

2025

STATE OF OWNER READINESS™

GENERATIONAL

NATIONAL REPORT



Exit
Planning
Institute®



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Letter from EPI President, Scott Snider

The view is better when you stand on the shoulders of giants.

As we look back on the 2023 National State of Owner Readiness™ (SOOR) Report, all I see is growth, and it's phenomenal. In this special 2023 Generational Analysis edition, we examine the growth of business owners across different generations.

As you'll read, most of the growth was driven by Millennial and Generation X business owners. On average, younger owners are more likely to have multiple exits over their lifetime, so they have come to understand much earlier that exit planning is a good business strategy at any age.

Of course, these younger business owners are the ones standing on the shoulders of giants: the Baby Boomers. These owners often built businesses from scratch, devoting their entire lives to the success of their companies. They embody the depiction of "titans of industry."

It's partially because of their hard-won success that younger owners now prioritize work-life balance and are making plans to pursue personal passions. Many of you are aware that my father, Christopher Snider, and I co-own the Exit Planning Institute®. While he still enjoys delving into the financials and operations, I love focusing on building culture, a culture that can endure beyond me as I devote less time to day-to-day tasks and more time to other goals. While my father may not always understand where I'm coming from, I'm able to envision better lives and better companies because of his generation.

This Millennial, therefore, is a fan of the Baby Boomer generation. That's why I read the analysis that follows as an alarm for Baby Boomers. I hope that this report serves as a wake-up call for owners and advisors alike: it is time to take action. You are closer than ever to exit, and too few of you have a personal plan, a financial plan, or a business transition plan. I worry for the businesses you'll leave behind, but mostly I worry about your regret. If you do not have a plan for the next stage of your life, you will likely experience the regret that often bleeds into personal relationships, marriages, and family dynamics.

There's no us without you. There's no vision without your boost. Start today by doing what you can to continue to be the giants on whose shoulders we stand.

Here's to lives of significance.

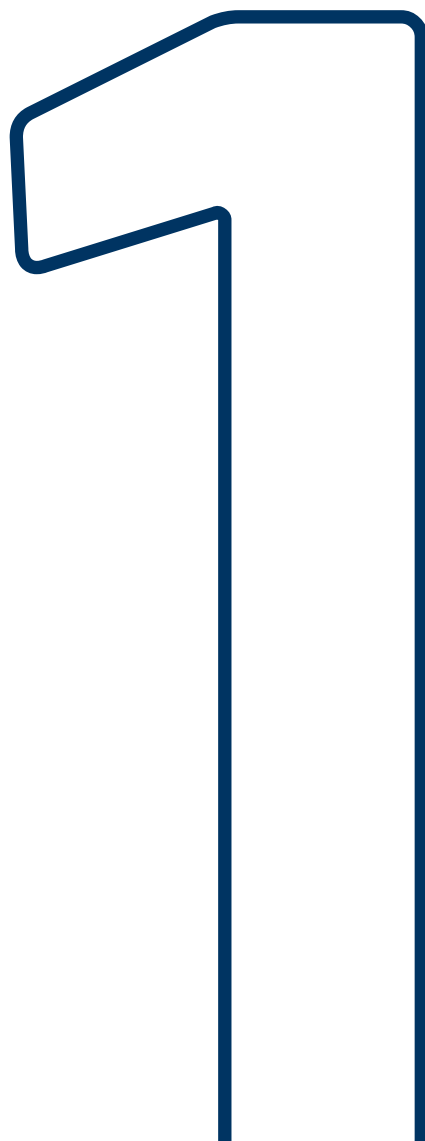


Scott Snider
President, Exit Planning Institute

Since 2013, the Exit Planning Institute® (EPI) has studied privately-held businesses to understand just how ready owners are for their eventual, and inevitable, exit. **This year, we revisit the 2023 State of Owner Readiness™ Report to see how different generations approach exit planning.**

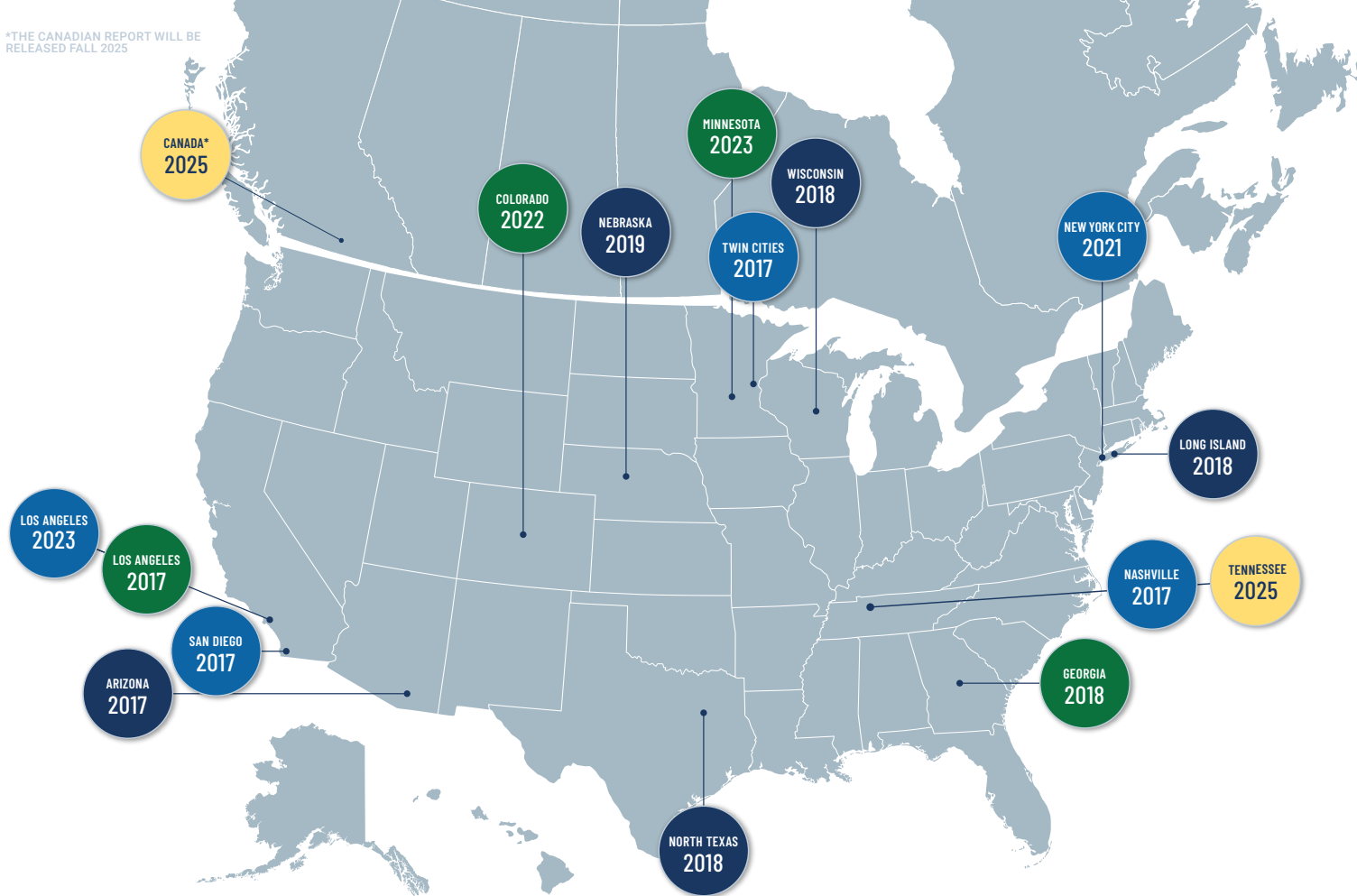


Introduction



75%

of business owners would like to exit their business *within 10 years*. But the age of those owners may surprise you.



Are business owners ready for their inevitable exit?

It's a question that EPI has asked for more than a decade.

In 2013, in partnership with the Northeast Ohio Chapter of EPI, Grant Thornton®, PNC Bank®, and the Ohio Employee Ownership Center at Kent State University®, we conducted a first-of-its-kind survey of privately-held companies and their owners: the 2013 National State of Owner Readiness (SOOR) Survey.

The responses were invaluable to Certified Exit Planning Advisors (CEPA®) seeking to understand what business owners thought about exit planning, what held them back, and how they could improve. With 14 additional regional surveys and three national surveys, including this one, we know where CEPAs have fostered improvements in transition readiness. We also know what should come next for CEPAs as they guide business owners through the Value Acceleration Methodology™ toward a more significant exit.

The 2023 National SOOR revealed that 75% of business owners intended to transition within the next 10 years, meaning it's possible that 4.5 million privately-held businesses and \$14 trillion of wealth will transition by 2033. Continued research, including the analysis you'll find in this report, is key to understanding how advisors can continue to help owners harvest wealth and impact their families, employees, and communities.

One key takeaway that has remained consistent is that generational differences significantly impact exit planning. These differences often affect how owners perceive exit strategies and their readiness to prepare (or not) for their eventual exit. Now, in 2025, we're analyzing the 2023 data to provide owners and advisors with insights on how each generation views exit planning, how ready each generation is to exit, and what mindset shifts and approaches are needed for each generation of owner.



BABY BOOMERS

Age in 2025: 61-79

Values: Stability, work ethic, commitment, success

19% of 2023 National SOOR respondents

85%

strongly agree/agree that having an exit strategy is important for their future and the future of their business.



GENERATION X

Age in 2025: 45-60

Values: Autonomy, work-life balance, time, adaptability

39% of 2023 National SOOR respondents

87%

strongly agree/agree that having an exit strategy is important for their future and the future of their business.



MILLENNIALS

Age in 2025: 29-44

Values: Collaboration, purpose, growth, inclusive culture

21% of 2023 National SOOR respondents

83%

strongly agree/agree that having an exit strategy is important for their future and the future of their business.



GENERATION Z

Age in 2025: 13-28

Values: Evolution, digital fluency, innovation

19% of 2023 National SOOR respondents

86%

strongly agree/agree that having an exit strategy is important for their future and the future of their business.



Understanding Generations in 2025*

*Four, or 1% of respondents, were older than 77. Not all generations are represented in the charts in this report; for example, Generation Z appears less prominently due to a smaller number of responses in the original survey. As a result some of the charts in this report do not fully total 100%.

Perhaps the most compelling numbers when explaining generational differences come from each generation's perception of exit planning. While retirement is only one reason someone exits a business, it's often the most natural. However, each generation of respondents said they valued exit planning nearly the same, with Baby Boomers slightly undervaluing exit planning compared to their younger peers.

Of course, saying you value having an exit strategy is one thing. Taking the needed steps is another. Later in this introduction, we'll look at the steps each generation has taken to plan for an exit and communicate that plan.

Executive Summary

There has been a significant shift in business ownership, lowering the average age of the business owner. Younger owners demonstrate a greater inclination towards embracing exit planning.

58%



BABY BOOMERS

39%



GENERATION X

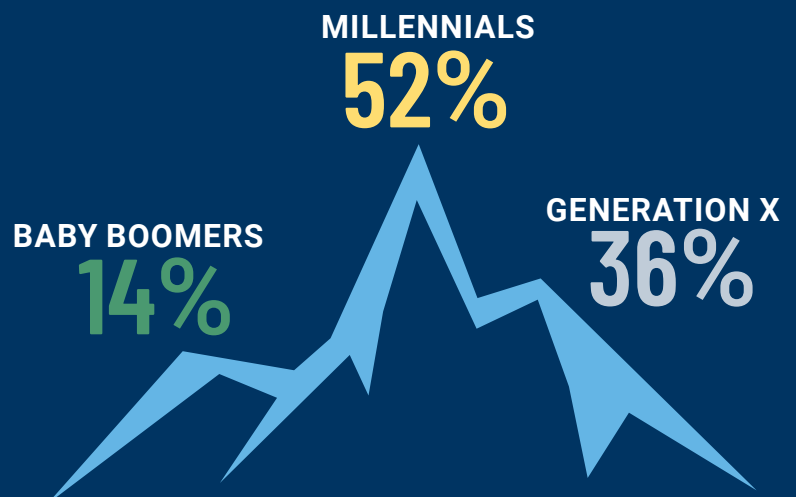
48%



MILLENNIALS

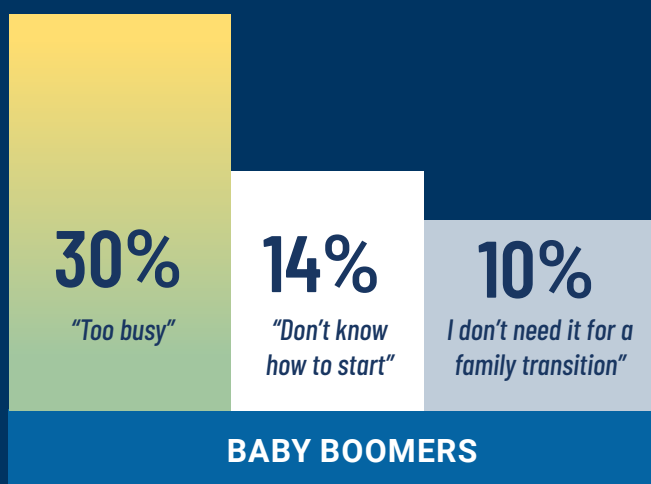
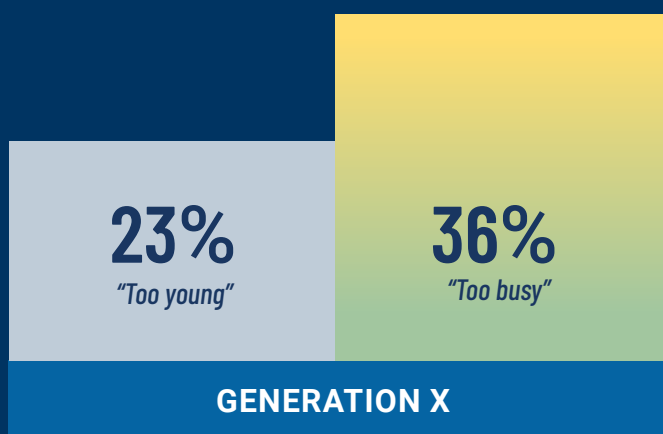
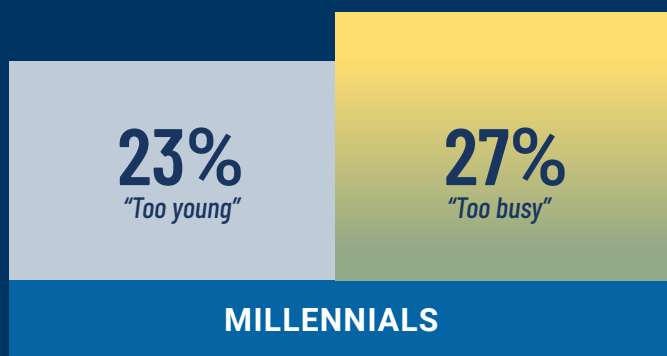
Who plans to **SELL** their business
in the **NEXT 5 YEARS?**

Who views
exit planning
as a **TOP**
PRIORITY?



Why aren't they EXIT PLANNING?

(And who needs to think of exit planning as business strategy?)



More Millennials (67%) strongly agree that exit planning is critical to their success, and that of their business, than Generation X (60%) or Baby Boomers (55%).

57% of Baby Boomers plan to sell their business in the next 5 years, but are unprepared in terms of formal valuation plans (27%) and estate plans (9%).

Most Millennials (81%), about half of Generation X (57%), and less than a quarter (23%) of Baby Boomers have exit planning on their priority list. However, this report indicates a disconnect still exists between prioritizing exit planning and incorporating it as a part of an overall business strategy.

Baby Boomers are seeking to harvest the value of their business through a third-party sale. Younger owners have a higher preference for internal transitions like family transfers and ESOPs.

All generations need a team. Only 13% of respondents have a formal exit plan.

58% of Baby Boomers plan to exit in the next 5 years. 5% of Baby Boomers have a formal exit planning team.

Exit planning is business planning. Yet, most Baby Boomers (78%) and a significant number of Generation X (38%) and Millennials (16%) have not completed a pre-transition value enhancement to maximize value.

