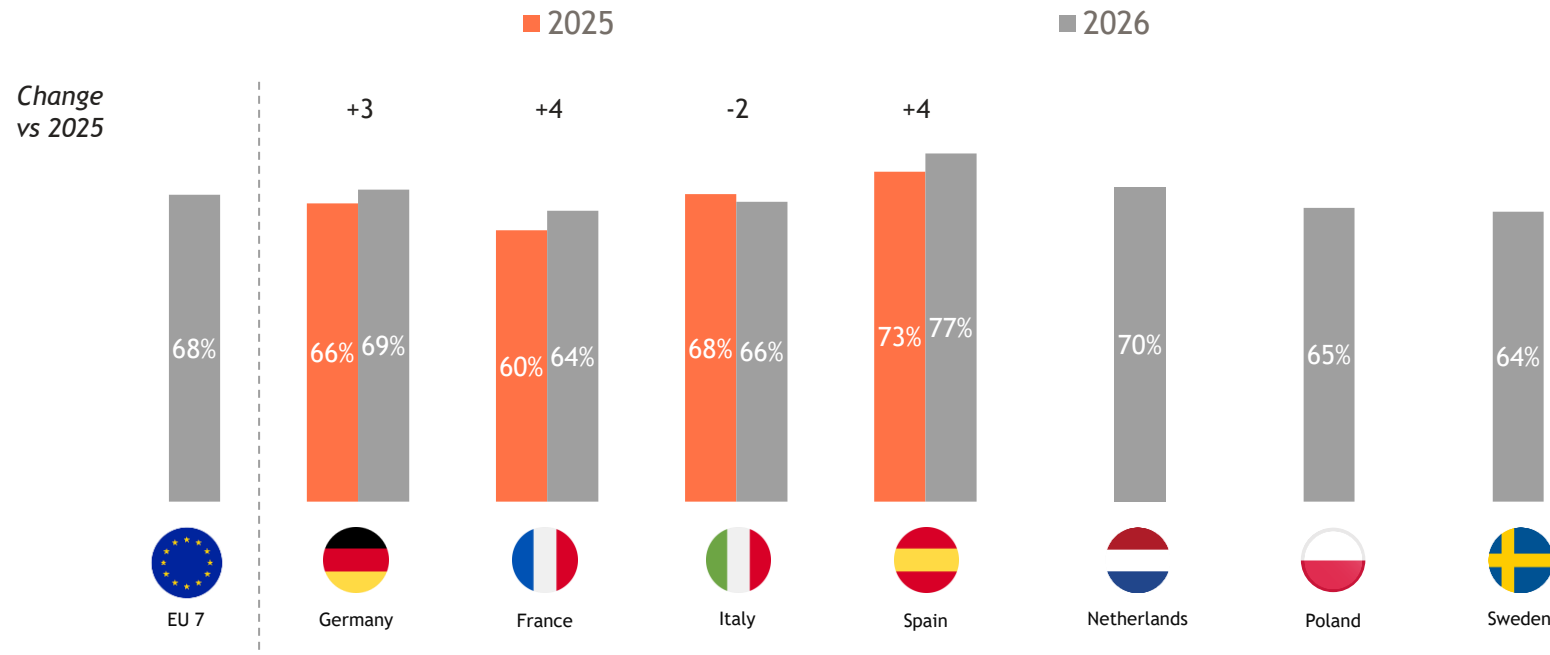
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Despite uncertainty, business leaders remain focused on long-term growth

Future outlook for the next 5 years: Better than today 2025 vs 2026

Markets ordered based on GDP



Both family and non-family businesses remain equally confident about the future, with long-term confidence strengthening across both business models in the EU 4.

EU 7: the 7 European markets tracked in 2026 / EU 4: the 4 markets tracked in 2025 (Germany, Spain, Italy and France)

■ / ■ Significantly higher / lower than 2025 at 95%

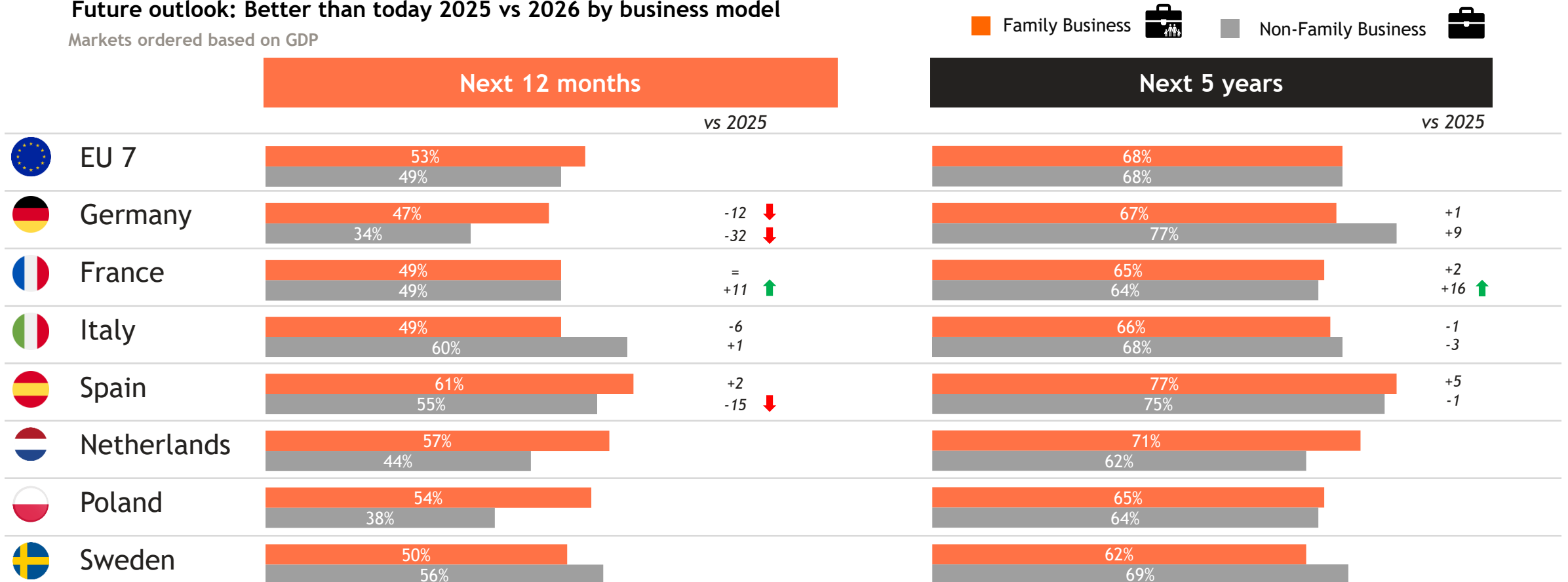
Q1. What do you think the general state of your company will be in each of the following? Please select one response per statement using a 5-point scale where 1 means "A lot worse than today" and 5 means "A lot better than today". Top 2 Box "Better than today in the next five years" Base: All respondents - 2026 (N = 2,101), All respondents - 2025 (N = 2,401).



Family businesses show greater short-term resilience, while long-term confidence remains strong across both business models

Future outlook: Better than today 2025 vs 2026 by business model

Markets ordered based on GDP



EU 7: the 7 European markets tracked in 2026

■ / ■ Significantly higher / lower than 2025 at 95%

Q1. What do you think the general state of your company will be in each of the following? Please select one response per statement using a 5-point scale where 1 means “A lot worse than today” and 5 means “A lot better than today” Top 2. Base: All respondents - 2026 (Family Business N = 1,673, Non-Family business N = 419), All respondents - 2025 (Family Business N = 1,992, Non-Family business N = 409).



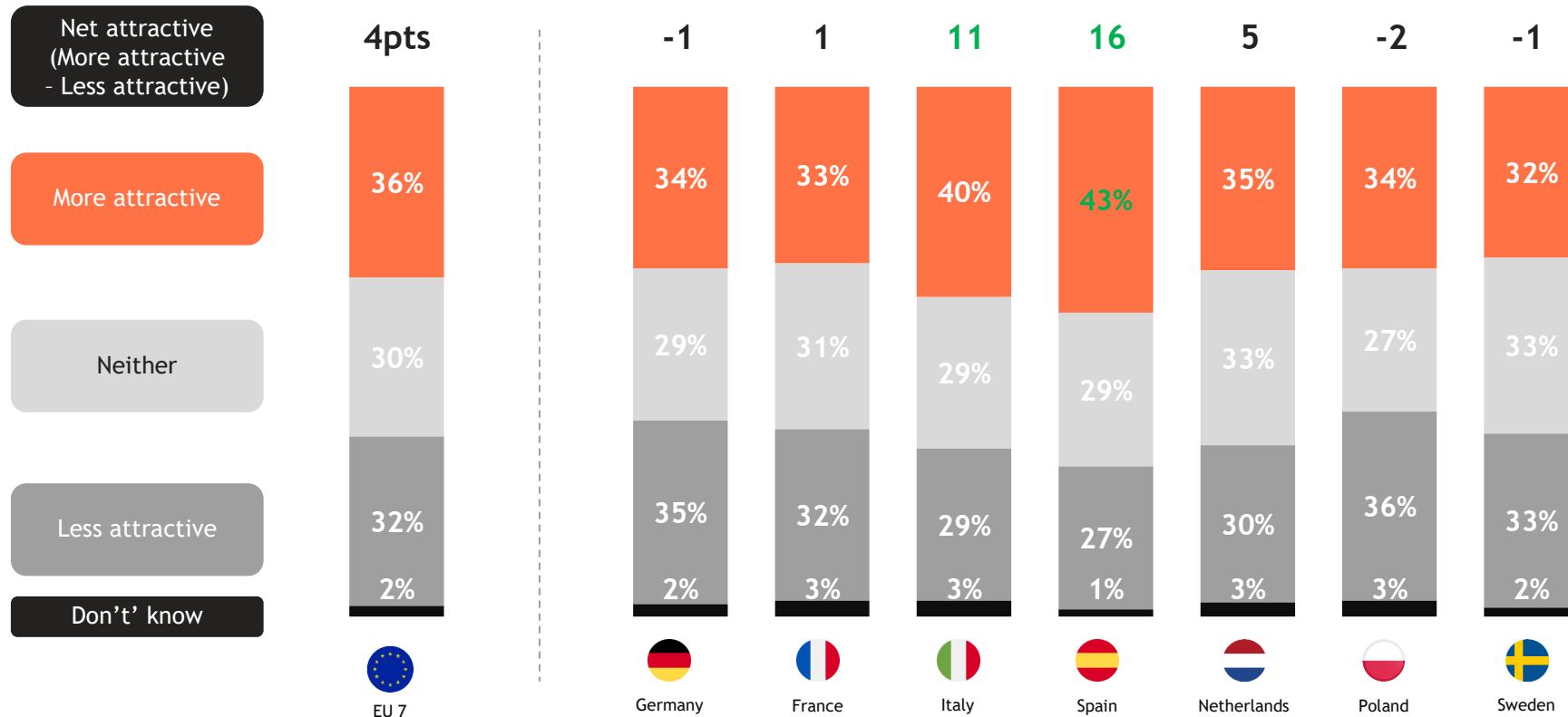
Confidence alone will not sustain growth, Europe must remain competitive to attract investment



Business leaders are divided on the EU's attractiveness, with recent declines reported in Germany, Poland and Sweden

Attractiveness of the EU as a business location vs 2 years ago

Markets ordered based on GDP



The lack of clear consensus suggests that businesses are reassessing the EU's competitive appeal.

Both business models (i.e., family and non-family businesses) mirror the overall trend, with no significant difference between the 2 groups.

EU 7: the 7 European markets tracked in 2026

Significantly higher / lower than 2025 at 95%

Q3. Over the past two years, has the EU become a more or less attractive business location? Please select one response using a 5-point scale where 1 means "Much less attractive" and 5 means "Much more attractive". Percentages may not total 100% due to rounding. Base: All respondents (N = 2,101).



