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Challengesof Financing Family Businesses: Government Policies and Initiatives (A Sample of Some Selected Businesses in Bali).

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Abstract:*Study on family businesses finances is gaining prominence ever than before and significant, though quite a few findings have attempted to shed light on the financing policies these businesses adopts regarding making investment/financing decisions. The major objective of this research study examined critically the challenges faced by family businesses in Nigeria with special reference to some selected small family businesses within Bali local government area of Taraba state. Also the study had examined government policies and other support initiatives that has really closed the financing gap experienced by small family businesses. For the purpose of this study, the author analyzed the data obtained from the survey with the use of descriptive and inferential statistics. Random sampling was used to select data from the assumed number of family business within the sampled study and varieties of trade/articles engaged in.The descriptive statistical tools adopted include tables, frequencies and percentages. However, in order to test the hypothesis, two inferential statistical tools were adopted; Analysis of Variance (ANOVA) and simple linear regression and the results interpreted therein. The study finds that some of the myriad challenges faced by family businesses are; inaccessibility to bank loans, unavailability of good collaterals, Inaccessibility to formal sources of finance amongst others. The study also reveals that government policies and other support initiatives played a substantial role in closing the finance gap experienced by family businesses in Bali metropolis-Nigeria. The study recommends the following amongst others; the government should intensify more effort on effective policies and programmes implementation and coordination to support the development and sustainability of family- owned firms. This is because sustainability of family businesses depends on adequate information/ knowledge of the characteristics and constraints of family firm owners.*

Keywords: *Family businesses, Government policies (GOP), financial challenges, financing gap*

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I. Introduction

Morris**,** Williams and Nel (1996) defines a family business as a type of business unit in which family members control both ownership and strategic decision making process. They argued that a peculiar characteristic existing between family and non-family firms is the possibility of generational transition from one generation to the next by family businesses. Nafziger, (1969) argues that family business is a component comprising of a family, mother with a married son, wife and siblings considered as a family business in Nigeria. These financial challenges facing family businesses would be discuss in more details in the literature review. Also some the pecking order and trade -off theories would be explain on why family businesses adopts certain sources of financing decision. The main objective of this research work is to examine the challenges affecting financing family businesses as well as government policies and initiatives enacted by the Nigerian government towards alleviating or closing the financing setbacks encounter by Family businesses in Nigeria with special reference to some selected small family businesses within Bali local government area of Taraba state. In addition, the study would examine whether government policies and other support initiatives can really closed the financing gap experienced by small family businesses.Study on family finances is gaining prominence ever than before and significant, though quite a few findings have attempted to shed more light on the financial policy these businesses adopts regarding making financing decisions (López-Gracia and Sánchez-Andújar, 2007).This is because in recent years smallfamily businesses which forms part of SMEs has been the bedrock for economic growth, transformation and development of any successful and sustainable nation. The path of financing as well as the life cycle of the family firm could have positive or negative impact on financing decisions.Family businesses are viable sources of employment generation, job creation opportunities, poverty alleviation, mass productivity, as well as women empowerment and involvement amongst others. Nonetheless, this could not be achieved without giving proper and urgent attention to small businesses especially family enterprises in terms of the financial backup to drive economic growth and development.Then after, the study would equally discuss some policies and initiatives crafted by the federal republic of Nigeria in addressing these financial roadblock. Lastly, this research will make some appropriate and practical recommendations.

Objectives of the study

The major objective of this study is to examine the challenges facing family businesses in Nigeria with special reference to some selected small family businesses within Bali local government area of Taraba state. However, another minor objective is to look at how government policies, initiatives and programme can actually close the financing gap experienced by family businesses.

Research questions

a. What are some of the financial challenges facing Small family businesses? Can they be overcome?
b. Can Government policies, initiatives and programme actually adequate enough to close the financing gap experienced by family businesses?

Research hypothesis

Ho1: Financial challenges does not affect small family business survival
Ho2: internal /informal sources does not significantly sustain the tempo of family businesses
H3: Government policies and other support initiatives does not have any positive impact on closing the finance gap experienced by family businesses.

Scope of the study

The scope of this study covers a small family businesses within Bali metropolis in Taraba state using a sample of two hundred (200)small family businesses.