CEPAS IN THE MARKETPLACE

2013



2023



ONE PERSON = 100 CEPAS

Notable Market Changes from 2013 to 2023

In 2013, the National SOOR showed that micro- and middle-market business owners were ill-prepared and unaware of the benefits of proper planning. They lacked action and struggled to seek advice or education. Ten years later, business owners are more educated about transition readiness. The 2023 National SOOR reported that 69% of business owners had an exit strategy on their priority list, up from 6% in 2013.

Exit Planning Institute, the global authority in exit planning, has grown from 180 CEPAs in 2013 to over 6,000 now. Additionally, EPI has established a robust chapter network, online education platform, and renowned conferences to support nearly 20,000 professional advisors annually. The Value Acceleration Methodology, launched by EPI in 2013, has become the most widely accepted and endorsed process for effective exit strategy in today's market. It's the foundation for starting exit planning engagements.

Today, the market has seen generational shifts. In 2013, 67% of privately-held companies were owned by Baby Boomers. In 2023, 51% of business owners were from Generation X, with an additional 43% from Generation Y. As the age of business owners continues to shift across generations, it's essential to recognize the distinct values each generation holds. Generation X works smarter, not harder, and are conservative investors that value work-life balance. And 21% of respondents in the 2023 survey who are Millennials earn to spend and have an entrepreneurial mindset, but may lack clear direction and focus.

LACK OF PLANNING AND OVERALL COMMUNICATION

In the 2013 National SOOR, 83% of respondents had no formal exit plan, and 81% had no strategic business plan. Meanwhile, 76% of respondents wanted to transition in the next 10 years. In 2023, 68% had sought outside advice on their exit, up from 38% in 2013.

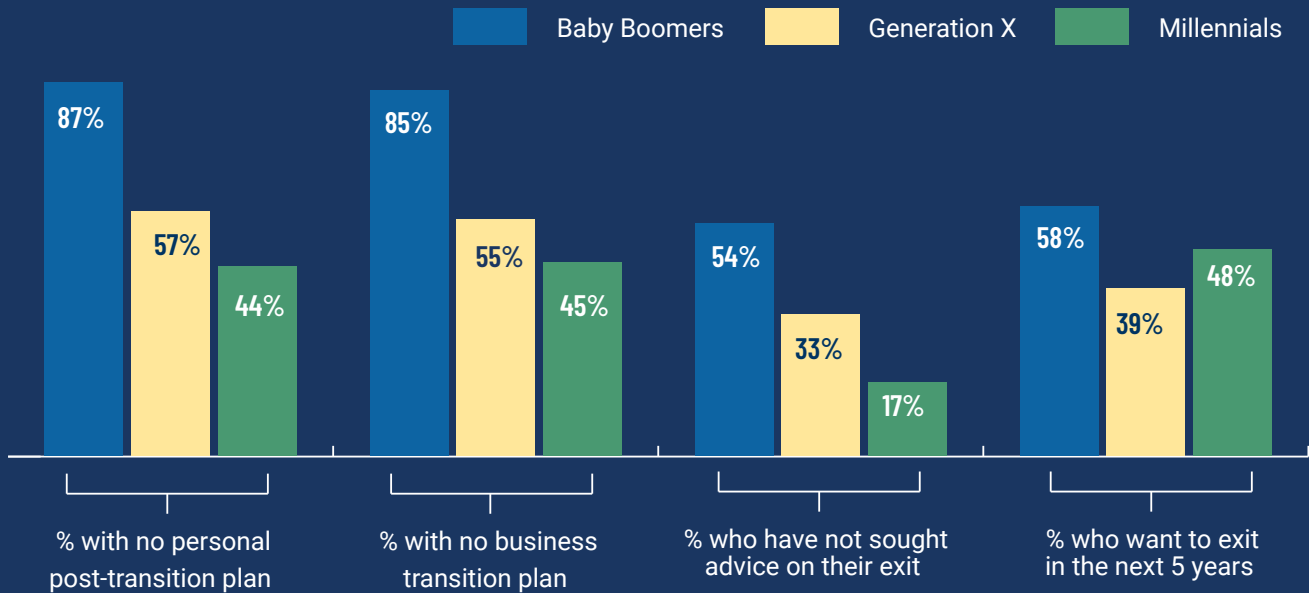
Continuing this growth is key, and may start with personal planning and communication. Historically, personal planning has been the most neglected aspect of exit planning. It tends to be more emotional. Widely accepted and historical research from PricewaterhouseCoopers indicates that 75% of business owners profoundly regret selling their company just one year later.

Only

9%

of business owners in 2023 have no plans at all for their exit

ROOM FOR GROWTH: Planning by Generation



Baby Boomers, business owners 60 or older in 2025, must rapidly begin formalizing plans with the help of professional advice. While only 58% want to exit in the next 5 years, business owners do not always get to exit on their terms. **Divorce, disagreement, disability, distress, and death are all external factors that can force a sale before the owner prefers, and older owners are at higher risk for several.** Younger owners can withstand market fluctuations. Older owners seeking to harvest the value of their business for their post-exit life may not be able to weather the ups and downs.

Crafting plans isn't just for older owners, however. **Exit planning isn't about the destination. It's about creating value along the journey. While younger generations are more interested in crafting plans and seeking advice, there is still incredible room for growth and exit planning expertise among younger owners.** While Baby Boomers are more likely to build one business over their lifetime, Millennial and Generation X owners are likely to "boomerang exit," meaning own and exit from several businesses in their careers. That makes value acceleration, the core component of exit planning, even more critical.

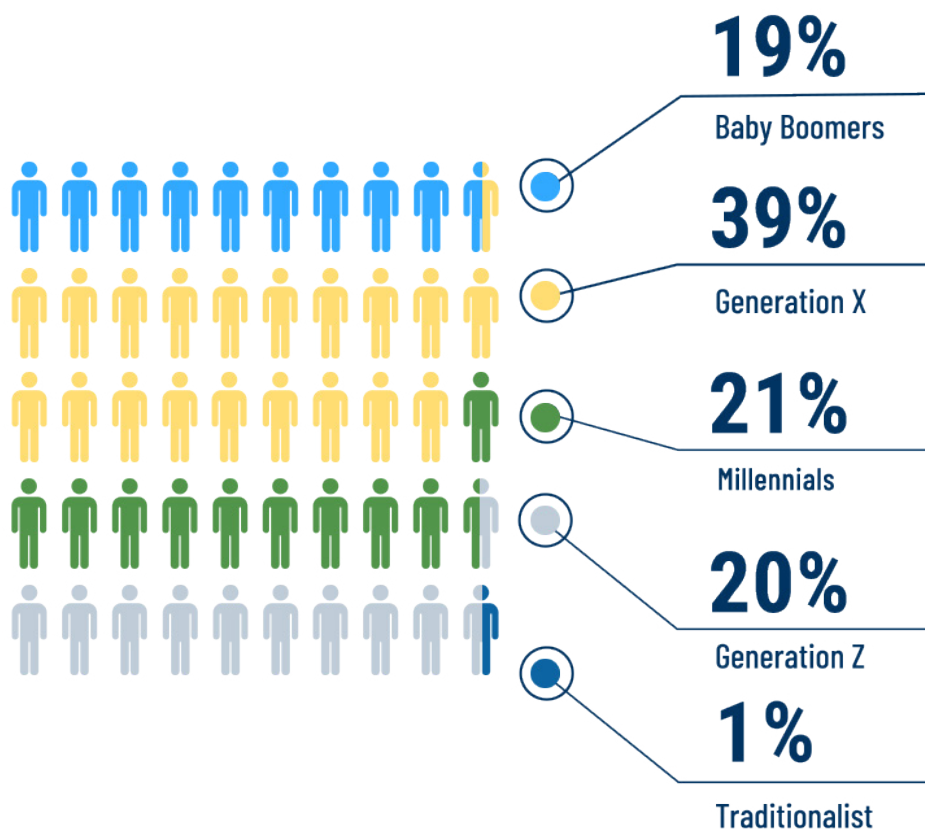


Over **1,162 BUSINESS OWNERS** from across the United States were surveyed for the 2023 National State of Owner Readiness Report.

Respondent Demographic Data



2023 S00R Respondents by Generation

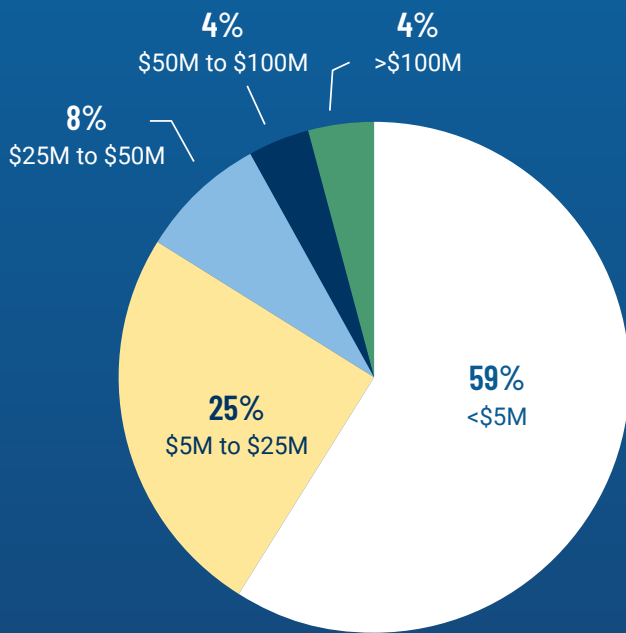


What is Your Age?

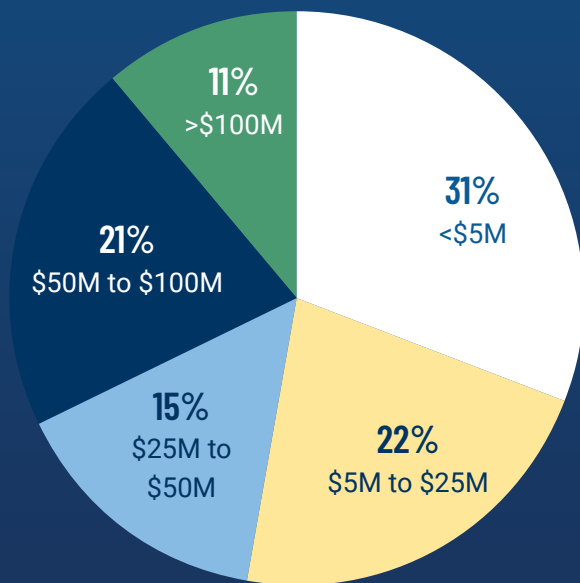
The 2023 National S00R shows a significant generational shift in ownership. When we last surveyed owners in 2013, Baby Boomers were the dominant voice in the marketplace. However, as owners in their 50s and 60s become retirees in their 60s and 70s, it's clear that Generation X and Millennials are gaining a more dominant voice in the marketplace.

In 2013, 73% of those we surveyed nationally were Baby Boomers, with an additional 20% in Generation X. In 2023, Baby Boomers were the fourth most surveyed group, behind Generation X, Millennials, and Generation Z. While the 19% of Baby Boomers surveyed nationally in 2023 were likely to make their next business exit their last, the generations that follow are much more likely—and almost surely, in the case of Millennials and Generation Z—to sell and purchase several more businesses before retirement.

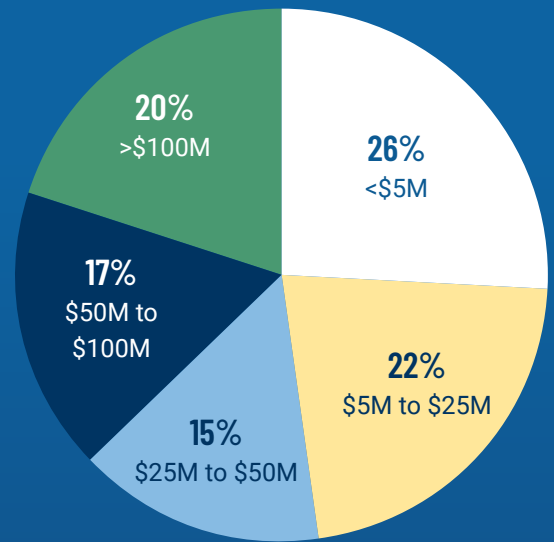
What is Your Company's Annual Revenue?



BABY BOOMERS



MILLENNIALS



GENERATION X

In 2013, we reported that 75% of responding owners had companies with annual revenues of less than \$25 million. In 2023, that number decreased to 58%.

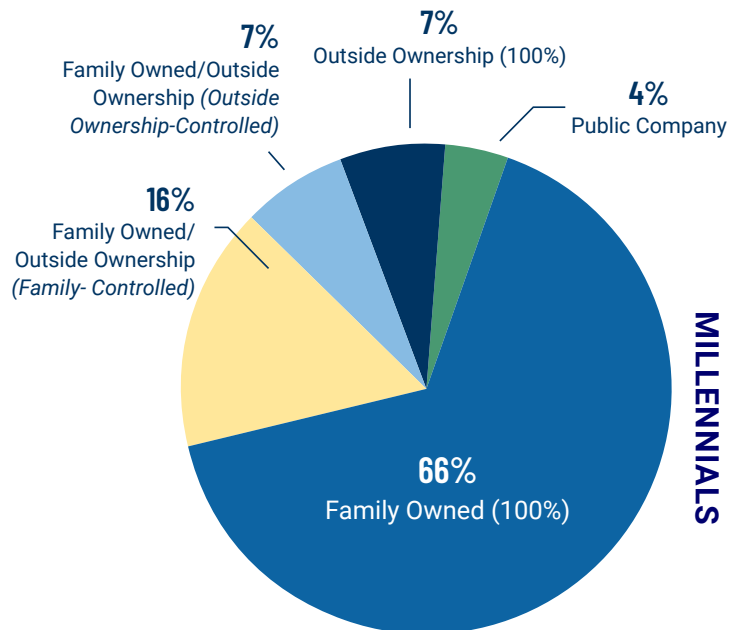
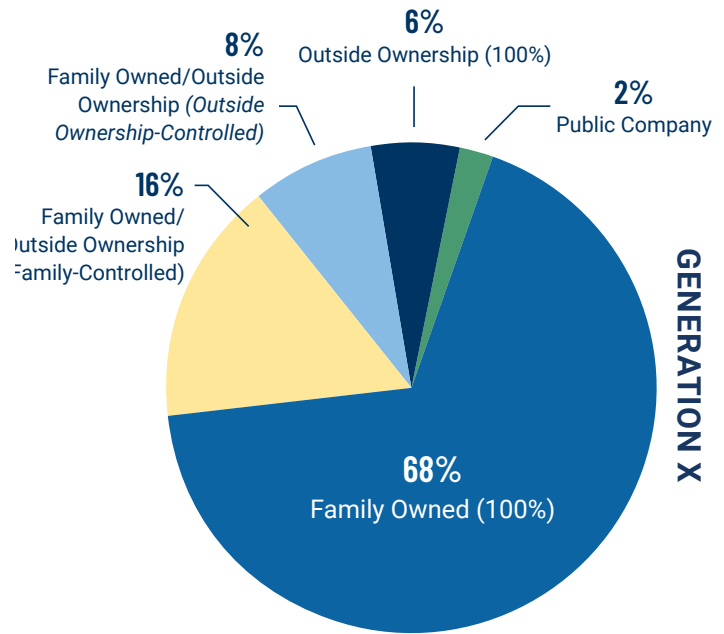
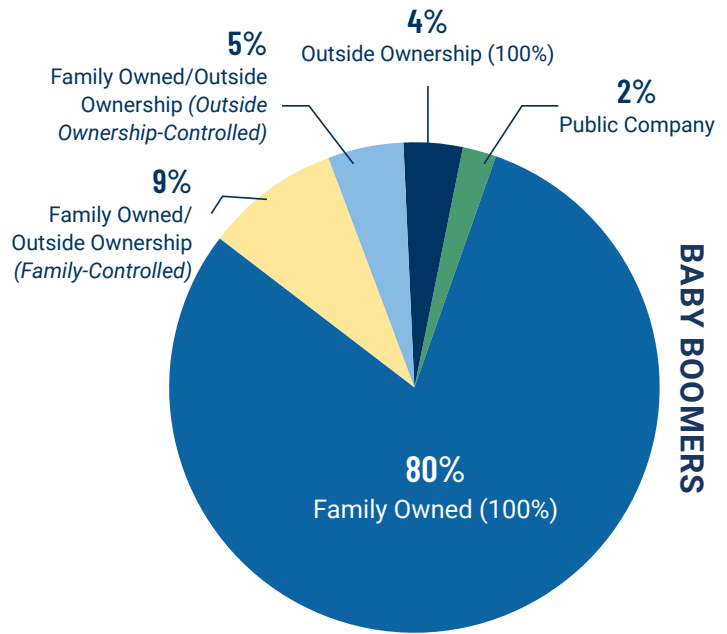
Comparing generational data, it's easy to see that younger generations have fostered growth. While only 16% of Baby Boomers who responded reported more than \$25 million in revenue, Generation X reported 47% and Millennials reported 52%. Remember: Baby Boomers value stability, while Generation X prizes adaptability, and Millennials focus on collaboration, growth, and culture. Driving value in these areas has driven revenue for their businesses. In the future, it will be interesting to see how Generation Z, a generation that values evolution and innovation, will continue to drive business revenue to new heights.

