

Family Businesses and Firms in Canada

Bowen Wang

ABSTRACT

Family ownership is prevalent worldwide. Family businesses have both advantages and disadvantages. However, few studies have been conducted with regard to Canadian family firms and their performance. This paper identifies all the family-owned firms listed on the S&P/TSX Composite Index between 1998 and 2010. We find that Canadian family firms constitute 25% of all the companies listed on the TSX. Ownership and management structure and family involvement of these firms will be discussed. A large proportion of Canadian family firms use dual-class shares to maintain control while acquiring public equity from outside. A brief history and development of this structure enable us to gain more insight into Canadian family companies' ways of control.