KPMG 2026 US Family Business report

From ambition to architecture

KPMG Private

MAKE BOLD MOVES

Foreword

US family business leaders have big ambitions and the confidence to back it up. But they also recognize they may lack some of the architecture they need to sustain their ambitious goals.

Our survey reinforces this reality. It shows that US family business leaders have clear growth strategies but lack the risk frameworks to protect it. They are moving fast on AI adoption, but many haven't built the governance structures to control it. They want to transform and grow, but many haven't created the talent strategies to deliver it.

Based on responses from 109 US family businesses, this report combines survey data with firsthand perspectives from KPMG practitioners who work with these businesses every day on questions of growth, AI, talent, and succession. The insights from this report are intended to help family business leaders benchmark their own thinking against peers and identify where to focus first. Closing the gap between ambition and architecture is what will let today's growth compound instead of stall.

To learn more about our data or to discuss your family business's unique challenges and opportunities, I encourage you to reach out to KPMG.

Tracey Spivey
Global Head of Family Office & Private Client, KPMG International & Family Enterprise National Practice Leader, KPMG LLP

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Executive summary

US family businesses are looking ahead with confidence; more than nine in ten agree or strongly agree that they have a clear plan for growth over the next five to ten years, and they point to shared purpose and family reputation as the value drivers behind it.

Their ambitions to grow are clear. The greater challenge is building the architecture—the capabilities, structures, and disciplines—needed to sustain that ambition over time.

That tension between fast-moving ambition and slower-moving architecture runs throughout this report. Nearly nine in ten of the family businesses we surveyed are already piloting or have implemented AI at scale, concentrated for now in data analytics as well as front-office functions such as marketing and customer service. Yet only four in ten have put a formal AI governance framework in place. Not surprisingly, AI governance is now the most cited item family businesses expect to add to their board's agendas over the next year.

Talent also weighs heavily on the minds of family business leaders. Attracting outside talent is the most cited workforce challenge, but several others—from upskilling to building future-ready skills and capabilities—sit close behind it, another sign that ambition is outpacing the architecture built to support it.

Confidence in next-generation leadership is high, yet many family businesses expect to look far less family-run within a decade, suggesting that ownership and day-to-day management will increasingly separate into distinct roles.

Based on the deep experience of KPMG's network of family business–focused professionals, this report gives decision-makers data and perspective they can use to close the gap between their growth ambition and the architecture needed to support it.

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

Key findings

What's on US family business leaders' minds?

Building on a clear strategy

93%

agree or strongly agree they have a clear growth strategy for the next five to ten years.

The top successfully leveraged value drivers are shared purpose and family reputation.

Growing innovation and governance

86%

of family businesses are either piloting AI or have adopted it at scale.

However, just 40 percent have a formal AI governance framework in place.

Recruiting the right talent

51%

cite AI strategy and deployment as their biggest skills gap.

Attracting high-quality external talent is the most cited talent challenge.

Professionalizing the model

8/10

Confidence in next-generation leadership readiness is high.

Family-run operating businesses remain the dominant model for now.

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

Building on a clear strategy

Family business leaders have real ambition for growth. Indeed, according to our survey, 93 percent of US family business leaders agree or strongly agree they have a clear growth strategy for the next five to ten years. And they are bullish about their growth prospects with 83 percent agreeing or strongly agreeing that their growth will outpace their competitors.

In some ways, this level of confidence reflects a structural advantage over public companies. "The ability to view growth and strategy generationally can be a competitive advantage," says Jonathan Mayer, partner, KPMG Private. "Unlike public companies, family businesses aren't beholden to earnings-per-share targets each quarter. Their longer investment horizon allows them to make decisions with lasting value in mind."

For many of our respondents, it is purpose and values that underpin that confidence. Based on our survey, family business leaders agree that shared values and purpose are the value creators that they most successfully leverage in their organizations, followed closely by their family reputation and brand equity—aspects that are often intertwined in a family business.

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

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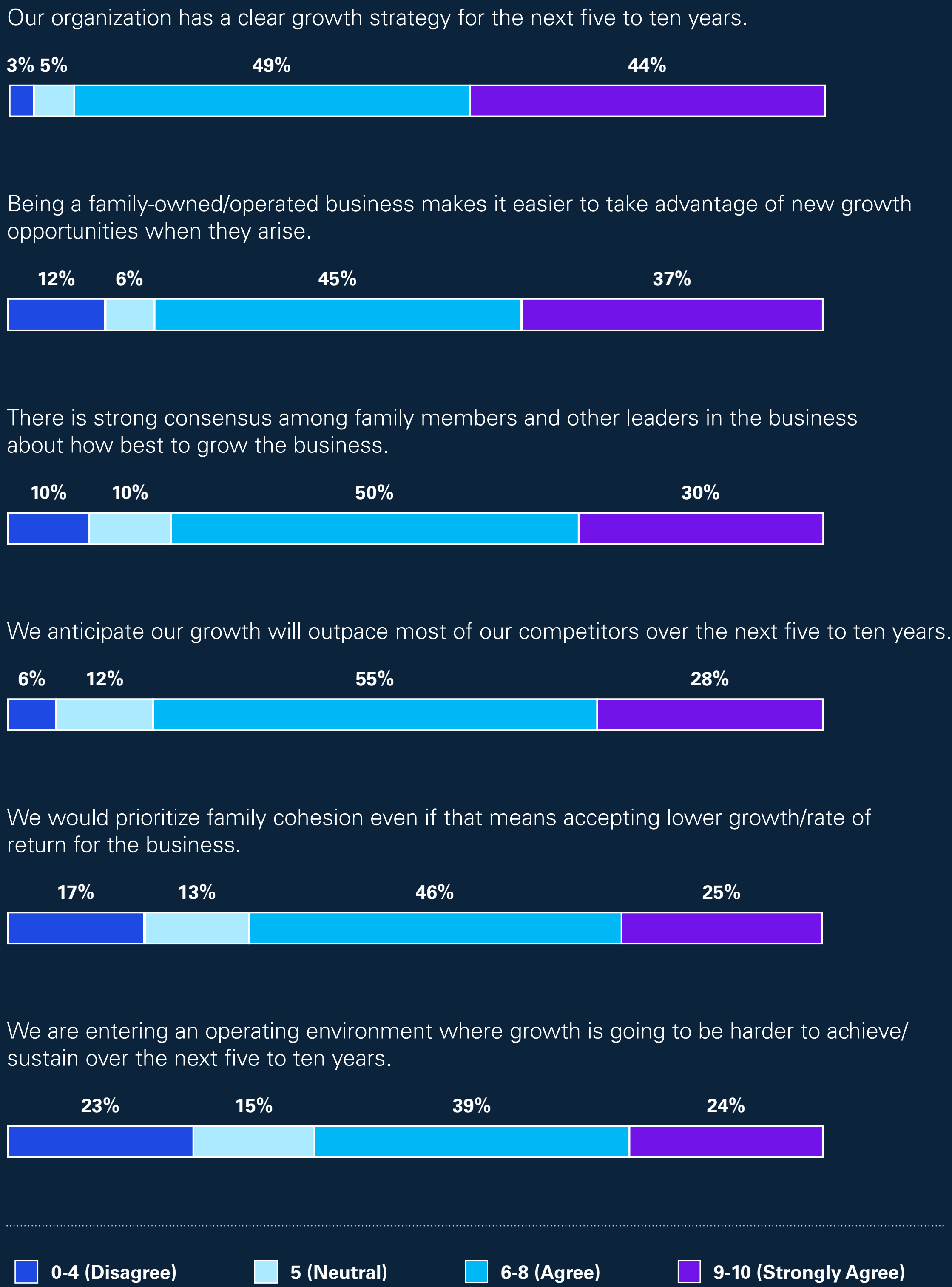
To what extent do you agree or disagree with the following statements about growth strategy in your business?



Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

How successfully does your organization leverage each of the following to create value for your business today?

(10=Highly successful; 0=Not successful)

"For family enterprises, stewardship is part of the business model," says Brian Przedwiecki, partner, KPMG Private. "Their connection to their communities and environments encourages a longer-term view—one focused on building enduring value, not simply meeting near-term shareholder expectations."

While US family businesses may be confident, our data suggest they are also aware of the risks ahead. AI adoption and governance is by far the greatest challenge cited by respondents in both the short term and the long term. Nearly half of our respondents—47 percent—rank it as the single largest concern for the next two to three years, and 43 percent rank it as their top concern to 2035.

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

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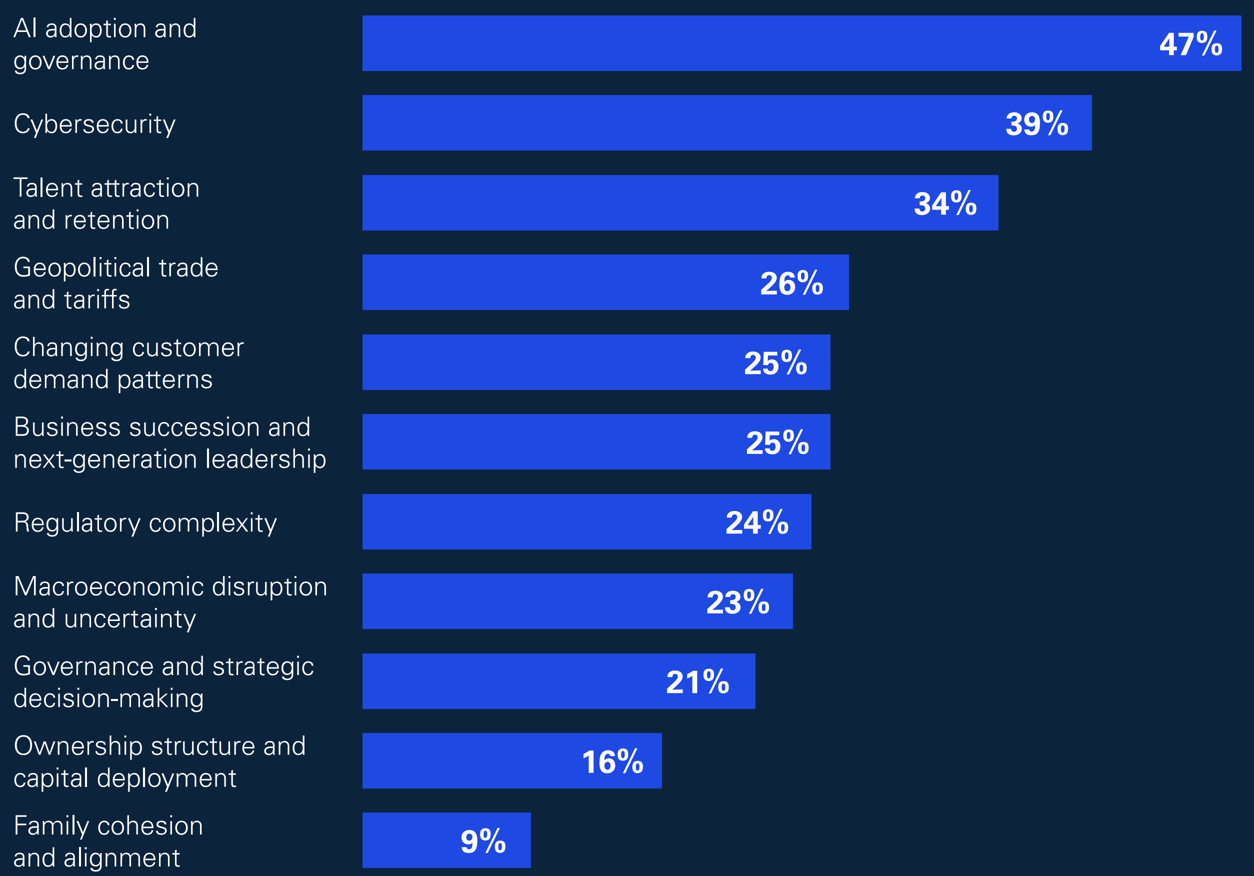
Which business challenges are your top short-term concerns (next 2 to 3 years)?



Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

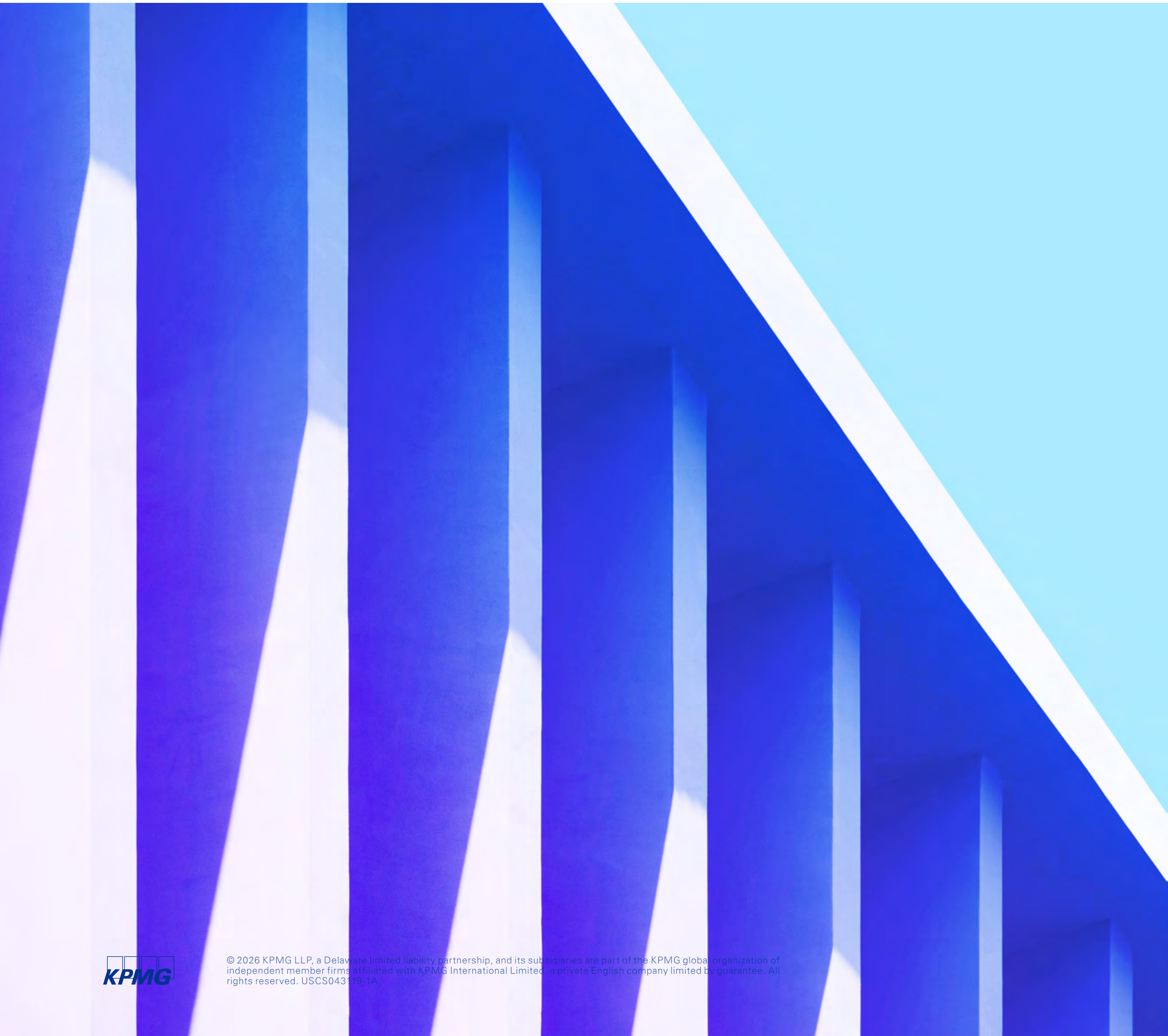
"Family businesses face many of the same risks as their PE-backed and public peers, but often with additional layers of complexity," says Tracey Spivey, global head of Family Office & Private Client, KPMG International & Family Enterprise National Practice Leader, KPMG LLP. "Key person dependencies, overlapping family and business dynamics, and fewer independent voices can amplify risk. That's why a strong risk management framework isn't just a nice-to-have—it's essential."

