



Cohabiting Couples: A Neglected Family Form that is Important to Study in the Field of Family Business

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Abstract Cohabiting couples are a rapidly growing family form in the world today. However, this family form has not been accounted for in family business research. In this article, we examine the differences between cohabiting couples and married couples in terms of human capital, social capital, and financial capital. Moreover, we explore how these differences may impact outcomes for firms owned by cohabiting and married couples. Finally, we discuss how family business scholars can account for cohabiting couples in their research and how such research may help practitioners.

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Parejas de hecho: una estructura familiar olvidada que cobra importancia en el ámbito de la empresa familiar

Resumen Las parejas de hecho son una estructura familiar que está creciendo rápidamente en el mundo actual. Sin embargo, esta forma familiar no se ha tenido en cuenta en las investigaciones de empresa familiar. En este artículo examinamos las diferencias entre parejas que cohabitan y parejas casadas en términos de capital humano, capital social y capital financiero. Además, exploramos cómo estas diferencias pueden afectar a los resultados de las empresas propiedad de parejas casadas y parejas de hecho. Finalmente, discutimos la necesidad de considerar a las parejas de hecho como una estructura familiar en las investigaciones sobre empresa familiar, ya que pueden ayudar a comprender mejor las singularidades de estas empresas.

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1. Introduction

In the fall of 1987 at the annual banquet of the Family Firm Institute, Ivan Lansberg, the first editor of the *Family Business Review*, christened the first issue by dousing it with a bottle of champagne. Those were heady times for those launching the field of family business, for they now had their own outlet to publish their work. However, in that first issue of *Family Business Review* Lansberg wrote about a potential problem with research in the family business field. It concerned the definition of a “family business”:

[One] reason for our concern with the definition of family business relates to the conduct and application of research. Until researchers agree on what a family business is, they will find it difficult to build on each other’s work and to develop a usable knowledge base. In addition, knowing what type of organization was studied in a given project helps managers and consultants to decide whether the findings from the research are applicable to their situation (Lansberg, 1988, p. 2).

Lansberg argued that for the field to progress, family business scholars must first define the term “family business” so they could clearly interpret and build upon the research of others. Defining what constitutes a “business” has not been particularly problematic for business scholars (although there are various business forms), and when the *Family Business Review* was launched in the late 1980s, the definition of what constituted a “family” was not deemed to be problematic either. Most of those in this new field of family business seemed to hold a tacit assumption that the families that owned family businesses were, by and large, traditional, nuclear families (i.e., married father and mother with children). While the early founders of the field of family business recognized that heterogeneity in family forms did exist, this heterogeneity was generally ignored and, unfortunately, continues to largely be ignored in current family business theory and research (Dyer & Dyer, 2009; Gallo, 2021; Jaskiewicz & Dyer, 2017). Yet, family forms are more diverse today than at any time in history. In the U.S., for example, less than half of all families are traditional, nuclear families and represent even a smaller percentage in other parts of the world (Blackwell, 2010). Few studies of family businesses fully account for the variance in family forms that exist within their research samples and the impact such variance may have on how family firms function.

Today many different family forms exist (e.g., blended families, extended families, single-parent families, families headed by cohabiting, same-sex, or polygamous couples, etc.), and some are growing substantially. It should be noted that the definition of what constitutes a family is often determined by a family’s ethnic background, culture, or country of origin (Miller, 2011). Given this dynamic, we should note that many of the research studies that we cite in this article are based on data from the U.S and thus reflect a somewhat Western bias regarding families. One family form that has grown rapidly across the world over the past several decades is “cohabiting couples *with or without children*,” hereafter labeled as “cohabiting couples.” (Families headed by married couples with or without children will be labeled “married couples.”).

