2024 Executive Summary
The Wharton Family Office Survey
The Wharton 2024 Family Office Survey is one in a series of reports from the Wharton Global Family Alliance. The detailed 2024 report regarding the findings of the survey is distributed exclusively to Family Offices that completed the survey. This summary of the Wharton 2024 Family Office Survey is presented to share more widely some of the insights gained on current practices of Family Offices around the world. This is the seventh detailed survey undertaken by the Wharton Global Family Alliance in order to develop a better understanding of the performance drivers of Family Offices, and to share that emerging knowledge with participating families in a manner that preserves anonymity and confidentiality.
Established in 2004, the Wharton Global Family Alliance (WGFA) is a unique academic-family business partnership established to create and disseminate actionable knowledge that is helpful, timely, and important to substantial families and to their businesses through:

1. Research (creating cutting edge research and publishing it in academic and practitioner journals).

2. Teaching (to convey knowledge across generations through a range of degree and non-degree customized executive programs).

3. Outreach to bring influential global families together to discuss mutual interests and problems as well as share best practices.

The WGFA provides a forum for global families that control substantial enterprises and/or resources to engage with leading faculty researchers at the Wharton School at the University of Pennsylvania. WGFA researchers focus on key issues affecting substantial families, their family businesses, and their related entities such as the family office and the family foundation, combining two highly credible and complementary sources of insight – the practical expertise of highly successful global families and rigorous scholarly analysis from Wharton researchers.
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The Wharton 2024 Family Office Survey

The online survey instrument was developed and distributed in Q1 2024 both directly to Family Offices and through a select number of firms who have Family Office clients. Survey respondents are from 21 countries spread across North and South America, Europe, the Middle East, Asia and Australia.

The survey includes the following 12 sections

A. Demographic Information
B. Asset Management
C. Costs
D. Risk and Return Measurements
E. Governance, Control and Fiduciary
F. Documentation and Policies
G. Processes
H. Communication
I. Human Capital Practices
J. Education and Succession Planning
K. Information Technology
L. Philanthropy

Each section contains a set of detailed questions on issues that are of concern to principals and managers of Family Offices. The survey was designed with a view to maintaining a balance between obtaining a high level of detailed information and ensuring that the survey’s overall length was manageable.
There are 21 countries in the 2024 sample of Family Offices. The majority (61%) are headquartered in the Americas, which includes North, Central, and South America; 18% are in Europe; and 22% are spread across the rest of the world (RoW). A more even geographic distribution of Family Office respondents would have enabled a meaningful regional comparison.

With respect to the Assets Under Management (AUM) that are managed by the Family Offices in our sample, we note that 34% have less than $500 million, 24% have between $500 million to $1 billion and 42% have greater than $1 billion.

47% of respondents are involved in operating businesses which they control or over which they exert substantial influence. 83% of family businesses are managed by one or more family members. In addition, 29% of Family Offices are embedded into the family businesses.
47% of the Family Offices in our sample serve 1-3 households, about 25% serve 4-6 households, and about 28% of the Family Offices in the sample serve more than 7 households. Close to 31% of sample Family Offices employ 4-7 professionals. Close to 26% of our sample are large Family Offices that employ over 12 professionals.

The top three asset classes in our sample: public equity, which accounts for 34%, private equity (22%), and real estate (10%). With the exception of real estate assets and principal (direct) investments which are managed in house, the management of other asset classes is outsourced to specialist managers by most Family Offices.

40% of Family Office investment management expenses are in house, 29% of investment management expenses are outsourced, and 22% of non-investment management expenses are in house with the balance of non-investment expenses outsourced.

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Financial Performance

About 45% of survey respondents reported an average of over 10% of annual actual net returns over a five-year period. No survey respondent reported negative net return over a five year period.

ESG Investment

On about 35% of sample respondents have been or plan to make ESG investments. The top three investment approaches are thematic investing (e.g., clean energy, gender equality, health care, water) (33%), integration of ESG factors into analysis (25%), and negative/exclusion-based screening (e.g., no tobacco, alcohol or weapons) (18%).

Information Technology

The technology platform of a Family Office is truly mission critical to the Family Office as it enables many of the tasks associated with financial management, custody, information consolidation and aggregation, along with client reporting. Yet, only about 50% of Family Offices have an IT disaster recovery plan in place. On average, Family Offices employ less than one FTE IT professional and few of these are Cyber security experts. This is surprising since cyber security risk has been identified as a top concern of sample respondents.
As depicted in the chart, the vast majority of investment and accounting professionals remain with the Family Office for five years or longer. As well, Family Offices reported that they invest in their human capital by funding the continuing education of their professionals. With respect to recruiting professional staff to Family Offices, survey respondents reported that headhunters and informal networks are used most frequently to recruit professionals.

### Human Capital Practice

**Accounting professionals**: 82.7%

**Investment management professionals**: 90.4%

**Legal professionals**: 45.1%

**IT professionals**: 37.3%

**Client service/Concierge services professionals**: 44.2%

### Philanthropy

About 65% of philanthropic activities are carried out through family foundations. Further, about 32% of respondents reported that the Family Office manages the family’s philanthropic activities following clear guidance and oversight from the family, while 40% of respondents reported that they are not directly involved since the family has established separate entities for philanthropic activities.