

## **An Assessment of Pawnbroker Succession Planning**

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### **ABSTRACT**

There is no prior research on the succession planning of pawnshops, a centuries-old industry concentrated with small businesses. We use a survey conducted by the National Pawnbrokers Association of its members to examine succession planning of pawnbrokers. In the survey sample, most of pawnshop owners have identified a willing successor to take over the business and the selected successors often have desirable attributes such as experience. There are also worrisome findings. For example, several respondents indicate that they have not identified a successor because they have no one to appoint or have not given it any thought. Combined, the survey results and our analysis of “active buyers” raise several avenues of future research regarding the potential impact of such buyers on succession planning. Our study of a national survey presents first insights on succession planning efforts by pawnshop owners and thus provide another dimension to the literature on succession planning.

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## I. INTRODUCTION

The most recent U.S. Census Bureau Data Web shows that there are approximately 10,000 pawnshops. The National Pawnbrokers Association (2018) states that 85% of existing pawnshops are independently owned. Combined, the industry statistics highlight the importance of succession planning to the survival of small businesses in this industry. Nonetheless, there is no prior research regarding pawnshop succession planning.<sup>1</sup> The current study takes the first step in filling this research void by surveying small business pawnshop owners about their succession planning. Specifically, we assess which factors identified in succession planning research are relevant for the pawnbroker industry and identify a potential reason why this process may be different for pawnshops relative to other small businesses.

It is very challenging to successfully sustain a family business through multiple generations. Ward (1997) finds that only 13% of family businesses make it to the third generation. Such low percentage may be due to the fact that succession planning is a time-consuming process, in which unknowns may negate even the best-developed plans. Even though there is no fail proof approach towards succession planning, Fee (2000) posits that effective long-term planning improves the likelihood of a successful succession. Consistent with the earlier study, Ip and Jacobs (2006) state that the act of talking about succession problems “may be half the battle.” Churchill and Hatten (1987) propose that selecting a successor, providing training and development, and transferring of managerial power are at the core of a family business.

Trow (1961) asserts that it is more difficult for family firms to find outside successors. This implies that being proactive with succession planning may be particularly important for family firms. Meanwhile, business environment conditions can influence business owners’ propensity to engage in succession planning. This factor is especially applicable to the pawnshop industry since there exist large national pawnbroker chains that are able to actively pursue the acquisition of smaller pawnshops. When having trouble identifying appropriate successors, pawnshop owners may feel that they can resort to these buyers. In this case, the availability of potential “buyers in waiting” may lead pawnbroker owners to delay their succession planning. Another potential impact of these buyers in waiting is a smaller difference in succession planning of family and non-family pawnshops. Our study includes both family and non-family firms and thus allows for a preliminary examination on the differences in succession planning between the two categories of businesses.

This current study is the first to provide insights into succession planning in the pawnshop industry. Our sample is geographically diverse across 35 different states. The organizational structure of choice for pawnshops is predominantly family ownership (i.e., sole proprietorship or family partnership). The majority of our sample is between 45 to 65 years old. Multiple provisional methods of succession planning are used. The majority of pawnshop owners in our sample have identified a successor who is willing to take over the business. These successors often have experience in the pawnbroker industry and the minimum qualification of obtaining a pawn license. Family harmony serves as a prominent role in the succession planning of our sample, for owners selecting either family or non-family successors. There is also evidence that active buyers are present in the pawnshop industry. These active buyers tend to acquire pawn enterprises with five or

more locations. Research into the motivation and consequence of such discernable pattern presents a promising area of future inquiries.

The remainder of the paper proceeds as follows. Section II reviews related succession planning literature. Section III describes the data and Section IV discusses the results. Section V provides the conclusions.

## II. LITERATURE REVIEW

Succession planning research often highlights the differences between family and non-family businesses given the unique features of family firms (Ip and Jacobs, 2006). With most of pawnshops being family owned (National Pawnbrokers Association, 2018), our literature review focuses on succession planning of family businesses.

### A. Continuation Issues

The life span of a family business relies on the ability to pass it onto the next generation or an outside successor. There are many reasons for a lack of potential internal successors beyond not having children. In an analysis of family tourism and hospitality businesses, Getz and Petersen (2004) find that the barriers can include the nature of the business or the persons involved. The business nature barriers include location (often small towns), nature of work (significant contact with customers and long hours), and viability of business (limited growth due to seasonality). Barriers resulting from the persons involved include the life stage of children and parents. For example, the children already form their own career when parents start business as part of retirement/second career. When there is a lack of internal candidates, a business owner must look for potential outside successors. Trow (1961) state that it is more difficult for small family firms to attract outside successors.

