

## FAMILY GOVERNANCE

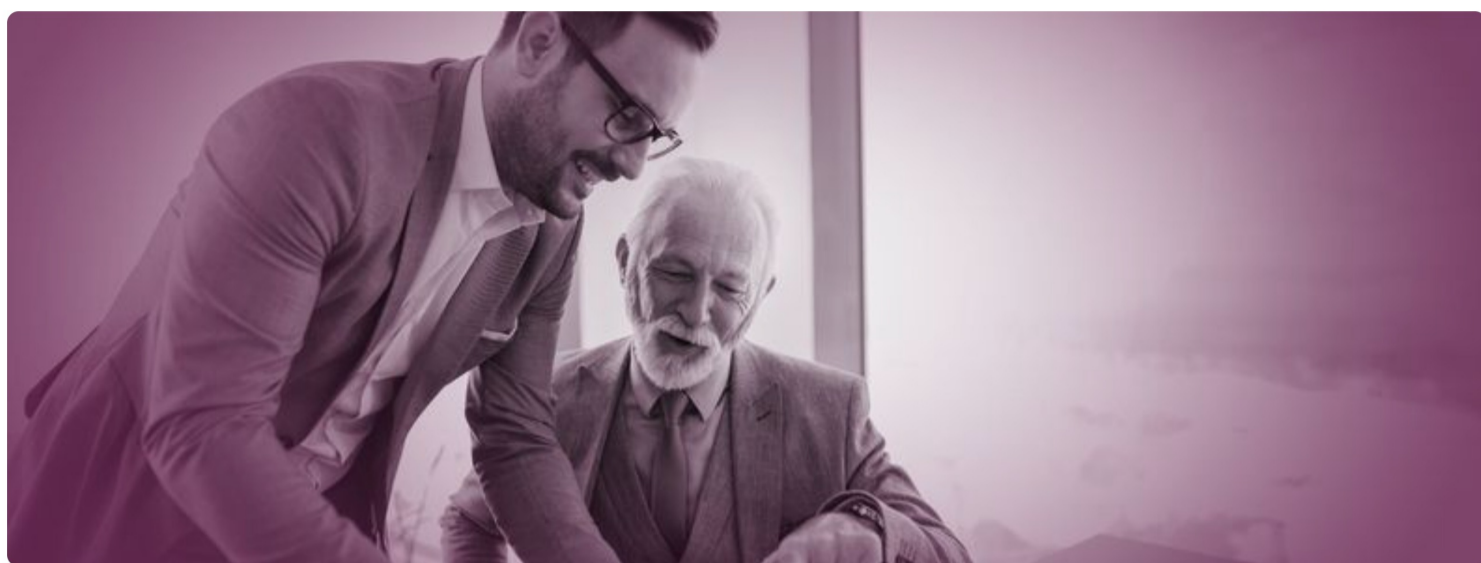
# Forget the family business. Wealthy heirs want to work for the family office instead

Marcus Baram

Mar 20, 2026 | 3 hours ago

📄 Reprints

🔗 Share



More heirs to America's wealthiest families are bypassing leadership roles in their family's operating businesses and heading straight into the family office, where they can manage investments, philanthropy and governance across a broader portfolio. Advisers who work with these families say the shift is accelerating, and it's reshaping how founders think about succession.

The realignment reflects a generational divide: next-gen family members increasingly value flexibility, diverse opportunities and strategic oversight over running a single operating company. It also is fueling more family businesses [being sold to private equity](#), as founders face a shrinking pool of successors willing to step into their shoes.

Elizabeth Hale, founder and CEO of Scottsdale-based eeCPA, who advises wealthy families and family offices on tax strategy, governance and succession planning, said that one of her clients is a family that owns a number of successful small businesses in the travel industry sector — and none of the founder's eight children wanted to work in the family business. Three of them chose to work in their family office in various roles from investing in the stock market to managing its real estate assets.

"They just weren't interested in working in the travel business and their companies, which have a total of more than 600 employees," she said. "Their parents are true entrepreneurs and the kids just don't share that passion. But they have other passions and at least they are able to employ those in other facets of the family empire. In the family office, they are doing what they enjoy best."

[According to Brightstar Capital Partners](#), up to 57% of current family business owners are unsure whether the family's youngest generation intends to take over. In another recent report, Deloitte highlights a shift in family business ownership, with more than a quarter (26%) of family businesses targeting outside investment/private equity, while 19% are looking to increase non-family management's ownership, 12% want to go public and 3% are selling the business. And 82% of billionaires want their heirs to "develop their own success independently," with just 43% saying they want their children to continue the family business, [according to the UBS Billionaires Ambitions Report 2025](#).

But demographics aren't the only driver. Advisers and family office executives describe a fundamental realignment in [how younger family members think about their role in the broader enterprise](#) — and what kind of work they actually want to do.

"The family office allows them to operate across investments, philanthropy, governance and new ventures rather than being limited to one operating business," said Rory Henry, director at Arrowroot Family Office in Los Angeles. "It allows the next generation to look at the whole enterprise rather than the silo of one company and consider the broader universe of opportunities now at a family's fingertips."