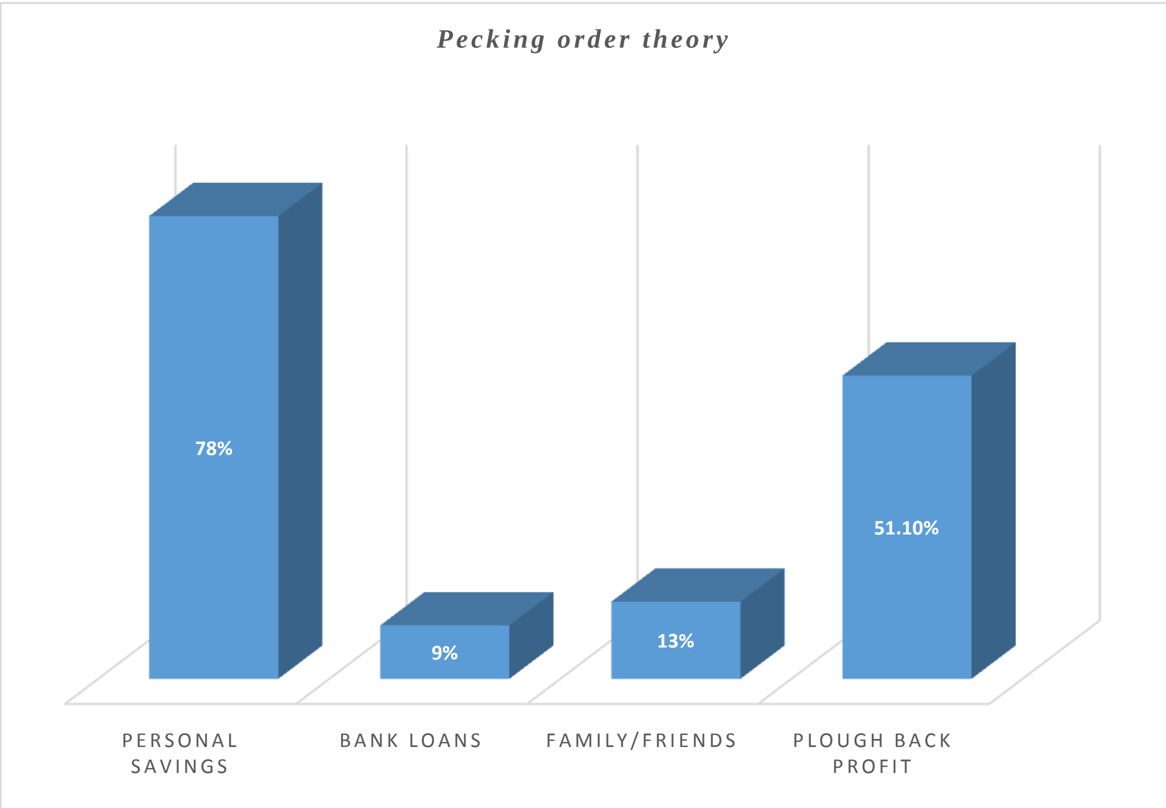
II. Literature Review

The gap in this study is that past research on family businesses generally focus mainly on large family businesses whose shares are listed in the stock exchange market. Though, this research study would dwell on small family businesses in Bali- Nigeria with special peculiarities on financing challenges and government policies (GOP). Nigeria is still an emerging country with minimal attention given to family businesses unlike developed countries like the UK, USA and China amongst others where these businesses have been for many years. According to Sanchez et al., (2007) there is no general agreement in defining family businesses by various researchers. However, various definitions are usually establish in the literature of family business review. In general terms, the following three principles or standards are normally adopted in defining family business. The first is focus on the people who practically manages the business unit and thus wield unlimited influence to key managerial decisions. While the second criteria is solely based on the real people who own the capital or fund. Nonetheless the number three criteria on family business concept likewise has been on the likelihood of passing the business venture onto the next generation understood as the readiness and willingness of family members to carry this out should the circumstance called for (Mcconaughy and Phillips, 1999). These criteria were used as a yardstick to define family businesses as seen above. Nevertheless, others researchers based the concept of family business on the business life cycle to be considered in defining a family business (Astranchan and Shankar, 2003). Commenting on the business life cycle,(Briozzo and Vigier 2012) stress that the business life cycle of the family firm could have great impact on its financing decisions. They consider a family firm if the owners and controlling stakeholders are affiliates of a one distinct family. There are three distinguishing phases in the family business lineage: the founder-owner period, the second generation stage where brothers and sisters act as associates, as well as the third generation stage whereby close kinsmen are shareholders. Typically first generation owners are assumed to be innovative and risk-takers which implies to have a positive impact on the use of debt financing. Nonetheless, these features are unnecessarily pass to succeeding generations, which are thus likely to use less debt. While Shankar and Astranchan (1996) proposed a nonstop range that is to say from high to low level. This definition happens while following a new shifting norm for defining family investment. Looking at the last dimension of family business concept other scholars based on it “three subscales that is power, experience, and culture” (F-PEC). This application was recently made by (Jackiewicz et. al, 2005).Morriset al., (1996) defines a family business as a type of business unit in which family members control both ownership and strategic decision making process. They argued that a peculiar characteristic existing between family and non-family firms is the possibility of generational transition from one generation to the next by family businesses. Nafziger, (1969) argues that family business is a component comprising of a family, mother with a married son, wife and siblings considered as a family business in Nigeria. While, Romano et al, (2001) defines a family business as a type of business having three dominant traits or characteristics: 50% of shares or more being held by a single/sole family or multiple-members of a number of families; a single family groups controlling the firm effectively and lastly a substantial percentage of top managers being drawn from the same family. The latter is in consistent with Dangote Group in Nigeria. Dangote (2013) during seminar held with Lagos business school (LBS) Dangote admits that, his family firm comprises of four directors drawn from either his parental or maternal family. Halkias et al., (2011): (Emerole 2015) support that 52% of businesses have ownership of the family firms in Nigeria and this comprises of 200 largest listed firms inAfrica countries.

Peculiar challenges facing family businesses

A major challenge faced by small family businesses is the difficulties in accessing and raising start-up capital in financing and developing their businesses (Halkias et al., 2011).According to Adisa et al., (2014) a poor track of record keeping by most businesses could be a disturbing challenge why these banks turn down or fail to grant loan facilities to businesses. Adisa et al., (2014) explains that external sources are not easy to be obtained from finance houses and financial institutions. And that eighty percent (80%) of business failure in Nigeria is as a result of poor financing decisions. Determining factors of the choice of financing include, but not limited to these factors to age of the Family businesses and stage of development in order words the life circle of the business (Adesua-Lincoln, 2011). According to Oparanma (2010); Rilwan (2015) a major challenge facing family businesses in Nigeria is the inability in accessing debt financing due to the high cost of capital. This is as a result of difficulties in obtaining loans from commercial banks and finances houses. Oparanma (2010) further affirms that lack/ poor record keeping, poor organizational structure, lack of collaterals, poor record keeping, and mismanagement of funds by owners-manager leads to business failure. Most family businesses find it challenging of differentiating personal funds from capital of the firm. This could hinder the growth and development of small family businesses. Though, there are other non-financial challenges hindering the start-up phase and growth of the family businesses. For exampleLópez-Gracia and Sánchez-Andújar (2007) explains that this could be attributed to the fear of losing control and management of the family business to external partners or bodies. This in consistent with(Mishra and Mcconaughy 1999; Abdulsaleh and Worthington, 2013) who are of the view that family owned -firms avoid external financing due to changes in ownership pattern, whereby using external equity financing could perhaps lead to total control and eventual loss of the family firm by external party. Conversely, (Romano et al., 2001) argue that family businesses that are confident about their business operations probably opt to use equity financing rather than debt financing.Adesua-Lincoln, (2011)argues that high rates of interest, avoidance of debt repayment, doubts for eligibly for the loans re-requested and the risk involved for paying as at when due. However, other financial setbacks militating against family businesses in Nigeria are the strict conditionality in providing collateral securities for obtaining bank loan, manipulation of numbers by some corrupt banks apart from high interest rates mention earlier on (Adesua-Lincoln, 2011). Though, some literature fails to explain some personal traits such as failure to repay loans as and when due why bank refuse granting bank loans to some small and medium scale businesses (Adesua-Lincoln, 2011).Sanchez et al., (2007) find out family owned business perform under optimally in comparison with non-family businesses in terms offering of its share capital via initial public offer (IPO) nonetheless not significantly. In respect to capital structure many a research show that family business owners adopt highly conventional approaches featured by a strong choice of using internal sources of financing less investment in intangible assets or properties, with lower level of debt, a high concentration of capital through one single family as well as stable or fixed ownership structure which results in not accepting the possibility of sharing control of the business management with outside parties. Morris et al., (1996) found that some small family business appears to prefer using short-term debt to finance the family business. And those family businesses were possibly to adopt debt as non-family businesses, and believes that the variation in using debt-finance could be associated with business age rather than family ownership versus non family ownership (Gallo and Vilaseca, 2004). Romano et al., cited earlier noted that another financing challenge is the use of venture capital as a source of financing family businesses. This is because from an objective perspective, it seems that the Family firm prefer control of the business other than to expand and grow. As a result of this, they tend to place a limit on the use of eternal equity financing because they desire to retain control and management of the family business. Poutzouris (2001) maintain that family businesses utilized only 2.3% of external equity and only18.2% of external loans. Conversely, Lopez-Gracia and Sanchez-Andujar (2007) observes that more established family businesses (FB's) that are on the verge to systematic dilution in their equity structure via venture capitals than other newer and fast developing family firms prefers to go initial public offer earlier so as to take an advantage of the total resources that could be attained in the stock listing.In constrast, (Gallo and Vilaseca 2004:Romano et al., 2001) assumes that family businesses avoid external partners in financing the business due to fear of losing total control of the family's enterprise. Romano et al.,(2001) and Gallo and Vilaseca (2004) cited earlier found that the expansion and size of family businesses combined with percentage of capital structure in the FB's disposal were framework or basis in determining on the kind of financing paths family businesses may embraced. They found that, family business that adopts simplify financial ethics had a very low debt ratios. Though, research made no attempt to come out with any significance differences in resource profitability or productivity.Abdulsaleh and Worthington (2013) highlight some features of using debt or short-term financing such as; having zero or absence interest rates especially in the case of trade credit, flexibility due to a firm' financing needs, lower costs of flotation than long-term loans. However, critics of this model recognized that there is higher risk attached to short-term loans than long-term loans. Moreover, weaker or newly FB's would prefer long-term loan to short-term loan because of the additional risk levels involved. Mishra and Mcconaughy (1999) noted that, ninety seven (97%) of family business seems to avoid debt financing, While thirty four point three (34.3%) says no debt other than trade payables, and another 34.2% have debt to equity levels from 1% to 25%.

