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Business Owner Wealth and Retirement: What the SCF Shows

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What the SCF is

The Survey of Consumer Finances (SCF) is the Federal Reserve Board's survey of household balance sheets. The Fed describes it as "normally a triennial cross-sectional survey of U.S. families" covering "families' balance sheets, pensions, income, and demographic characteristics", and as of 2026-10-28 it states that the 2025 SCF "is the most recent survey conducted" (Federal Reserve, SCF current survey page).

The Fed released the 2025 results, the Bulletin article "Changes in U.S. Family Finances from 2022 to 2025", on October 9, 2026, with the public dataset and historical tables (SCF current survey page). Where the 2025 report does not repeat a breakdown, this article uses the October 2023 Bulletin and labels the year (Federal Reserve, 2022 Bulletin).

Four design facts matter before reading any business-owner number:

- **The unit is the family, not the firm.** The SCF's "family" is the economically dominant person or couple in a household plus those financially interdependent with them, and age and other classifications describe the family's "reference person" (2025 Bulletin, appendix A). Business wealth is reported per family, not per company.
- **The sample is small but built for wealth.** 4,367 families were interviewed in 2025, of which 1,179 came from a "list sample" drawn from tax-return records to include wealthy families, who "hold a relatively large share of such thinly held assets as closely held businesses". The Forbes 400 are excluded (2025 Bulletin, appendix B).
- **Values are owner-reported and net.** Business equity is "net worth" in sole proprietorships, partnerships, S corporations and other non-public corporations, LLCs and other private businesses, including the business share of a working farm or ranch net of its debts (2025 Bulletin, appendix A). It is the family's estimate, not a transaction price.
- **Timing.** Balance sheets are measured at the interview. For 2025, "about one-seventh of the interviews were conducted between January and May 2026" (2025 Bulletin, appendix B). Dollar figures in the 2025 report are in 2025 dollars.

How many families own a private business

2025 result. "Ownership of (private) business equity was 15.4 percent in 2025, up almost 1 percentage point from 2022" (2025 Bulletin, Table 3 and text). Box 3 of the same report rounds this to "15 percent of families owned a privately held business, slightly larger than the value reported in 2022", and notes that the increase "was fully driven by families in the bottom 90 percent, as ownership in the top decile declined" (2025 Bulletin, box 3).

Ownership still rises steeply with income: "from 8 percent in the bottom half of the distribution to 40 percent in the top decile" of usual income in 2025 (same box).

The definitional trap. The widely quoted "20 percent of families owned a privately held business" is a 2022 figure, and it used a broader definition. The 2022 Bulletin counted a family as a business owner "if the family reported owning a business or if either the reference person or the spouse or partner was self-employed", and

on that basis called 20 percent "the highest level on record in the modern Survey of Consumer Finances" (2022 Bulletin, box 4). The 2025 definition "does not include the 5 percent of SCF families in which the reference person is self-employed but does not report a business interest" (2025 Bulletin, box 3).

So 20 percent (2022, broad) and 15 percent (2025, narrow) are not a decline. The like-for-like series is the business equity line: 14.6 percent in 2022 and 15.4 percent in 2025 (2025 Bulletin, Table 3). The overlap between the two concepts is partial: in 2022, 64 percent of business-owning families had a self-employed reference person or spouse, and 62.8 percent of self-employed families owned a business (2022 Bulletin, box 4, note 2).

Measure	Year	Value	Definition
Families holding business equity	2022	14.6%	Reported a private business interest
Families holding business equity	2025	15.4%	Same
Families "owning a business" (box)	2022	20%	Business interest OR self-employed reference person/spouse
Families "owning a privately held business" (box)	2025	15%	Business interest; excludes self-employed without one

Business equity is highly skewed

The SCF reports a conditional median and mean: the typical and average value among families holding the asset. For business equity they are far apart.

Year (dollar basis)	Conditional median	Conditional mean	Source
2022 (2022 dollars)	$90,000	$1,622,500	2022 Bulletin
2022 (restated, 2025 dollars)	$98,500	$1,775,600	2025 Bulletin, Table 3
2025 (2025 dollars)	$75,400	$1,566,600	2025 Bulletin, Table 3

In 2025 the conditional median "fell 23 percent to $75,400, while the conditional mean value also decreased 12 percent to $1,566,600", and the Fed attributes the gap between the two to "the small fraction of privately held businesses with very high valuations" (2025 Bulletin). The 2025 mean is more than 20 times the median. Do not quote the 2022 Bulletin's $90,000 next to the 2025 report's $75,400 without saying they are in different-year dollars.