The purpose of this article is to discuss the rise of cohabiting couples throughout the world and provide suggestions about how this family form might be incorporated into family business research. Currently, few, if any, research studies of family businesses account for cohabiting families. Without accounting for this important family form, the field of family business will not be following Lansberg’s advice since research findings based on nuclear families or other family forms might not apply to cohabiting couples. Thus, this article contributes to the family business literature by providing a framework for incorporating cohabiting couples into family business research and positing theory regarding the impact of cohabitation on family business outcomes, particularly family capital (Dyer, 2019).

In this article, we begin by defining cohabitation and discussing the increasing importance of this family form. We then discuss how cohabitation affects human, social, financial capital in family firms as well as family business formation and continuity. We also provide propositions regarding cohabiting couples and how this family form may affect the functioning of a family business. Finally, we offer some suggestions on how research regarding cohabiting couples who own businesses might be conducted and discuss implications for how practitioners might help cohabiting couples manage their businesses.

2. The Rise of Cohabiting Couples

Nearly two decades ago, family demographers noted that cohabiting couples were quickly becoming a common family form.¹ While there are

¹ Many agencies in the U.S. such as the U.S. census designate cohabiting couples with or without children as “families.” For example, see D. L. Blackwell, “Family Structure and Children’s Health in the United States: Findings from the National Health Interview Survey, 2001-2007,” National Center for Health Statistics 10 No. 246 (2010).

certainly other family forms that we could have considered to critique in this article, we decided to focus on cohabitation since it is becoming an increasingly important family form today and is becoming one of the dominant forms of family in Europe and other parts of the world. Using the National Survey of Families and Households (NSFH) data from the U.S., [Bumpass and Lu \(2000\)](#) noted that by 1995 the percentage of women who had reported ever cohabiting had almost doubled in the preceding 15 years for women in their 40s. These trends have only continued, with recent data suggesting that in 2022 over 9 million cohabiting couples lived in the U.S. ([U.S. Census Bureau, 2022](#)). The United Nations has noted that cohabitation has grown in almost every part of the world ([United Nations, 2016](#)). Research has shown that one reason for the increase in cohabitation rates concerns negative narratives about marriage (e.g., marriage restricts your freedom, etc.)—which has led to a decrease in marriage rates worldwide—and more acceptance of cohabitation as a reasonable alternative ([Dyer, 2019](#)). “Cohabitation” is typically defined as an unmarried couple living together in an emotionally and/or sexually intimate relationship with or without children ([Dyer et al., 2014](#)). Cohabiting is most often viewed as a stepping-stone toward marriage, but some see it as an alternative to marriage. While more people in the U.S. are married than cohabit, among people ages 18 to 44 a larger percentage have cohabited at some point than have been married (59% versus 50%) ([Horowitz et al., 2019](#)). In the U.S., by 2017 over 60% of adult women reported having been in a cohabiting relationship ([Manning, 2020](#)). Moreover, a large percentage of cohabitators (54%) in the U.S. are raising children ([Pew Research Center, 2019](#)). Given the prevalence of cohabitation in some countries in Europe—for example, some estimate that nearly 40% of French couples and 50% of Swedish couples between the ages of 25 and 44 cohabit ([Population Europe, 2022](#))—studies of European family businesses very likely include cohabiting families in their samples, but we don’t know their prevalence since marital status is generally not identified by the researchers. Thus, European scholars should be particularly interested in understanding the impact of cohabitation in family firms.

Significant differences in cohabitation rates also exist among racial and ethnic groups. For example, in 2018 cohabitation rates for whites and Hispanics in the U. S. were about three times higher than Asian Americans ([Pew Research Center, 2019](#)). Moreover, the percentage of married couples varies significantly by race in the U.S. with 57% of whites being married compared to only 33% of African Americans ([Pew Research](#)

[Center, 2019](#)). Thus, based on data regarding current family forms, some countries and some racial and ethnic groups may have a significant percentage of their family businesses owned and managed by cohabiting couples.

