

Socioemotional Wealth Among Copreneur and Business Owning Couples

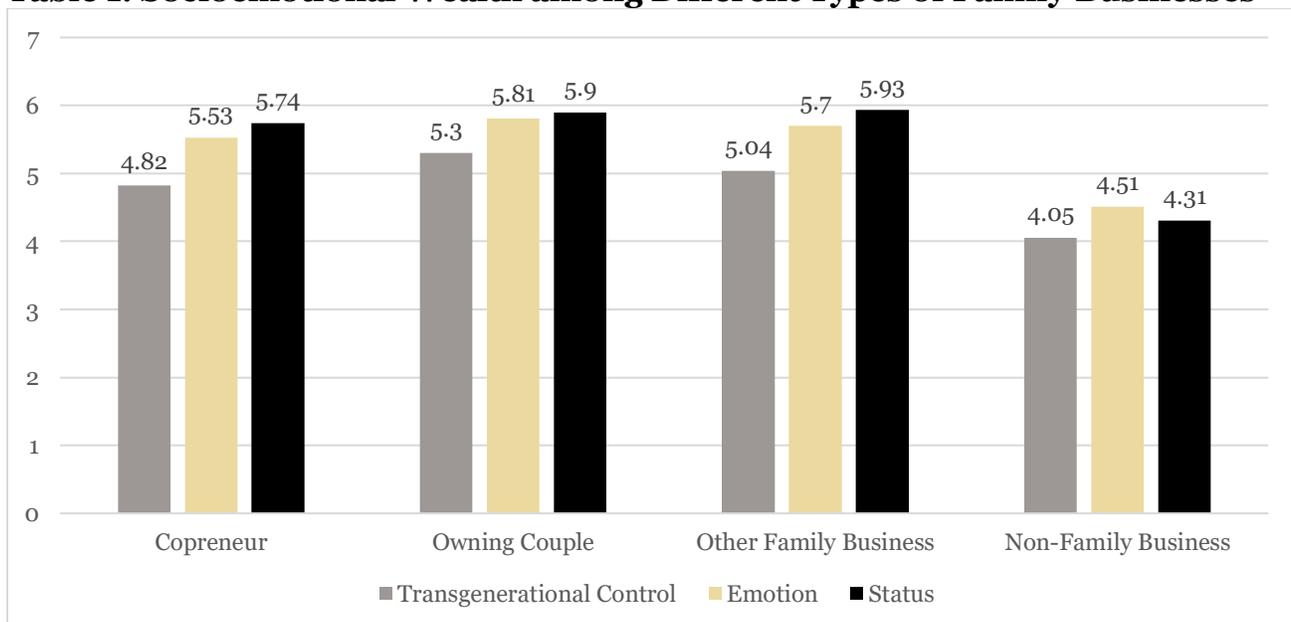
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Socioemotional wealth is considered a defining characteristic that distinguishes family businesses from non-family businesses. Socioemotional wealth (SEW) is the affect or emotion that a business owner has toward their business and has four interrelated dimensions. The first dimension is *transgenerational control* or the desire to keep the business in the family. The second dimension is *status and reputation*; in other words, the worth and esteem that business owning family gets from being identified with the business. The third dimension is *benevolent social ties* or basically the social networks that the family business has developed. The final dimension is *emotional commitment* to the business.

So, if SEW is found in all family businesses, do some types of family businesses have a greater stock of SEW? We found that indeed, that is the case. We looked at three main aspects of SEW, 1) transgenerational control, 2) emotional attachment, and 3) status and reputation. We analyzed the differences between copreneurs, business owning couples, family businesses that are not couple led, and non-family businesses. A quick distinction between copreneurs and business owning couples is that copreneurs share decision-making (see “Couples in Business Together” by Margaret Fitzgerald and Glenn Muske for a more extensive distinction).

Off that bat, we can see that non-family businesses have less stock of SEW in all three categories. There is not much difference between family businesses and owning couples which have a higher stock of SEW. Interestingly, copreneurs have less stock of SEW in all three categories than the other types of family businesses; and these differences are statistically significant.

Table 1. Socioemotional Wealth among Different Types of Family Businesses



Source: 2019 Small Business Values Survey (Marshall and Wiatt)

It is particularly interesting that copreneurs are less concerned with transgenerational control than other types of family businesses. All three types of family businesses score higher for status and reputation than emotion or transgenerational control compared to non-family businesses that score higher for emotion than transgenerational control and status. Overall, we can see that all types of businesses have some stock of SEW. However, the stock of SEW is different based on the type of family business.

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PIFB provides multi-generational family businesses with research-based business management resources aimed at improving personal leadership performance and driving operational growth. Our ambition is to prepare family business owners, managers, and stakeholders (including non-owner spouses and future owners) to be effective stewards of their family enterprises.

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