Poutziouris (2000) states that family business use 51.1% as retained earnings, 17.9% as overdraft, owners' equity 14.4, external loans 6.2, and external equity .8% as all funding. Both studies confirms that, retention of earnings carry the highest proportion a as source of financing the family firm. While Halkias, Nwajiuba, Harkiolakis, and Caracatsanis, (2011) noted that forty -five (45%) relied largely on family members for financing their business, sixteen (16%) depends on personal savings, while thirty nine (39%) of sample population they conducted combined both loans from banks, government sponsorships and donations from friends, NGO's, as well as religious organizations as sources of raising finance. Adesua-Lincoln (2011) found that family businesses in Nigeria use seventy eight percent (78%) of their savings and retained profit as the primary source of financing their businesses while, nine percent (9%) used bank loans, yet thirteen percent (13%) employ loans from family members and friends. Though, they assert that dependence on owner savings decline in relation to working capital. Ou and Haynes, (2006) and Cook (2001) cited earlier states that the availability of finance has been underscored as a prime factor in the development, growth and success story of SMEs. Little wonder, there are different financing approaches employed by SMEs at different stages of the business. For example, Financing method employed by SMEs differ from initial internal sources, such as owner–manager's personal savings and retained profits/plough back profits to informal outside sources, including financial assistance from family and friends, trade credit, venture capital (VC's) and angel financiers and hence to formal external sources represented by financial intermediaries such as banks, financial institutions and securities markets (Chittenden, Hall, & Hutchinson, 1996).The pecking order theoryis display below for clarity purposes.