Given the rise of cohabiting couples across the world, it would seem reasonable to account for such a family form. However, no study in the field of family business that we are aware of distinguishes between families where parents are legally married and those who are not. Some researchers have studied “copreneurs”—couples that start businesses together (e.g., [Fletcher, 2010](#); [Marshack, 1993](#); [Mason et al., 2011](#); [Muske & Fitzgerald, 2006](#))—but these studies do not critically examine the impact of these copreneurs’ marital status on their relationships and on their businesses. Copreneurs are typically defined as “husbands” and “wives” who own a business together, suggesting a nuclear family ([Fitzgerald & Muske, 2002](#)). Given the increasing number of cohabiting couples worldwide, we believe that this family form should be accounted for in family business research. Furthermore, prior research from the field of family science suggests that there are significant differences between couples that are legally married and those that cohabit (e.g., [Graff, 2019](#); [Guetto & Panichella, 2019](#); [Stanley et al., 2004](#)). Thus, when we conduct research that includes cohabiting couples as well as families where spouses are legally married, we should better understand the differences between these family forms and the likely outcomes for both types of families who own and manage a business.

3. The Impact of Cohabitation on Family Human, Social, and Financial Capital

Prior theorizing and empirical research about the impact of a family on firm performance suggests that a family’s human, social, and financial capital are keys to family business success (e.g., financial performance, managing succession) ([Dyer, 2021](#); [Dyer et al., 2014](#); [Ortiz-García et al., 2014](#); [Vazquez & Campopiano, 2023](#)). In this regard, we will examine prior research (mostly U.S. studies) which compares the human, social and financial outcomes of married couples with those who cohabit. Table 1 summarizes key differences between married and cohabiting couples in these areas.

3.1. Cohabitation and human capital

In the context of family business, human capital refers to the knowledge, skills, and labor of individuals which could be used to help family members launch or grow a family business ([Dyer, 2019](#)). The development of human capital is af-

affected by a number of factors, including individuals' physical and mental health.

Research on cohabitation indicates that cohabitation may fail to provide couples with many of the benefits that marriage can confer (Graff, 2019). When cohabiting couples are compared to married couples, cohabiters have poorer physical and mental health (Rapp & Stauder, 2020; Umberson et al., 2013; Waite, 1995), lower happiness (Stanley et al., 2004), decreased productivity at work (Korenman & Neumark, 1992), and less stability (Lillard & Waite, 1995; Musick & Michel-

more, 2018). Other studies found that children of cohabiting parents have more behavioral and emotional problems and lower school attainment than children of married parents (Brown, 2004; Bulanda & Manning, 2008; Guetto & Panichella, 2019; Marris, 2019). This negative impact on the children of cohabiting parents relative to children of married couples has implications for the future leadership of firms owned by cohabiting couples, since those children may not be as well-prepared to handle the rigors of a managerial career. Further, cohabiting couples tend

Table 1². Differences between married couples and cohabiting couples

Dimension	
Human Capital	
Family size	Married couples tend to have larger families than cohabiting couples (Pew Research Center, 2019)
Child outcomes	Children of married couples have better emotional, behavioral, and academic outcomes (Brown, 2004; Bulanda & Manning, 2008; Guetto & Panichella, 2019)
Couples' outcomes	Married couples have better physical and mental health than cohabiting couples (Rapp & Stauder, 2020; Umberson et al., 2013)
Social Capital	
Stability	Married couples stay together longer than do cohabiting couples (Lillard & Waite, 1995; Musick & Michelmore, 2018)
Interdependence	Married couples are more likely to share resources (Larson, 2001; Vitali & Fraboni, 2022)
Relationships (interaction)	Married couples have higher quality relationships than cohabiting couples and better relationships with extended family and the community (Amato & Booth, 1997; Brown et al., 2017; Waite, 1996)
Closure	Married couples define themselves as a family and have legal obligations to care for certain family members. The status of a cohabiting relationship may be more ambiguous (Brown & Manning, 2009)
Financial Capital/Assets	
Shared resources	Married couples share more financial resources than do cohabiting couples (Vitali & Fraboni, 2022)
Wealth	Married couples are wealthier than cohabiting couples (Hastings & Schneider, 2021; Kapelle & Lersch, 2020)
Inheritance rights	Married couples may find it easier to transfer assets to the next generation since their children have legal inheritance rights