How is Your Business Organized?

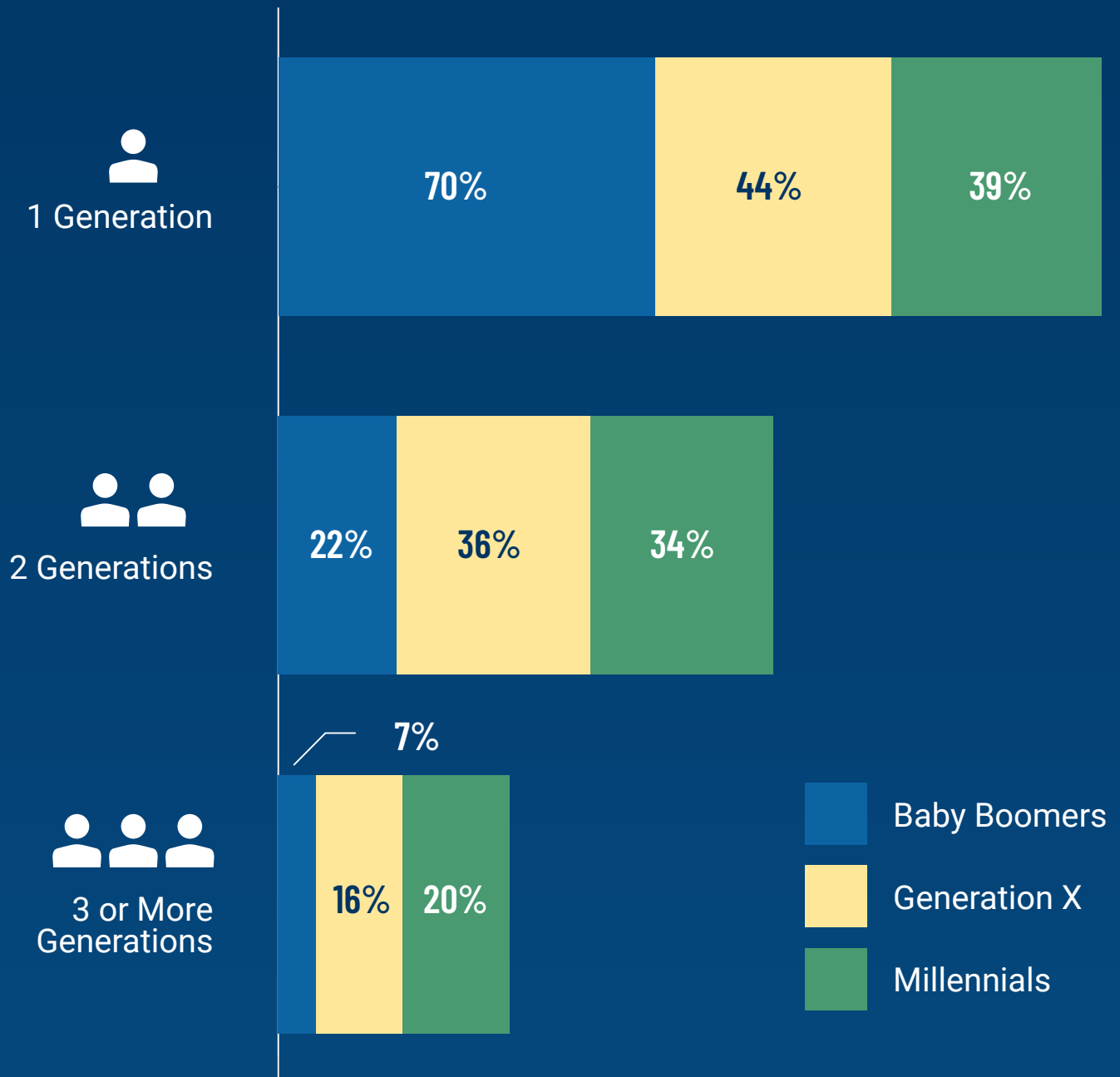
According to the U.S. Census Bureau, a majority of small businesses are family-owned. In the 2023 National SOOR, we included more specific categories within family-owned businesses, totaling 91% with some level of family ownership. 94% of Baby Boomers had businesses with some level of family ownership, followed by Generation X (92%) and Millennials (89%).

While younger generations still prefer family ownership at a significant rate, the slight decline in family ownership is notable as owners get younger. Baby Boomers mostly started their businesses from scratch (76%). Only 61% and 57% of Generation X and Millennial owners, respectively, started their businesses from scratch. While only 6% of Baby Boomers received their businesses from their family, 24% of Millennials and 21% of Generation X owners did. Millennials lead the pack in purchasing businesses from a third party, with 10% acquiring their businesses that way.

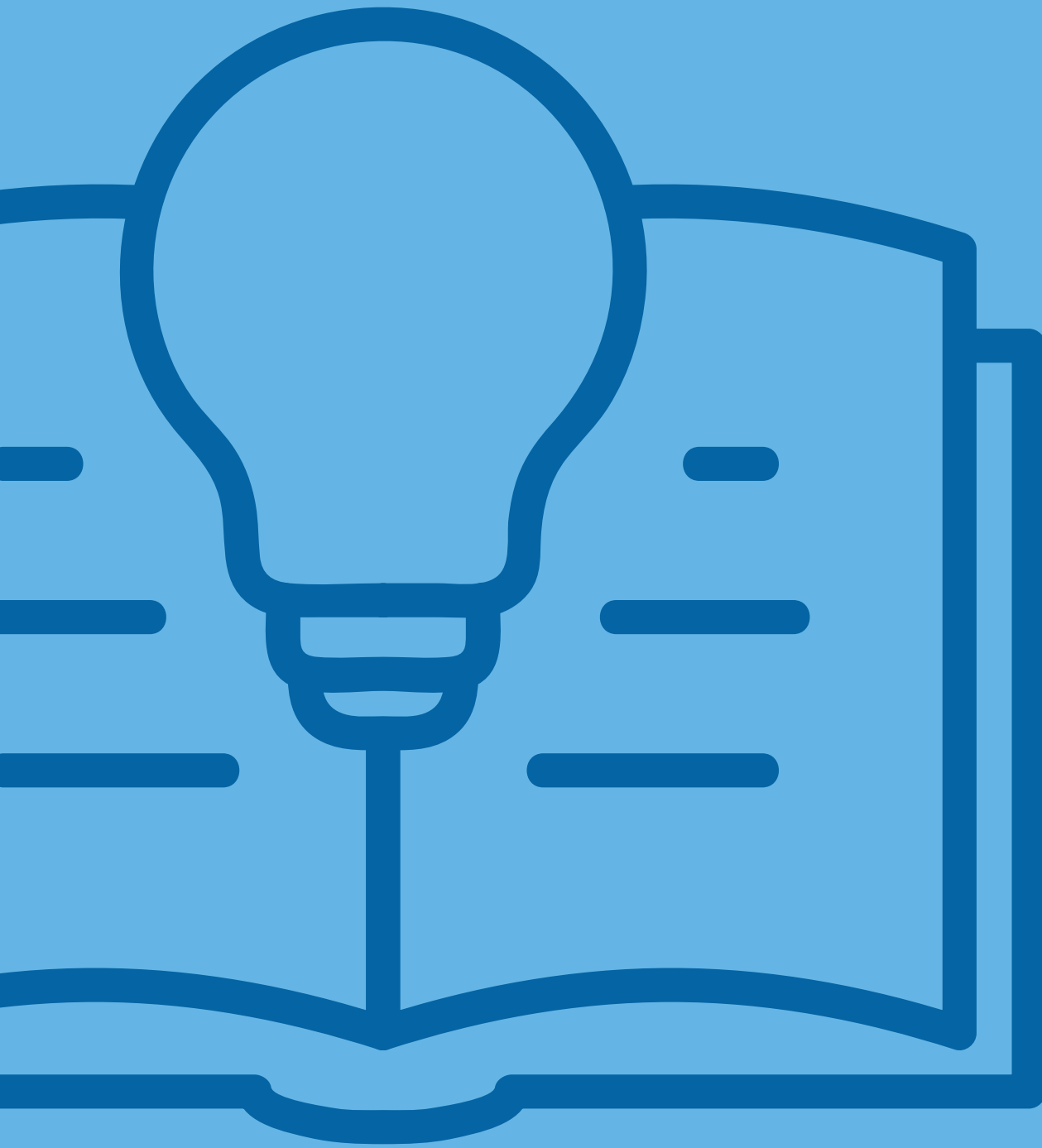
It's also interesting to note that most family-owned businesses, regardless of the owner's age, have been owned by one generation or less. This is a point of reflection for advisors and owners alike: even if the goal is to pass a business on to the next generation, it's unlikely to persist from one generation to next. Exit planning, and awareness of all exit options, are a necessity.



How Long Has Your Company Been OWNED BY THE FAMILY?



*PARTICIPATION IN THIS QUESTION WAS OPTIONAL, AND SOME RESPONDENTS CHOSE NOT TO PROVIDE AN ANSWER.



An educated business owner is more likely to take action than those who are not.

Education & Awareness



Percent of Owners
with Formal Exit
Planning Education

GENERATION X

70%

MILENLNIALS

85%

BABY BOOMERS

42%

Since 2013, EPI and CEPAs have helped business owners move from exit planning misinformation to knowledge, improving readiness.

Exit planning starts with education. A business owner must understand the concepts, framework, and process of exit planning before they can act and become a better and more empowered business owner. Once they do, however, they understand that exit planning is simply good business strategy.

The data shows that the increased presence of CEPAs has made a difference in owner readiness. In 10 years, the percentage of business owners nationally who have received formal exit planning education nearly doubled from 35% to 68%. Business owners who have formal exit planning education are now solidly in the majority.

What does that mean? It means an introduction to the Three Legs of the Stool™, the organizing principle of exit planning, is equipping more owners for a successful exit that balances an owner's business, personal, and financial goals.

However, there is a significant contrast between the generations when it comes to formal exit planning. While Millennials (85%) and Generation X (70%) are

ahead of the national average of 68% of owners who have formal exit planning education, Baby Boomers are far behind at 42%. While younger owners may be getting educated ahead of boomerang exits, or simply driving value in their businesses, Baby Boomers are nearing retirement age with very little education. Simply put, they are more likely to experience regret upon exit, fail to close their wealth gap, and put their businesses at risk post-exit.

If you are an owner, or an advisor helping an owner understand the value of exit planning, the time is now to start viewing business strategy and exit planning as one and the same. Exit planning produces better lives and better companies, and you need education to take the first step.

Where can you get formal exit planning education? Programs can be offered through colleges and universities, chambers of commerce, and owner-facing organizations like Entrepreneurs Organization (EO) or Vistage. EPI also offers direct education, especially through DriveValue.com. But many owners receive education directly through their advisors and CEPAs are leading the way.

Greater Awareness of All Exit Options

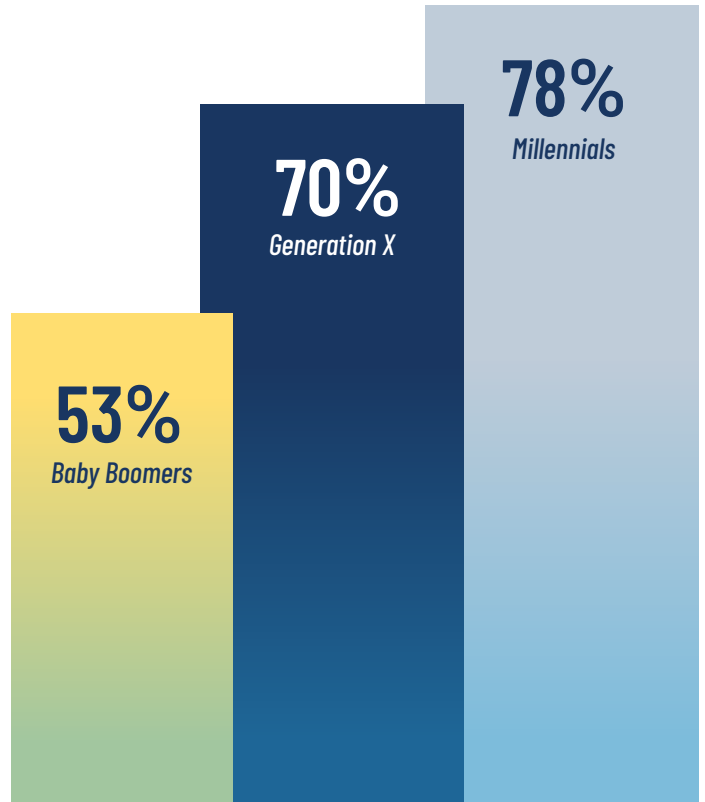
A prepared business owner is aware of all their exit options and ready to exit when the time is right, personally, for their business, and for their finances.

Education, as mentioned earlier, can help you become aware of your exit options. So, it's no surprise that younger generations who have sought formal education are more aware of their options.

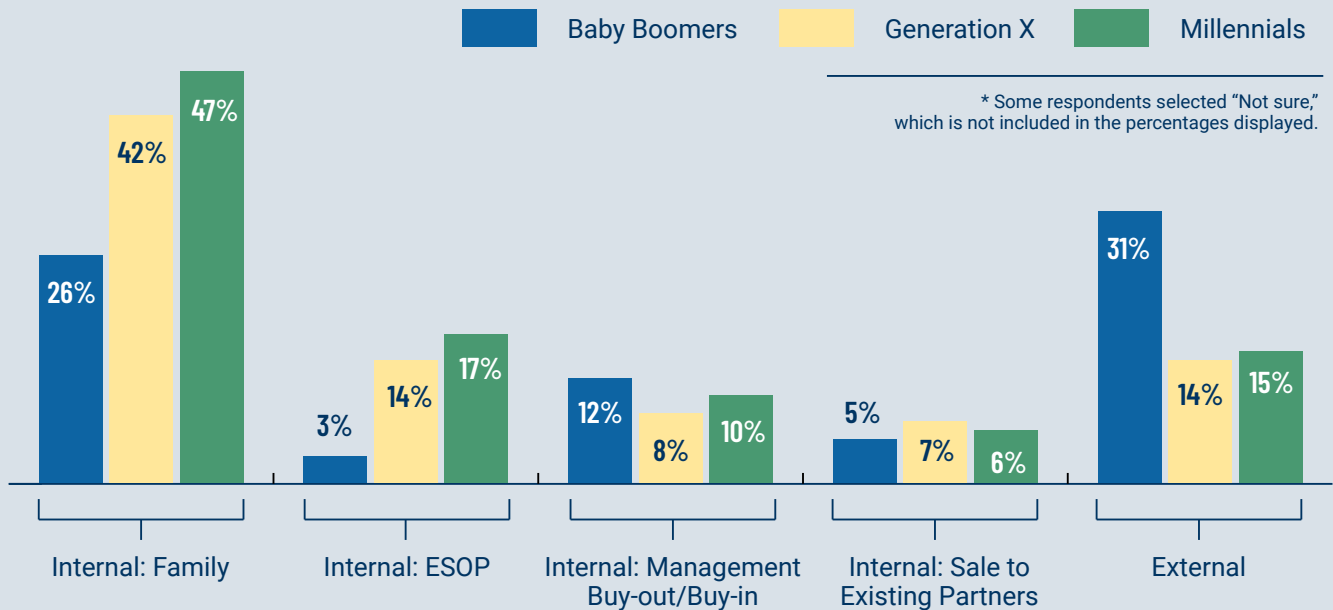
For younger owners, this coming exit may not be their last. In fact, this coming exit may not be their first. While Baby Boomers have typically poured their entire careers into one business, Millennials, and, to a degree, Generation X owners, are more likely to purchase and exit from multiple businesses over the course of their careers. That means the exit has to be right to fuel the next purchase, and awareness of options is key.

