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## Business

Among parents, nearly all (94%) want their children to forge their own path, rather than follow in their footsteps.

**Isaac M. O'Bannon • Jun. 20, 2023**



Many Americans consider starting and running a successful business to be a key part of the “American Dream,” but these entrepreneurs don’t necessarily want their own children to take up where they left off. When it comes to succession planning, half (52%) of business owners say they do not want their children to inherit and run the business, according to a recent Wells Fargo study.

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are interested in and where their strengths lie is key to effective succession planning.”

Among parents, nearly all (94%) want their children to forge their own path, rather than follow in their footsteps.

“My father originally planned to sell our 110-year-old family business, Pioneer Linens; yet a year before he passed away, he named me as successor—and it’s been my honor to continue the legacy of both my father and grandfather,” said Penny Murphy, third-generation business owner. “My brother, on the other hand, was the recipient of my father’s real estate. We are grateful that our father thoughtfully created an equitable estate plan that aligned with our respective interests.”

**Where the wealth comes from**

Nine out of ten (90%) wealth creators attribute their financial success specifically to hard work and determination. In addition, two-thirds (63%) of wealth creators cite the advantages of a good education, and almost half (43%) acknowledge the importance of living in the land of opportunity, while a quarter (24%) acknowledge the role of luck.

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Helping to move this success down through family lines tends to get trickier for

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financial trouble. Although 88% of Gen X parents said they believe that wealth can ruin children (compared to 81% of respondents overall), nearly half (48%) acknowledge they tend to overdo it when it comes to giving things to their children (compared to 40% of respondents overall).

Most wealth creators help their adult children financially in multiple areas:

Education	80%
Cars	51%
Travel or vacations	46%
Ongoing expenses	35%
Healthcare	29%
Houses	27%
Grandchildren’s education	25%
Childcare	6%

Notably, parents who said they help their adult children with houses rises to 47% among those with \$5 million or more in investable assets (compared to 27% of respondents overall).

And while a large majority (70%) want their children to live up to their family’s standards of wealth and success, nearly a third (30%) report it has been hard to transmit their work ethic to their children—and this is higher (40%) among Gen X parents.

“Family business owners may be tempted to transfer ownership as an incentive for

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“Whether the family discussion is about estate planning or business succession planning, what’s important is that everyone is aligned and there are no surprises,” added Liersch. “Without a thoughtful conversation and formal plan, assumptions can be made and disruption to the family dynamics are highly likely.”

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