² While Table 1 describes the differences between cohabiting and married couples along several dimensions, the theories that provide explanations for these differences can be found in: 1) Human capital theory, e.g., Becker (1993); 2) Social Capital theory, e.g., Nahapiet & Ghoshal (1998) and Pearson et al. (2008); 3) Transaction Cost theory, e.g., Pollak (1985) and Williamson (2013); 4) Theories pertaining to marriage and family structure, e.g., Coontz (2006) and Cherlin (2010).

to have smaller families than married couples, meaning that cohabiting couples may have less human capital to draw upon (Pew Research Center, 2019).

Recent research explores why such differences between married couples and cohabiting couples exist. Notably, scholars have examined whether cohabitation causes these differences or whether the individuals who decide to cohabit bring certain attributes to the relationship that has a negative impact. While causation is not entirely clear, it appears that in many instances the individual attributes of the individuals involved in cohabitation lead to poorer outcomes rather than the nature of the cohabiting relationship itself. For example, Perelli-Harris and Styrc (2018) found that childhood selection factors account for all the differences in mental health outcomes between married and cohabiting individuals. Similar selection effects have been noted across other human capital outcomes (Perelli-Harris et al., 2019; Rosenfeld & Roesler, 2019; Sassler & Lichter, 2020). Regardless of the cause, however, cohabiting relationships tend to be less stable, creating uncertainty and stress, which often leads to poorer outcomes for the children of cohabiting couples as well as the couple itself.

Given that prior research suggests that cohabiting couples tend to have poorer human capital than those in married relationships, we present the following proposition:

Proposition 1. *Cohabiting couples who own and manage a family business will have a disadvantage in human capital when compared to married couples.*

3.2. Cohabitation and social capital

The concept of “social capital” is core to the study of all societies and organizations (e.g., Nahapiet & Ghoshal, 1998) and was initially introduced into the family business literature by Hoffman, Hoelscher, and Sorenson (2006) and further developed by Arregle et al. (2007) and Pearson et al. (2008). In the context of a family, social capital is defined as “trusting, cooperative relationships within a family that enables it to engage in collective action” (Sorenson, 2011, p. 1).

Nahapiet and Ghoshal (1998) identify the conditions under which social capital is developed, and Pearson et al. (2008) present a model that links family relationships to the development of social capital and, ultimately, many positive outcomes for the family and the firm. Building on Nahapiet and Ghoshal (1998), Pearson et al. identify certain conditions that are required for the development of social capital in a family: (1) stability and duration of relationships, (2) interdependence (shared interests and objectives), (3) inter-

action and relationships (frequency and strength of social interactions amongst individuals), and (4) “closure” (boundaries that define who is the family and their shared interests). Research that has compared married couples with cohabiting couples along these four dimensions finds a number of differences between the two family forms. *Stability.* Cohabiting couples tend to have less stability between partners. Although cohabiters marry about 50% of the time, early research by Paul Amato on cohabitation indicated that they are 59% more likely to divorce than those couples who marry without cohabiting (Amato, 1996), and subsequent research supports Amato’s findings (Stanley & Rhoads, 2018). When compared to married couples, cohabiters end their relationships more frequently, with married couples staying together 2.5 times longer than cohabiting couples (Fagan, 2006). Transaction cost theory suggests that individuals involved in long-term, stable relationships will be more willing to invest in developing human, social, and financial capital specific to those relationships than individuals in relationships that are more transitory (see Pollak, 1985) for an extensive review on how transaction cost economics can be applied to families).