### B. Other Important Factors

For family businesses, Venter et al. (2005) report the satisfaction with the succession process and the continued profitability are both influenced by the successor's willingness to take over and the relationship of the successor and owner-manager. Not surprisingly, the relationship of the successor and owner-manager is influenced by family harmony. Churchill and Halen (1987) note that family harmony is a criterion for success in family businesses. Morris et al. (1997) identify relationship problems among family members as the leading factor to breakdowns in the succession process. Furthermore, Brenes et al. (2006) report that family unity is required to improve the ability of a family business to survive a generational transition. The prior research suggests that defining guidelines for anticipated conflict and gaining objectiveness through external members be viable methods for preserving family unity.

Venter et al. (2005) find that the preparation level of the successor also has an impact on the continued profitability level of a business. Similarly, Morris et al. (1997) report that a lack of sufficient training is the second leading factor behind the issues found in the succession process.

Business owner's age is another potential factor that affects the likelihood of initiating a succession plan. McCarthy (1996) states that most financial planners under

age 50 are not concerned with succession planning of their own business. Similarly, business advisers of small business entities find that owners-managers should start addressing the succession issue in their early 50s rather than their late 50s and 60s (Martin et al., 2002).

### III. DATA

Our study uses a survey of the National Pawnbrokers Association (NPA) members across 50 states plus Washington DC.<sup>2</sup> The survey was initiated to help the association better understand its members and thus improve its membership service. In 2016, the NPA emailed all of its 798 members the invitation to participate in the survey. The questionnaires were accessed online through SurveyMonkey.com. The NPA obtained 172 responses, which are the preliminary sample of this study.

Given our primary focus on the succession planning process, we start with those providing a clear response, i.e., yes or no, to the status of the succession planning per the question of “Have you identified a successor”. Identifying a potential successor may not lead to an effective succession planning. For the respondents who have identified a successor, we further restrict to those that also answered yes to the question of “Is that person willing to take over the business”. Among the respondents with no identified successor, we exclude those that fail to provide reasons based on the question of “Why have you not identified a successor”. In addition, we exclude the respondents with inconsistent answers to survey questions. For example, one removed respondent answered “no” to the question of “Have you identified a successor” and “yes” to the question of “Is that person willing to take over the business”. Our final sample consists of 149 respondents, that is, 18.7% of invited participants. A Successor subsample is established to include the 86 respondents who have identified a viable successor. The No Successor subsample consists of the remaining 63 respondents.

### IV. RESULTS

#### A. Sample Characteristics

Table 1 shows the geographic distribution of our sample by states and by regions. Our sample locates across 35 states. Texas comprises the most participants, i.e., 10.1% of the sample. Additional states representing at least 5% of the sample are California (7.4%), Ohio (7.4%), Florida (6.0%) and Alabama (5.4%).

We follow the United States Census Bureau Maps Data to define geographic regions as Midwest, Northeast, South, and West. Our sample has a presence in all four regions while 53% of the sample locates in the South region. The West and Midwest regions have similar representation at 20.1% and 19.5%, respectively. The Northeast region consists of the least respondents at 7.4% of the sample. When examining the geographic distribution of the subsamples, we find no significant difference between them based on the Chi-Square test.

The geographic distribution of the survey responses is consistent with IBIS World Industry Report (2017) on pawnshop establishments' locations. Table 2 presents a direct comparison between geographic distributions of the sample of this study and location statistics of US establishments per IBISWorld. Specifically, IBISWorld shows that the

majority (55.3%) of pawnshop establishments are located in the South region, a relatively equal amount of establishments in the West (19.3%) and Midwest (22.7%) regions, and the least amount of establishments in the Northeast region (2.2%).

**Table 1**  
Geographic distribution of pawnshop sample

State	Number of Respondents	Percentage	State	Number of Respondents	Percentage
<i>Region: Midwest (19.5%)</i>			<i>Region: South (53.0%)</i>		
Ohio	11	7.4%	Texas	15	10.1%
Kansas	5	3.4%	Florida	9	6.0%
Illinois	3	2.0%	Alabama	8	5.4%
Indiana	3	2.0%	Georgia	7	4.7%
Michigan	3	2.0%	Maryland	6	4.0%
Missouri	2	1.3%	North Carolina	6	4.0%
Iowa	1	0.7%	Arkansas	5	3.4%
North Dakota	1	0.7%	Virginia	5	3.4%
<i>Region: West (20.1%)</i>			Kentucky	3	2.0%
California	11	7.4%	Louisiana	3	2.0%
New Mexico	5	3.4%	Mississippi	3	2.0%
Washington	5	3.4%	Oklahoma	3	2.0%
Oregon	3	2.0%	Tennessee	3	2.0%
Colorado	2	1.3%	South Carolina	2	1.3%
Utah	2	1.3%	Delaware	1	0.7%
Hawaii	1	0.7%	<i>Region: Northeast (7.4%)</i>		
Wyoming	1	0.7%	Massachusetts	4	2.7%
			New York	3	2.0%
			Maine	2	1.3%
			Connecticut	1	0.7%
			Pennsylvania	1	0.7%