This awareness of options provides an interesting shift when we look at how each generation plans to exit.

Awareness of All Exit Options by Generation



Planned Exit Option by Generation*



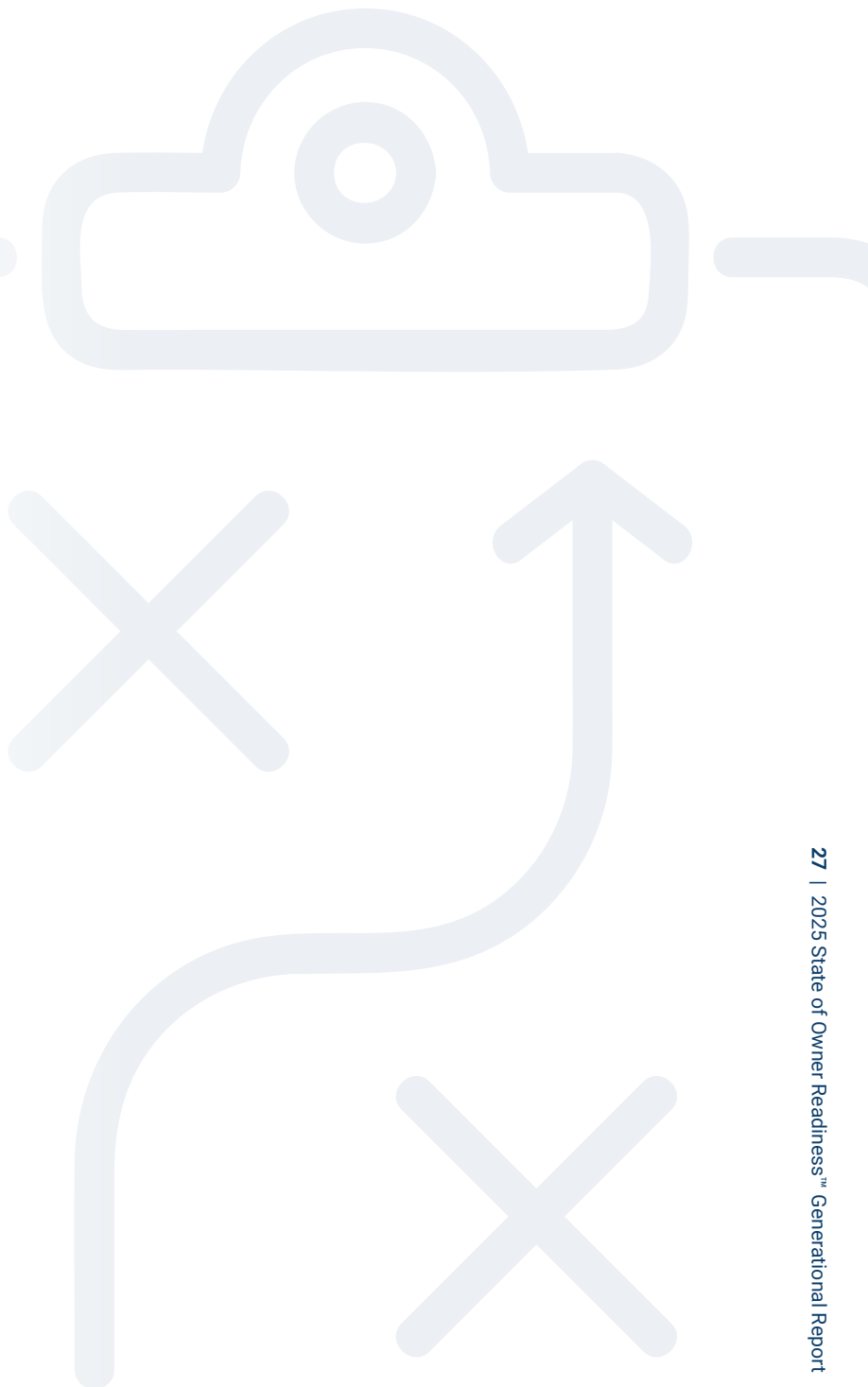
Baby Boomers, according to their planned exit options, are clearly looking to harvest the value of their most valuable asset, their company, through a third-party sale. Why? It's possible that family members aren't interested. It could be perceived that they will get top dollar this way, funding their post-exit lifestyle. **However, when you look at the lack of formal education among Baby Boomers alongside the 19% of Baby Boomers who said they "didn't know" how they planned to exit, the highest among all generations, it could be that they just think that's how it is supposed to happen. When it's time for them to be done, they'll list their business for sale and get a payday.**

This is an opportunity for owners and advisors alike to value education and guidance. A poorly planned exit can lead to financial distress, regret, and jeopardize the business's future. Plus, many Baby Boomers aren't driving value in their companies due to a lack of knowledge and guidance. **Will their businesses even be attractive to a third party?**

Knowing which options are available to you as a business owner helps guide exit strategy, keep options open, and assess which are most effective. It also allows for a hybrid exit model in which the owner shifts and reinvests into other diversified investments, which is a crucial move to mitigate risk to an owner's personal financial portfolio.

That's why it's interesting that younger owners are valuing more internal options for exit. **Are Millennial owners with more business ownership on the horizon planning to exit internally within the next five years, but keep a stake in the business?** Generation X seems interested in this concept, as well, allowing them to balance work and life by owning a piece of the pie without the time commitment of owning a business.

A poorly planned exit can lead to financial distress, regret, and jeopardize the business's future.



The Most Trusted Advisor for Business Owners is...

Business owners also become educated about exit planning by seeking advice from outside professional advisors. As this practice becomes more standardized, the most trusted advisor for business owners has shifted, especially when it comes to differences between the generations.

Nationally, the top five most trusted advisors for business owners were:

- 1 Financial Advisor
- 2 Attorney
- 3 Accountant
- 4 Spouse
- 5 Banker

As with all data presented in this report, generational differences play a significant role. The largest group surveyed, Generation X, tends to accept advice, education, and feedback, a specialty of financial advisors. Generation X is more conservative in their financial planning, concerned about retirement, and seeking more balance in their lives.

However, this shift towards financial advisors as the most trusted advisors is also due to the significant investment that the financial services industry has made in connecting with and engaging business owners who seek to build value and align their personal and financial goals.

However, when we examine each generation, there are interesting variations among the top five.

Baby Boomers do not have bankers in their top five, while Millennials have bankers placed third. In a way, this makes sense: Millennials will likely finance further moves, while Baby Boomers are more likely to retire after their next exit. The placement of Accountant further down the list for Millennials also suggests that

they are more interested in buying and exiting than staying with one business for a longer stretch of time than their Baby Boomer and Generation X peers.

Spouses placing last for Millennials is another interesting deviation from Baby Boomers and Generation X. Millennials are in the building phase of their careers, but also tend to earn to spend. Better alignment and consultation with the owner's spouse may become an opportunity for this generation as personal and financial plans are merged with business plans.

Most Trusted Advisor by Generation

Baby Boomers

#1	Financial Advisor
#2	Accountant
#3	Spouse
#4	Attorney
#5	Another Owner/Peer

Generation X

#1	Financial Advisor
#2	Accountant
#3	Attorney/Spouse (Tied)
#4	Another Owner/Peer/Banker (tied)

Millennials

#1	Financial Advisor
#2	Attorney
#3	Banker
#4	Accountant
#5	Spouse

At EPI, we recommend four critical advisors on the owner's core team, **led by one advisor who is also a CEPA.**



Financial Advisor



Accountant



Attorney



Value Growth Advisor

What's missing from each generation is a value growth advisor: an advisor who focuses on business improvement and driving value. A value growth advisor is key to making a business attractive to a potential buyer while driving success and significance in the short term.

The value of having a four-member team, including a financial advisor, attorney, accountant, value growth advisor, on your core external team is **covering all three legs of the stool: business, personal, and financial.**

69%

of business owners in 2023
have exit strategy on their
priority list

36% of
business
owners
said exit
planning
was their
top priority

33% of business owners
voiced exit planning was
of high attention

With education and awareness comes action, and the actions taken by each generation nationally mirror the education they've sought and the awareness they've gained.

It's clear that Millennials, with a leading 81% giving exit planning top priority or high attention, have been educated that exit planning is simply good business strategy. However, even as Baby Boomers approach traditional retirement age, they are more likely to focus solely on their business (without implementing value enhancement strategies taught in exit planning). Generation X is somewhere in the middle, with 67% giving exit planning top priority or high attention.

Of those who give some or little attention to exit planning, there are interesting reasons why. Baby Boomers tend to say they're too busy growing their company or still have time before their exit to think about it later. Generation X, the work/life balance generation, also laments a lack of time due to growing the company, or the feeling that the timing is not right to start. Millennials who have not given much thought to exit planning, however, report that they're also too busy, but additionally, their company is too young, or they plan to exit with a family member and don't need exit planning.

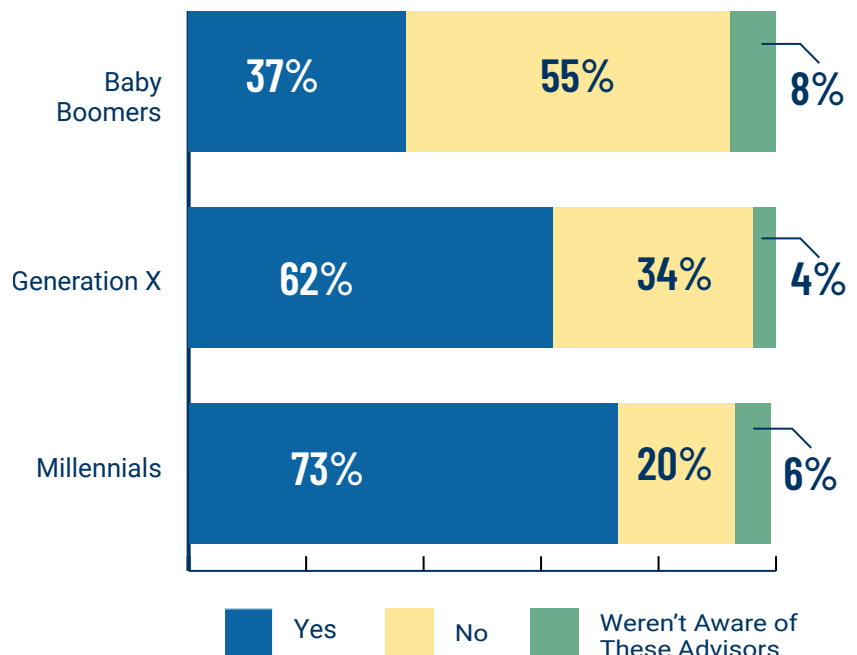
Exit planning professionals and prepared owners know that these excuses are incompatible with what exit planning truly is. If exit planning starts the day you start your business, you're not just creating a successful business, you're creating a significant one, focused on value. And, for those Millennials who believe a family exit doesn't need exit planning, the constant conversations and value building are just as important for internal exits as they are for external ones.

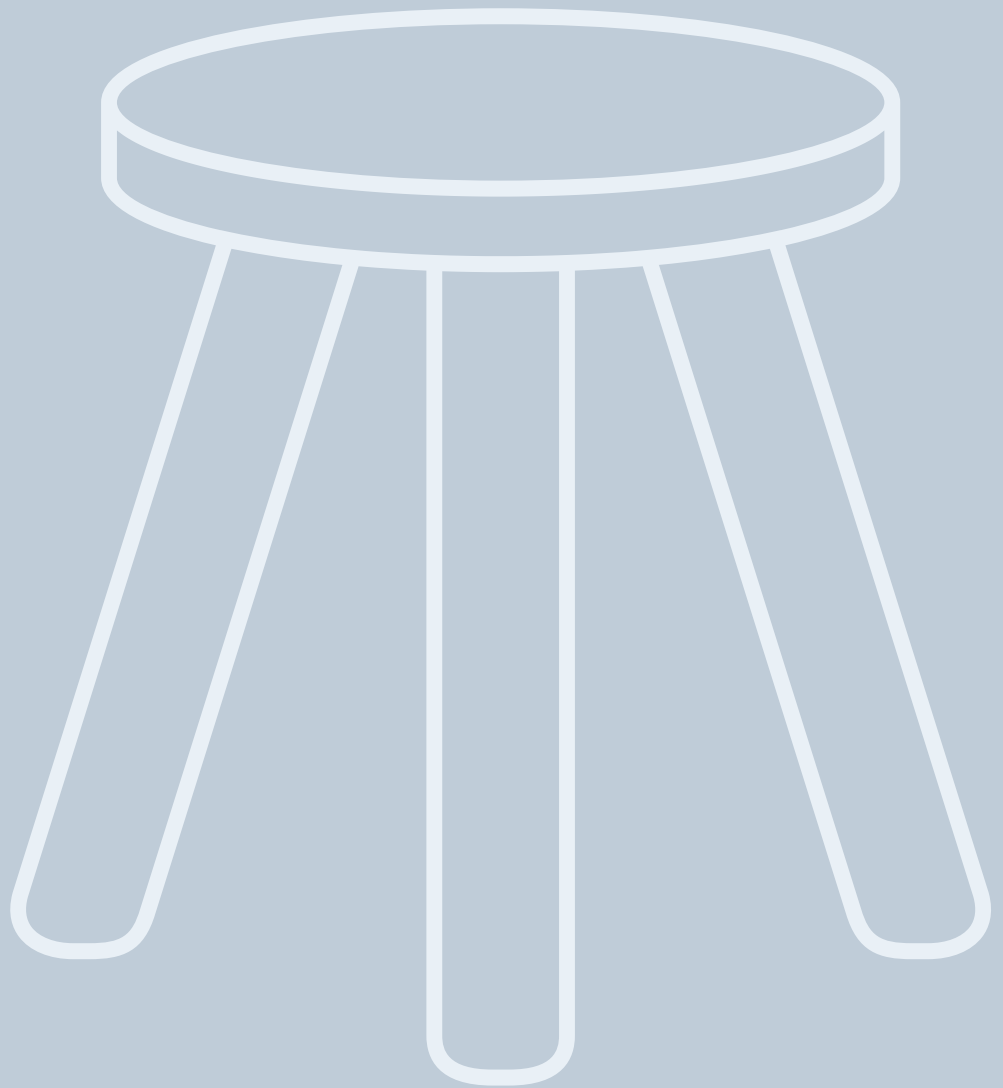
Education and awareness can start with working with a certified professional in exit planning. While younger generations are more likely to work with a CEPA, there is room for growth.

Attention Given to Exit Planning By Generation

	Baby Boomers	Generation X	Millennials
Top Priority	14%	36%	52%
High Attention	33%	31%	29%
Some Attention	39%	23%	15%
Little or No Attention	14%	10%	4%

% of Owners Who Have Worked With Certified Exit Planning Professional





Every strategy needs a framework. Adopted and integrated by thousands of businesses, the **THREE LEGS OF THE STOOL** approach has become the standard of the exit planning profession.