Interdependence. Cohabiters tend to have fewer shared interests and objectives than married couples. For example, cohabiting couples are less likely to pool their resources and work together to meet financial or career goals (Larson, 2001; Vitali & Fraboni, 2022). Accordingly, cohabiting couples may be more prone to act as individuals than married couples.

Interaction and Relationships. Relationships between cohabiting partners tend to be of lower quality—less satisfaction and more conflict—than relationships between married partners (Brown et al., 2017). Moreover, couples in a cohabiting relationship also tend to have poorer relationships with their parents (Amato & Booth, 1997) and are not as connected to the larger community (including in-laws, churches, etc.) as married individuals (Waite, 1996).

Closure. The idea of closure denotes a clear demarcation between those individuals that are “family” and those who are not. Cohabitation may create ambiguity along these lines where the cohabiting couple and their children may or may not see themselves as part of an enduring family. Children growing up with cohabiting parents are significantly more likely to report ambiguity around family boundaries than other children (Brown & Manning, 2009). This may result in less commitment, solidarity, and support between those who are involved in a cohabiting relationship. Such findings suggest the following proposition:

Proposition 2. *Cohabiting couples who own and manage a family business will have a disadvantage in social capital when compared to married couples.*

3.3. Cohabitation and financial capital (and other tangible assets)

As noted previously by Larson (2001) and Vitali and Fraboni (2022) cohabiting couples are less likely to pool their assets than married couples. This likely makes it more difficult to start or grow a business since pooled resources often enable family business development (Aldrich & Cliff, 2003). Cohabiting couples also tend to have less overall financial wealth and income than married couples (Hastings & Schneider, 2021; Kapelle & Lersch, 2020), and cohabiting parents make fewer financial investments in their children compared to married parents (Hastings & Schneider, 2021). Moreover, given our previous argument that cohabiting couples will tend to have less social capital than married couples (e.g., fewer connections to family and the community), cohabiting couples are likely to be at a disadvantage in acquiring resources from their social network as compared to married couples. Sam Walton got the seed money to start Walmart from his rich father-in-law. Would his father-in-law have been just as willing to provide such seed money if Sam was cohabiting with his daughter and not married? Maybe not, since Sam's father-in-law might not see Sam's relationship with his daughter as being very stable.

Race and socioeconomic status also play a role in encouraging cohabitation and thus there are selection effects related to the financial well-being of cohabiting couples. African Americans, the most economically disadvantaged group in the U.S., have the highest cohabitation rate of any racial group in the U.S. at 17% (Dyer, 2019). Asian-Americans, on the other hand, have the lowest cohabitation rate (5%), and are also a racial group that tends to be well off economically in the U.S. (Fairlie & Robb, 2008). Asian communities, in general, have strong norms against cohabitation, and also have significant resources to share when family members want to start a business or have other financial needs (Dyer, 2019; Fairlie & Robb, 2008). Individuals of lower socioeconomic status might find it to their advantage to live together and share resources in a cohabiting relationship, but also do not feel the need to be married. Moreover, cohabitation is considered to be a legitimate relationship within certain communities which encourages the practice. Thus, race and socioeconomic status also play a role in the creation of cohabiting couples and their economic outcomes.

In the U.S. and some other countries, cohabitation also brings ambiguity when it comes to inheriting resources when a partner dies or is incapacitated due to the lack of legal status for the relationship. Such ambiguity could encumber the success of a business owned by a cohabiting couple since blood family members may lay claim to a cohabitor's assets if the cohabitor does not specify who is to inherit or gain control over those assets. This leads to our third and fourth propositions:

Proposition 3. *Cohabiting couples who own and manage a family business will have a disadvantage in financial capital (and other tangible assets) when compared to married couples.*

Proposition 4. *The transfer of financial capital and other assets (e.g., ownership of the family business) from one generation to the next will be more difficult for cohabiting couples when compared to married couples.*

3.4. Two caveats to the propositions

The previous discussion of human capital, social capital, and financial capital suggests that married couples will have a comparative advantage over cohabiting couples in owning and managing a successful family business. However, there appear to be at least two important caveats, or moderators, to the four propositions.