While growth may be on the agenda, supported by high ambition and confidence, our survey indicates that risk frameworks are still evolving to meet the new and evolving needs of the family business. Just under half (49 percent) describe their enterprise risk management framework as comprehensive and well established. Another 39 percent say a framework exists but is still developing, once again underpinning our key finding that ambition is outpacing architecture.

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

Why it matters

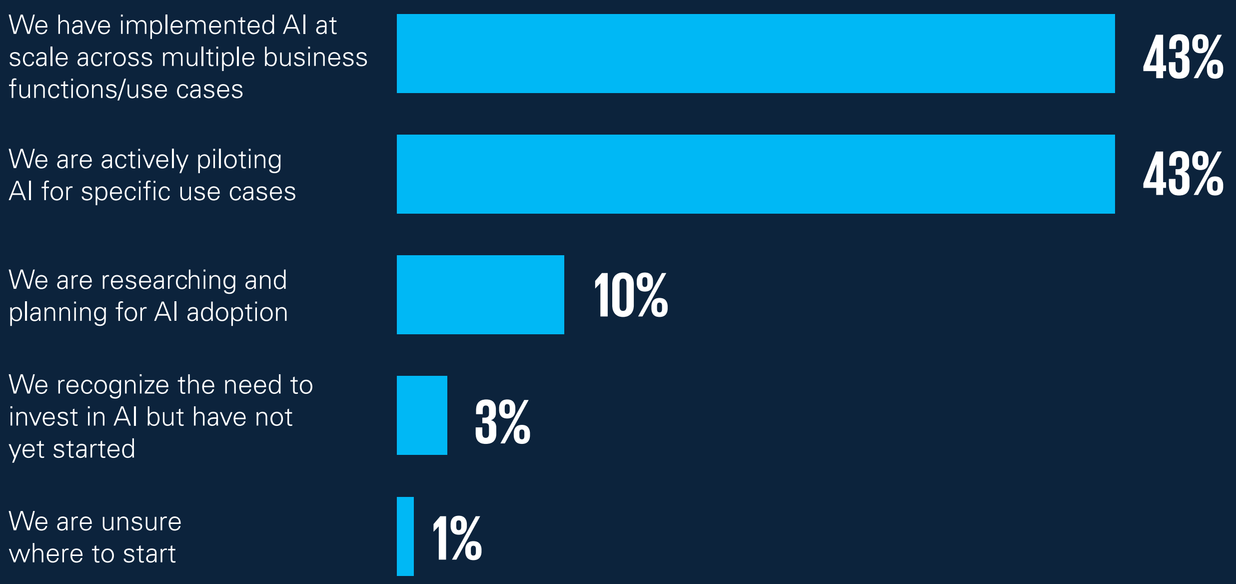
Growth ambition is well founded: It rests on patient capital and shared purpose, both structural features of family ownership. However, leaders will want to close the gap between ambition and the risk architecture built to support it before an external shock forces the issue onto the agenda.



Growing innovation and governance

US family business leaders' ambition for AI is riding higher than almost anything else in this survey. But governance architecture hasn't kept pace.

Which of the following best describes your organization's current AI adoption?