Analysis of the Three Legs of the Stool

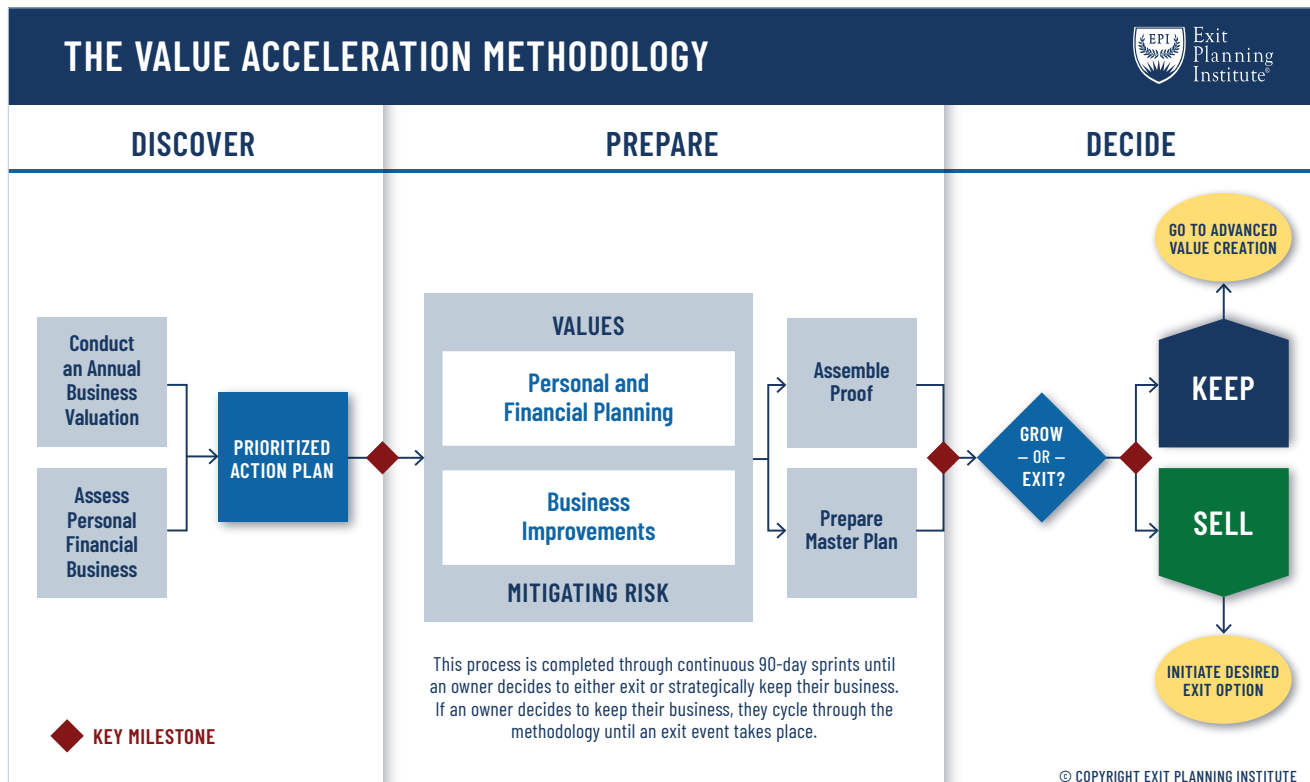




Every business owner must balance their business, personal, and financial, plans to be ready for an exit.

State of Owner Readiness Reports assess the readiness of owners to transition, including their companies' readiness.

The 2023 National State of Owner Readiness Report studied business owners from three perspectives: personal, financial, and business readiness for transition. These three elements, or the Three Legs of the Stool, are the organizing principles of the Value Acceleration Methodology™.



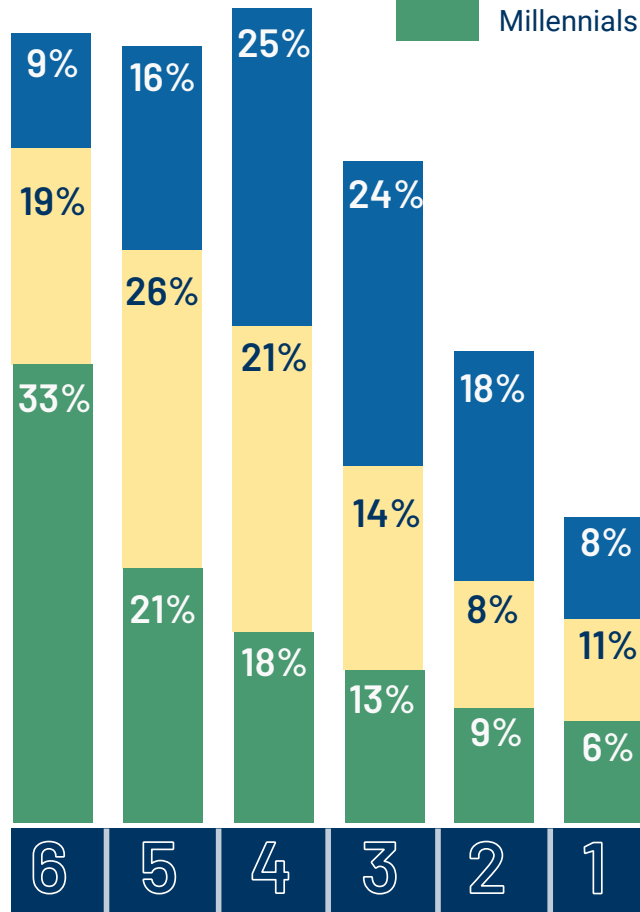
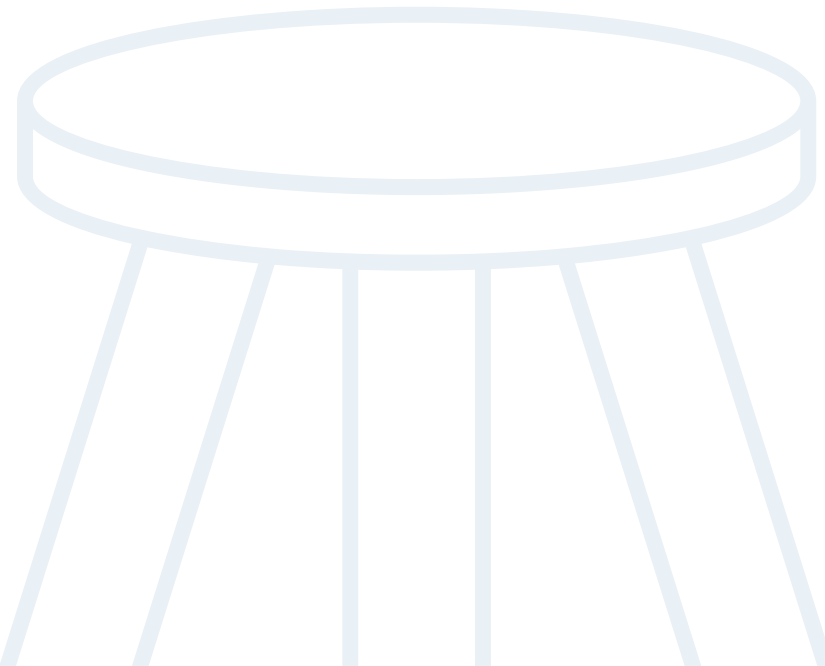
The Personal Leg

We start with the personal leg because exit strategy begins with a two-part personal question:

1. **Who are you outside of your business?**
2. **What are your goals in life?**

While many business owners believe that an exit strategy begins with the business (perhaps because the business represents 80-90% of the owner's net worth) it's critical first to understand the owner's wealth goal. The wealth goal allows the advisory team to understand the owner's wealth gap, that is, the wealth goal minus the current net worth outside of the business value. The gap, then, is closed by the value of the business, the owner's most significant asset. Of course, in the initial stages, the advisory team will need to understand the business's value.

To understand how respondents perceive their personal readiness for exit, we asked them to rate how ready they consider themselves to exit their business on a scale of 1 to 6. A score of 6 represents "perfect." A score of 5 represents "best-in-class." And a score of 1 means "not ready at all."



"Best-in-Class" Rating Scale



By their own admission, Baby Boomers are the least ready on a personal level to transition. They know less about what they want to do after business ownership and how they'll do it. Their weighted average is a 3.51, which is far too low for their stage in life.

Generation X is slightly better, but still with room for improvement. While most Generation X rate themselves “best-in-class” at a 5, their weighted average is 3.98.

Millennials feel most prepared for their life after exit—perhaps because they intend to buy and sell multiple businesses—with a weighted average of 4.4. However, most Millennials rate themselves as “perfect,” with a score of 6.



Personal readiness should be supported by positive scores on deeper questions regarding personal readiness, such as having a formal personal plan.

While there are many elements of a successful written personal plan, EPI RECOMMENDS, AT MINIMUM, THESE EIGHT FACETS:

1. Written Goals and Objectives	2. Written Action Plan to Achieve Goals and Objectives	3. Written Personal Purpose and Core Values	4. Personal Readiness Assessment
5. Personal Risk Assessment	6. Documented and Updated Personal Financial Strategy	7. Written Estate Plan	8. Written and Updated Will

BABY BOOMERS: They Know Themselves

3.51/6 WEIGHTED AVERAGE:

"Personally Ready to Transition"

While Baby Boomers may feel prepared for what's next, there is still potential for regret. About 1 in 4 have written goals and objectives, while less than 1 in 5 have a written action plan. **Regret post-exit, with an unplanned personal life, is a real danger.**



28%

DON'T Have Elements of Personal Plan Done



18%

DO Have Written Action Plan



25%

DO Have Written Goals and Objectives

GENERATION X: Less Prepared Than They Think

3.98/6 WEIGHTED AVERAGE:

"Personally Ready to Transition"

Generation X thinks they are more prepared than not, with a weighted average of nearly 4 out of 6. However, only half have identified and written goals and objectives for their post-exit life, and fewer have an action plan. **It is challenging to prepare a business for transition if you don't know what you're transitioning to.**



12%

DON'T Have Elements of Personal Plan Done



50%

DO Have Written Action Plan



44%

DO Have Written Goals and Objectives

MILLENNIALS: Most Prepared, But Over-Confident

4.4/6 WEIGHTED AVERAGE:

"Personally Ready to Transition"

57% of Millennial owners reported being perfect or best-in-class in terms of personal readiness. However, when it comes to the actual proof, only 45% have a Written Action Plan. **Advisors need to help Millennial owners establish a framework for exit planning, giving them confidence in their ideas on paper when it comes to mapping out their post-exit life.**



4%

DON'T Have Elements of Personal Plan Done



58%

DO Have Written Action Plan

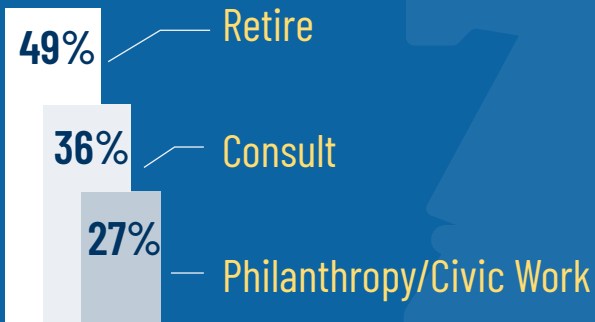


45%

DO Have Written Goals and Objectives

WHAT'S NEXT? Each Generation's Top 3 Next Moves

BABY BOOMERS



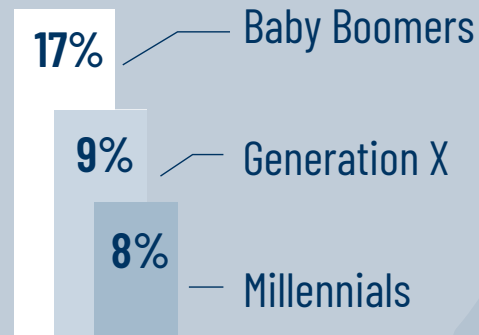
GENERATION X



MILLENNIALS



WHO HAS NO PLANNING?



A large part of a business owner's personal plan is understanding and being excited about what comes next. Without a plan that ignites the owner's passions, it's easy for the owner to self-sabotage their exit. Remember, an owner has spent years building a business, and it defines who they are in the world. Letting go is sometimes not easy.

Retirement is the preferred post-exit life for Baby Boomers (49%) and Generation X (45%), but neither generation has the majority of respondents selecting that option. 17% of Baby Boomers responded that they had no plans post-exit, which is the highest among the three core generations. Baby Boomers, when accounting for their poor personal preparation for exit, seem to lack clarity on what they want to do post-exit.

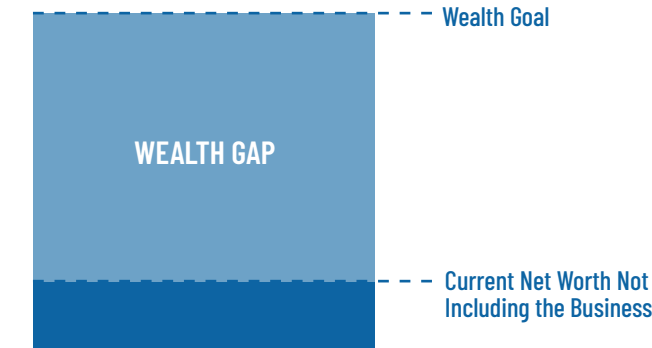
The Boomerang Exit

Millennials, on the other hand, know what they want to do: mostly invest in another business (52%) or buy another business (33%). It's called "the boomerang exit."

A Boomerang Exit changes the personal plan. No longer is the math solely about a wealth gap for retirement. Work-life balance and funds to reinvest are now top priorities.

The Financial Leg

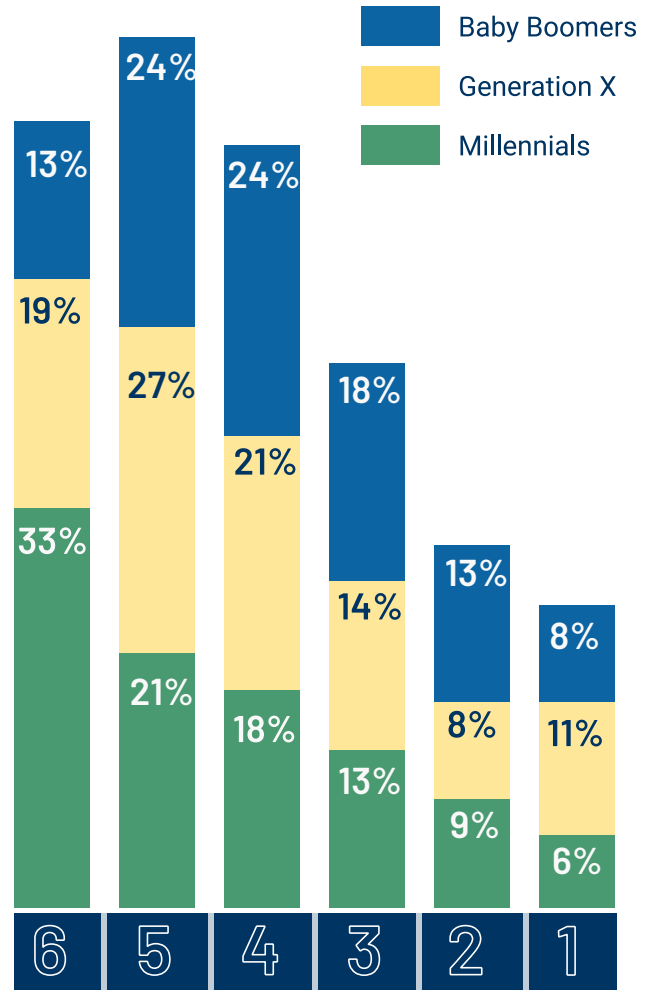
After establishing what a business owner wants to do post-exit, the advisor can understand the wealth gap equation. The wealth gap is the business owner's wealth goal minus their current net worth outside of the business.



The wealth gap can typically only be closed by harvesting the value of the owner's company. To determine if closing the gap is realistic, the owner and advisor must align the personal financial strategy with the owner's overall personal and financial goals and objectives, considering the company's valuation.

To understand how respondents perceive their financial readiness for exit, we asked them to rate how ready they consider their finances for an exit on a scale of 1 to 6. A score of 6 represents "perfect." A score of 5 means "best-in-class." And a score of 1 represents "not ready at all."

Baby Boomers are once again the least confident in their personal financial planning, with a weighted average of 3.83, compared to Generation X (4.03) and Millennials (4.38). We won't belabor the formal education aspect here: there is a clear connection between seeking exit planning education and feeling ready for exit, and that holds true for personal financial planning.