Duration of a Relationship. The longer a cohabiting couple is in a relationship, the more similar they will be in human, social, and financial capital as compared to married couples. In other words, the longer a cohabiting couple is together, the differences between them and a married couple should begin to disappear. For example, the conditions for the development of social capital as outlined by Nahapiet and Ghoshal (1998) and Pearson et al. (2008) are more likely to be met the longer a cohabiting couple is together. This should lead to improved social capital and positive outcomes for children and others involved in the cohabiting relationship.

One example of a long-term cohabiting couple is Hollywood actors Kurt Russell and Goldie Hawn, who have been together for 40 years as of 2023 (Ogunjimi, 2022). They had one child together, while Hawn also had two children from her previous marriage to musician Bill Hudson, and Russell has a son from a previous marriage. All four of the children refer to Kurt Russell as "Pa" and see him as the primary "father figure" in their lives. They refer to themselves as a "blended family" and Russell and Hawn insist that they do not need a legal document to affirm their commitment to one another. In the case of Kurt Russell and Goldie Hawn, their "family" appears to be

similar to those families where the parents are married and may have a better relationship than many who are married.

Societal Acceptance of Cohabitation. The more a society is accepting of cohabiting couples, the fewer differences will exist between married and cohabiting couples. Soons and Kalmijn (2009) found that when countries have a larger proportion of cohabiting couples, the gap in outcomes between cohabiting and married couples becomes smaller. This institutionalization hypothesis argues that as cohabitation becomes more common and institutionalized in a country, differences between cohabiting and married couples should shrink since more couples that would have otherwise chosen to be married instead choose to cohabit. Thus, cohabiting couples in certain countries in Europe like the United Kingdom, Denmark, Sweden and France will be more likely to “look like” married couples since cohabitation is often the norm in a community, not the exception. Cultural values supporting cohabiting couples, legal, financial, or religious barriers to obtaining a divorce, and costs associated with getting married also play a role in encouraging cohabitation in a given society (Coontz, 2006; Witte, 2012).³

The research that we have presented thus far has been largely based on U.S. families. Over time, cohabitation has become more accepted in the U.S., but marriage is still the long-term relationship goal of most Americans (Willoughby, 2020; Willoughby & James, 2017). In the U.S., many couples cohabit, though cohabitation is significantly higher in many countries in Europe. However, in many countries in Asia and some in South America, cohabitation still has a strong stigma attached to it (e.g., Japan, South Korea). In summary, in societies where cohabitation is more accepted, we would likely find that cohabiting relationships, in terms of duration and quality, would be more similar to married relationships and thus result in similar outcomes.

3.5. Cohabitation and the family business

The propositions we have presented raise two important questions regarding the formation and continuity of family-owned businesses: 1) Will cohabiting couples be as likely to start businesses as married couples? And 2) If cohabiting couples start businesses will they be able to continue ownership of their firms across generations at the

same rate as married couples? We address each of these in turn.

Business Formation. Prior research suggests that social capital and shared resources among family members help facilitate the formation of family firms (Aldrich & Cliff, 2003). As argued earlier, since cohabitation is less stable than marriage it may be more difficult to develop norms of reciprocity and trust—essential ingredients for the development of family social capital (Dyer, 2019). This makes it less likely that cohabiting couples will have the social capital necessary to start and grow a business. Additionally, since cohabiting couples don’t pool their resources to the same degree that married couples do, they may be at a comparative disadvantage vis-à-vis married couples when trying to start or grow a business. Without resources from both partners, they may have more difficulty succeeding in business. Additionally, as noted previously, those in a cohabiting family form may be less likely to define themselves as a family and therefore may be less willing to share resources (Brown & Manning, 2009). Thus, entrepreneurs in cohabiting families may be less likely to receive the resources they need to start a business.