GOVERNMENT POLICIES AND OTHER SUPPORT INITIATIVES TOWARDS FAMILY BUSINESSES IN NIGERIA

In recent times, government institutions, agencies have gradually recognized financial challenges facing Family businesses around the world in accessing financial assistance either in their start-up phase and growth stage. The story is not different from Nigeria perspective. Like any government in the world in general, practically, the federal government of Nigeria has been actively engaging in rendering financial assistance, developing and promoting small business enterprises in Nigeria and other human skills, and technical assistance businesses in recent times. To address these financial ills, the federal republic of Nigeria embarked on urgent measures in the form of initiatives, programs and policies and credit guidelines (loans and advances) to curb this financial menace among Family firms and other SMEs (Tende, 2014). Among these are: National directorate of employment(NDE); industrial development centers(IDC); national economic reconstruction Fund (NERFUND) Nigeria agricultural cooperative and rural development banks(NACRDB); Nigeria export promotion council(NEPC); SMEDAN(Small and medium enterprise development agency of Nigeria),Family economic advancement program(FEAP); Nigeria Agricultural cooperative bank(NACB); the better life for rural women/family support program, the development of small-medium scale enterprise, the people's bank of Nigeria and the community bank (Tende 2014). Others are national economic employment development scheme (needs) state economic employment development scheme (seeds), Bank of industry (BOI) Gender empowerment market(GEM) to boost access to finance national poverty eradication (NAPEP),Subsidy reinvestment empowerment programme.

Tende (2014) argue that by means of these initiatives and programs, and particularly on presenting a viable business plan detailing investment opportunities proposals, the NDE distributed approved loans via some designated commercial banks. For example, SMEDAN was established by the small and medium industries development Act, 2003 to assist and promote micro, small and medium enterprises access to financial needs necessary for the growth, training and development of SMEs which also comprises of family businesses. Second, the agencies also set up a structured medium and small industrial enterprises sector aimed to stimulate and improves sustainable economic development of Nigeria. Instead of the examination of these policies separately in deciding their impacts on specific entrepreneurial activities the need to scrutinize entrepreneurship policies from a more tactical perspective exists. This polices take into consideration the financial requirements of the small firms operating in entrepreneurial settings. It also examines how government policies may serve as a networking mechanism between the key players throughout the various stages of a family enterprise's lifecycle.The import of these policies is to enable SMEs in accessing finances via credit guarantee credit loans/soft loans, revolving loans, factoring programs and subsidies. Others are in the form of technical skills, through skills acquisitions, assistance with information to access finances, mentoring services involving one on one counselling as well as institutionalized entrepreneurial course and development centers amongst educational institutions at all levels (Abdulsaleh and Worthington, 2013; Adisa et al., 2014). consider for example, the ministry of trade, industry and investment inaugurated launched N10 billion- youth entrepreneurship support scheme through Bank of Industry (BOI) geared towards developing youth empowerment and provision of start-up loans at concessionary interest rates of 9% with a tenor of three-five years to executive their business plans(Emejo 2016). According to Punch newspaper, Nigeria (2016), recently the central bank of Nigeria empowered the real sector with the tune of N 1.3trillion Naira.(equivalent to 256.1 billion US dollar) Emefiele, CBN Governor argues that SMEs are the engine of every economy and considering the present economic realities facing the country due to dwindling global oil prices.

III. Materials And Method

For the purpose of this study, the researcher analyzed the data obtain with descriptive and inferential statistics. The descriptive statistical tools adopted include tables, frequencies and percentages. However, in order to test the hypothesis, two inferential statistical tools were adopted; Analysis of Variance (ANOVA) and simple linear regression and the results interpreted as seen in the analysis below.

Model specification

$FING_t = F(GOP_t)$ (i)

Where;

FING = Finance gap experienced by family businesses

GOP = Government Policies.

However, equation (i) is barely a mathematical expression and can be expressed linearly as;

$$FING_t = \alpha + \beta_1 GOP_t + U_t$$

Where α and β_1 are variables coefficients which were estimated. U_t is the stochastic element representing all other unspecified influence on finance gap experienced by family businesses.

The researcher used a sample of two hundred (200) family businesses in Bali - Taraba state. Random sampling was used to select data from the number of family businesses within the target population. Random sampling according to Bryman (2012) is a process by which every member of a population has an equal chance of being selected and shows unbiased subset of the population thus also reflecting the general population.

IV. Results And Discussion

The author administered a total of 200 questionnaires in which efforts were made to ensure that a total of 194 questionnaires were returned. These were all correctly sorted out and coded accordingly for proper data editing. Descriptive and inferential statistics was carried out on the data in order to draw conclusions and inferences.