However, Baby Boomers have a leg up here: the power of compound interest. 41% of Baby Boomers reported holding passive financial investments that provide enough income to support their lifestyle, compared to 21% for Generation X and 19% for Millennials. In the Baby Boomer's mind, harvesting the company's value is less important. However, with low rates of planning and education, it's difficult to know if perception meets reality for these owners.

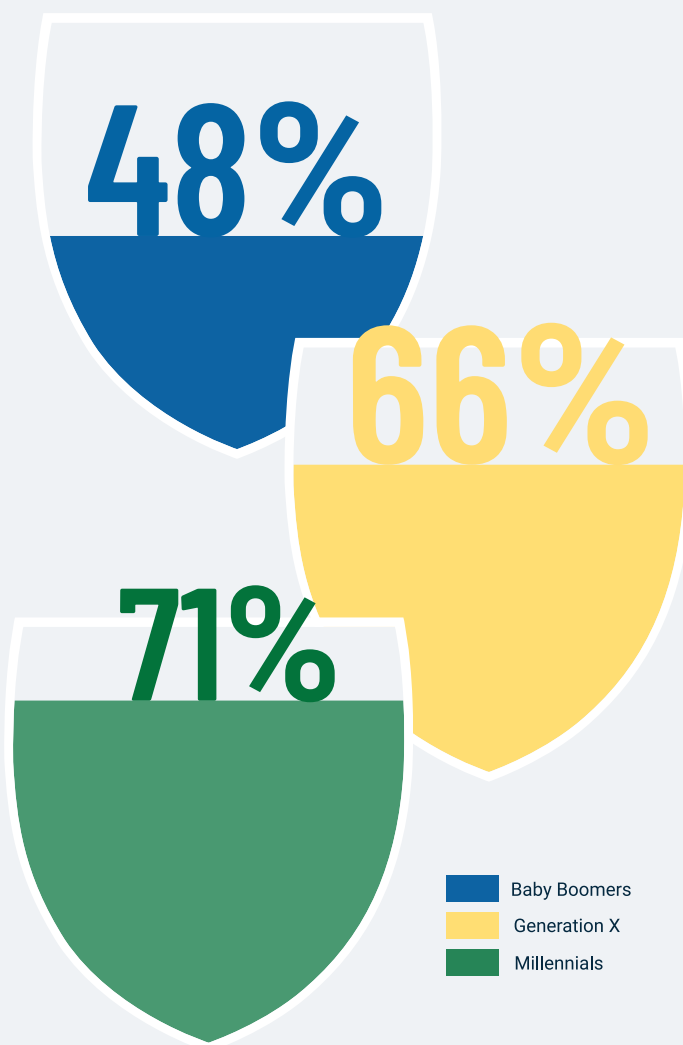
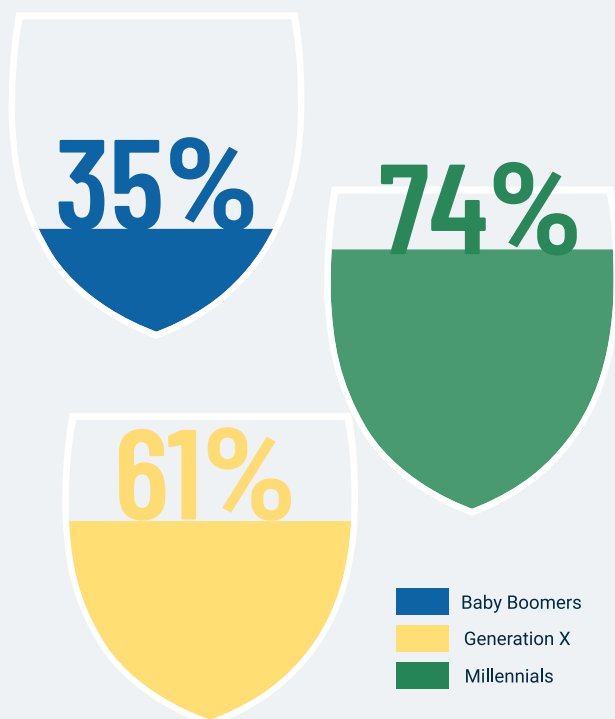
Perhaps most shocking, however, is the rate of personal financial plans prepared by a third party. Only 35% of Baby Boomers have one, compared to 62% for Generation X and 68% of Millennials. While Generation X and Millennials have room to grow in this regard, it's unclear how Baby Boomers are getting a precise vision of their personal financial needs and standing.

NEED TO HARVEST: Business Value

Further, Baby Boomers lack estate planning. Only 41% have an estate plan that has been updated in the last two years, as compared to Generation X (61%) and Millennials (71%). Baby Boomers appear not only to be unprepared for their financial life post-exit, but also for their death.

The personal financial portfolio is key to achieving a significant exit, as well as maintaining financial health and security. 65% of owners say they will need to harvest the value of their business to support a post-exit lifestyle. However, only 60% have had their business formally valued in the last two years.

FORMAL VALUATION: Last 2 Years



Baby Boomers are the only generation with a higher percentage of owners who need to harvest the value of their business for post-exit life than those who have had their business formally valued in the last two years. This is a warning sign, and a potential opportunity for advisors and owners alike.

The Business Leg

Harvesting the value from the owner’s company is critical to the overall exit strategy, which balances personal, financial, and business goals. A business can represent 80-90% of an owner’s total net worth. More often than not, it’s the value of their company that closes the wealth gap and allows them to achieve their goals post-exit.

To understand how respondents perceive their business’s readiness for their exit, we asked them to rate how ready they consider their business for an ownership transition on a scale of 1 to 6. A score of 6 represents “perfect.” A score of 5 represents “best-in-class.” And a score of 1 means “not ready at all.”

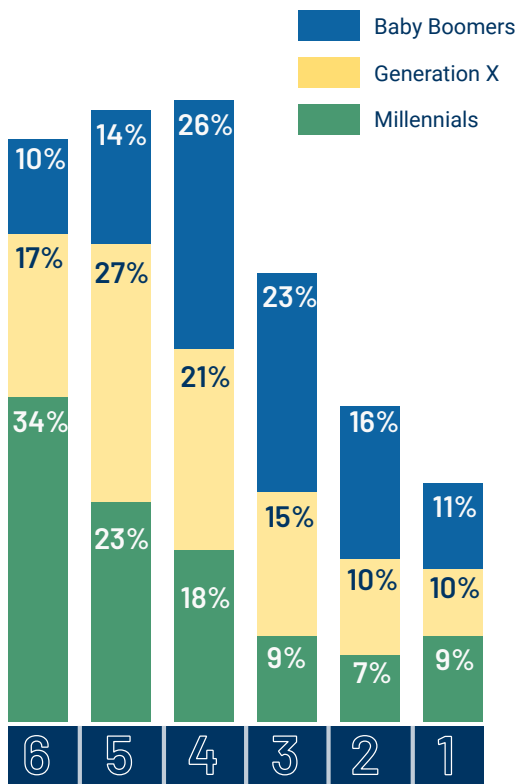
With a weighted score of 3.46, Baby Boomers lag behind Generation X (3.96) and Millennials (4.4) when it comes to how ready they think their business is to transition.

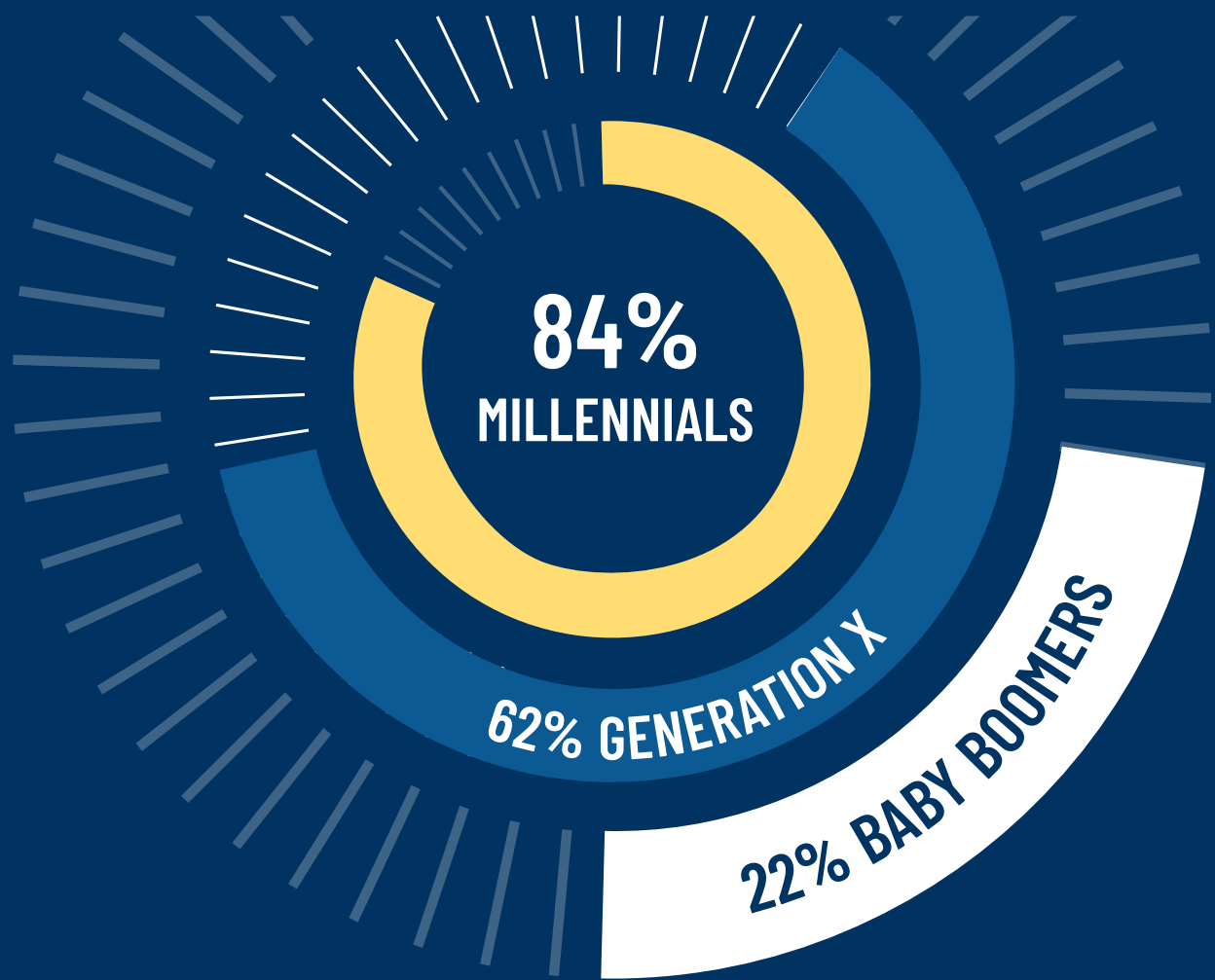
For Millennials, transition was baked into the business plan from the beginning. They were always likely to boomerang exit and had early education. Generation X most closely aligns with this mindset.

However, Baby Boomers have not prepared themselves with education, or surrounded themselves with advisors, to help the business feel ready for exit. Although most Baby Boomers expect to sell to a third party, the business must be ready for transition.

While there are many elements of a successful written business transition plan, the Exit Planning Institute recommends at least 11 key elements:

1. Written Goals and Objectives
2. Written Action Plan to achieve Goals and Objectives
3. Market Attractiveness Assessment
4. Business Readiness Assessment
5. Business Risk Assessment
6. Recasted Financial Statements
7. Business Valuation
8. Value Gap Analysis with Value Growth Targets and Goals
9. Value Enhancement Plan
10. Value Growth Budget
11. Exit Option Analysis





OWNERS HAVING COMPLETED A FORMAL PRE-TRANSITION VALUE ENHANCEMENT OR DUE DILIGENCE PROJECT

Of the 15% of Baby Boomers who have a written formal transition plan and the 31% who have an informal plan, only 25% have written goals and objectives, and 22% have a written action plan.

Of the 45% of Generation X owners who have a written formal transition plan and the 26% who have an informal plan, only 46% have written goals and objectives, and 37% have a written action plan.

Millennial owners are more prepared. 55% have a written formal transition plan, and an additional 33% have an informal transition plan. Of those, 51% have written goals and objectives, and 44% have a written action plan.

Baby Boomers require education and guidance to ensure their businesses thrive post-exit. For Generation X and Millennial owners, **plans are nice, but they need the framework for the 11 key elements of a successful written business transition plan.**

74%
Millennials

61%
Generation X

35%
Baby Boomers

PERCENT OF OWNERS BY
GENERATION WITH FORMAL
VALUATION COMPLETED IN
LAST TWO YEARS

Millennials

84%

Generation X

Baby Boomers

62%

22%

PERCENT OF OWNERS BY GENERATION WITH
FORMAL PRE-TRANSITION VALUE ENHANCEMENT

TOP TWO REASONS FOR NOT COMPLETING A FORMAL PRE-TRANSITION VALUE ENHANCEMENT BY GENERATION

Baby Boomers

22% 1 "Don't feel it is necessary."

21% 2 "Don't have the time for it."

Generation X

22% 1 "Don't feel it is necessary."

18% 2 "Don't have the time for it."

Millennials

29% 1 "Don't feel it is necessary."

15% 2 "Don't know who to call or how to start."

Again, we see education making Millennials more open to guidance and support. However, each generation notes the top reason for not completing a formal pre-transition value enhancement as "not necessary."

Enhancing the value of your company isn't just good exit planning, it's good business. Whether an owner plans to exit in one year or one decade, a value enhancement/preliminary due diligence project has three objectives:

1. De-risk the business
2. Maximize value
3. Position the business for a successful transfer

Alongside a formal valuation, a value enhancement project allows you to understand your business and how, or if, to grow its value. It's clear from the data that advisors need to help owners understand the importance of these studies and projects as stepping stones to enhancing value and eventual exit.

What does it mean to be “**ready**” to transition a business? How does a **business owner prove** that they and the business are “**ready**” to transition?



Observations



Put yourself in the shoes of someone looking to purchase a business. What are the things that would make a business attractive?

A potential buyer's first test is likely income. Income is a key factor in determining business value, and likely one of the core reasons a person would be interested in buying a business in the first place: the income generated by the business for its owners.

But income doesn't mean value, even if the income generated is above average for its industry. A business's value is determined by its attractiveness to a potential buyer and its readiness to transition. The owner must have both to unlock and harvest the wealth trapped in the business. Attractiveness and readiness are equally important.



Value is in the eye of the potential buyer, not the current owner. Therefore, the current owner must take steps to provide proof that the business will continue to operate as well, or that it can operate even better, once the new owner takes over.

While many business owners have undergone education to understand what the word "ready" means when transitioning their business, proof is required. To assist micro and middle-market business owners, EPI has developed a self-assessment with proof points that measure attractiveness and readiness. Within, we break down how ready each generation is based on that assessment.

Attractiveness and readiness are *equally* important.

These 10 actions prove readiness and attractiveness ahead of a transition*.

*According to 2023 National State of Owner Readiness Survey

1 The business owner is educated on the process of how to transition their business, spending both time and money. They have discussed this transition plan with loved ones.

- 42% of Baby Boomers, 70% of Generation X, and 85% of Millennials have formal exit planning education
- 46% of Baby Boomers, 67% of Generation X, and 83% of Millennials have sought outside advice on exit planning
- 50% of Baby Boomers, 50% of Generation X, and 58% of Millennials say their family is aware of both ownership and management transition plans
- 50% of Baby Boomers, 73% of Generation X, and 80% of Millennials host regular family meetings

2 The business owner's personal, financial, and business goals are aligned: they are defined, co-dependent, and linked.

- 50% of Baby Boomers, 65% of Generation X, and 72% of Millennials feel they are above average in terms of personal readiness
- 61% of Baby Boomers, 66% of Generation X, and 72% of Millennials feel they are above average in terms of financial readiness
- 50% of Baby Boomers, 65% of Generation X, and 74% of Millennials feel they are above average in terms of business readiness

3 The business owner has a formal exit planning advisory team with, at minimum, an attorney, accountant, financial advisor, and value growth consultant.