Most businesses continue to prioritise investment in the EU despite mixed perceptions

Geographic investment allocation over the past 2 years - EU 7

53%

of businesses invested in the EU (home and/or EU countries)



Invested only in home country

Invested in home country and other EU countries

31%

invested inside and outside the EU



Invested both within and outside the EU

Invested mostly outside the EU

Highest EU Investment Focus



Germany



Sweden

Germany and Sweden record the strongest European investment focus (55%)

Most International Footprint



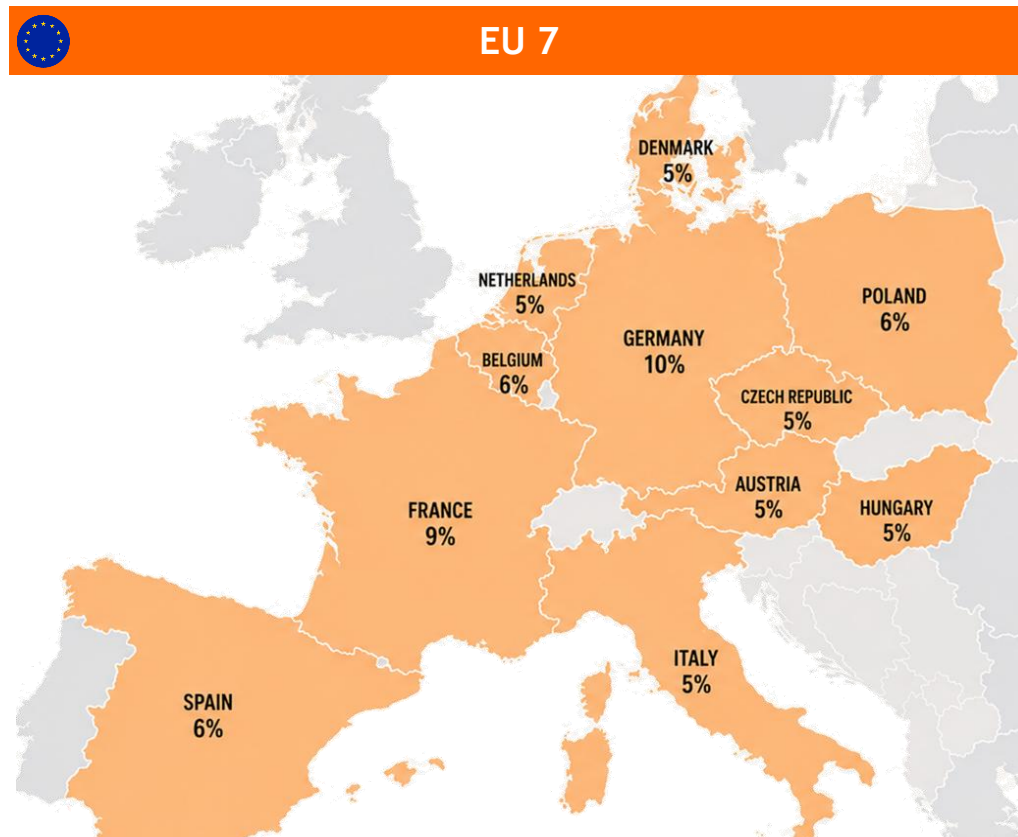
Poland 34%

Driven by the largest share investing both within and outside the EU (29% vs 24% in EU 7)



Investment within the EU reflects strong regional and economic connections

Top destination countries for investment - among businesses that invested in home market and EU countries



Germany	
1. <u>France</u>	14%
2. <u>Germany</u>	10%
3. <u>Spain</u>	9%

France	
1. <u>Germany</u>	14%
2. <u>Spain</u>	14%
3. <u>Italy</u>	12%

Italy	
1. <u>France</u>	15%
2. <u>Croatia</u>	8%
3. <u>Spain</u>	7%

Spain	
1. <u>Hungary</u>	9%
2. <u>France</u>	7%
3. <u>Croatia</u>	7%

Netherlands	
1. <u>Croatia</u>	8%
2. <u>Hungary</u>	8%
3. <u>Romania</u>	6%

Poland	
1. <u>Germany</u>	20%
2. <u>France</u>	11%
3. <u>Czech Rep.</u>	11%

Sweden	
1. <u>Germany</u>	9%
2. <u>Denmark</u>	8%
3. <u>France</u>	8%

Top 2 EU economies



Taxation, growth and regulation drive EU investment decision, even though business priorities differ across countries

Incentives to invest more in the EU - among businesses that invested in their home market and other EU countries



EU 7

Lower corporate tax burden	40%
Economic growth and consumer demand	39%
Fewer regulatory requirements	38%
Lower labour costs	36%
More flexible labour market rules	32%
Faster approval procedures	31%
More competitive energy costs	31%
Improved availability of skilled workforce	24%

Market Insights:



Germany

1. Lower corporate tax burden
2. Economic growth and consumer demand
3. More competitive energy costs



France

1. Fewer regulatory requirements
2. Lower corporate tax burden
3. Economic growth and consumer demand



Italy

1. Lower corporate tax burden
2. Fewer regulatory requirements
3. Lower labour costs



Spain

1. Economic growth and consumer demand
2. Lower corporate tax burden
3. Fewer regulatory requirements



Netherlands

1. Fewer regulatory requirements
2. Lower corporate tax burden
3. Economic growth and consumer demand



Poland

1. Economic growth and consumer demand
2. Lower labour costs
3. More flexible labour market rules



Sweden

1. Economic growth and consumer demand
2. More flexible labour market rules
3. Lower labour costs

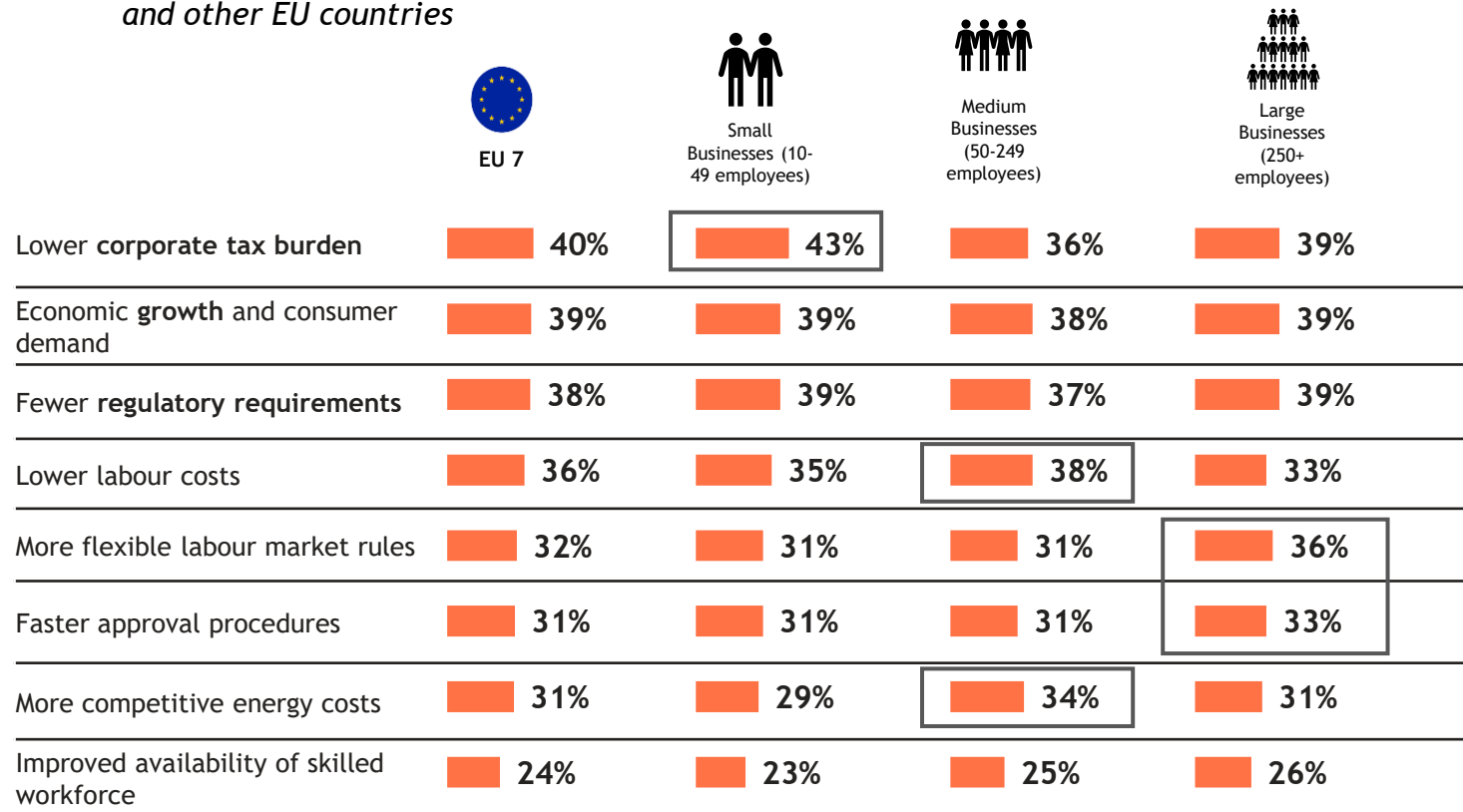
EU 7: the 7 European markets tracked in 2026

Q4C. What factors would encourage your company to invest more in the EU? Please rank up to 3 factors, where 1 = would increase your investment the most, 2 = second most, and so on. Base: Businesses that invested in home countries and/or inside the EU (N = 1,117).



➤ Tax competitiveness remains a universal priority, while larger businesses place greater emphasis on operating conditions

Incentives to invest more in the EU - among businesses that invested in their home market and other EU countries



EU 7: the 7 European markets tracked in 2026

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Small Businesses
(10-49 employees)

Tax competitiveness is the primary investment lever, with lower corporate taxes (43%) emerging as the strongest incentive for additional investment.



Medium Businesses
(50-249 employees)

Operational cost competitiveness takes priority, with lower labour costs (38%) and more competitive energy costs (34%) becoming increasingly important investment drivers.



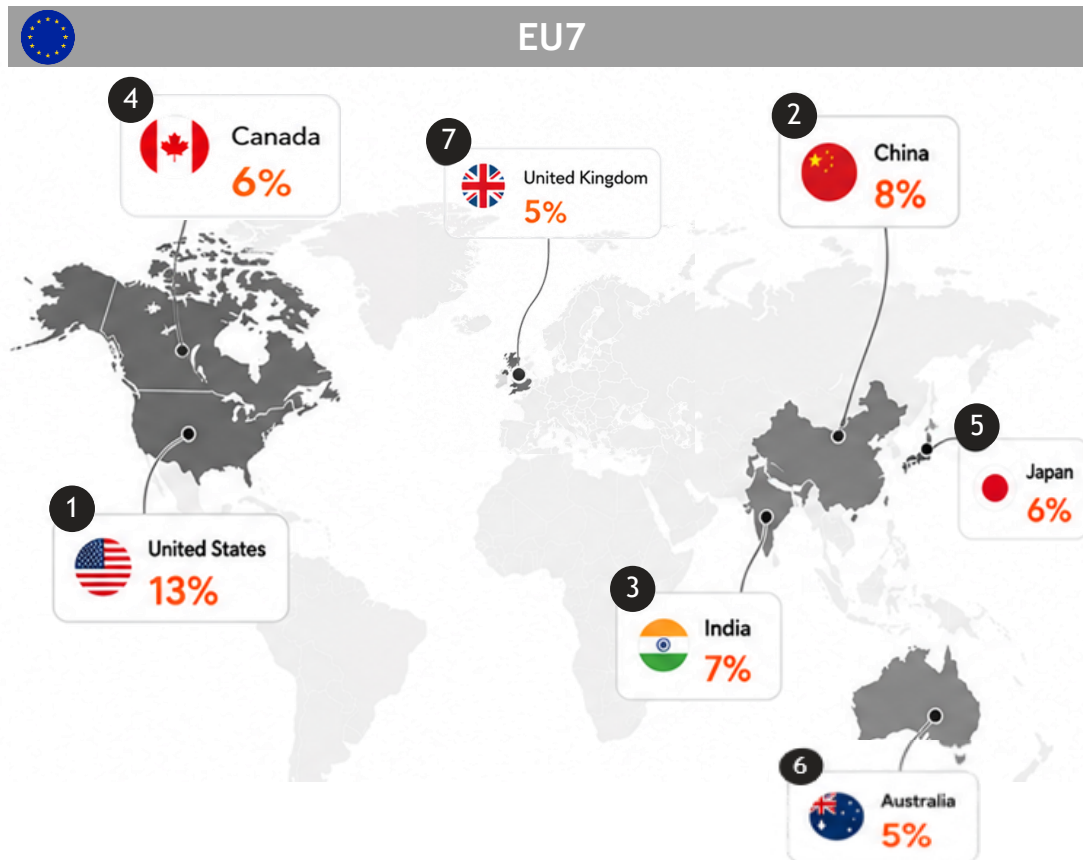
Large Businesses
(250+ employees)

Growth is increasingly linked to **business efficiency**, with greater emphasis on more flexible labour market rules (36%) and faster approval procedures (33%) to support investment and expansion.



Global investment is directed towards North America and Asia's major growth markets

Top destination countries for investment - among businesses that invested outside the EU



Germany	
1. <u>US</u>	14%
2. <u>China</u>	11%
3. Japan	9%

Spain	
1. <u>China</u>	7%
2. Vietnam	7%
3. Indonesia	7%

France	
1. <u>US</u>	15%
2. <u>China</u>	13%
3. UAE	8%

Netherlands	
1. <u>China</u>	8%
2. India	8%
3. Vietnam	7%

Italy	
1. <u>US</u>	7%
2. <u>China</u>	7%
3. India	7%

Poland	
1. <u>US</u>	26%
2. UK	11%
3. India	10%

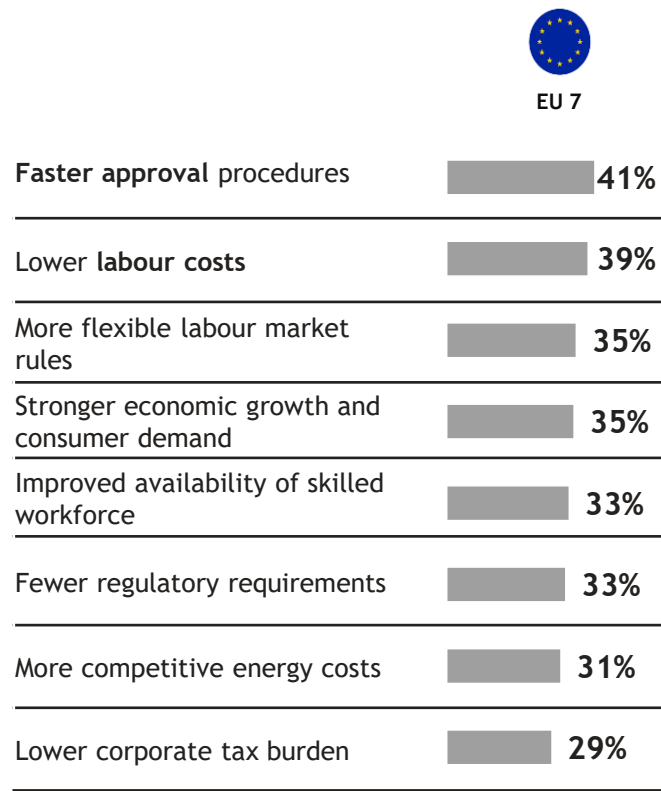
Sweden	
1. <u>US</u>	14%
2. Singapore	10%
3. India	7%