Table 4.1*Gender distribution of the respondents*

	Frequency	Percent (%)	Cumulative Percent (%)
Male	140	72.2	72.2
Female	54	27.8	100.0
Total	194	100.0	

Source: Researcher's field work – 2018

Table 4.1 shows that 72.2% of the respondents are male and that 27.8% of the respondents are female. This shows that most of the family businesses in the study area, Bali local government area are male. This analysis clearly indicates that the mainstream of the businesses are rightly owned by male counterpart as against their female counterpart within the feasibility study of the target population. This is predominantly attached to the norms, culture, and religious belief of most male counterparts where their wives remain and were view as merely housewives as against others in the domain where the survey is conducted.

Table 4.2 Distribution by age of the business of the respondents

	Frequency	Percent (%)	Cumulative Percent (%)
1 - 5 years	87	44.8	44.8
6 - 10 years	62	32.0	76.8
11 - 15 years	33	17.0	93.8
16 - 20 years	12	6.2	100.0
Total	194	100.0	

Source: Researcher's field work - 2018

The distribution of the respondents by age of business is displayed in Table 4.2. It shows that 44.8% of the respondents' business is between 1 – 5 years, 32% between 6 – 10 years, 17% between 11 – 15 years and 6.2% between 16 – 20 years. This indicates that most of the family businesses in Bali have only spent less than 10 years. The implication of this is that either more new businesses spring up within the last decade or many businesses failed and within the last decade.

Table 4.3*Distribution by nature of business*

	Frequency	Percent (%)	Cum. Percent (%)
Cosmetics/Jewelry owner	18	9.3	9.3
Electronics/Electrical materials	15	7.7	17.0
Building materials	12	6.2	23.2
Restaurants and Bar/Food Vendors	51	26.3	49.5
Drugstore owner	6	3.1	52.6
Provision/Chain stores dealer	15	7.7	60.3
Fuel station owners	3	1.5	61.9
Ready-made materials/wears	62	32.0	93.8
Bakery owner	3	1.5	95.4
Hoteling/Guest Inn	9	4.6	100.0
Total	194	100.0	

Source: Researcher's field work - 2018

Table 4.3 displayed the distribution of the respondents by the nature of their business. It showed that 9.3% of the respondents are into the cosmetic and jewelry business, 7.7% are into electronics and electrical materials, 6.2% are into the sale of building materials, 26.3% have restaurants and bar, 3.1% have drugstores, 1.5% operate fuel stations, 32% sell ready-made materials/wears, 1.5% operate bakeries and 4.6% have hotel/guest inn. This statistics shows that the family business owners in Bali operate various nature and types of business with most of them operating restaurants and ready-made materials. A good portion of them operate provision/chain stores.

Table 4.4*Distribution of respondents by educational qualifications*

	Frequency	Percent (%)	Cumulative Percent (%)
FSLC	6	3.1	3.1
SSCE	6	3.1	6.2
National Diploma	18	9.3	15.5
NCE/HNT	101	52.1	67.5
BSc./MSc.	63	32.5	100.0
Total	194	100.0	

Source: Researcher's field work - 2018

Table 4.4 shows the educational qualification of the respondents. It shows that 3.1% of the respondents have a First School Leaving Certificate, 3.1% have Senior School Leaving Certificate, 9.3% possess National Diploma, 52.1% possess NCE/HNT and 32.5% have BSc./MSc. This result indicates that most of the family business owners in Bali have advanced Level Education and 1 out of 3 possess a BSc./MSc. What this indicates is that family business operators are educated hence, they can supply the study with relevant information.

Table 4.5 *Major financial challenges facing family business*

	Frequency	Percent (%)	Cum. Percent (%)
Inaccessibility of bank loans	7	3.6	3.6
Unavailability of good collaterals	40	20.6	24.2
Inaccessibility to informal sources of finance	76	39.2	63.4
Inaccessibility to other formal sources of finance	45	23.2	86.6
Others	26	13.4	100.0
Total	194	100.0	

Source: Researcher's field work - 2018

Table 4.5 shows that 3.6% of the respondents indicated that their major financial challenge is inaccessibility of bank loans, 20.6% indicated unavailability of good collaterals. Inaccessibility to informal sources of finance is the major financial challenge of 39.2% of the respondents. 23.2% of the respondents asserted that inaccessibility to other formal sources of finance is their major challenge while 13.4% of the respondents indicated that they face other financial obstacles ranging from poor financial knowledge, poor record keeping, and poor organizational structure among others. Based on this, it can be indicated that family businesses in Bali face diverse financial challenges that influences the performance of their business operations.

