

SMALL BUSINESS OWNERSHIP TRANSITIONS

Live Oak Bank's Quarterly Research highlights the impact of the Silver Tsunami on small business ownership.

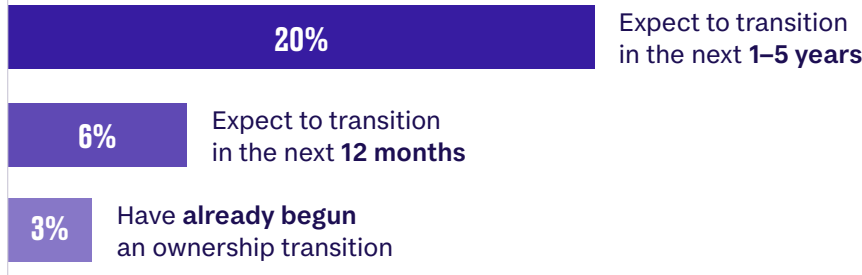
Most small businesses do not have a succession plan

70% Do not have a succession plan

6% Unsure if they have a succession plan

24% Do have a succession plan

Yet nearly a third of small businesses plan to transition ownership within five years



Have accelerated transition plans due to the state of the economy*

Small business transitions are primarily due to the owner's age and desire to retire



For the first time, there was a higher percentage of owners aged 65+ than those aged 45–64

48% 65 years of age or older

43% 45–64 years of age

8% Younger than 45 years of age

A third of small businesses will sell to an outside third party

33% Will sell/merge with an outside third party

23% Will sell/transfer to a family member

7% Will sell to an employee

6% Will sell to a private equity or independent sponsor

Preservation of company legacy is the priority for business owners when selecting a buyer*



This report contains data from surveys conducted in the third quarter of 2023 by Barlow Research, involving a sample of 438 small businesses and 366 middle market companies.

*Based on those currently transitioning their business ownership or planning a business ownership transition in the next five years, \$100K–<\$10MM.