

## Navigating the crisis: an empirical analysis of Italian private family firms' performance in the aftermath of the COVID-19 pandemic

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A large, unexpected new source of uncertainty shocked the global economy in 2020 after the outbreak of the COVID-19 pandemic. We study the period before and after the pandemic's diffusion to investigate whether family involvement in firms' ownership strengthened financial performance during the crisis. Using a unique dataset that includes 18.453 Italian companies spanning from 2017 to 2022 we show through key accounting ratios that family firms outperform their nonfamily peers. Focusing specifically on private firms we expand the existing literature primarily concentrated on listed enterprises only, confirming family ownership's benefits in improving resilience to adverse economic conditions. Our findings align with theoretical expectations that first-generation family firms would present better results in facing the complexity of the external shock. Additionally, our analysis supports the thesis that family management has a positive impact when facing a disaster because of a greater emotional attachment to the firm. Considering the prevalence of family firms around the world, this study advances knowledge on how the corporate world copes with crises and contributes to broader discussions on corporate governance and entrepreneurship in unlisted organizations.