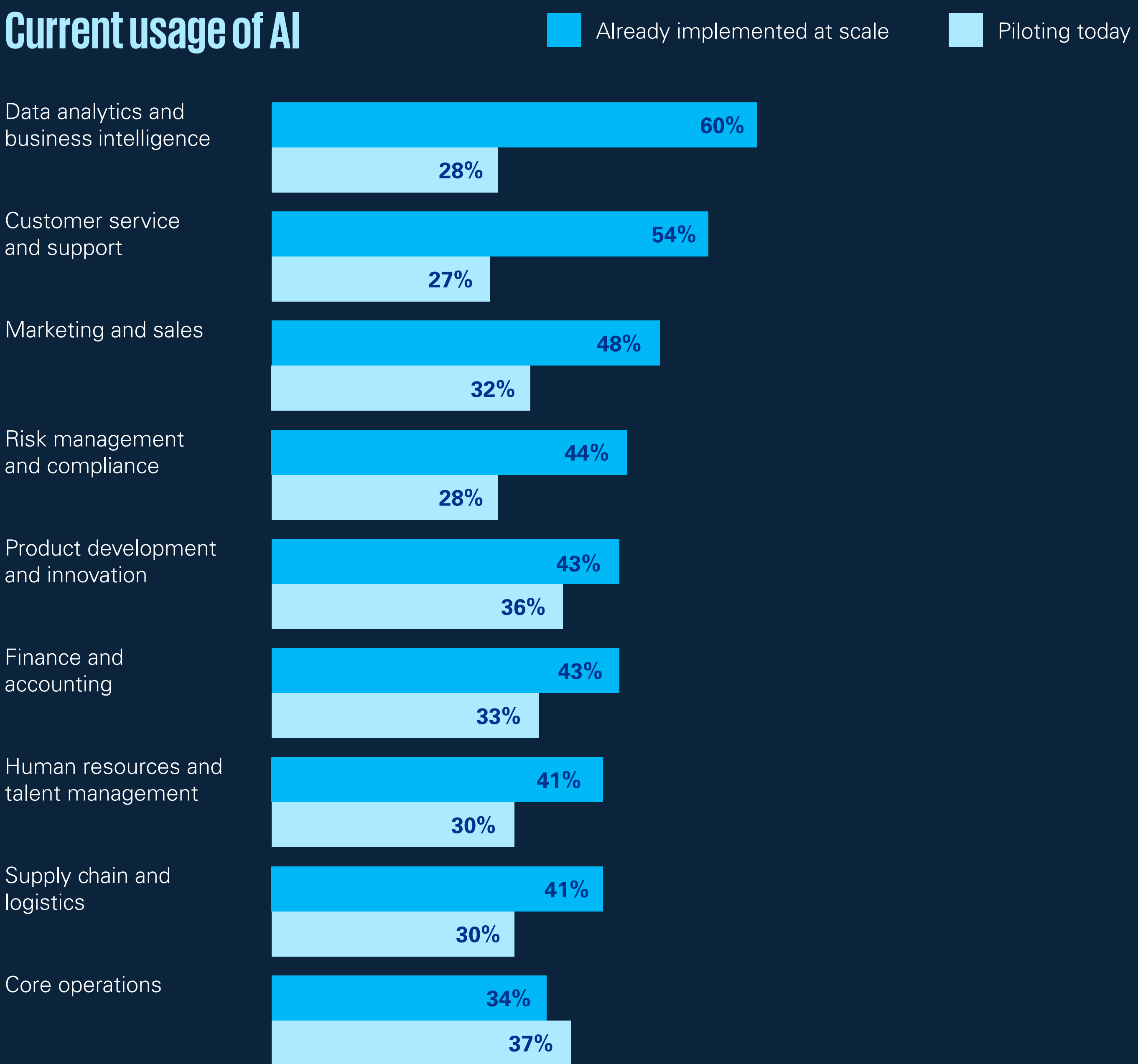


Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

Perhaps not surprisingly, 43 percent of US family business leaders say they have already implemented AI at scale across multiple business functions, and another 43 percent say they are actively piloting it for specific use cases. Only 4 percent have not yet started.

Where are they adopting AI the fastest? Our data suggests that US family businesses are rapidly adopting it in the front office (many say they have already implemented AI at scale in marketing, sales, customer service, and support, for example), but they are moving cautiously in leveraging AI for core operations.

Current usage of AI



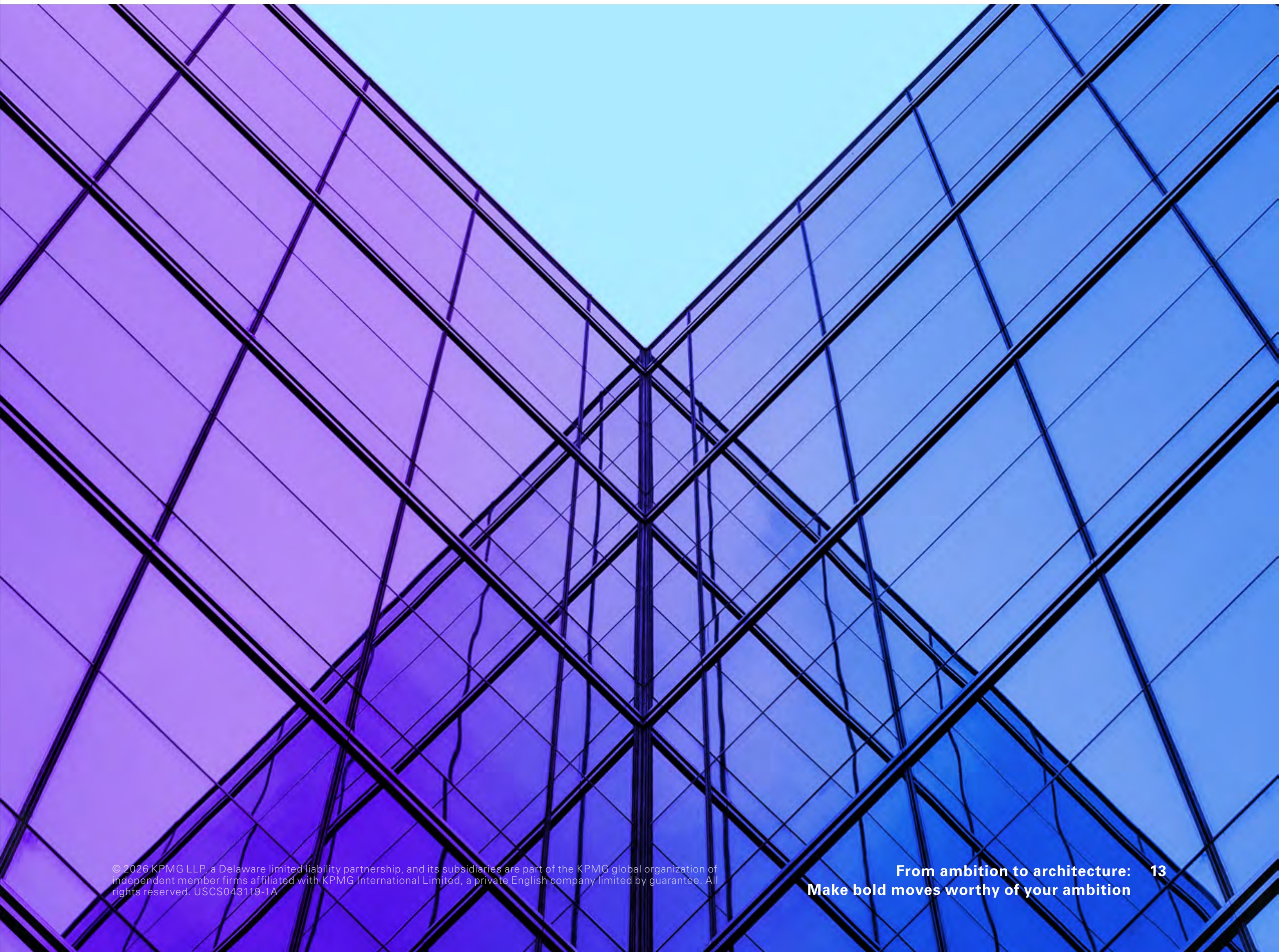
Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

The problem is that—while nearly nine in ten respondents say they are already piloting or implementing AI at scale—just 40 percent say they have established AI governance frameworks and policies in place.