- 5% of Baby Boomers, 11% of Generation X, and 32% of Millennials have formed a full formal exit planning advisory team

4 The business owner has created a contingency plan, with a buy-sell agreement protected by appropriate insurance. The plan was prepared and reviewed by their trusted advisors.

- 30% of Baby Boomers, 60% of Generation X, and 74% of Millennials have a documented contingency plan
- 16% of Baby Boomers, 53% of Generation X, and 69% of Millennials have a written buy-sell agreement updated in the last three years

5 The business owner has completed a strategic analysis, business valuation, and readiness assessment within the last year.

- 35% of Baby Boomers, 61% of Generation X, and 74% of Millennials had a formal business valuation within the last two years
- 15% of Baby Boomers, 31% of Generation X, and 37% of Millennials have a readiness assessment as a part of their written exit plan

6 The business owner has considered all their exit options and determined their optimum deal structure.

- 53% of Baby Boomers, 70% of Generation X, and 78% of Millennials are familiar with all of their exit options

7 The business owner's transition plan is well-documented, including key elements of effective exit plans listed in this report.

- 13% of Baby Boomers, 43% of Generation X, and 56% of Millennials have a formal written personal plan
- 35% of Baby Boomers, 62% of Generation X, and 68% of Millennials have a written personal financial plan reviewed by a financial advisor
- 22% of Baby Boomers, 37% of Generation X, and 44% of Millennials have a formal written business transition plan

8 The business owner has designed a life-after-business plan, linked to their personal financial plan.

- 13% of Baby Boomers, 43% of Generation X, and 56% of Millennials have a formal written personal plan
- 29% of Baby Boomers, 24% of Generation X, and 30% of Millennials have an informal personal plan
- 19% of Baby Boomers, 11% of Generation X, and 5% of Millennials do not know what they want to do next

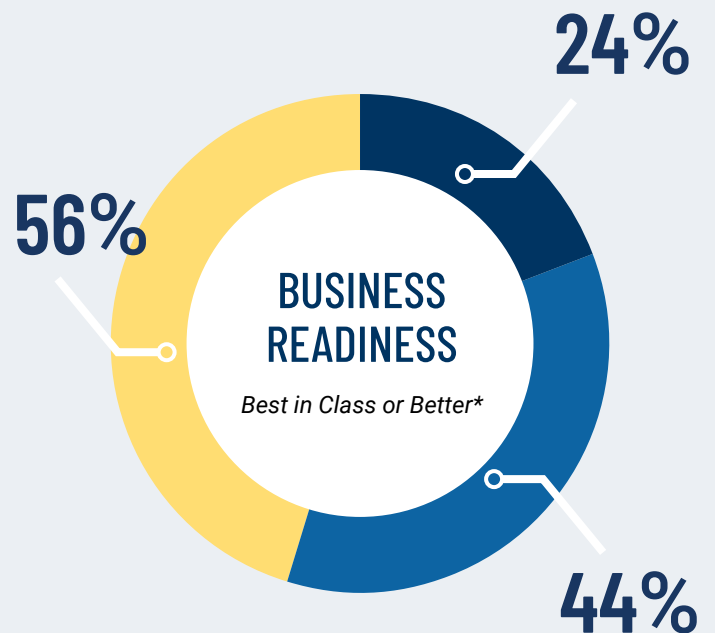
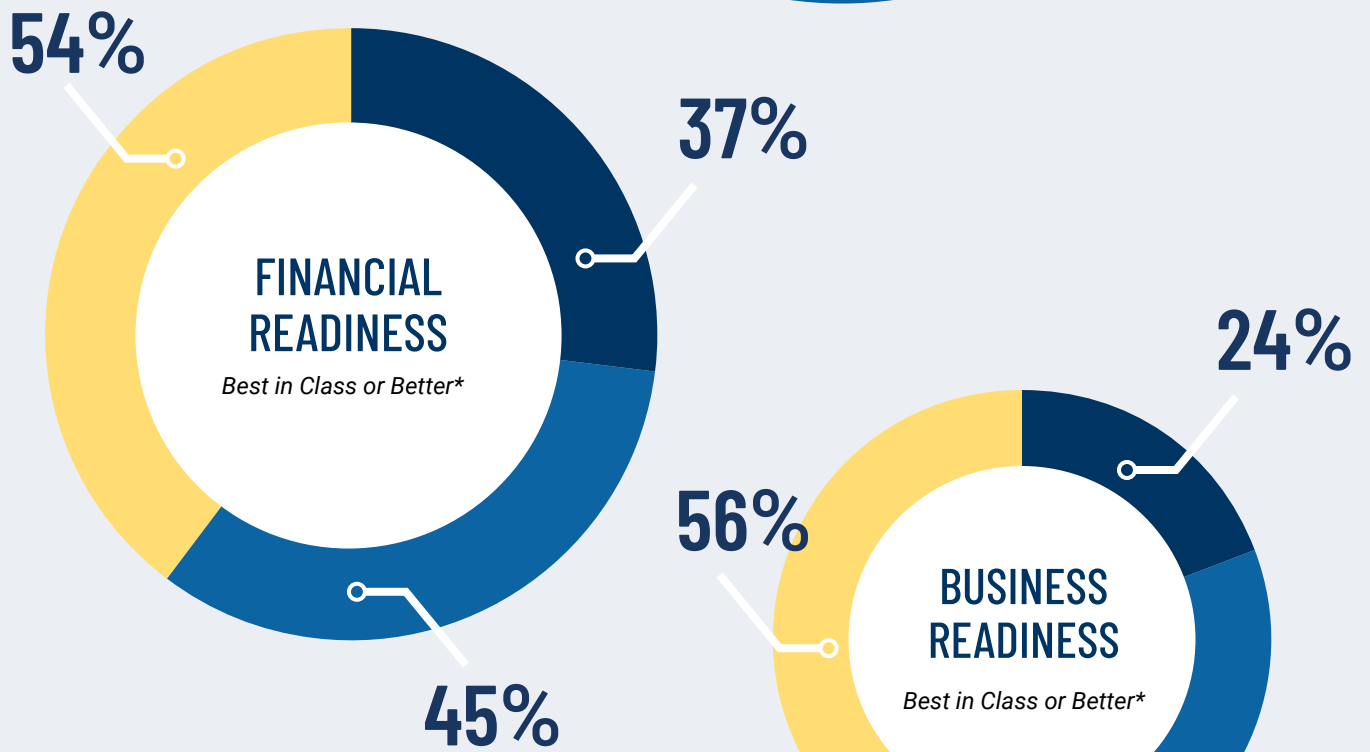
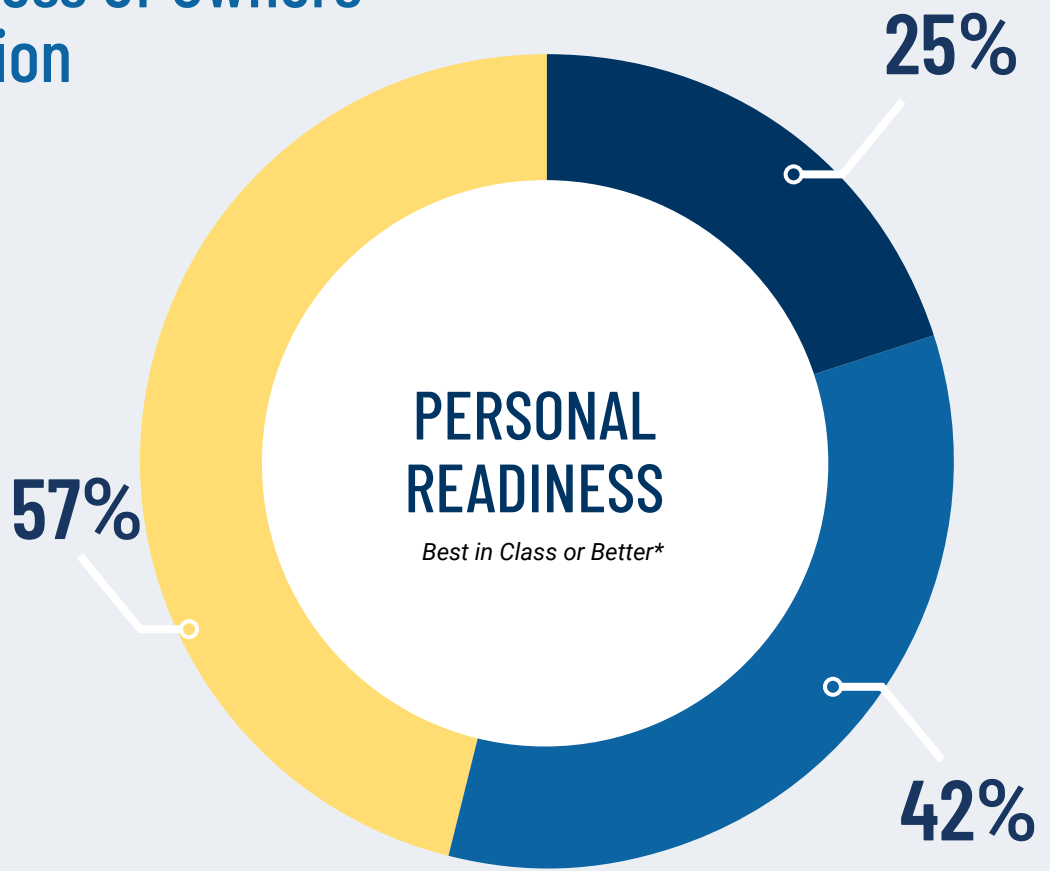
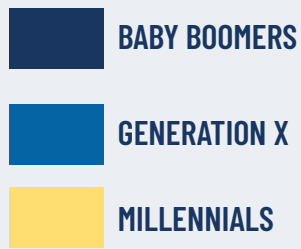
9 The business owner has active pre-transition value enhancement and preliminary due diligence projects, even if they plan to transition within the family.

- 22% of Baby Boomers, 62% of Generation X, and 84% of Millennials have a recent formal value enhancement OR preliminary due diligence project

10 The business owner's management team is aware of all current planning and is prepared to operate the company after the owner's exit.

- 33% of Baby Boomers, 47% of Generation X, and 65% of Millennials regularly track their business's value
- 37% of Baby Boomers, 59% of Generation X, and 69% of Millennials are "very confident" with their management team taking over the business

The Readiness of Owners By Generation



*Rated on a scale of 1 to 6, a Best-in-Class or better would be 5 or 6, with 6 being a perfect score.

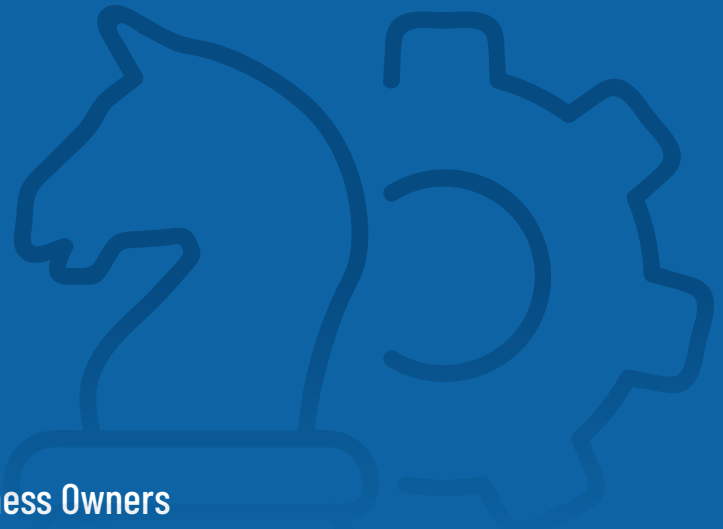


Observation #1

Investment in Education is a Critical Path to Success

There are clear differences between the three core generations in terms of perceived readiness. And those differences mirror the exit planning education that each generation has invested in.

More Millennials report completing formal exit planning education than any other generation, with 85% investing in some form of education. 70% of Generation X owners have completed education, and only 42% of Baby Boomer owners have completed education. Education makes each generation feel more ready.



Observation #2

Exit Strategy is a Priority for Younger Business Owners

The 2023 National State of Owner Readiness Report shows that younger generations tend to believe they're more ready for an exit. That's because they've prioritized exit planning for themselves and their businesses.

Of the generations who qualified as statistically significant, Baby Boomers were less likely to consider themselves ready from a personal, financial, or business perspective.

	BABY BOOMERS Ages 60-75	GENERATION X Ages 45-59	MILLENNIALS Ages 29-44
Likely to exit within 10 years	78%	70%	74%
Likely to exit within 5 years	58%	49%	48%
Exit strategy top priority or high attention	47%	67%	81%
Value enhancement or preliminary due diligence project	22%	62%	84%
Written personal plan	13%	43%	56%
Written company transition plan	2%	37%	44%
Written personal financial plan	35%	62%	68%
Will buy or invest in another company post exit	22%	74%	85%
Formal education in exit planning	42%	70%	85%

The Millennial generation is currently the strongest in perceived readiness and indicators of personal, financial, and business readiness for transition.

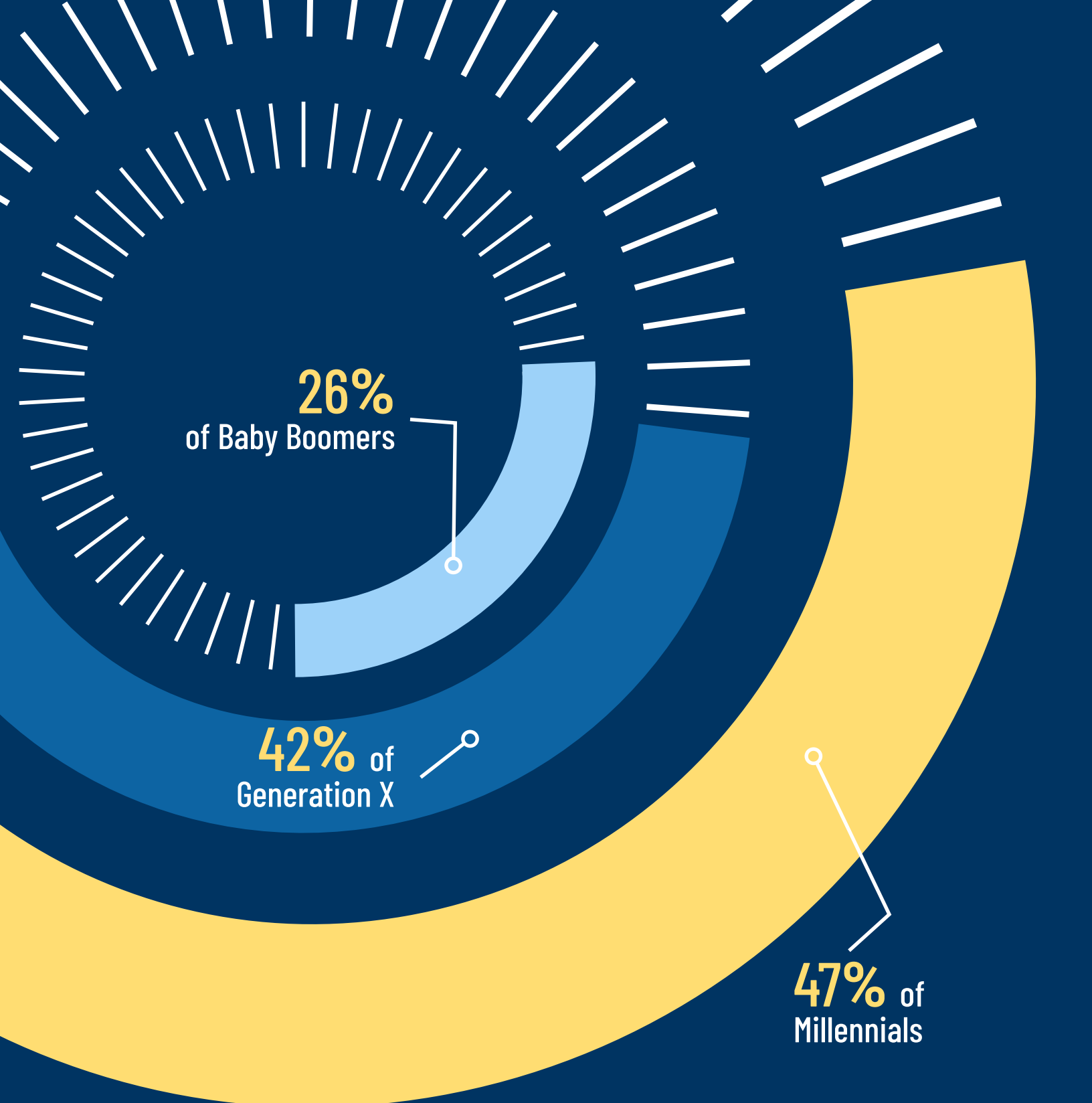
Unsurprisingly, they have the most formal education in exit planning, but why? Millennials have a build-to-sell mentality, or at least more so than the other generations. When we asked respondents if they would buy or invest in another company post-exit, Millennials were the most likely. Millennials have to be ready: they're going to do this all over again and boomerang. They aren't just building for success here and now. They're creating significance.

