



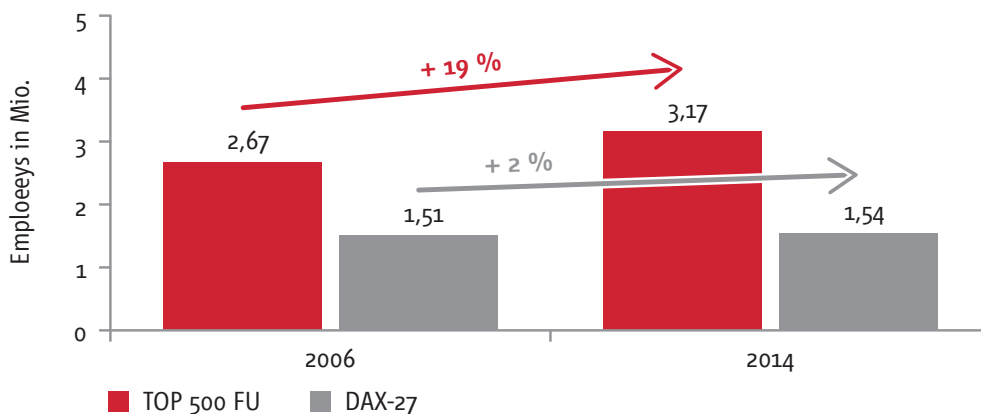
Press release

Munich, 14 March 2017

Large family firms see strong jobs growth Above-average rise of 19 percent, also in domestic market (with age breakdown for 500 largest family-owned enterprises)

While the total number of employees paying social security contributions in Germany increased by 14 percent from 2006 to 2014, the 500 largest family businesses achieved significantly higher growth, boosting their headcount by 19 percent to 3.17 million during the same period. The 27 DAX-listed companies that are not family-controlled saw only a two percent increase in this time. „This would not have been possible without expansion into innovative new markets and without our loyalty to Germany as a base,“ states Prof. Brun-Hagen Hennerkes, Chairman of the Foundation for Family Businesses.

Domestic employment



For well over a decade, the foundation has regularly commissioned studies on the economic significance of German family businesses. According to the latest study conducted by the Centre for European Economic Research (ZEW) and the Institute for SME research and entrepreneurship at the University of Mannheim (ifm), the 500 largest German family-owned enterprises have created an even higher number of jobs abroad than in Germany: Their global headcount grew by 28 percent between 2006 and 2015.

„This success is not due solely to conquering foreign markets, it is also down to the development of new hi-tech products,“ says Hennerkes, while also warning that pursuing international markets holds significant risks because of the foreign policy maze companies have to negotiate. In the run-up to the upcoming German elections, the parties would do well to heed this warning. „It is up to candidates to signal that they will create the stable economic conditions over the next legislative period that will enable family businesses to press on with their long-term plans. Directors will closely scrutinise party



manifestos to see whether their interests are being adequately represented. This will decide who gets their votes – and, if experience is anything to go by, also who gets the votes of millions of their employees,” warns Hennerkes.

The ZEW study also explores the economic impact of the family business sector overall on the German economy. In total, family businesses account for 91 percent of all private sector companies in Germany. 57 percent of employees in Germany work in family-controlled firms and generate around 55 percent of total sales revenue. One factor specific to Germany is that family businesses account for a high proportion – 45 percent – of large enterprises with revenues of €50 million or more. Although the majority of family-run companies are small firms employing fewer than ten people, they are vital to the economy as a whole.

The report also shows that the majority of the 500 biggest family businesses are by no means doomed to early failure as a result of deficits in succession planning. The study confirms that more than half have been in existence since the 1920s – and indeed, 26 can trace their origins back to before 1800. Only five were founded after the millennium. „The study proves that most of the biggest family-owned businesses have successfully managed the tricky issues of succession over many generations,” states Hennerkes.

» **Download the report „The economic significance of family businesses“ (in German)**

Further informations:

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