Business Continuity. Human capital, social capital, and the sharing of financial capital also have important implications for the continuation of family businesses across generations (Corona, 2021). As noted by Hastings and Schneider (2021) the children of cohabiting couples may not receive the attention and investment that they need from their parents as compared to the children of married couples. Thus, they may not be as prepared as the children of married couples to take over and manage the family business. They also tend to not have the same inheritance rights as children of married couples and therefore may be less likely to be brought into the business or take over the business when succession is needed. Additionally, a lack of family identification by cohabiting couples may weaken social capital and make it less likely that resources are shared among those in a cohabiting couple family form, making the success and continuity of a business less certain. Lower levels of pooled resources among cohabiting couples, relative to married couples, may also make it less likely that the business will continue across multiple generations.

The previous discussion suggests two additional propositions:

³ For example, the Philippines is one of only two countries (the other is the Vatican) which forbids divorce (annulment is sometimes an option). However, the Philippines has one of the higher cohabitation rates in the world among young adult women (24%). Bria. Emergence of Cohabitation in the Philippines. <https://www.bria.com.ph/articles/emergence-of-cohabitation-in-the-philippines/#:~:text=The%20rise%20in%20union%20breakup,to%2014.5%20percent%20in%202013.>

Proposition 5. *Cohabiting couples will be less likely to launch a family business than married couples.*

Proposition 6. *Cohabiting couples who own and manage a family business will be less likely than married couples to pass the business on to the next generation.*

4. Conducting Research on Cohabiting Couples and other Family Forms

The previous discussion has addressed the prevalence of cohabiting couples, the differences between cohabiting couples and married couples, and the likely outcomes for firms owned by cohabiting versus married couples. We will now turn our attention to suggesting some approaches to incorporating cohabiting couples into family business research.

In addition to empirically examining the propositions presented in this paper, there are other important research questions to explore when researching cohabiting couples. Some of these questions include:

- 1) Do cohabiting couples manage their businesses much like married couples?
- 2) What are the characteristics of cohabiting couples who are successful in founding and growing a family business?
- 3) Do family businesses managed by “committed cohabiting couples” function like those managed by married couples?
- 4) What are the dynamics of families who own businesses when some of those family members cohabit, and others do not?
- 5) Does the marital status of family owners and managers affect their power and influence as well as relationships among family members? (In certain cultures, cohabiting family members may be shunned, thus making it less likely that they would be put in a position of power in the business).
- 6) How do cohabiting couples manage succession given the fact that they are not legally married?

To answer these and other questions, we suggest that researchers initially use qualitative methods to develop “grounded theory” (De Massis & Kammerlander, 2020; Glaser & Strauss, 1967; Holton & Walsh, 2017) by conducting in-depth case studies of cohabiting couples who own and manage businesses (Dyer & Wilkins, 1991). In situations where the nature of a phenomenon is not well-known, as is the case with cohabiting couples who own businesses, a grounded theory approach is most likely to generate insights to develop good theory. Furthermore, when doing such research, we would encourage researchers to use

genograms to understand a couple’s marital status and the nature of the relationships between individuals in the cohabiting couple’s network (e.g., children, siblings, parents, etc.) (Hilburt-Davis & Dyer, 2006). Relationships in a genogram can be designated as “close,” “conflicted,” “cut-off,” “separated,” and so forth. A genogram is a useful tool to understand the dynamics of the cohabiting couple and their relationships with others. Moreover, genograms can be used to track changes in marital status and relationships over time.

In conjunction with gaining insights via a genogram, researchers should also look at the cohabiting couple’s impact on the business. In analyzing cohabitators’ businesses, researchers could examine the firm’s mission and goals, business strategy, organization structure and culture, decision-making processes, and other phenomena (see Hilburt-Davis & Dyer, 2006, for areas to study in a family business). Such research should attempt to understand the interaction between the cohabiting couple’s family dynamics and the business. By so doing, we can better understand how cohabiting couples affect the businesses they own and manage.