The generation least prepared, by both self-assessment and in terms of our indicators, is the Baby Boomers. This generation tends to hold their business close, even as they approach retirement and, frankly, death. The idea of a boomerang exit is foreign to most of them, who built their business out of a garage, shed, or home and spent decades building it. They navigated significant challenges like the Great Recession, and, given their lack of personal planning, they can't picture their lives without their business. Unfortunately, this means that while they've built successful companies, they have not built significant ones with value and attractiveness that can be purchased and continued. Fortunately, there's still time to do something to make their businesses attractive and ready for transition, even if there's no time to do everything. What is perhaps most alarming about Baby Boomers is their lack of a personal plan post-exit. Only 13% have a written personal plan. This is not typically a generation willing to relax on a beach. In fact, they're almost as likely to exit in the next 5-10 years as their younger counterparts, despite their age. Regret, and its personal impact, is a real possibility if they can't set goals for their personal lives after exit.

The GENERATION LEAST PREPARED, by both self-assessment and in terms of our indicators, IS THE BABY BOOMERS.

Generation X is sometimes referred to as the “lost generation,” due to its position between two larger generations. However, there are a few considerations for Generation X. First, Baby Boomers, often their parents, have built incredible wealth, and Generation X stands to inherit it. Financial planning is key for this generation, but only 62% have a written personal financial plan. Generation X also prioritizes work-life balance, and has an independent streak as the famous “latchkey kids” of the 70s and 80s. However, it's more likely for a Generation X owner to have no written personal plan. Working towards established goals is key as exits near, and being well-positioned to capitalize on attractive exit options at any time is key. 70% plan to exit in the next 10 years, but in each metric that measures readiness, the percentage is less than 70%. The best day to start exit planning was the day they started their business. **The best day available for owners who have not done exit planning is today.**

The best day available for owners who have not done exit planning is TODAY.



26%
of Baby Boomers

42% of
Generation X

47% of
Millennials

OWNERS FAVORING FAMILY EXIT BY GENERATION

Observation #3

A Significant Shift in Family Business Transitions

An internal exit within the family is the most popular option for every generation of business owners. However, as the graph on the opposite page shows, the level of that popularity is significantly different for Baby Boomers compared to Generation X and Millennials.

For Baby Boomers, passing their business on to their family is often followed closely by an external sale to a third party. 25% of Baby Boomers expect this option, as opposed to the 26% who plan to leave their business to their family.

That doesn't mean Baby Boomers aren't trying to create a legacy. It just means that almost as many Baby Boomers are trying to create a legacy by harvesting the value of their companies by passing them on.

This is where significance comes into play for Baby Boomers. With low rates of exit planning, especially in areas of value acceleration and business readiness for transition, Baby Boomers are overvaluing the companies that they have spent so long crafting. For them, the conversation was always about success, and they've largely achieved that. As retirement and exit, whether to a family member or a third-party, nears, building value for the next generation remains on their mind. However, Baby Boomers are the least likely generation to decentralize themselves from business operations. Will their companies run without them? Will their companies be attractive to a third-party buyer without them? An exit planning professional is crucial for Baby Boomers to prepare for either transition.

It's crucial to understand that even though family transitions are most popular among every generation, it's unlikely that companies will remain within a family for long. **The 2023 National SOOR revealed that 47% of companies have been owned by a family for one generation, followed by second-generation companies (33%) and companies with three or more generations (15%).** At some point along the lineage, a family member may not want the company, be unfit to run it, or simply see a third-party exit as the most attractive option. Even among Generation X and Millennials, generations that believe a family exit is likely to occur, an exit planning professional is needed to help identify all options.

Communication is key among family-owned businesses. **One thing all generations can do today is start holding formal family meetings regarding the business.** Only 36% of Baby Boomers do this more than once a year, with Generation X (51%) and Millennials (61%) holding them more often. Still, there is a significant communication gap that an exit planning professional can help guide a business owner through.





73%

of privately held companies
in the US will transition
within the next 10 years

creating a

\$14

trillion opportunity

Observation #4

The \$10 Trillion Opportunity is Now a \$14 Trillion Opportunity.

In 2023, our National SOOR reported that 73% of privately held companies in the United States were owned by owners who wanted to transition in the next 10 years.

In 2023, the total estimated value of privately held companies in the United States was at \$18.7 trillion, which is estimated to be 50% of sales. When you consider that our 2023 National SOOR reported that 73% of Baby Boomers and Generation X wanted to exit within the next 10 years, that represents an estimated \$14 trillion in estimated wealth transfer, a wealth transfer we're two years into.

The results of the 2023 National State of Owner Readiness Report highlight **significant generational differences** when it comes to readiness, education, and action towards exit planning.



Conclusion & Recommendations

In the 2023 National State of Owner Readiness Report, the Conclusions and Recommendations section was devoted to considerations and actions for business owners, as well as advisors. In this 2025 generational analysis of that report, our conclusions and recommendations are tailored for both owners and advisors, based on generational trends and preferences.



Actions and Considerations for **BABY BOOMERS**

If you're a Baby Boomer, perhaps it's most helpful to think of exit planning as a business strategy. After all, typically, you've spent your entire career building one company. With core values of stability, work ethic, and commitment, it can be difficult to think of leaving your business.


There's another core value that Baby Boomers have that can get in the way of exit planning: success. Many Baby Boomers have successful companies, ones that make money, improve communities, and provide good jobs for their employees. Changing your mindset from success to significance is key for Baby Boomers.

TAKE STOCK OF THESE FOUR QUESTIONS:

1. Is my business dependent on my operational leadership?
2. Is my business dependent on my personal relationships with customers or clients?
3. Do the intellectual property and processes of my business exist solely in my head?
4. Does my company's culture depend on my personal leadership?

If so, then there is **80% of your business left to improve within its intangible capitals: human capital, customer capital, structural capital, and social capital. These are what make businesses significant and attractive to buyers.**

Part of what can make exit planning difficult for Baby Boomer business owners is the focus on tomorrow and not today. Consider this from *Walking to Destiny: 11 Actions An Owner Must Take To Rapidly Grow Value & Unlock Wealth* by Christopher Snider, creator of the Value Acceleration Methodology:



Exit planning is your business, personal, and financial value management system, which makes the timing of your exit irrelevant. It should be laser-focused on what you can do right now (*present tense*) to grow the value of your business and drive income. **Forget the future. Focus on today.**

Baby Boomers must become more proactive to harvest the wealth trapped within their most significant financial asset: their business. Successful transitions will not improve much further if business owners view exit planning as something they do later when they're "ready" to transition. Instead, exit planning should become a vital strategy for business and value building, integrated into how each owner runs their company. Exit planning isn't future-tense, it's present-tense. An effective exit strategy creates more income today, empowers management teams and the next generation to take the business to the next level, creates owner independence, and sometimes increases the owner's wealth by 400-500%. **An exit strategy is simply good business strategy.**

Be Curious, *NOT JUDGMENTAL* About Baby Boomers

Baby Boomer business owners are more likely to own real estate as a part of their business, and it's a great long-term play for wealth building, says Joe Strazzeri, Esq., CEPA, EPI Thought Leadership Council member, and owner of The Founders Group, a value acceleration firm.

"Buying and holding is baked into the Baby Boomer DNA," says Strazzeri. "The difference between Baby Boomers and younger generations is that Baby Boomers are running away from poverty. That makes them more protective."

That protective mentality, Strazzeri says, is not necessarily a bad thing. But it might account for some of the data within the 2023 National State of Owner Readiness Report.

"Baby Boomers store their eggs, and don't let anyone know they've got them," says Strazzeri. "That has a large impact on who responds to surveys like this and how they respond."

That's why Strazzeri suggests a curious, rather than judgmental, approach when thinking about Baby Boomers and the data.

"Baby Boomers have a resistance to getting help that they pay for, because they like having no debt," says Strazzeri. "And they're less likely to exit as often as younger generations because whenever you cash out of an asset, you encounter fees."



90%

or more of my clients with \$20 million or more in assets have those assets as a result of the long game."

While the data in the 2023 National State of Owner Readiness shows that Baby Boomers are less prepared for exit, Strazzeri suggests looking deeper. **Baby Boomers, he says, typically have a better quality of life because they live below their means. They know how to run their business asset, and it continues to produce for them. They bring their "long game" mentality to exit planning, right to the very end.**

"90% or more of my clients with \$20 million or more in assets have those assets as a result of the long game," says Strazzeri. "In the end, they've created success. So, if they seem unprepared, you need to do an immense amount of intake. What's unique about each owner?"

Actions and Considerations for **GENERATION X**

Generation X: adaptable and champions of work-life balance. It's these traits that have allowed them to be the oldest generation to have more business owners embrace business planning.

But as with most pioneering generations, there is room for all within the generation to catch up.

87% of Generation X business owners believe that having an exit strategy is essential for their future and the future of their business. Perhaps no other generation has endured more financial uncertainty within their wealth-building years (it's too soon to say if Millennials will surpass them). The Savings & Loan crisis, the Dot-Com bubble, 9/11, and the Housing Crash, were all significant events that impacted businesses and personal finances. Therefore, having a plan, especially a personal financial plan, makes sense for this generation.

Still, **only 57% of Generation X have exit planning on their priority list.** The good news? They're adaptable, so when they get help and start driving value, they'll likely embrace the mindset shift. And, because work-life balance is a priority, personal planning and a diverse set of post-exit goals will come easily.

The trait that may hinder good exit planning for Generation X is autonomy. Generation X is used to doing it all themselves, and they like that. They finished school before the group project was in vogue. We see this in the data: **only 55% of Generation X have a formal outside board of advisors, only 62% have worked with a certified exit planning professional, and a mere 11% have established a formal transition advisory team.**

Perhaps it is best for Generation X to start with one person: a Certified Exit Planning Advisor (CEPA). CEPAs bring a global view to the exit planning process, and they're often well connected to the other advisors that a business owner needs for successful exit planning. Lean into them as the keystone of your team and let them direct the other advisors.

**PERHAPS IT IS BEST FOR GENERATION X TO START WITH ONE PERSON:
a Certified Exit Planning Advisor (CEPA).**

Empowering Owners as **HUMANS**

The way owners show up in exit planning isn't something they picked up along the way, says Renee Russo, CEPA, and a member of the EPI Thought Leadership Council.

It's about what happened when they were kids.

"We go through important formative years until we're 12," says Russo. "We naturally separate from our parents, experiencing unmet needs and enduring adverse events. That hardwires a ruleset about the world in us."

And, since many people in the same generation experienced the same types of events and childhoods, it makes sense that there are generational characteristics when it comes to business and exit planning.

"Entrepreneurship is consuming and doesn't come with a rule book," says Russo. "Unfortunately, because the business and our families require so much of us, we abandon personal transformation, and our inner growth goes dormant."

That inner growth, Russo says, is key to developing the personal leg of the stool. Because if that leg isn't developed, an exit is accompanied by a tidal wave of unaddressed behaviors when the structure of the business disappears.

When it comes to **HELPING EACH GENERATION DEVELOP THEIR PERSONAL PLAN**, it's important to be curious and ask questions, but also consider what makes them unique outside of their age. Russo suggests considering:

1. **AGE-RELATED GENERATION:**

What characteristics do they have (and don't have)?

2. **GENERATION OF BUSINESS:**

Are they a founder? Did they inherit the business? Did they acquire it?

3. **GENDER:**

How do they experience the world because of their gender?



By looking at these factors as a matrix, and asking questions and embracing curiosity, you can help owners tap into their humanity while empowering them to develop their personal plan.

Actions and Considerations for **MILLENNIALS**

It can be tempting for Millennials to think they have it all figured out, both in life and after reading this generational analysis of the 2023 National State of Owner Readiness Report. After all, this generation tops nearly every metric of personal, financial, and business planning and looks best-poised to exit on their terms, perhaps several times over in their careers.

But it's that last part that Millennials and their advisors need to consider: boomerang exits require precision at every step of the journey.

The good news is that the traits Millennials generally show lend themselves to effective exit planning: collaboration, purpose, growth, and fostering an inclusive culture. It's why Millennials form advisory teams at a higher rate, embrace value acceleration, and develop cultures that allow them to decentralize as leaders and make their business more attractive to potential owners.

Still, complacency can be the Millennial's enemy. With a higher number of predicted career exits comes a higher chance that something could go wrong. **While Millennials often rate themselves as best-in-class or even perfect in personal, business, or financial readiness, they don't always tick the boxes that prove that readiness.**



Millennials earn to spend. And most plan to buy or invest in another business post-exit. That means an increased focus on financial matters is key for Millennials, who are the most debt-saddled generation yet. Only 68% have a written personal financial plan prepared by a third-party financial advisor, yet more (76%) need the income produced by their business to support their lifestyle.

Millennials often lack the kind of framework that a CEPA can provide. But once they've received that framework, it's clear that they're open to embracing value acceleration and good exit planning.

Millennials have the opportunity to make an enormous impact on the way small businesses (and, as a result, businesses in general) are run. **Through exit planning, they can blend their work and life, secure financial freedom, decentralize themselves from their businesses, empower leaders, and have time for multiple passions.** This approach to doing business in our country can lead to better lives and better companies if it's done thoughtfully and strategically.

Only 68% HAVE A WRITTEN PERSONAL FINANCIAL PLAN
prepared by a third-party financial advisor.

MILLENNIALS: The Education Generation

Not every generation has had the same access to, or emphasis on, education as the Millennial generation. According to research compiled by the Ewing Marion Kauffman Foundation:

- In 1975, there were 100 majors, minors, or certificates in entrepreneurship. **By 2006, there were 500.**
- In 1985, college campuses nationwide offered about 250 courses on entrepreneurship. **In 2008, the number had grown to 5,000.**

Older generations have focused on their business, often their lone lifetime business, and sought advice from mostly unpaid peers. In contrast, the educational opportunities available now may lead newer entrepreneurs to be more prone to “boomerang exits,” building and selling multiple companies during their lifetime.

“While Baby Boomers generally expect to take a long time to be good at running their business, Millennials have looked at their educational background as evidence that they can run towards wealth in their entrepreneurial careers,” says Joe Strazzeri, Esq., CEPA. “It’s given them the expectation of being impactful quickly.”

This quick-impact philosophy means that **Millennials are more likely to adopt the Value Acceleration Methodology**, which calls for 90-day sprints to meet goals that align with one- and three-year strategies. And because they must learn quickly under this methodology, Renee Russo, CEPA, says it feeds Millennials’ desire to be independent learners.

“Millennials have a sense of urgency around getting results,” says Russo. “Millennials grew up with both parents working, and some lacked a sense of rules and structure at home because of that. Using business systems allows them to feel in control, and they’re not afraid of the speed those systems call for because they’ve experienced rapid change their entire life.”





The Exit Planning Institute® was founded in 2005, and the Certified Exit Planning Advisor (CEPA®) credentialing program was launched in 2007. The CEPA credential relates to the technical skills of advisors who work with business owners. EPI is committed to providing the best exit planning content in the industry, ongoing practice support for advisors, and connectivity to business owners. CEPA is the fastest-growing and most widely accepted exit planning credential in the world.

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