Top 2 global economies

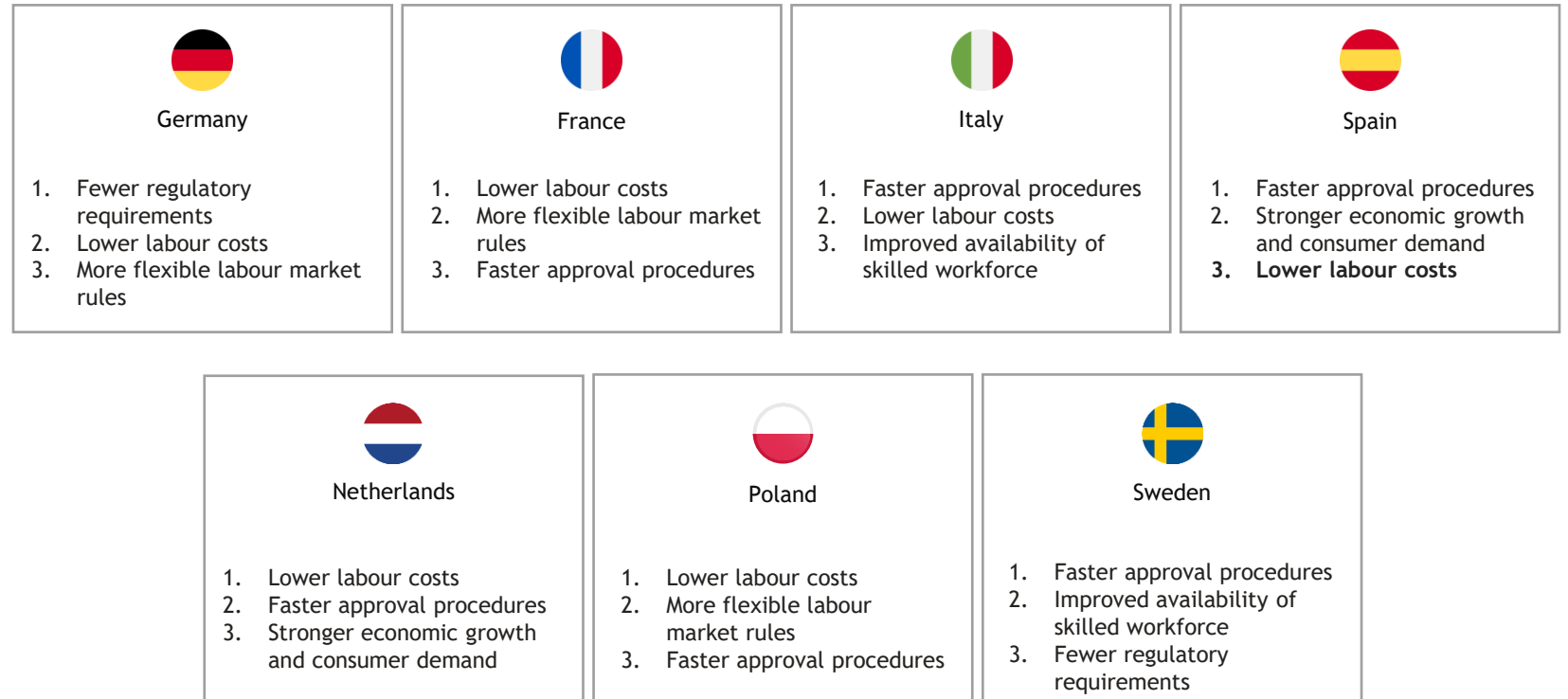


Europe's investment appeal depends on a common competitiveness agenda with distinct national priorities

Drivers that would make the EU a more attractive place to invest - *among businesses that invested outside the EU*



Market Insights:



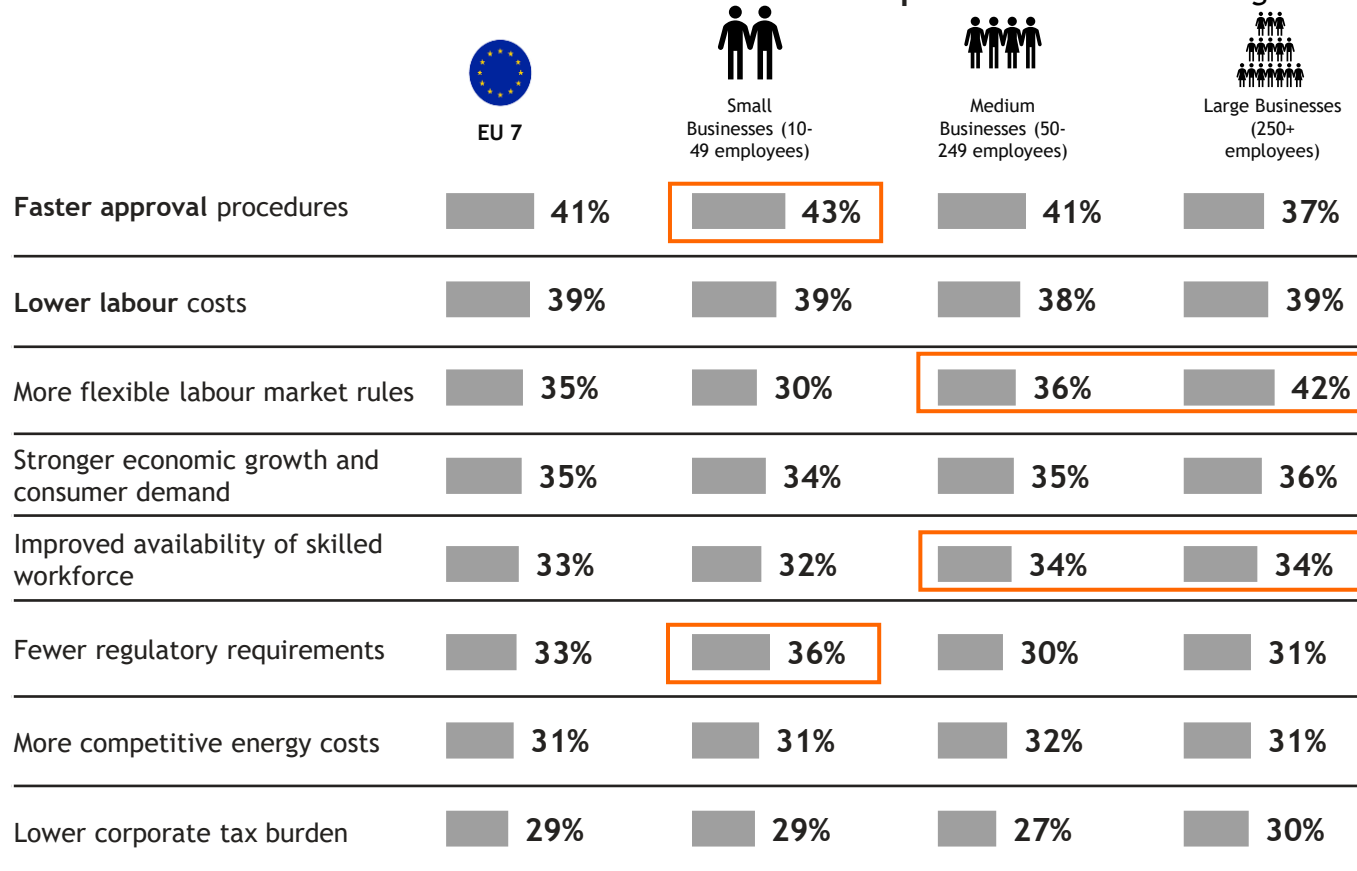
EU 7: the 7 European markets tracked in 2026

Q4B. What would make the EU a more attractive place to invest? Please rank up to 3 factors, where 1 = would increase attractiveness the most, 2 = second most, and so on. Base: Businesses that invested in EU countries and some/significant investments outside the EU (N = 648).



Businesses of all sizes prioritise a more efficient business environment, with investment priorities evolving as companies grow

Drivers that would make the EU a more attractive place to invest - *among businesses that invested outside the EU*



EU 7: the 7 European markets tracked in 2026

Q4B. What would make the EU a more attractive place to invest? Please rank up to 3 factors, where 1 = would increase attractiveness the most, 2 = second most, and so on. Base: Businesses that invested in EU countries and some/significant investments outside the EU (N = 648).



Small Businesses
(10-49 employees)

Administrative efficiency is paramount, with faster approval procedures (43%) and fewer regulatory requirements (36%) emerging as the strongest drivers of investment attractiveness.

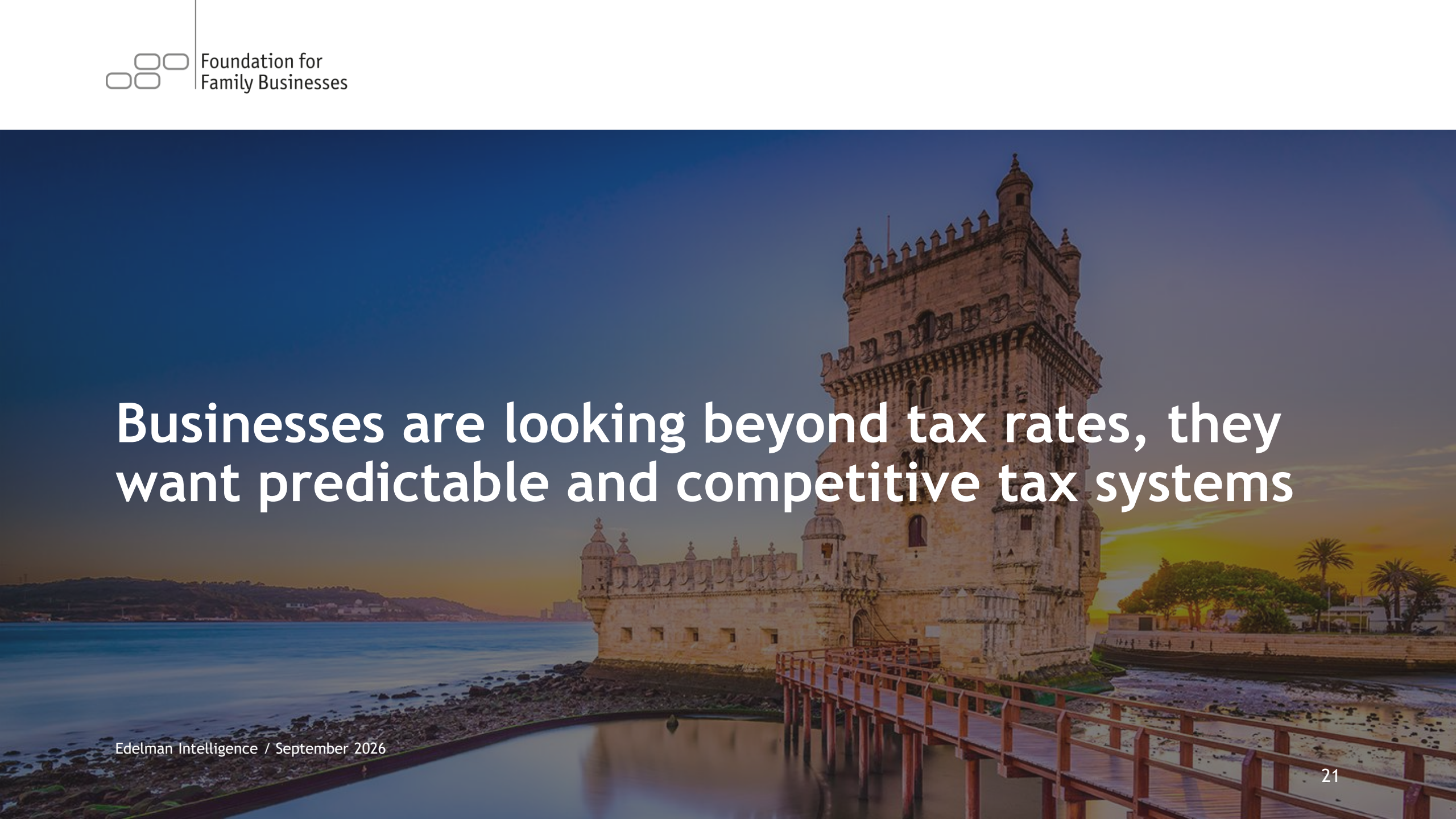


Medium Businesses
(50-249 employees)



Large Businesses
(250+employees)

As businesses grow, flexibility becomes increasingly important, with greater emphasis on labour market flexibility and improved availability of skilled workers.



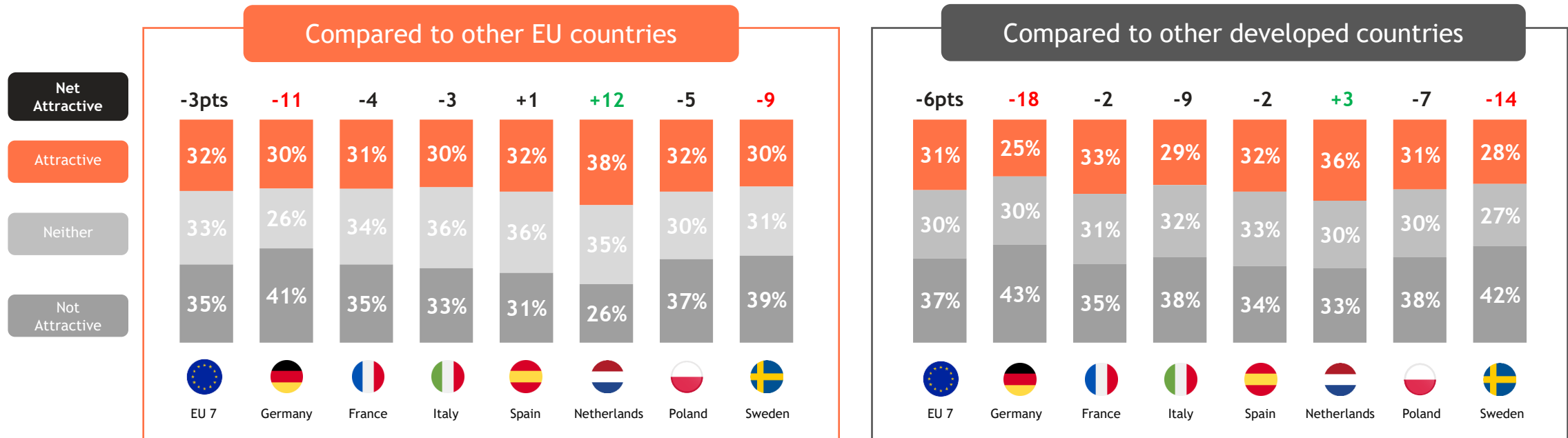
Businesses are looking beyond tax rates, they want predictable and competitive tax systems



Most businesses view their domestic tax system as less attractive than those of other European and developed economies

Competitiveness of domestic tax conditions vs other EU countries and other developed countries

Markets ordered based on GDP



Business leaders in the Netherlands deem their tax conditions to be attractive vs other countries. Business leaders in Germany and Sweden are the most critical of the attractiveness of their tax regime.