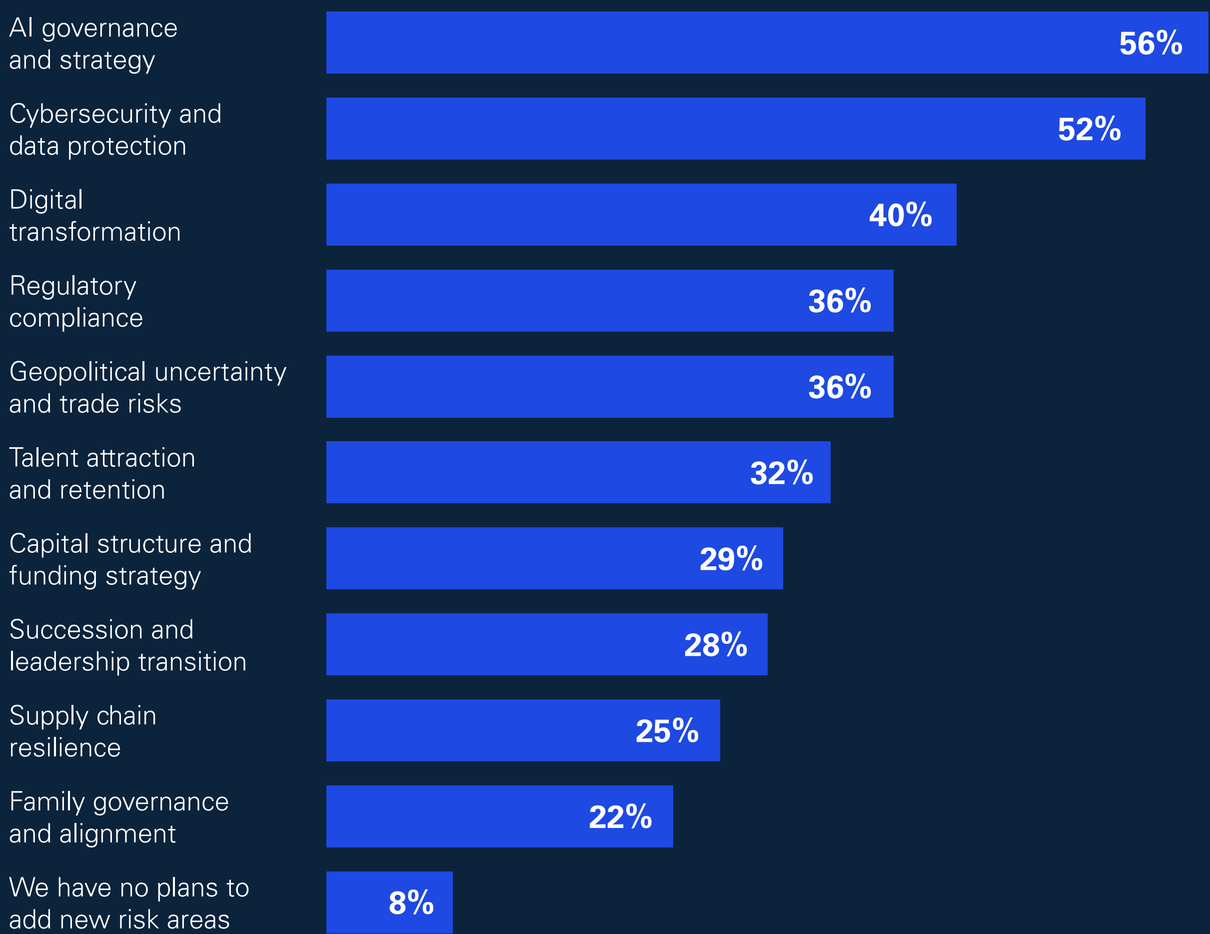
"Without a governance framework, you'll likely find inconsistent results, duplicated efforts, and competing approaches to the same task," says Tracey Spivey. "And if you don't have a governance framework, you don't really have ownership of the tool."

Our survey suggests boards have taken notice: AI governance and strategy is the most cited risk area that family businesses expect to add to board agendas over the next 12 months, cited by just over half (56 percent) of respondents.

"Governance is the most important thing family businesses can put in place when adopting AI," notes Shari Mager, national Advisory leader, KPMG Family Enterprise. "That's what ensures the business is making the right decisions about adoption, value, measurement, and impact. Without AI governance, you simply don't know if you're making good investments or not."



Which of the following risk areas do you anticipate building into your board agendas over the next 12 months?



Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

It's not just about making the right decisions on growth. It's also about protecting the business from risk. "This gap between adoption and governance creates significant exposure, and not just for one aspect of the business," says Brian Przedwiecki. "There's operational exposure, compliance-related issues, and reputational risks that come with AI adoption when the proper governance structure isn't in place."

That tension is not a failure of planning so much as it is a function of speed. "There is a natural tension between speed of adoption and maintaining control," says Jonathan Mayer. "Technology is evolving very quickly, and a high degree of intention up front is required to adopt new technologies with speed while building a control framework that serves as governance."

Why it matters

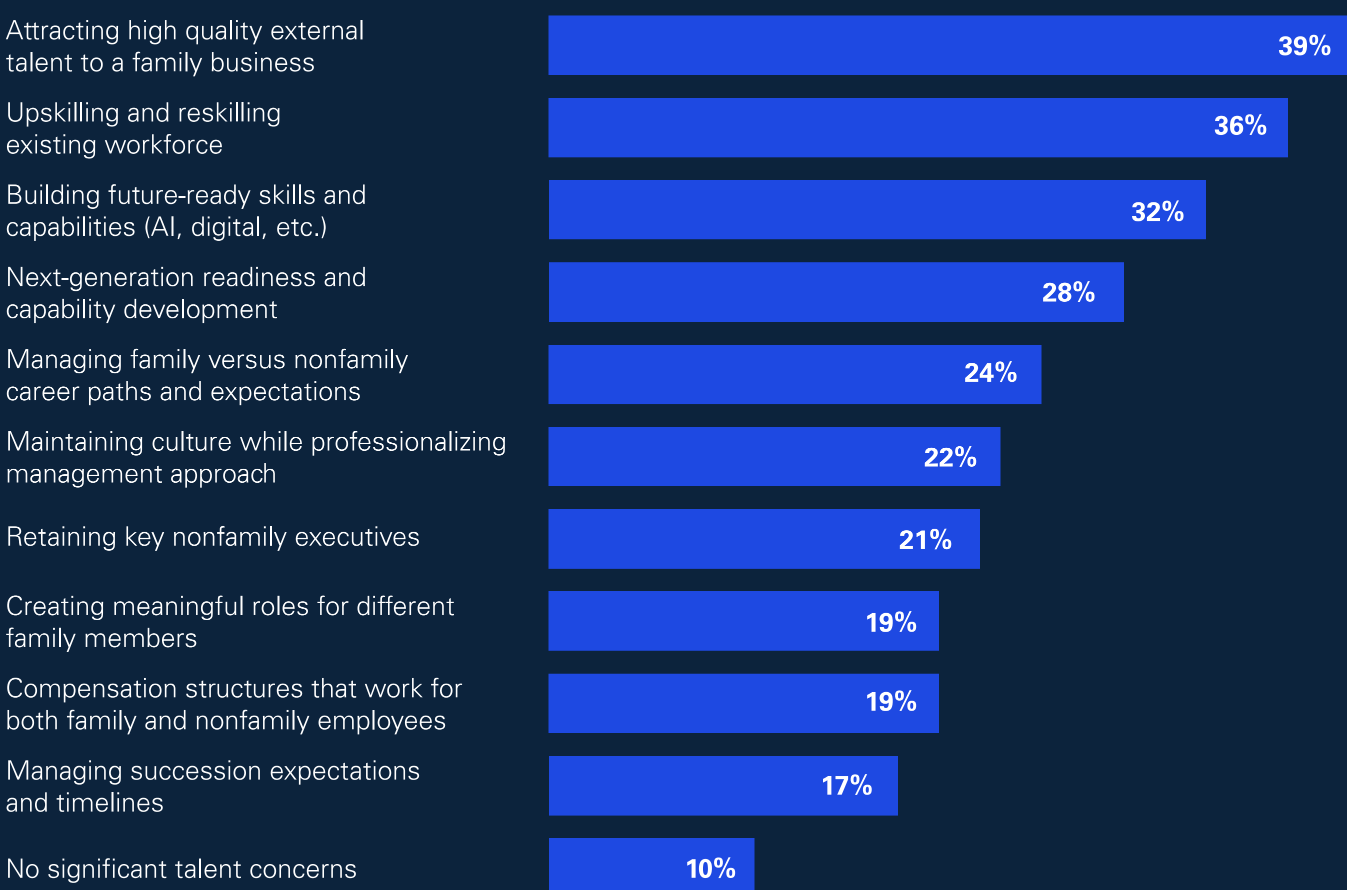
AI already sits atop both the growth and risk agenda, and boards have noticed. US family businesses should keep moving on AI—that ambition is a genuine advantage—but the architecture to govern it needs to move at the same speed, particularly to protect the business's operations, cybersecurity, and reputation.

