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DCU BUSINESS SCHOOL

IONAD DE GNÓ TEAGHLAIGH
DCU CENTRE FOR FAMILY BUSINESS

Irish Family Business by Numbers

2020

Defining Family Business

In our investigation to assess the contribution of family businesses to the Irish economy and labour market, we adopted the Central Statistics Office's (CSO) definition of family business, derived from the 'common European definition', whereby:

— one family holds more than 50% of voting shares, and/or
— one family supplies a significant proportion of the senior management and effectively controls the business, and/or
— a family or a family relationship influences the enterprise and the latter is perceived to be a family business

1 There are **160,700** family businesses in Ireland.

2 **64%** of all businesses in Ireland can be classified as a family business.

3 Irish family businesses employ **938,000** people.

4 Nearly **two-thirds (64%)** of the **1,480,000** people employed in the Service and Distribution, Building and Construction, Industry and Financial/ Insurance sectors work in family businesses.

5 **70%** of all businesses in the Service and Distribution sector are family businesses. More than **90%** of family business in Ireland are Micro Enterprises, that is, they employ between **1** and **9** people.

6 Just **8%** of Irish family businesses are a Small and Medium-sized Enterprise (employing between **10 and 249** people). While this is only about **12,300** SME family businesses, these family businesses employ **380,000**.

[1] To determine the number of family businesses operating in Ireland we drew from data collected in the 2016 Census. The proportion of family enterprises in each sector of the economy was extracted from the CSO databases. The following sectors were analysed; **1)** Service and Distribution, **2)** Building and Construction, **3)** Industry and **4)** Financial and Insurance. Farming and agricultural enterprises were analysed separately in line with CSO sectoral categories.

How does Ireland compare internationally?

Internationally, family businesses are the dominant form of business organisation. The percentage of businesses that are family businesses:

Ireland	**64%**
Denmark [2]	**60%**
Finland [3]	**70%**
The Netherlands [4]	**71%**
United Kingdom [5]	**85%**

Family businesses by sector

SECTOR	ALL ENTERPRISES [6]	IRISH FAMILY BUSINESSES [7]
Service and Distribution	174,300	112,400
Building and Construction	51,600	34,000
Industry	17,600	10,400
Financial and Insurance	6,500	3,900
Totals	**250,000**	**160,700**

Family Farms in Ireland

There are **137,100** family farms in Ireland.

Of the total number of farms operating in Ireland, **99.7%** are family farms. For the majority of these farmers, the farm is their sole or major activity.

[2] Danmarks Statistik (2017). Family Businesses in Denmark: Methodological report and statistical tables.

[3] Statistics Finland and The Finnish Family Firms Association (2017). Family Businesses in Finland.

[4] European Commission (2009). Family Business – Expert Group Final Report.

[5] IFB Research Foundation (2019). State of the Nation: The UK Family Business Sector 2018-19. Oxford Economics.

[6] Of these some are foreign owned. Estimates used are as follows: Service and Distribution – 2.3%; Building and Construction – 0.2%; Industry – 10.2%. Based on CSO 2012 data on ownership for selected sector - 151,700 enterprises of the 185,500 active enterprises in 2012. No estimate of percentage of Financial firms foreign owned- used Industry Rate – 10.2%.

[7] In 2017, NCFB, using CSO data, estimated that 66% of enterprises in the Service and Distribution Sector (2012 CSO data) were Irish family businesses. The 66% rate is applied to the Building and Construction Sector and to the Industry sector.

About
DCU National Centre for Family Business

Dublin City University's National Centre for Family Business is the first research, engagement and educational centre of its kind on the island of Ireland. Established in 2013, the National Centre for Family Business' mission is to empower innovative Irish family businesses to embrace their transgenerational potential. Our vision is to provide the family business community in Ireland with practical managerial and business insights, informed by lessons from best practice in family business management.

Authors

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Colm O'Gorman is Professor of Entrepreneurship at Dublin City University Business School. His research focuses on entrepreneurship and on strategy in small and medium sized enterprises (SMEs). Professor O'Gorman has studied the growth strategies of SMEs, the nature of managerial work in high growth SMEs, mission statements in SMEs, and internationalisation processes in international new ventures, and in SMEs.

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Keeva Farrelly is a Research Assistant at DCU National Centre for Family Business. Prior to taking up employment at the Centre, Keeva was employed by Durham University's School of Education and the Educational Endowment Foundation, assessing classroom experiments that aim to combat educational inequalities. Keeva has previously worked in research at Boston College Sociology Department and social policy in the Irish homelessness services.

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