EU 7: the 7 European markets tracked in 2026

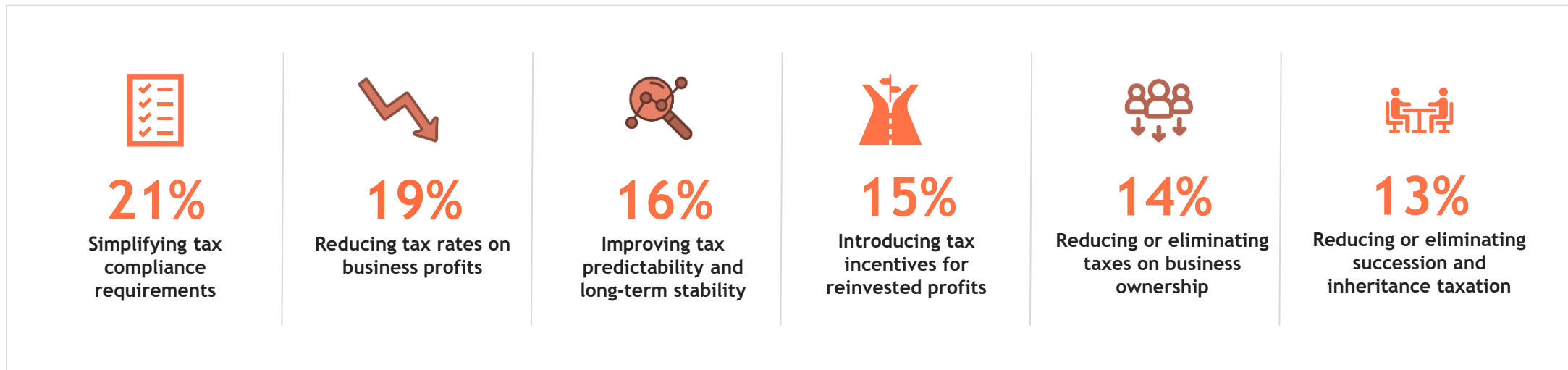
Green / Red: Significantly higher / lower than 2025 at 95%

Q10. How do you assess the tax conditions in your home country compared to the following. Compared to other EU countries / Compared to other developed countries (non-EU countries). Percentages may not total 100% due to rounding and the exclusion of "Don't know" / "Prefer not to say" responses. Base: All respondents (N = 2,101).



Businesses want a tax system that is easier to navigate and provides certainty

Priority measures to enhance economic success and competitiveness - EU 7



Businesses see tax competitiveness as a combination of simpler compliance, greater predictability and competitive tax rates. Within markets, Italy assigns higher priorities to simplifying compliance and reducing tax rates.

Priorities are consistent across markets, business models and business sizes.



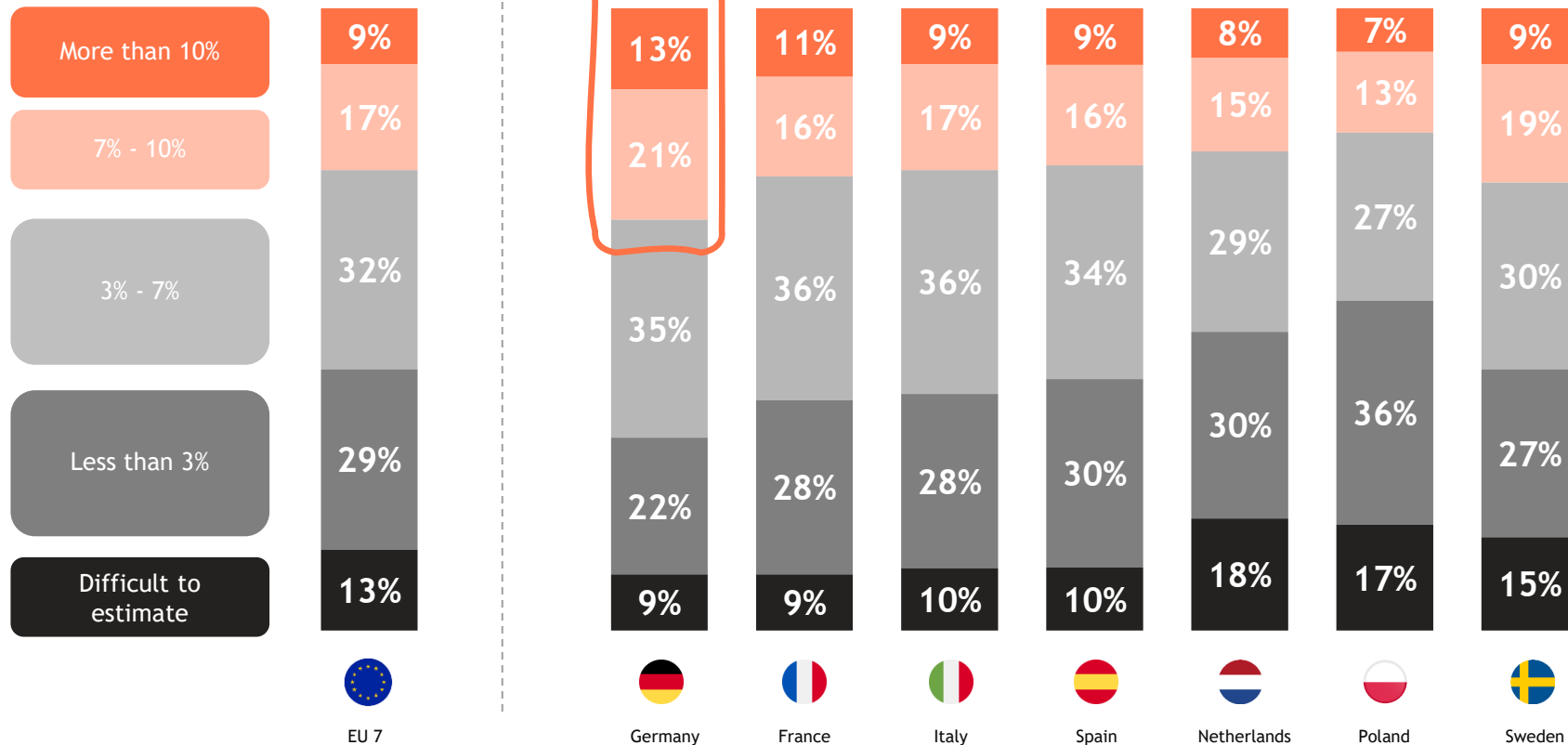
Administrative complexity is becoming a barrier to competitiveness



For one in four businesses, regulatory compliance represents a significant cost of doing business

Compliance costs as a share of annual revenue

Markets ordered based on GDP



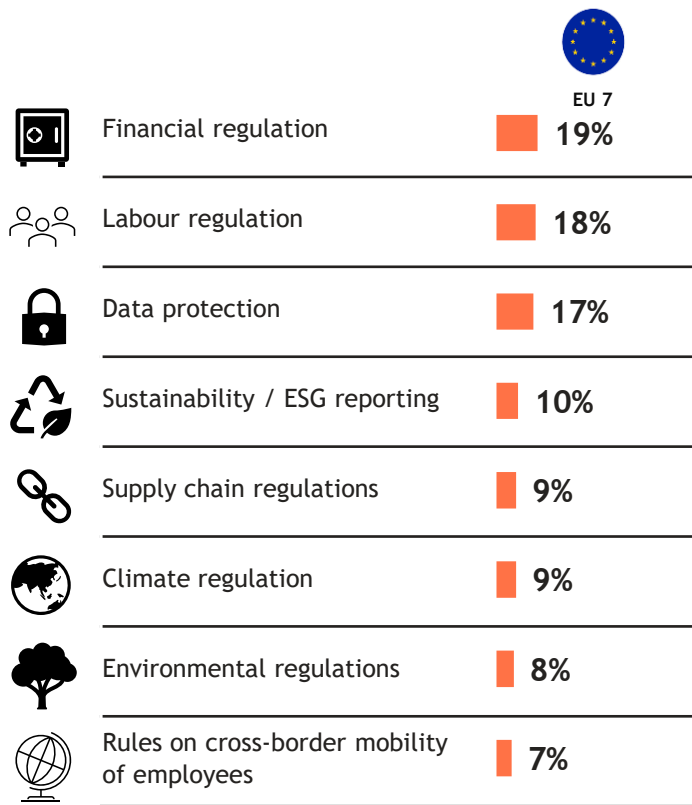
EU 7: the 7 European markets tracked in 2026

Q7. What share of your company's annual revenue would you estimate is related to regulatory compliance (e.g., compliance officers) and reporting requirements? Base: All respondents (N = 2,101).



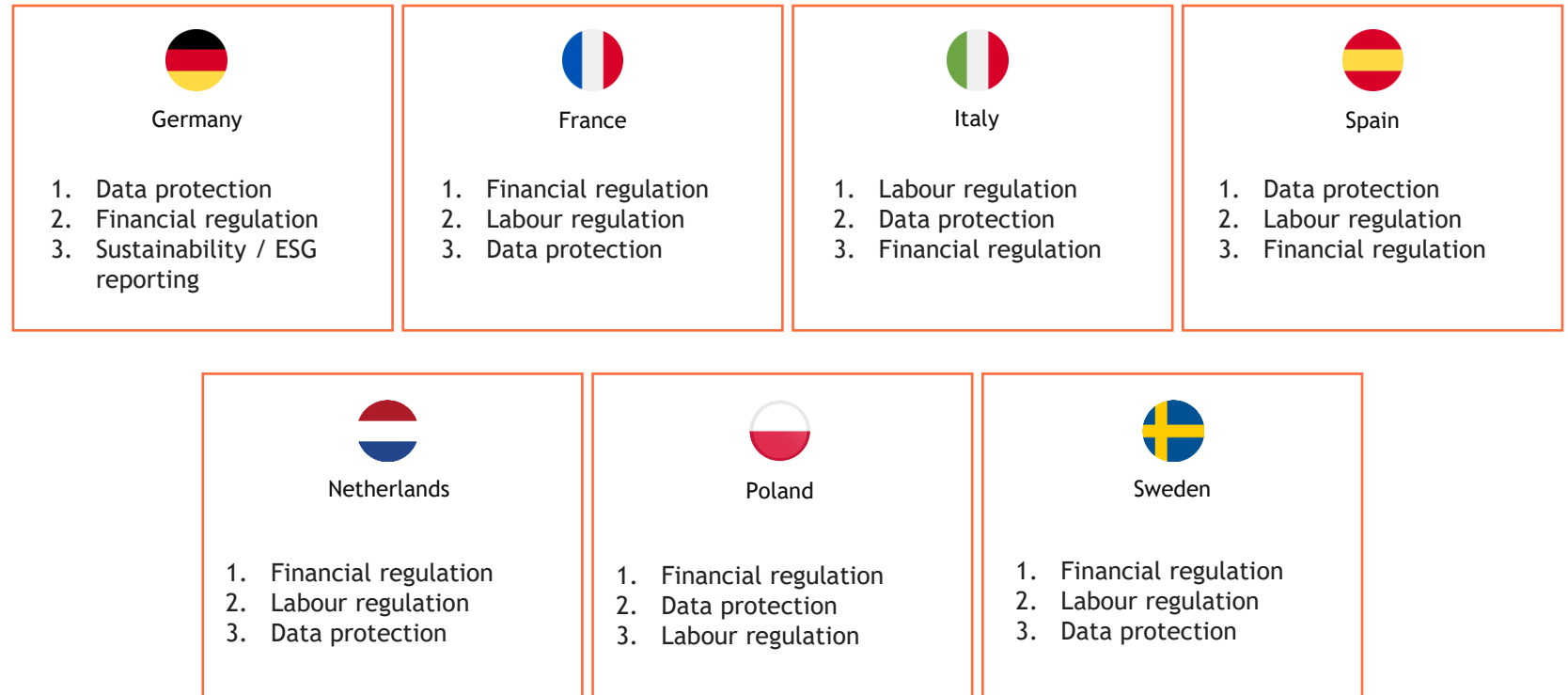
Operational regulations create the greatest administrative burden, ahead of sustainability-related requirements

Most burdensome regulatory areas



EU 7: the 7 European markets tracked in 2026

While operational regulation dominates across markets, the nature of the burden varies