Recruiting the right talent

US family businesses have ambitious growth plans. But without the talent architecture to support them, hiring alone won't get them there.

In our survey, respondents said that their biggest talent-related challenge is attracting high-quality external talent to the family business. But several other challenges cluster closely behind it.

As a family business, what are the most significant talent-related challenges facing your organization?



Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

“Building the capabilities needed for growth in an uncertain business environment requires a more nuanced approach to talent,” adds Jonathan Mayer. “Many family business leaders are looking beyond a traditional workforce model and combining in-house talent, outsourced capabilities, and AI solutions to achieve their goals.”

Attracting outside talent is hard partly because family enterprises compete for skills on different terms than public companies do. Employee compensation and incentive structures often differ from options that public companies can offer. And the dynamics of the family business are often challenging for new leaders to navigate at first.

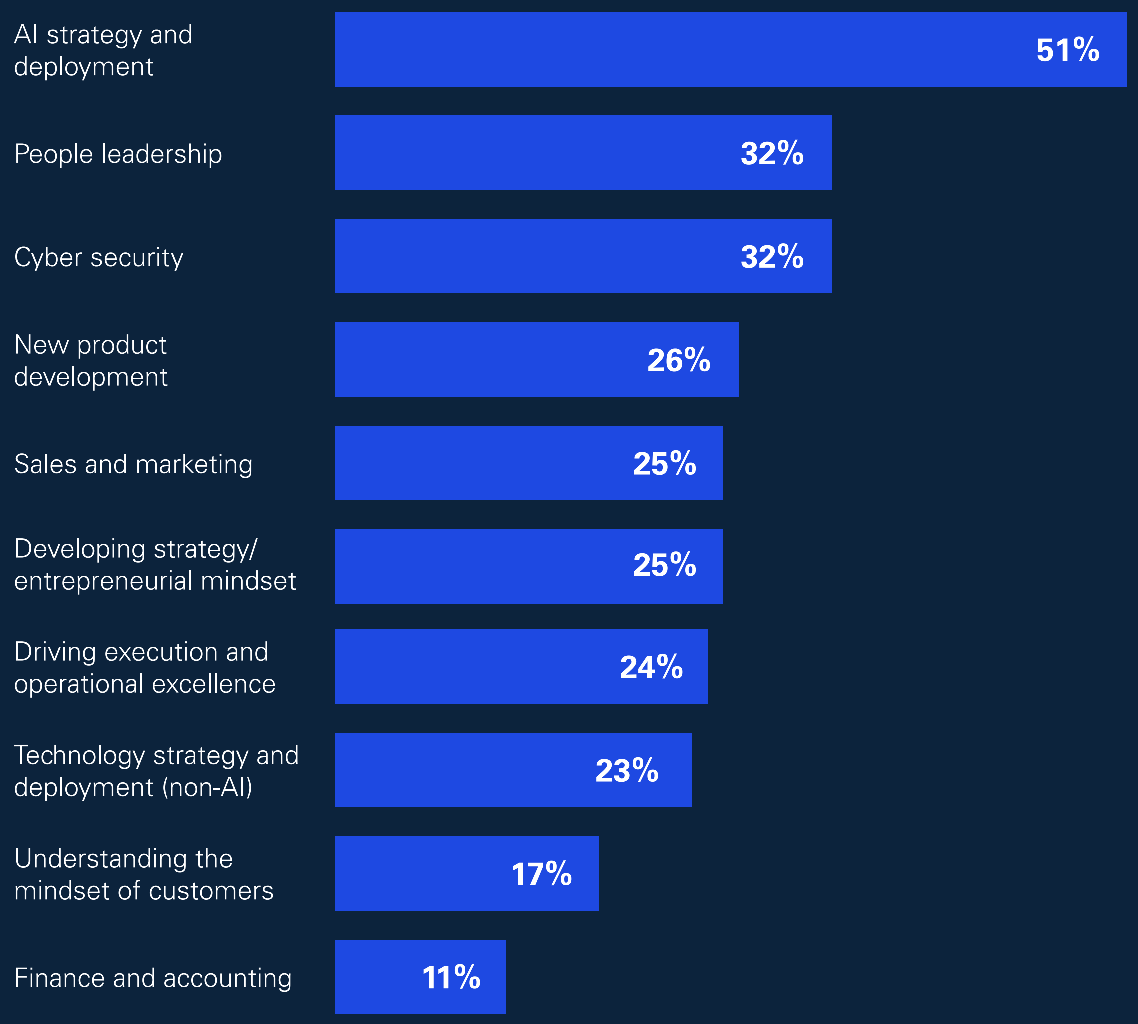
“Cultural fit carries a different meaning in family enterprises,” says Tracey Spivey. “Nonfamily executives need to navigate both the business and the family behind it. When they don’t, friction can develop quickly and even a highly qualified hire may struggle to succeed.”

As such, our survey finds that upskilling has become as central a response as external hiring, with family businesses turning inward for capability building nearly as often as they are turning outward to recruit.

What skills and capabilities are US family businesses having challenges securing? AI strategy and deployment is the most cited gap by a wide margin, named by just over half (51 percent) of respondents, well ahead of the next closest gaps.

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

As a family business, what are the biggest skills and capabilities gaps facing your organization?



Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

"Everyone is competing for a limited pool of talent," says Brian Przedwiecki. "It doesn't exist in enough supply for all companies to grab what they need, and the talent that is available is being captured by the businesses that are bigger and have more access to capital. That means US family businesses should think more creatively about what specific capabilities they need and then how they attract and retain those capabilities going forward."

Why it matters

Talent pressures span several fronts at once, and it is where the ambition-to-architecture gap is widest—growth ambition is high, but the talent architecture to deliver it is still being built. Leaders should invest in upskilling, career-path clarity between family and nonfamily staff, and cultural fit alongside external hiring.

Professionalizing the model

Our survey suggests family business leaders have high ambitions for the next generation of leaders. But many are now considering whether a family-managed operating model will deliver the greatest value for the family going forward.

Confidence in the next generation is certainly high. In fact, among respondents with a designated succession path, 91 percent express confidence in next-generation readiness. At the same time, nearly three-quarters say they are already putting their younger generations through on-the-job training or plan to do so in the future.