Kathryn George, a partner at Brown Brothers Harriman who oversees the firm's Center for Family Business, said the pull of the family office goes deeper than prestige or convenience. "We often encourage families to steer their children towards the family office because the opportunities for them are so much greater than just replacing dad as the CEO," she said. "If you're a child who's creative, you're probably not going to go run a factory of widget makers. But if you go work for the family office, you could be on the investing side, you could be thinking about philanthropy — so there are just more options."

George described a four-room model to illustrate the shift: the management room, the boardroom, the owner's room and the family. Founders, she noted, historically wore all four hats. As businesses grow [more complex and multigenerational](#), those roles increasingly need to be separated. "The family office, which is where the owner sits, is actually the more important role, if you think about it," she said.

## More options, more opportunities

The evolution of what a family office actually does has made these roles far more attractive. "Twenty years ago, family offices were mostly administrative — paying bills to the family, doing taxes and hiring people to do an investment portfolio," George said. Today, by contrast, family offices are active participants in direct investing, private equity, private credit, philanthropy and governance. "These large family offices are much more of a strategic infrastructure as opposed to an administrative infrastructure, which is why more next-gen want to go into it — because you're actually making decisions around capital allocation."

Lauren Lee, chief of staff at Keebeck Wealth Management, a family office in Chicago and daughter of its CEO, said she sees the appeal through a generational lens. "For younger members of a family business, starting in the family office can broaden exposure more quickly. Instead of working in one company, they see multiple businesses, asset classes, and decisions at once. This helps them understand capital allocation, investment strategy and long-term value creation earlier in their careers. It also builds judgment and decision-making skills, especially in environments that value speed and cross-industry thinking over more siloed roles," she said.

That emotional dimension is something advisers navigate carefully, particularly when founders struggle with an heir's disinterest in their life's work. George called it "the grieving process." "The founder typically has to come to grips with the fact that their child isn't going to succeed in the seat," she said. Her approach: help the founder write a new job description — not based on what it took to build the business, but on what the business needs to thrive for the next decade.

Gil Bonwitt, who chairs a family office group at TIGER 21, said the operating business itself can be an unwelcoming environment for next-gen family members regardless of their ambitions. "There's a tension about bringing in people who haven't worked from the beginning," he said. "Not everyone wants to climb that ladder." The family office, by contrast, offers a different kind of entry point — one with fewer organizational politics, less people-intensive and more latitude to carve out a meaningful role as well as strengthen family unity.

Kristi Daeda, CEO of the Family Business Consulting Group, cautioned against reading too much drama into the trend. "What we're seeing from the families we advise is that many next-generation family members are not 'rejecting' the operating business, so much as looking for the place where they can contribute most meaningfully," she said. "That can be a healthy evolution, not a warning sign."

That view was echoed by Marina Margarucci, National Leader of Private Client Services at CBIZ — who tied the shift partly to the surge of liquidity events reshaping family wealth. As private equity has increasingly acquired family businesses, many founders find themselves cash-rich but succession-challenged. "The business owner is still not at a stage where they can retire, but they've now had such a significant monetizing event where they can open a family office," she said. For next-gen members, that opens a door. "They're not being pigeonholed into what mom and dad did. They get a clean slate. They get to put in structure. They get to have a say."

## What skill sets are essential for each role

For those next-gen members who do step into the family office, the skill set required is meaningfully different from running an operating company. Rob Mallernee, CEO of Eton Solutions, which works with roughly 100 single and multi-family offices, said operational and investment expertise both matter — but so does something harder to teach. "At the very top of the organization you need somebody with very good judgment and the ability to know what they're good at, know what they're not good at, and the ability to hire those people to do the things they're not good at."

Founders, Bonwitt noted, are typically high-risk takers — willing to bet big and pivot fast. That temperament is often the wrong fit for managing inherited wealth. "What got them to create the wealth is not what's going to keep the wealth," he said. "When you're an investor, you're more conservative. You're trying to avoid risk. You're trying to get long-term gains." The family office, in other words, demands a different kind of courage.

As family offices themselves become more sophisticated and business-like, the trend "will accelerate," said Joe Olivieri, co-chair of the private clients group at law firm Barnes & Thornburg and a member of its family office practice. "Family offices used to pay bills and buy bonds," he said. "Now they're engaging in venture capital deals. They're doing a bunch of other things." That dynamism, he argues, [changes the calculus for heirs weighing their options](#). "If you come from a family that has a family office, wouldn't you rather build your own wealth than go work for somebody else?"

As more family businesses get sold to private equity, the proceeds flow into family offices — giving the next generation a different kind of platform for building wealth and influence. "The family office is evolving from an administrative function into something closer to a strategic hub for the family enterprise," said Arrowroot's Henry. "For many next-generation leaders, that broader mandate feels more aligned with how wealth — and opportunity — are evolving today. It used to be one business. Now it's a portfolio. Private equity, venture, real estate, direct deals, and increasingly impact investing. The family office is what ties it all together. The next generation doesn't just want to inherit a business. They want to allocate capital."

Bruce Lee at Keebeck Wealth Management put the challenge plainly: "If the family office is becoming the real training ground for leadership, then it needs to be built with intention, accountability, and standards. Otherwise, it just becomes a comfortable place to hide."