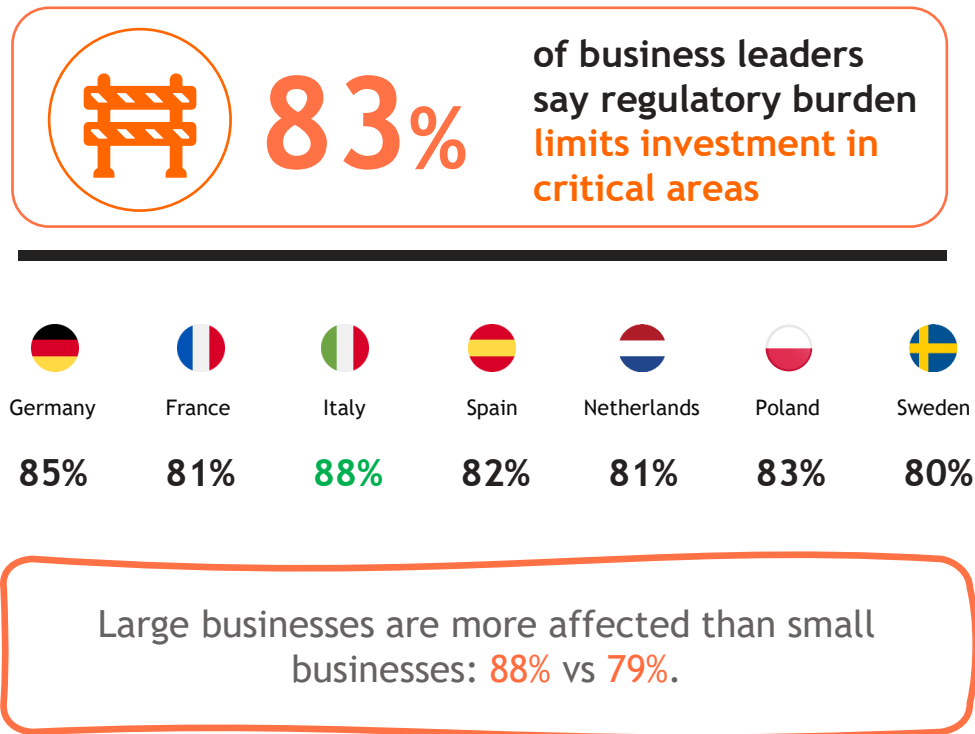
Green / Red: Significantly higher / lower than 2025 at 95%

Q8. Which areas of regulation currently create the greatest administrative burden for your company? Please rank up to 3 areas, where 1 = greatest burden, 2 = second greatest burden, and so on. Base: All respondents (N = 2,101).

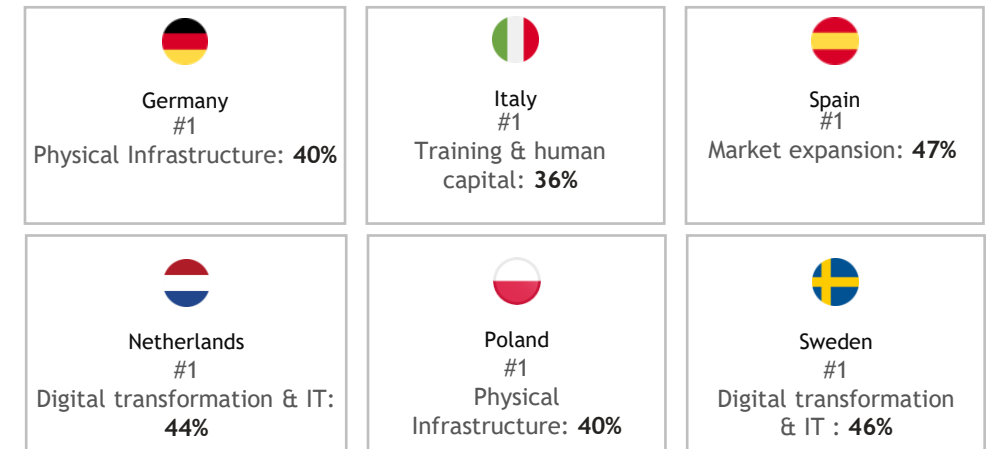
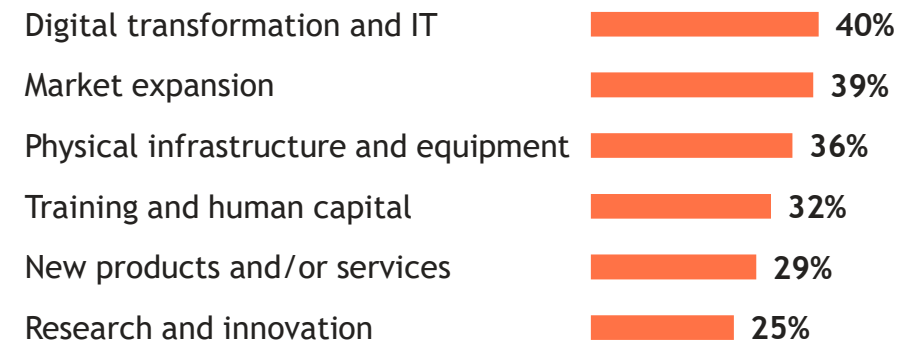


Regulatory burden is limiting investment in the capabilities that drive Europe's competitiveness

Regulatory cost impact



Most impacted areas by regulatory burden

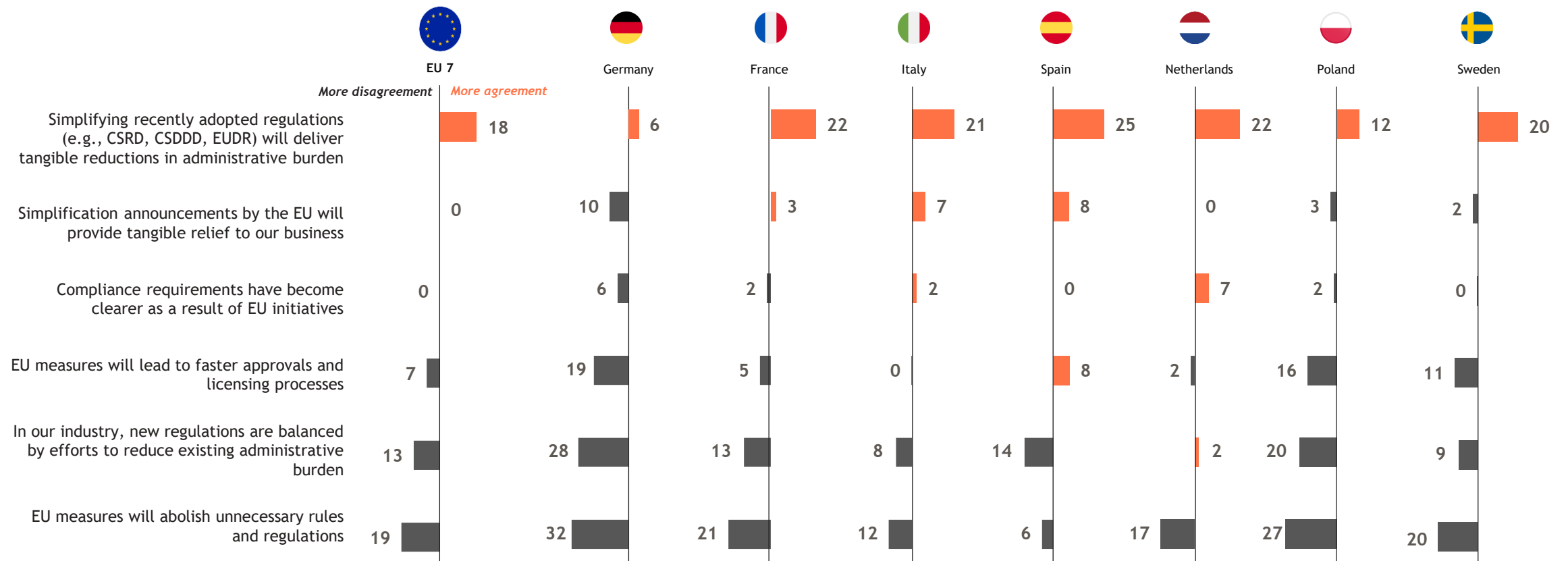


Green / Red Significantly higher / lower than 2025 at 95%



Businesses believe in the promise of simplification but remain unconvinced that it will deliver meaningful administrative relief, especially in Germany

Business perceptions of the EU's administrative simplification efforts - *Net agreement (% agree minus % disagree, percentage points)*



EU 7: the 7 European markets tracked in 2026

Q9. The EU has launched various initiatives to reduce administrative burden (simplify reporting obligations). To what extent do you agree or disagree with the following statements? Please select one response per statement using a 5-point scale where 1 means "Strongly disagree" and 5 means "Strongly agree". Net top 2 minus bottom 2. Base: All respondents (N = 2,101).

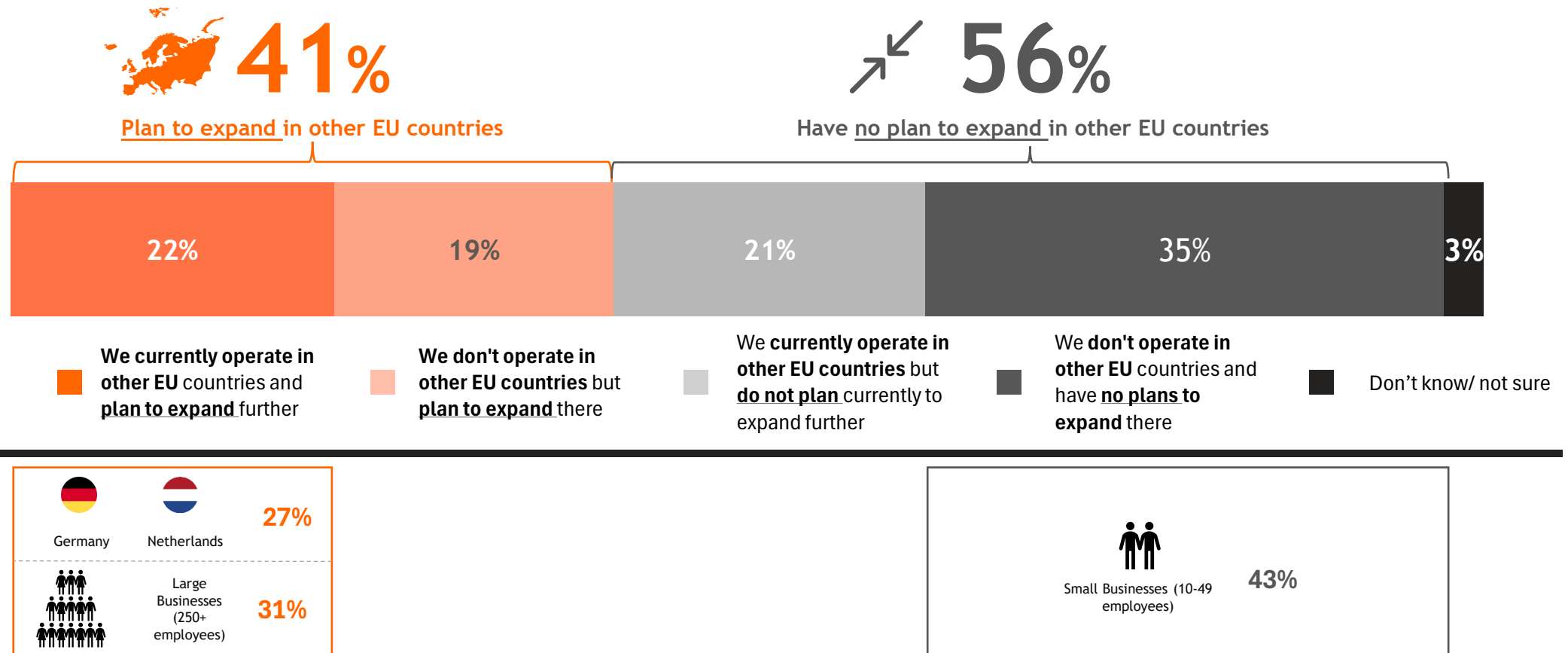


Europe remains a platform for growth, but businesses expect a more connected and competitive Single Market



Businesses continue to see the EU as a platform for growth and expansion

Current business operation locations and plans to expand across EU countries

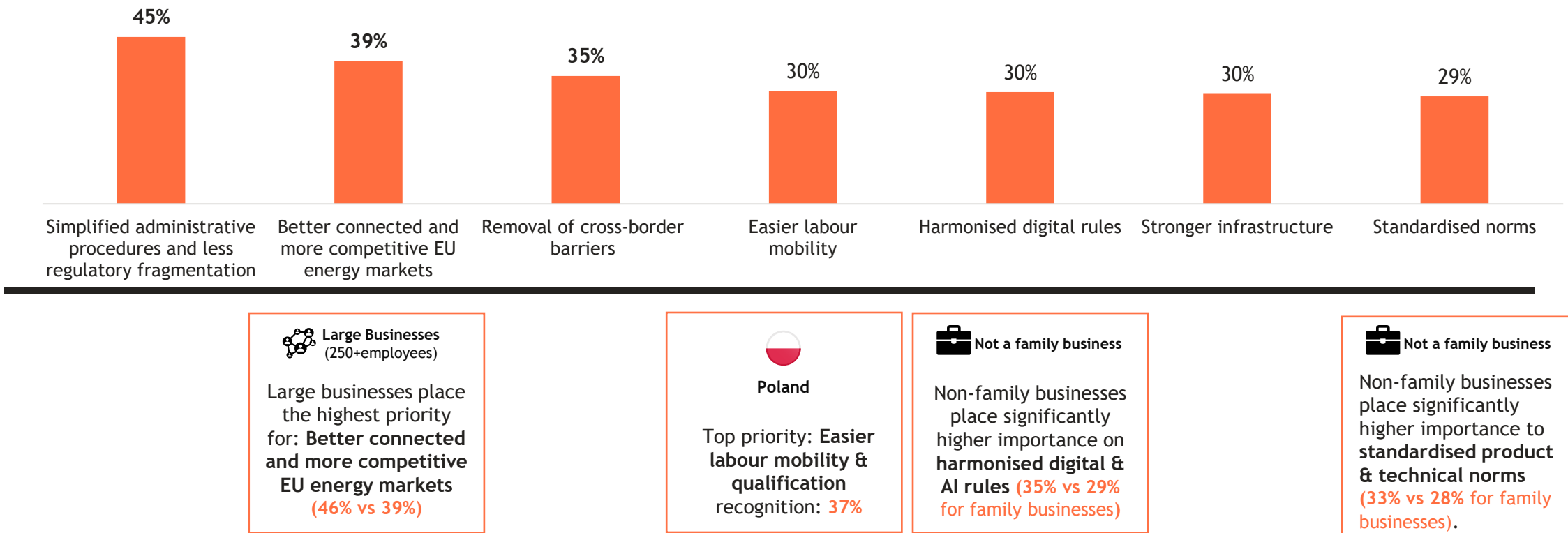


Q5. Does your company currently operate in, or plan to expand into, other EU countries? Please select one response. Percentages may not total 100% due to rounding. Base: All respondents (N = 2,101).