Comparative case studies of married couples and cohabiting couples’ businesses might follow initial in-depth case studies of cohabiting couples’ businesses (Eisenhardt, 1989). In doing so, scholars should consider contextual factors that may affect differences between cohabiting and married couples, such as education, length of the relationship, and the presence or absence of children. Historical and longitudinal case studies should also prove useful since researchers will be able to analyze the changing dynamics of a cohabiting couple and their businesses if they decide to marry, break up, or otherwise change their relationship status. We could better understand the impact of cohabitation on family capital and other family firm outcomes by studying those cohabiting couples who decide to marry. Our theory would suggest that human, social, and financial capital would be strengthened if a cohabiting couple married, increasing the probability of family continuity in the business. After conducting such case studies, researchers can then compare their findings with extant research findings on family businesses to identify important differences between cohabiting and married couples’ businesses and determine whether existing theory on family firms applies to cohabiting couples’ businesses. By engaging in such research, we are likely to find “anomalies”—surprises—that can advance the field of family business (Kuhn, 1970).

Ideally, all family business studies should account for cohabiting couples as well as other fam-

ily forms. In most studies of family businesses, certain controls are typically used: firm size, industry, percent of family ownership, etc. Researchers might account for cohabiting couples by noting the marital status of each of the principal family members in the business (e.g., single, married, cohabiting) and the family form of each key member (e.g., nuclear, blended, extended, single-parent, etc.). Further, it may be helpful to know if the founder(s) was in a cohabiting relationship when starting the business. Given that the cohabiting history of married couples has been of interest to family scholars, whether family businesses owned by married couples differ as a function of the couple cohabiting before marriage may also be an important avenue of exploration. Researchers using survey-based data should take these variables into account when designing their questionnaires.

In summary, we believe that in future studies of family businesses, researchers should control for marital status as well as family form and family history if possible. By utilizing qualitative and quantitative research methods and examining the impact of marital status and family form on various family business dynamics and outcomes, we will be able to better understand how cohabiting couples—as well as other prevalent family forms—affect family businesses.

5. Helping Cohabiting Couples in their Businesses

While the *Family Business Review* was founded to encourage a dialogue between academics and practitioners who wanted to help family firms, much of the early research published in *FBR* was conducted by practitioners. Many of these early articles describe how these consultants went about their practice to help family firms. In the case of cohabiting couples who own businesses, there is little written about how to help them, and some of the advice given to married couples who own businesses might not apply to cohabiting couples. We found one law firm in the United Kingdom, Mills and Reeve, which focuses on helping cohabiting couples make business decisions (Bailey, 2020). This law firm helps cohabiting couples experiencing the following scenarios:

- A cohabitee being brought into their partner's business, or partner's family's business, whether as a director, employee, and/or shareholder;
- The cohabiting couple's home being offered as collateral for business borrowing;
- Joint monies being invested in, or lent, to the family business;
- Inter-company transactions between each cohabitee's business.

Undoubtedly, there are also many other issues that cohabiting couples in business together need to manage over time. Family business scholars can help cohabiting couples' family firms and the practitioners that support these firms by studying the issues these firms face and generating insights with particular relevance to firms featuring this family form.

6. Conclusion

In this paper, we have argued that cohabiting couples who own and manage businesses have been neglected by the field of family business. Given their increasing prominence in today's world, we believe that family business researchers need to take them into account in their research. Using prior research from the field of family science, we have posited six propositions regarding the effects of cohabitation on human capital, social capital, and financial capital in family firms and the formation and continuity of family firms. We believe that a combination of qualitative and quantitative methods in future research will help us better understand how this family form—cohabiting couples—affects the functioning of a family business. The findings of such research should also help practitioners be better informed in the attempt to help cohabiting couples succeed in managing the challenges they face.

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