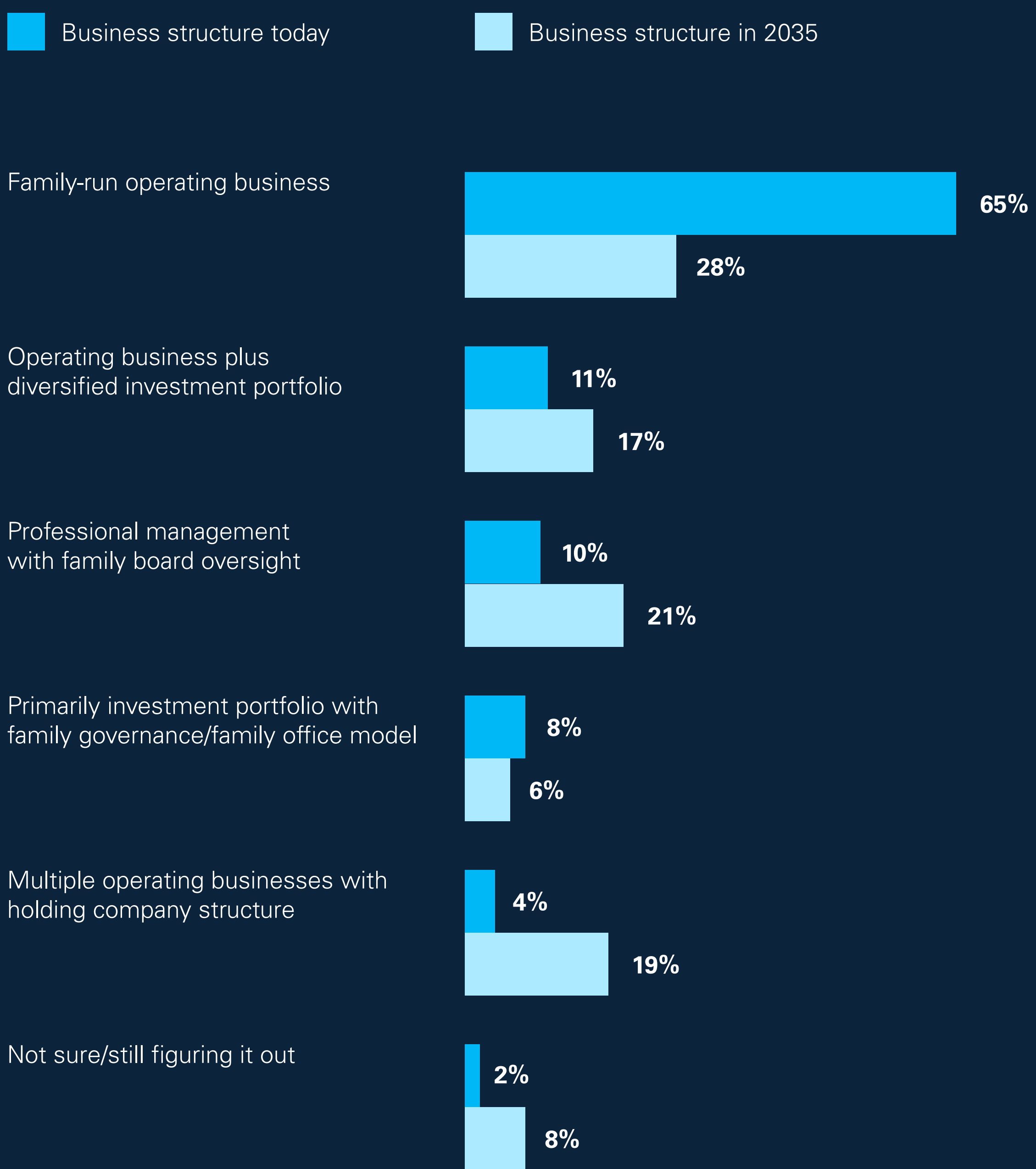
Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

While ambition for the next generation may be high, many of these same businesses expect to look structurally different within a decade. In fact, the share of organizations describing themselves as a "family-run operating business" is expected to fall by more than half by 2035, while professional management and holding-company structures both are expected to expand.

"As family businesses grow over time, the overlap of ownership and management will change," notes Jonathan Mayer. "Early on in the business lifecycle, ownership and management may likely reside within the same group. As businesses mature, it's common to see nonfamily management recruited to fill skills gaps and bring objectivity."

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

Which of the following best describes how your business is structured today and how is it likely to be structured in 2035?



Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

That shift away from family-run operating structures shows up directly in expectations about leadership itself with just over a third (36 percent) saying they expect family members to occupy most senior leadership roles over the next decade, roughly matched by those who expect a blend of family and outside professionals, and by those who expect outside professionals to dominate.

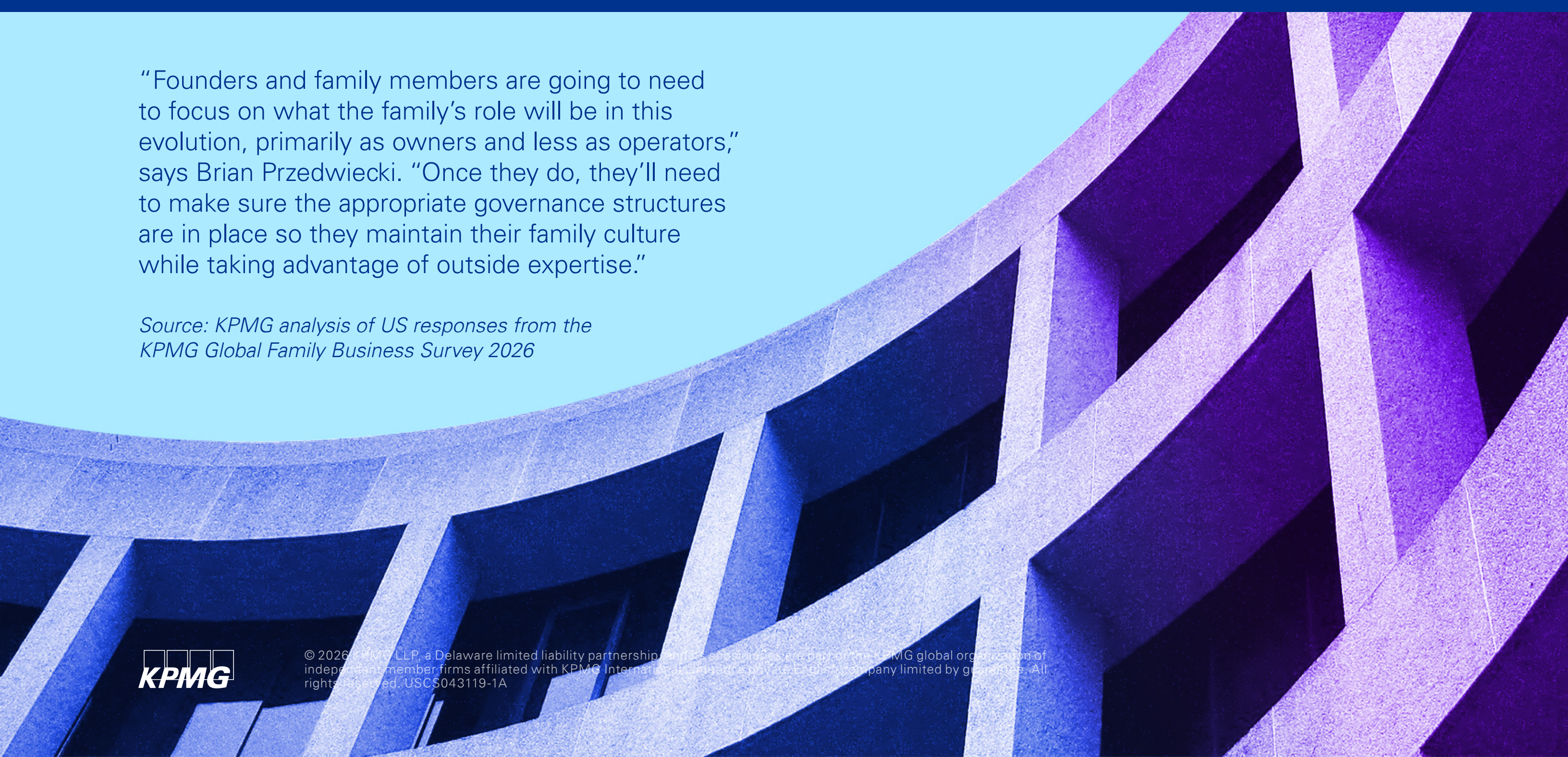
"As family businesses evolve and diversify into new sectors, geographies, and models, maintaining growth often requires a different set of capabilities than what was needed to build the company in the first place," notes Shari Mager. "That not only requires a shift in structure and operating model at the family business level; it also requires current family executives to think long and hard about what their role will be in the future."