To unlock the full potential of the Single Market, businesses call for less friction, simpler rules and better-connected markets

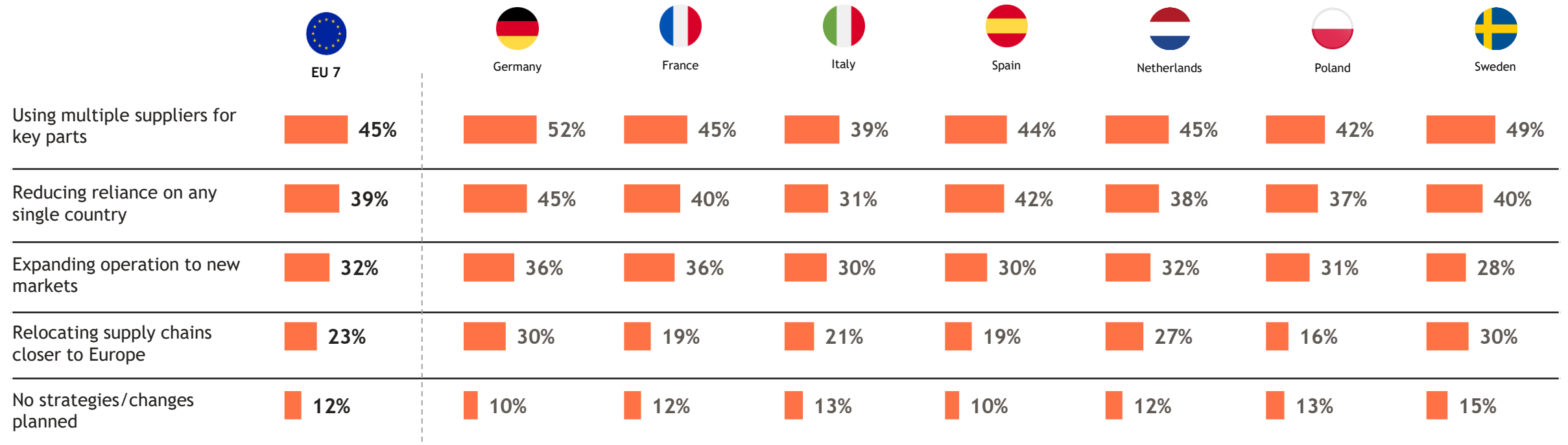
Priorities for further EU Single Market integration - among those operating in the EU markets (outside of home country) or intending to expand in other EU countries





Businesses are de-risking supply chain dependency through diversification rather than nearshoring

Strategies used or considered to reduce supply chain dependency



Germany is the most proactive in strengthening supply chain resilience, consistently reporting the highest adoption of diversification strategies across Europe.

EU 7: the 7 European markets tracked in 2026

Q13. Which strategies is your company using or considering to reduce its supply chain dependency? Please select all that apply. Base: All respondents (N = 2,101).



Businesses don't expect a single solution: they expect the EU to play a multifaceted role in strengthening supply chain resilience

EU's role in helping businesses reduce supply chain risk



38%

Simplify regulatory
frameworks for supply
chains



37%

Support EU production
of critical raw
materials



35%

Negotiate strategic
trade agreements to
diversify supply
sources



35%

Improve
infrastructure and
logistics networks



35%

Strengthen
international
partnerships to
enhance supply chain
resilience



27%

Promote
diversification of
supply chains across
regions



25%

Facilitate
information sharing
between companies

Businesses see supply chain resilience as requiring a combination of regulatory simplification, industrial capacity, infrastructure and international partnerships.

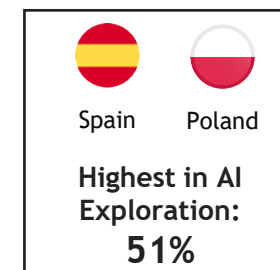
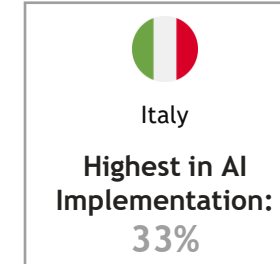
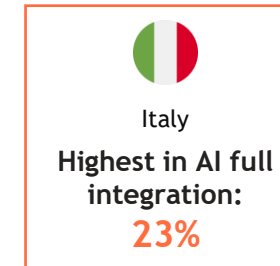
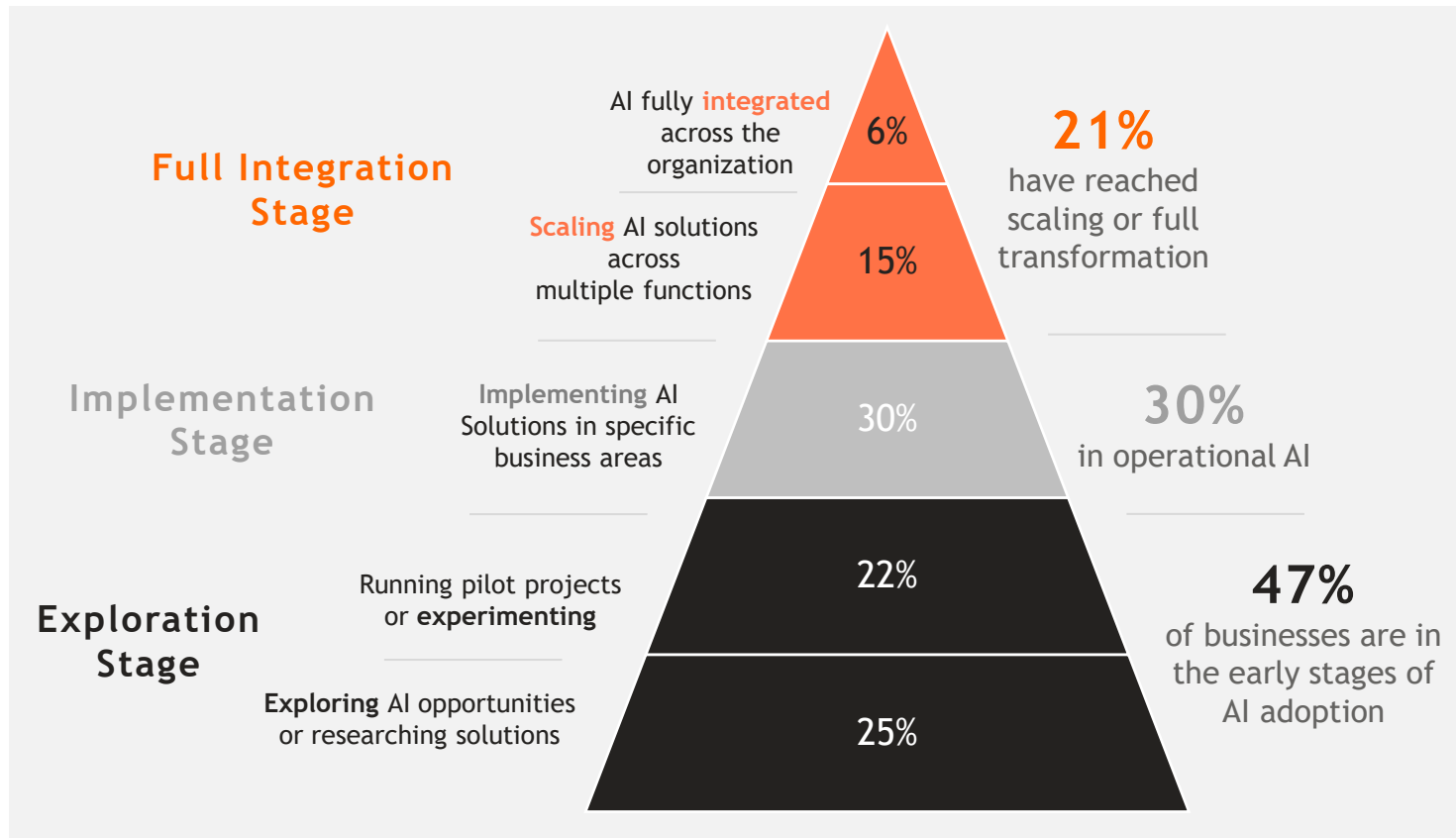


Businesses are embracing AI, but most remain in the early stages of the journey



AI adoption journey is progressing, but most businesses have yet to scale transformation

AI and digital transformation readiness



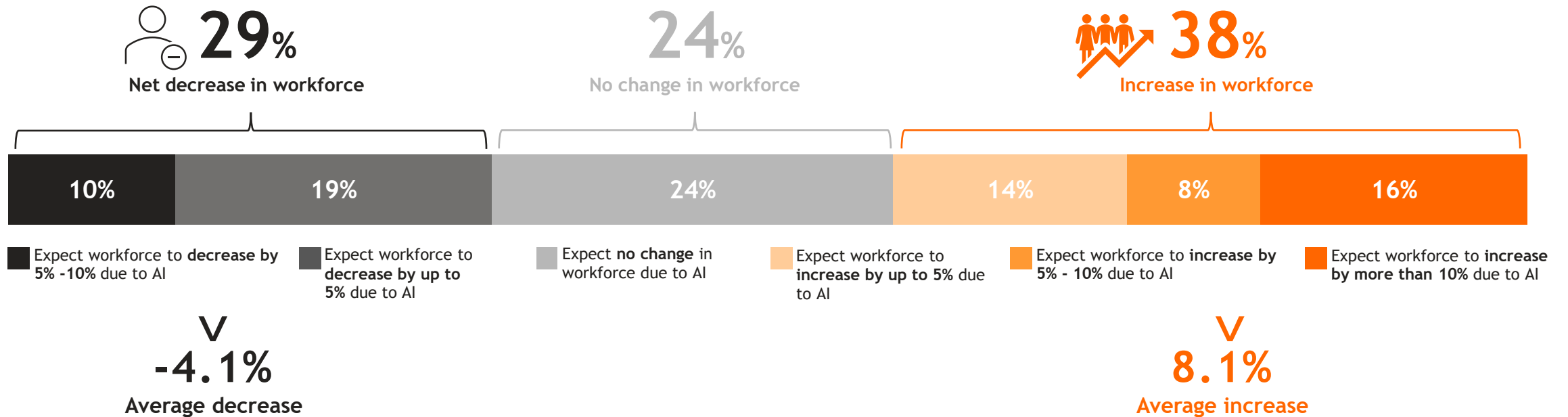
Family businesses are more concentrated in the **implementation phase** (31% vs 25% for non-family businesses).

While non-family businesses are more likely to have progressed to **scaling AI** (**25%** vs **19%**)



Businesses remain divided on AI's workforce impact, with optimism outweighing pessimism

Expected impact of AI on workforce size



Germany

Germany is the only country where businesses are more likely to expect workforce reductions than increases as a result of AI adoption (34% vs 32%).



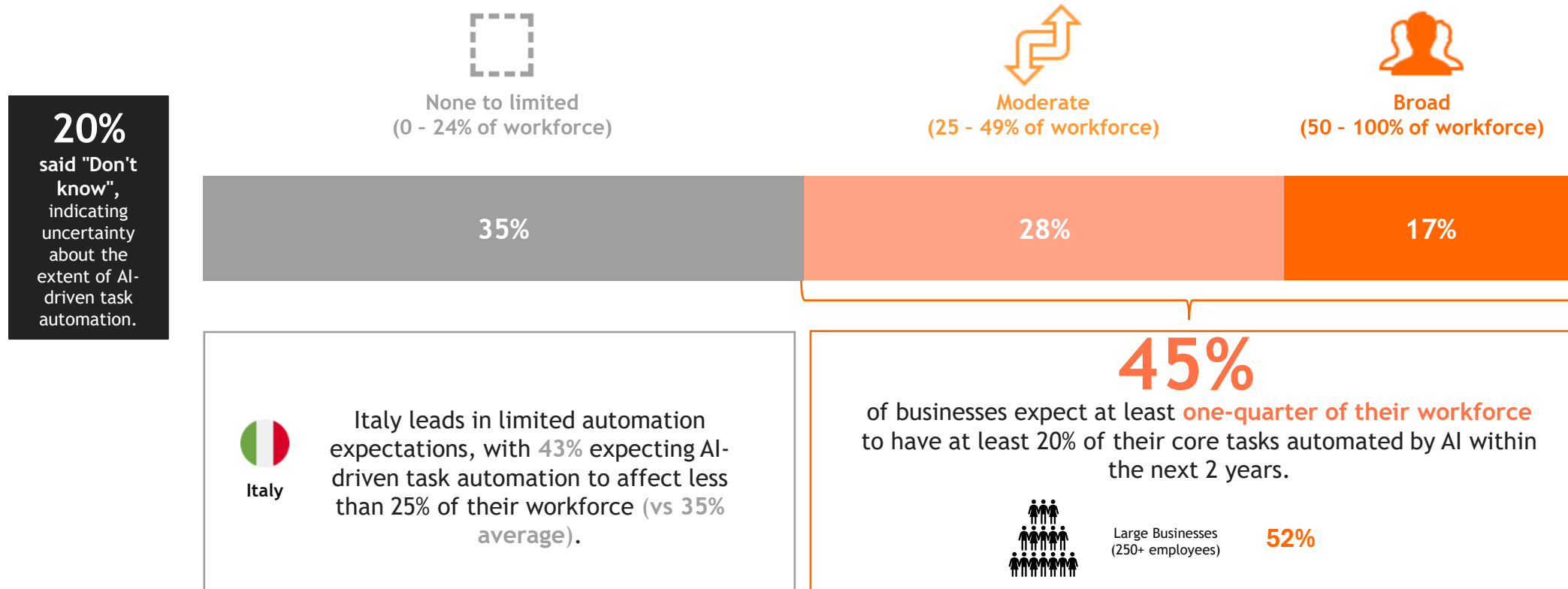
Italy

Italy records the strongest expectations for workforce growth (41%) despite also reporting relatively high expectations of workforce reductions (33%).