The 2025 change was not uniform. Among business-owning families, the real mean value fell by around $59,000 (18 percent) in the bottom half of usual income and around $128,000 (22 percent) in the upper-middle group, and rose by around $98,000 (2 percent) in the top decile (2025 Bulletin, box 3).

Size of business: 2022 only. The 2025 report does not repeat the breakdown by number of employees, so the latest figures are from the 2022 Bulletin, in 2022 dollars (2022 Bulletin, box 4 and Table A):

Business-owning families, 2022	Nonemployer	Two to five employees	More than five employees
Share of businesses	52.2%	25.4%	22.4%
Business assets, median	$0	$141,000	$400,000
Business assets, mean	$142,700	$959,400	$3,834,700
Net worth excluding the business, mean	$1,069,000	$1,557,400	$4,068,200

The Bulletin's text adds that "78 percent employed fewer than five people" and that "the median nonemployer business owner reported no net value for their business" (2022 Bulletin, box 4). Two classification rules shape the table: families with several businesses are classified by the one with the most employees, and families "whose business interests were solely passive" are placed in the more-than-five-employees column (2022 Bulletin, box 4, note 3). That column therefore mixes operating owners with passive investors.

What this means for a target universe. Most SCF business-owning families hold small or zero-value interests. The employer businesses a lower-middle-market buyer screens for sit inside a minority slice, and even there the median ($400,000 in 2022) is far below the mean. A family-level survey cannot be converted into a count of acquirable firms; for owner-side firm data, see the Census Annual Business Survey.

What the SCF says about retirement and wealth in business, and what it does not

Where business equity sits in the balance sheet (2025). The Fed's historical tables show business equity at 32.3 percent of the value of all families' nonfinancial assets in 2025, down from 34.6 percent in 2022, and nonfinancial assets at 54.3 percent of families' total assets (Federal Reserve, SCF historical tables, Table 8, 2025 dollars). Those are shares of aggregate assets, not of net worth, and the SCF publications read for this article do not state a share of household net worth held in private business. Do not derive one from these figures.

Ownership by age of reference person (2025). The same workbook breaks business equity out by age (SCF historical tables, Table 9, 2025):

Age of reference person	Families holding business equity	Median, holders (2025 $)	Mean, holders (2025 $)
45-54	19.8%	$73,900	$1,397,300
55-64	18.9%	$102,200	$1,846,800
65-74	15.4%	$100,000	$2,400,200
75 or more	9.1%	$200,000	$3,372,300

Ownership falls with age; conditional values rise. The workbook flags the means: "Because estimates in this table have not been reviewed for robustness, they may be sensitive to outliers" (SCF historical tables, Table 9 means). By work status, 66.8 percent of families with a self-employed reference person held business equity in

2025, against 5.8 percent of families with a retired reference person, whose median holding was $150,000 (same table).

Retirement accounts (2025). Among families with a reference person aged 55 to 64 who held an IRA or defined contribution plan, mean retirement savings were $670,200 in 2025 (2025 Bulletin, box 2, Table A). The Bulletin does not split that figure by business ownership. It notes that families "may hold a variety of other assets intended, at least in part, to finance retirement" (2025 Bulletin, appendix A, note 36), but it does not measure how much business equity owners intend to draw on.

Older research on entrepreneurs (1989-2004 data). De Nardi, Doctor and Krane, using six SCF waves from 1989 to 2004, define entrepreneurs as households whose head is self-employed, owns a business and actively manages it. They find these households "account for about 30 percent of the households in the top decile of the wealth distribution", that the "vast majority" started their businesses rather than buying or inheriting them, and that business owners are important sources of saving and wealth creation (De Nardi, Doctor and Krane, Chicago Fed Economic Perspectives, 4Q 2007). The data are roughly two decades old; treat the findings as structural context, not current levels.

What none of this shows. Neither Bulletin reports owners' plans to sell, transfer or close a business; a large stake does not show that a sale is planned, when, or to whom.

Other public data on owner age and succession

The SCF reports age for the family's reference person, not for business owners as a group. For owner-level age, the federal source is the Census Bureau's Annual Business Survey (ABS):

- **Employer businesses.** The owner tables carry an "Age of Owner (OWNRAGE)" topic (Census, 2024 ABS characteristics of owners). In table AB2300CSCBO (2024 ABS, reference year 2023, the newest vintage as of 2026-10-28), 51.3 percent of the 4,208,231 owners of respondent employer firms who reported an age were 55 or older: 28.2 percent were 55 to 64 and 23.1 percent 65 or over (Census, table AB2300CSCBO; the combined share is our sum of the two published bands). The often-cited "51 percent" is the 2018-data version. Both count owners (up to four per firm), not firms.
- **Nonemployers.** The Nonemployer Statistics by Demographics series assigns owner traits, including age, from administrative records. Its 2023 owner table counts about 32.7 million nonemployer owners reporting an age, of whom 18.5 percent were 55 to 64 and 15.9 percent 65 or over (Census, table AB2300NESD04). Do not add it to the employer figures.