Which of the following is most likely for your business over the next decade?

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026

"Founders and family members are going to need to focus on what the family's role will be in this evolution, primarily as owners and less as operators," says Brian Przedwiecki. "Once they do, they'll need to make sure the appropriate governance structures are in place so they maintain their family culture while taking advantage of outside expertise."

Source: KPMG analysis of US responses from the KPMG Global Family Business Survey 2026



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Why it matters

Family-run models are giving way to professional management and holding structures as ownership and management separate into distinct roles—once again reinforcing the shift from ambition to architecture. Leaders should prepare for a shift from operating the business to governing it.

Key takeaways

The businesses best positioned for what comes next are the ones already turning ambition into architecture. Here are four places to consider starting:

01 Sharpening your purpose can drive value

Shared values and family reputation score higher than any other value-creation lever in this survey, and patient capital that is not managed to an earnings-per-share target is what makes that possible. That same purpose is also a draw for talent and customers who want more than a paycheck or a transaction.

Action: Use your purpose as a powerful magnet to attract top-tier talent and loyal customers.

02 Govern AI in stages

Map which tools employees already use, distinguish enterprise-wide AI from the free-market tools employees may already be using on their own, and set basic access rules now. Partnering with outside advisers to build the framework can help family businesses close the gap before boards start asking questions leadership cannot yet answer.

Action: Partner with outside advisers for the opportunity to build a scalable AI governance framework before the board demands answers.

03 Compete on more than salary

Consider what incentives you can offer external talent and screen for cultural fit given how much a hire's success depends on understanding the overlap between family and business. Invest as much in upskilling current staff, particularly in high-demand areas like data strategy and AI, as in the search for outside talent, since the pool of qualified candidates is limited and often captured by larger, better-capitalized competitors.

Action: Audit your incentive structures for external talent and clearly define advancement tracks for nonfamily executives.

04 Redefine the owner's role early

Separate ownership from day-to-day operations before succession forces the issue. Bring in outside board members to add sophistication as the business grows and give next-generation leaders real experience beyond the family business before they take on ownership or management roles.

Action: Professionalizing your management structure now may introduce fresh perspectives and rigorous governance.

Methodology

This report draws on 109 US responses to the KPMG Global family business survey 2026.

To add context behind the numbers, we conducted structured interviews with KPMG practitioners who advise family businesses directly, and their insights, quoted throughout, reflect firsthand client experience rather than survey responses.

NOTE: *Some figures may not add up to 100 percent due to rounding.*

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Jonathan provides sophisticated, coordinated, and proactive services to dynamic business-owning families and single-family offices, with specialization in advising on individual income, gift, and estate tax matters; operating and investment pass-through entity structures; complex trust structures; and philanthropic endeavors.

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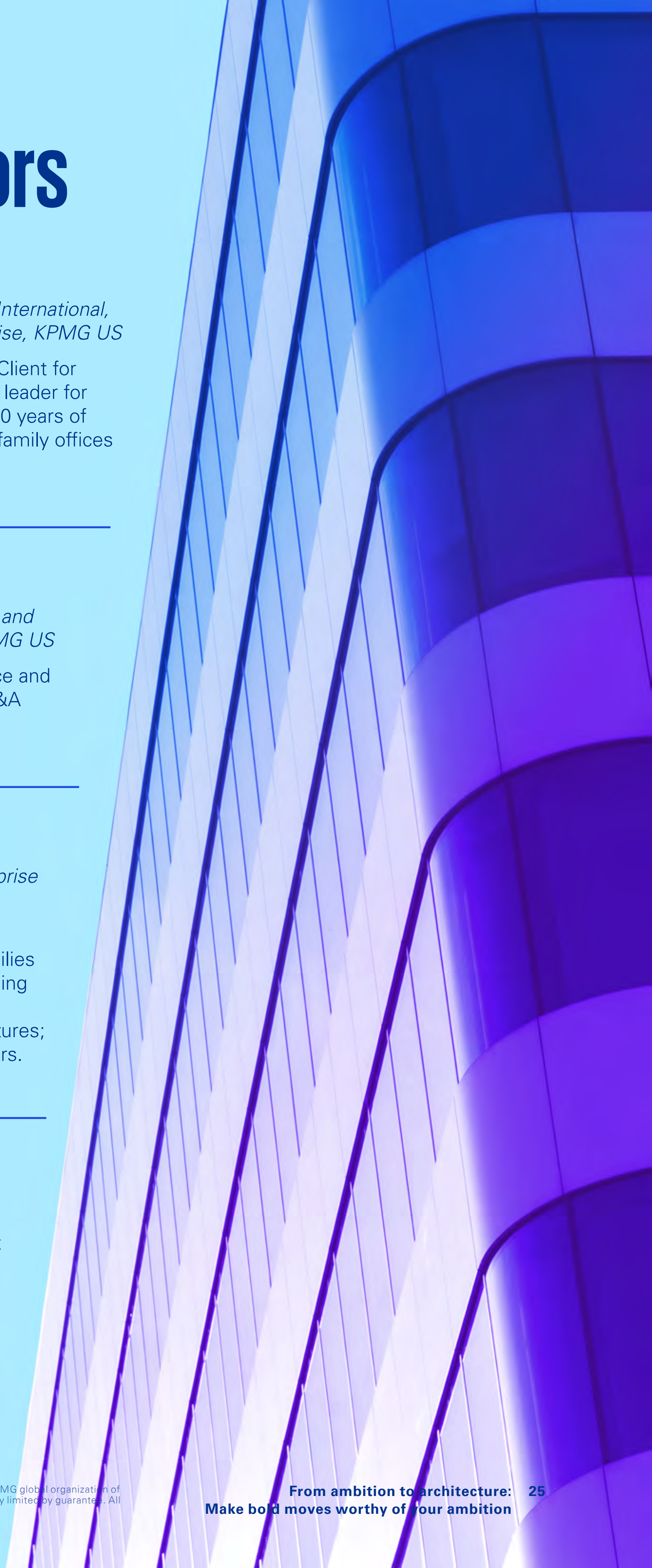
Brian is a partner in our Northeast commercial Audit practice primarily performing financial statement audit and audit of internal control services to clients in a variety of industries. He has served companies in all stages of development from start-ups to national and global accounts.



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Private companies are meant to move. They're built by leaders who navigate ambiguity through instinct and action.

But moving fast looks different now. The mantra of "move fast and break things" falls apart when actions ripple across employees, investors, and regulators. Today, progress demands more than speed. It depends on decisions that can hold up to scrutiny.

KPMG Private exists for this moment. We bring together Audit and Assurance, Tax, and Advisory services designed specifically for private companies. With experienced professionals, advanced technology, and the reach of a global organization, we support progress at the pace your business demands.

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