AI is expected to reshape a substantial share of employees' core tasks within the next two years

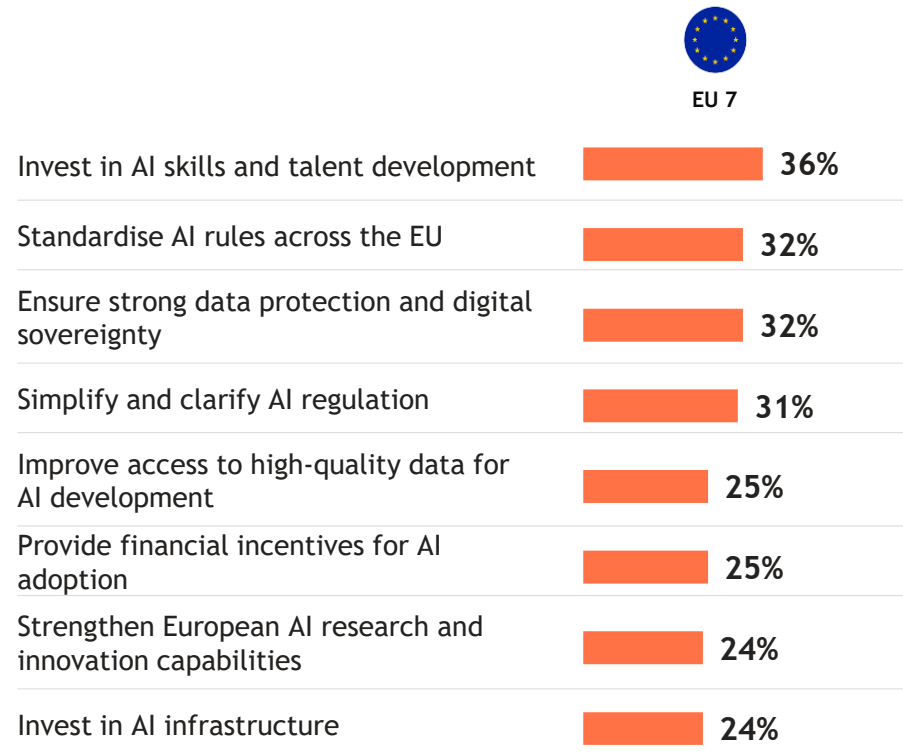
Percentage of remaining workforce that will have at least 20% of their core tasks automated by AI within the next two years



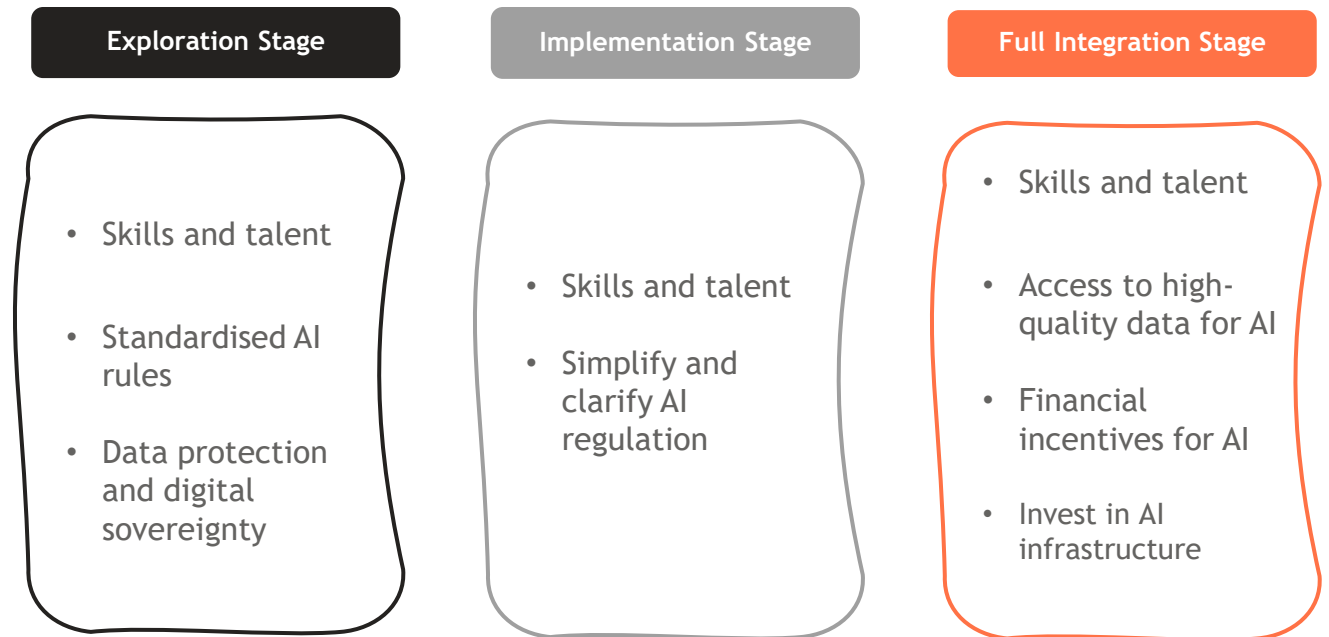


To accelerate AI competitiveness, businesses expect the EU to build the right foundations: skills, harmonised rules and regulatory clarity

EU priorities to accelerate AI adoption and competitiveness



Top and distinctive priorities by AI maturity group:



EU 7: the 7 European markets tracked in 2026

Q16. What should the EU prioritise to accelerate AI adoption and competitiveness? Base: All respondents (N = 2,101).

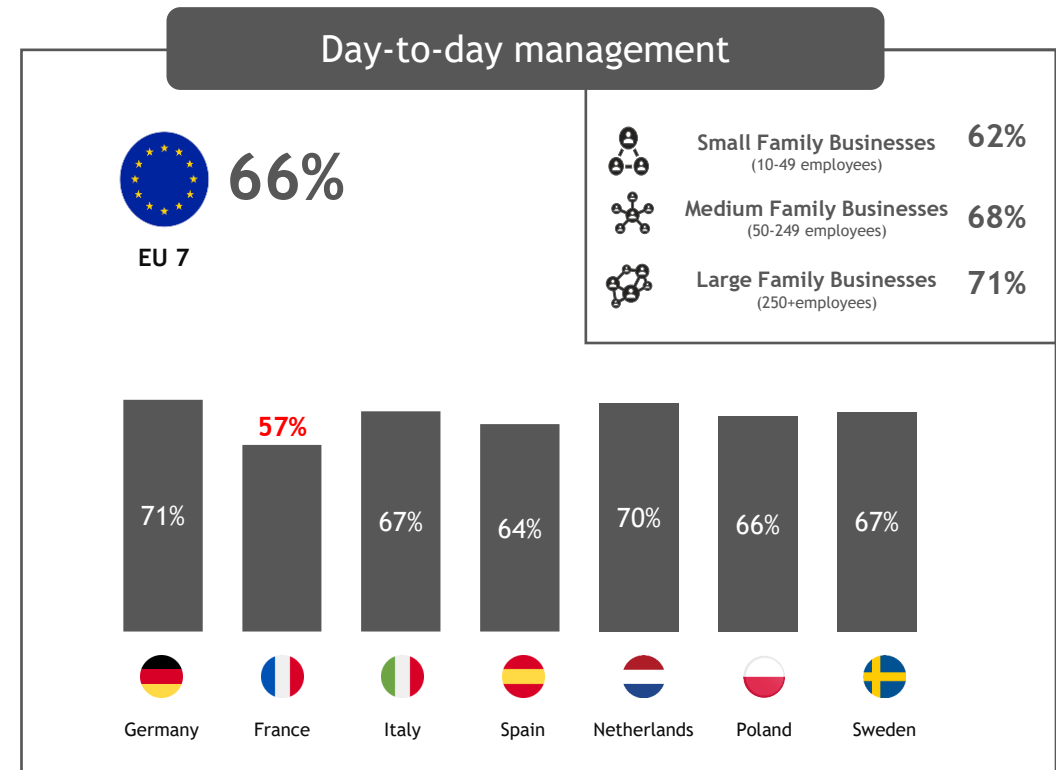
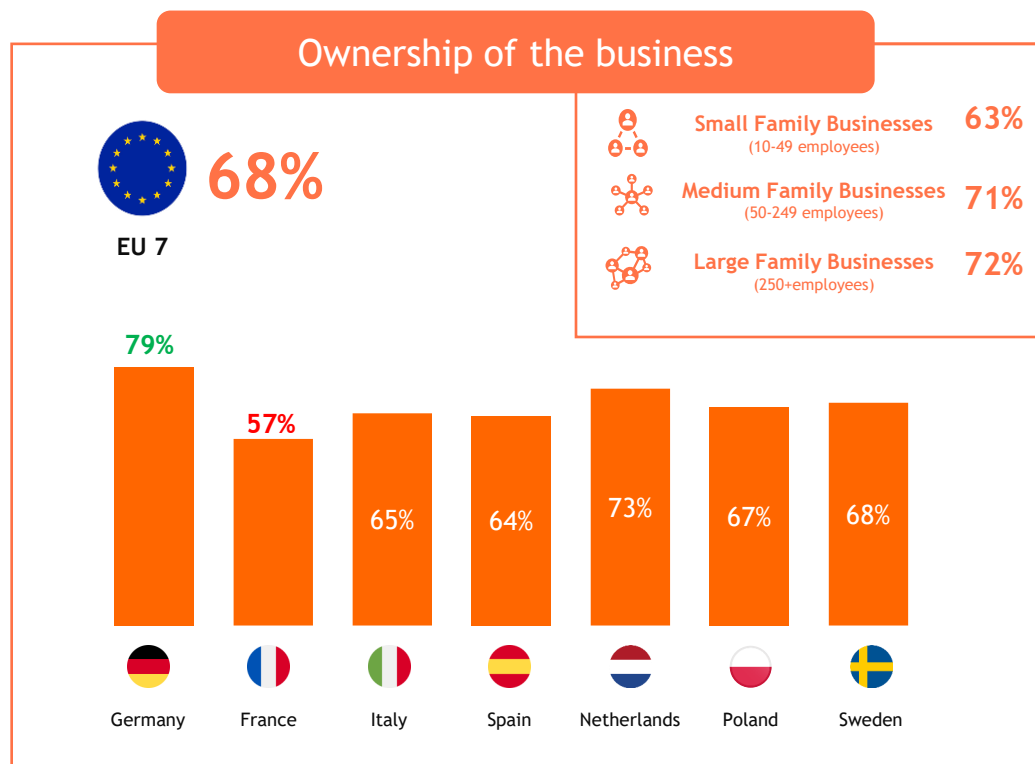


The future of family businesses depends on turning succession ambitions into succession readiness



Confidence in generational succession remains strong, particularly among larger family businesses

Likelihood of the next generation taking the following roles - *among family businesses*



EU 7: the 7 European markets tracked in 2026

/ Significantly higher / lower than 2025 at 95%

Q2. How likely is it that the next generation will take over the following aspects of your family business? Please select one response per statement using a 5-point scale where 1 means "Very unlikely" and 5 means "Very likely"- top 2. Base: All respondents (N = 1,673).



Confidence in succession is not matched by formal succession planning

55%

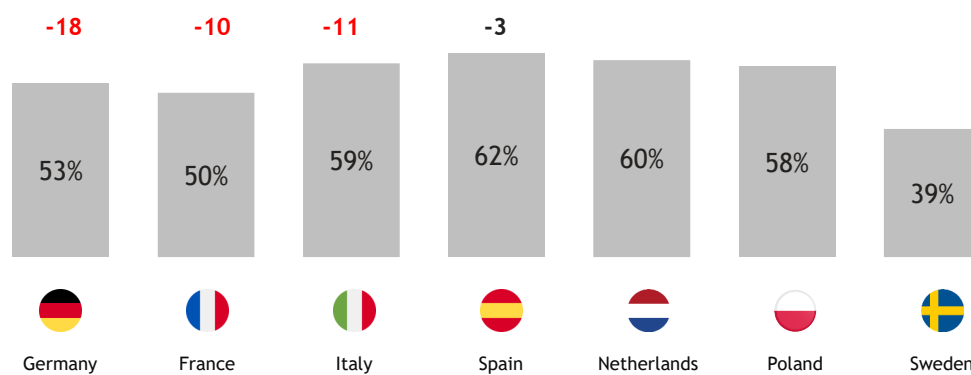


EU 7

of family business leaders say there is a designated successor for executive management from the current or previous CEO/owners family

EU 4: 56% (-9% vs 2025)

Change
vs 2025



49%

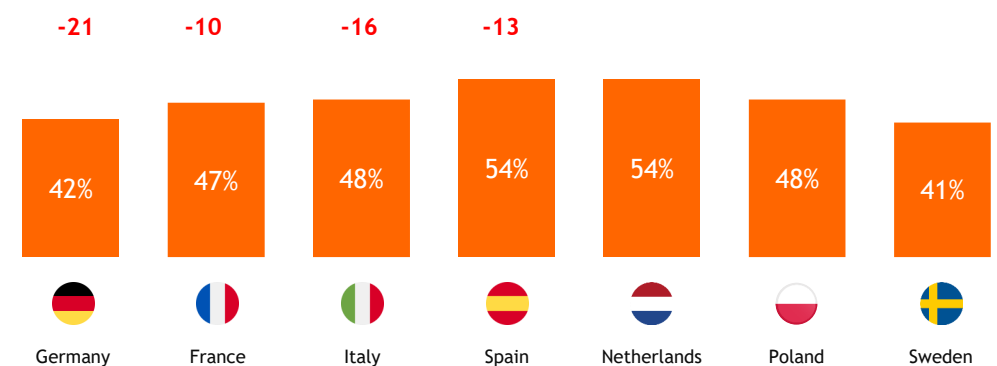


EU 7

of family business leaders say there is a designated successor for the supervisory or advisory board from the current or previous CEO/owners family

EU 4: 48% (-10% vs 2025)

Change
vs 2025



Succession readiness is weakening, particularly in Germany, highlighting a growing gap between long-term aspirations and current preparedness.