For the demographic narrative and its limits, see the succession and ownership guide.

Using the SCF in a succession thesis without overreaching

The SCF supports claims about how common private business ownership is among families, how concentrated its value is, and how both vary by income, age and wealth. It does not support claims about firms, industries or intent.

Claim in a memo	SCF support	Not supported
"About 15 percent of U.S. families hold private business equity."	Yes: 15.4% in 2025	Any count of firms; families with several businesses count once
"Business ownership among families hit a record 20 percent."	Only as the 2022 figure, broad definition	Comparison with the 2025 narrow figure
"Typical owners hold modest business equity; a few hold very large stakes."	Yes: 2025 median $75,400 vs mean $1,566,600	Valuation of any specific business
"Most owner families have no employees."	Yes, 2022: 52.2% nonemployer	2025 size breakdown (not published in the 2025 report)
"Older families hold larger business stakes."	Yes, 2025 Table 9 medians by age	Owner-level age; reference person only
"Owners will sell to fund retirement."	No	Intent, timing, buyer type
"Private business is X percent of household net worth."	Not in the publications read	Do not state
"There are N acquirable companies in sector Y."	No	Use establishment and firm data instead

Illustrative example (fictional). A draft memo for a fictional HVAC roll-up reads: "The Fed shows 20 percent of families own businesses and most of that wealth is about to hit the market as owners retire." Rewritten to what the data support: "In the 2025 SCF, 15.4 percent of U.S. families held private business equity, with a conditional median of $75,400 and a mean of $1,566,600 (2025 dollars). Families with reference persons aged 55 to 64 held at an 18.9 percent rate. The SCF does not measure plans to sell; our owner-intent evidence comes from target-level outreach." The founder succession thesis shows where survey data stop and target-level evidence must begin.

Checklist before an SCF number goes into a deck:

1. Name the survey year and the publication (2025 Bulletin, October 2026, or 2022 Bulletin, October 2023).
2. State the dollar basis (2025 dollars or 2022 dollars).
3. State the definition (business equity holders, or the broader 2022 owner-or-self-employed count).
4. Say whether it is a median or a mean, and among whom (all families or holders only).
5. Do not convert family shares into firm counts.
6. Do not attach an intent to sell.

Data access notes

The 2025 files sit on the SCF current survey page, which the Fed gives as the citation URL for the 2025 data (https://www.federalreserve.gov/econres/scfindex.htm); unlike earlier waves, the 2025 survey has no separate year page. Earlier waves are reached from the previous surveys page. It carries the Bulletin, standard error tables, historical tables, the full public dataset, a summary extract and the codebook.

Two cautions from the same page. First, missing data "have been imputed five times", so the 4,367 interviewed families produce 21,835 records; after seven observations were deleted for disclosure avoidance, the public file has 21,800 records for 4,360 families. Second, "failure to account for the imputations and the complex sample design will result in incorrect estimation of standard errors" (SCF current survey page). Anyone cutting business equity by age, income or size should follow the Fed's standard error documentation, and should expect thin cells: the historical tables mark estimates based on ten or fewer observations with an asterisk (SCF historical tables).

The Bulletin gives standard errors only for selected estimates, and "the statistical significance of the results generally is not addressed" (2025 Bulletin, appendix A). Describe small moves, such as 14.6 to 15.4 percent, as the Fed does, not as a trend.

This page describes published survey statistics; it is not valuation, tax or investment advice.

Docket runs this kind of evidence check on target lists before outreach; see evidence standards.

Sources

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Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. https://www.federalreserve.gov/econres/scfindex.htm
2. https://www.federalreserve.gov/publications/files/scf23.pdf
3. https://www.federalreserve.gov/publications/files/scf26.pdf
4. https://www.federalreserve.gov/econres/files/scf2025_tables_internal_real_historical.xlsx
5. https://www.chicagofed.org/-/media/publications/economic-perspectives/2007/ep-4qtr2007-part2-denardi-etal-pdf.pdf
6. https://www.census.gov/data/tables/2024/econ/abs/2024-abs-characteristics-of-owners.html
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