Table 4.6*Can informal sources only sustain your business?*

	Frequency	Percent (%)	Cum. Percent (%)
Yes	71	36.6	98.5
No	3	1.5	100.0
Maybe	120	61.9	61.9
Total	194	100.0	

Source: Researcher's field work - 2018

Table 4.6 shows that 36.6% of the respondents indicated that informal sources of finance only can sustain their business, 1.5% indicated that it cannot and 61.9% of the respondents were indifferent about the statement. This statistics quite a significant amount of the respondents asserted that informal sources of financing small family businesscan sustain their businesses. However, most of them were undecided.

Test of hypothesis

Ho_1: internal /informal sources does not significantly sustain the tempo of family businesses

Table 4.7: ANOVA Result

	Sum of Squares	Df	Mean Squares	F	Sig
Between Groups	5.758	2	2.879	11.781	0.000
Within Groups	46.680	191	0.244		
Total	52.438	193			

ANOVA was used to examine whether internal/informal sources of finance significantly sustain the tempo of family businesses. The result as shown in Table 4.7 shows an F value of 11.781 and sig. value of 0.000 which indicates that it is significant at 1% alpha level. Hence, the null hypothesis is rejected. It can therefore be concluded that internal/informal sources of finance significantly sustain the tempo of family businesses.

Ho$_2$: Government policies and other support initiatives does not have any positive impact on closing the finance gap experienced by family businesses.

Table 4.8regression result

Variables	***B***	***T***	***P***	***F-Ratio***	***Sig,***	***R***	***R^2***	***Adj. R^2***
Intercept	0.731	5.638	0.000	52.252	0.000	0.463	0.214	0.210
GOP	0.558	7.229	0.000					

Simple linear regression was used to examine whether government policies and other support initiatives have any significant impact on closing the finance gap experienced by family businesses. The correlation coefficient between the variables is 0.463 which indicates that there is a weak positive relationship between the variables. The intercept and independent variable (government policies) are significant at 99% significant level. The overall significance of the model was measured with the F statistics which is 52.252 and a sig. value of 0.000 which indicates the model is significant at 99% level of significant. Based on this, the null hypothesis is rejected. It can therefore be concluded that government policies and other support initiatives have significant impact on closing the finance gap experienced by family businesses in Bali.

Findings of the study

i. The study finds that myriad challenges arefaced by family businesses; ranging from inaccessibility to bank loans, unavailability of good collaterals, Inaccessibility to formal sources of finance. This research supports the findings of Oparanma (2010) and Rilwan (2015) as highlighted in the literature. Nonetheless, other challenges are poor financial knowledge, poor record keeping, and poor organizational structure among others.
ii. Another major findings of the study reveals that informal sources can significantly sustain the tempo of family businesses as shown in shown in Table 4.7. This result findings is in synonymous with the pecking order theory (POT)which emphasizes the hierarchy of financing small businesses in the entrepreneurial finance literature. This research findings also support the studies of Adesua-Lincoln (2011) as highlighted in the literature review.
iii. Finally, the findings of this study shows that government policies and other support initiatives plays a significant role in closing the finance gap experienced by family businesses in Bali metropolis-Nigeria .(see table 4.8,).

V. Recommendations

Based on the above findings, the study made the following recommendations;

- ❖ Small and medium enterprise development association of Nigeria (SMEDAN) should collaborate more with the financial institutions,(Banks) micro finance banks among others on concessionary interest rates to enable access to finances by Family Businesses. This is because most commercial banks in Nigeria charges a very high lending interest rates to businesses.
- ❖ Government should do more in giving direct financial assistance to family businesses in order to enhance SMEs access to finances. Perhaps, this might close the finance gap experiencedby these small Family firms. This was seen recently in the Buhari- led administration that gives a token sum of ten thousand naira only to small businesses. This financial aid is known as *tradermoni.*
- ❖ To benefit from such financial assistance and other support initiatives from government agencies, family firms should be encouraged more and induced to register their business enterprises formally with government agencies such as the corporate affairs commission (CAC).
- ❖ The government should intensify more effort on effective policies and programmes implementation and coordination to support the development and sustainability of family- owned firms. This is because sustainability of family Firms depends critically on adequate knowledge of the characteristics and constraints of family firm owners.

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