EU 7: the 7 European markets tracked in 2026

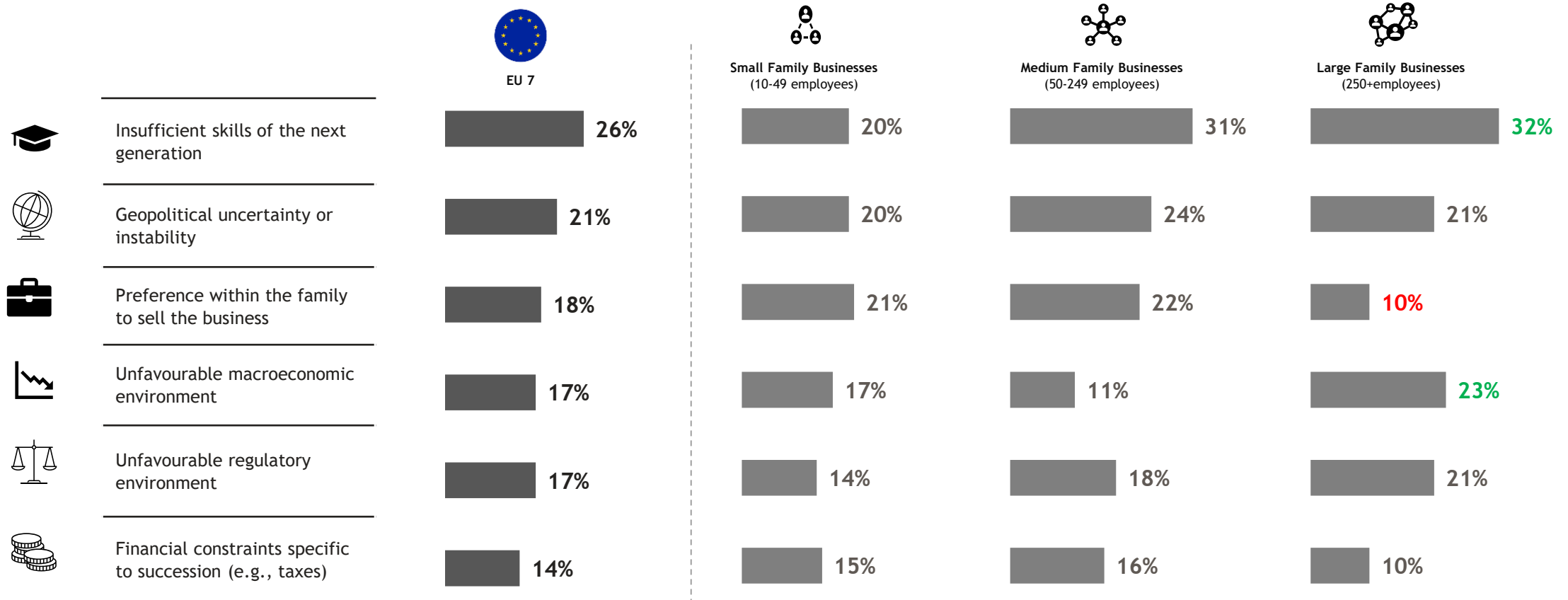
/ Significantly higher / lower than 2025 at 95%

S10. To better understand family involvement in your company's governance, please indicate whether the following statements apply to your organisation. Base: Family Businesses 2026 (N = 1,673)/ Family Businesses 2025 (N = 1,992).



Succession planning is becoming more complex as businesses face capability and external challenges

Barriers to family succession among businesses with lower succession likelihood



EU 7: the 7 European markets tracked in 2026

■ / ■ Significantly higher / lower than 2025 at 95%

Q2A. What are the reasons the next generation may not take over the family business? Please select up to three answers. Base: Low likelihood of taking over family business (N = 286), Small Businesses (N = 153), Medium Businesses (N = 55), Large Businesses (N = 78).



Foundation for
Family Businesses

Appendix



Study Specifications

Methodology



Methodology: We conducted a 10-to-15-minute online survey in markets' local languages.

Audience: Business leaders of companies with 10 or more employees across 7 markets, as outlined below:

- **Consistent with previous wave:** Germany, France, Italy, Spain
- **Newly added markets:** the Netherlands, Poland and Sweden.

Sample Size:

- Total sample, N = 2,101
- N = 300 per market

Hard quotas were placed on Family Businesses per market, whilst soft quotas were placed on business size and industry to ensure good representation

Fieldwork dates: Monday 25th of May - Monday 22nd of June 2026

Logos



Throughout this topline report, we use a series of logos to visually represent a number of different samples.

Please find these outlined below:



EU 7



Germany



Spain



France



Italy



Netherlands



Poland



Sweden



Business
revenue is less
than €100m



Business
revenue is
€100m+



Small
Businesses (10-
49 employees)



Medium
Businesses
(50-249
employees)



Large
Businesses
(250+
employees)



Family
Business



Non-
family
business

Sig testing keys

 /  Significantly higher / lower than EU / at 95%



Reading Guide

Reporting Scope:

EU 4: Trend comparisons with 2025 are available only for the four markets tracked in both waves (Germany, France, Italy and Spain).

EU 7: Refers to the combined results across all seven markets surveyed in 2026.

 Germany	 EU 4	 EU 7	
 France			
 Italy			
 Spain			
 Netherlands			
 Poland			
 Sweden			

Market Order:

For all the data points, markets are presented in a consistent order throughout the report, based on GDP size.

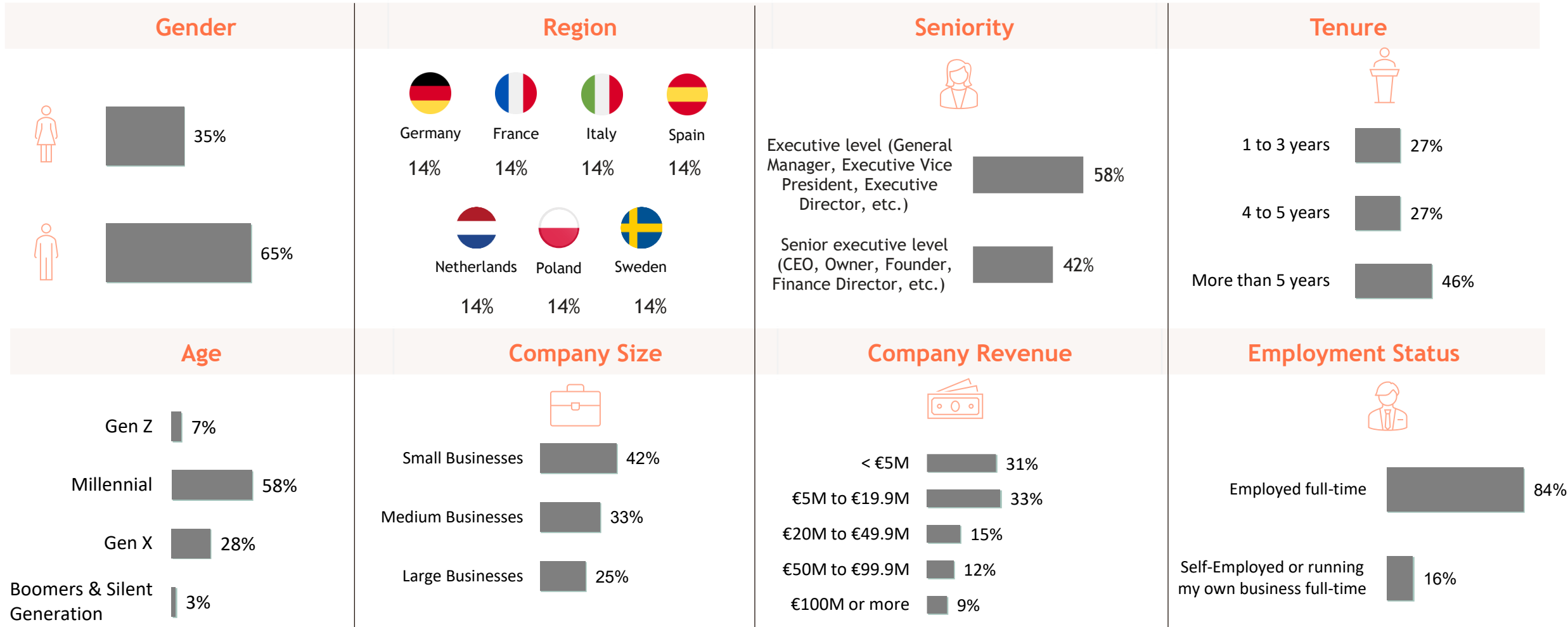


Sample Size Threshold:

Results for base sizes below 30 respondents



Respondents' profile



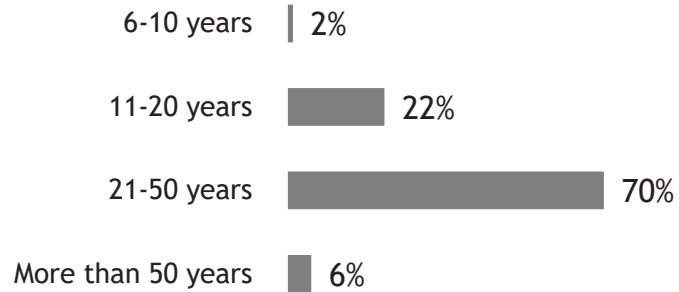
➤ Breakdown of family businesses within the sample

		Sample	Family Businesses	Non-family businesses	Proportion of family businesses
	TOTAL EU 7	N=2,101	N=1673	N=419	80%
	Germany	N=300	N=255	N=44	85%
	France	N=300	N=238	N=61	79%
	Italy	N=300	N=246	N=53	82%
	Spain	N=300	N=255	N=44	85%
	Netherlands	N=300	N=248	N=50	83%
	Poland	N=300	N=226	N=73	75%
	Sweden	N=301	N=205	N=94	68%

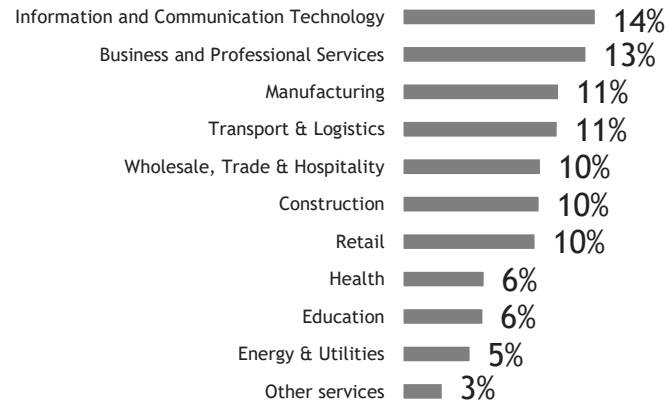


Respondents' profile

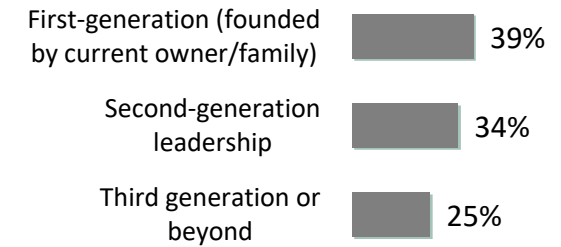
Company Age



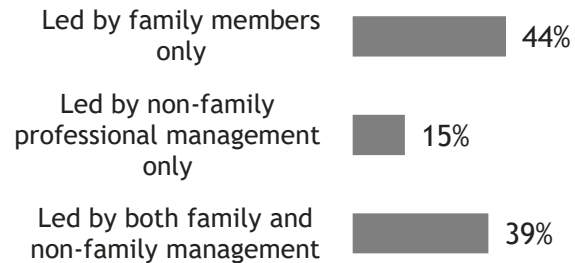
Sector



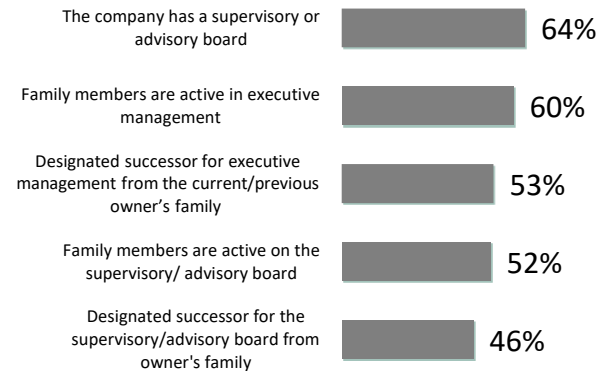
Generational Ownership



Family Business Management



Family Involvement



Export Activity Outside the EU