**Table 2**  
Geographic distribution: IBISWorld pawnshop establishments vs. current study sample

Region	Percentage of IBISWorld Pawnshop Establishments	Percentage of Current Study Sample
South	55.3%	53.0%
West	19.3%	20.1%
Midwest	22.7%	19.5%
Northeast	2.2%	7.4%
Total	99.5%*	100.0%

\*The total percentage is calculated based on the state statistics presented in the IBISWorld report. The percentage being less than 100% is a result of the limited access to input data.

There are two potential explanations for the distribution of pawnshop establishments and the corresponding survey responses. First, IBISWorld states that pawnshop establishments are more prevalent where family income is below the national average. United States Census Bureau Current Population Report (2017) shows that

South has the lowest median family income among the four regions in 2015 and 2016. This may explain the dominate presence of pawnshops from the South region in the survey sample. Likewise, the small number of pawnshop establishments in the Northeast region may be related to the high income level of the region. Second, both our study and IBISWorld follow the United States Census Bureau (2018) geographic classifications for the definition of regions. The South region includes the most number of states while the Northeast region consists of the least number of states.

Table 3 presents demographic characteristics of the sample. Regarding the appropriate age for succession planning, Martin et al. (2002) suggest that business owners start the process before entering late 50s. Following the prior study, we use age 55 as the cutoff point and identify the sample respondents in two age categories, younger than 55 and 55 and older. Our sample has a balanced age distribution. Specifically, 49.0% of our sample is younger than 55 while 51.0% is 55 and older. We also observe that our sample is predominantly male pawnshop owners (85.9%). Combining the two demographic characteristics allows us to further explore the gender difference in our sample. More female respondents in our sample are younger than 55 while more male respondents are 55 and older. The Chi-square test shows the p-value of 0.0805, suggesting a marginally significant difference in the age distribution of male and female respondents.

**Table 3**  
Demographics of pawnshop sample

Gender	Age Category		Total
	Younger than 55	55 and Older	
Female	14	7	21
	9.4%	4.7%	14.1%
Male	59	69	128
	39.4%	46.3%	85.9%
Total	73	76	149
	49.0%	51.0%	100.0%

We reclassify the two age categories by 10-year age groups, i.e., 25 to 34, 35 to 44, 45 to 54, 55 to 64, and 65 and older. There is a clustering of respondents within ten years of age 55, with 34.2% of the sample being 45-54 and 33.6% being 55-64. Both Successor and No Successor subsamples have such age distribution, with no significant difference based on the Chi-square test. In the examination of each gender, the largest age grouping for male respondents is 55-64 (30.9% of the sample) while the largest age grouping for females is slightly younger at 45-54 (6.7% of the sample).

Research on succession planning often distinguishes between family and non-family firms. Table 4 presents business types of our sample. We define a business as being family owned when the respondent identified his/her business as either a sole proprietorship or a family partnership. The majority of our sample is family owned (73.8%). Both subsamples consist of mainly family businesses. The Chi-square test shows no significant difference in the composition of the Successor and No Successor subsamples in terms of business types. Therefore, similar to age, business type is not a determining factor in the succession planning process of pawnshops. The result highlights the difference between pawnshops and other businesses.

**Table 4**  
Business type of pawnshop sample

Business Type	Subsample		Total
	Successor	No Successor	
Non-Family	27 18.1%	12 8.1%	39 26.2%
Family	59 39.6%	51 34.2%	110 73.8%
Total	86 57.7%	63 42.3%	149 100.0%

A business is family owned if the survey participant selected either the sole owner or family partnership when responding the questions on business type. All other respondents are classified as the owners of a non-family business.

**Table 5**  
Succession provisions used by the successor subsample

Provision Type	The Usage of the Provision Type		Total
	Exclusive Provision	Multiple Provisions	
A Will	10 17.9%	0 0.0%	10 17.9%
A Living Will	1 1.8%	2 3.6%	3 5.4%
A Power of Attorney	0 0.0%	3 5.4%	3 5.4%
A Trust	11 19.6%	8 14.3%	19 33.9%
A Document that Outlines Steps to be Taken if Unable to Run the Business	10 17.9%	11 19.6%	21 37.5%
Total	32 57.1%	24 42.9%	56 100.0%

## B. Successor Subsample

We examine the Successor subsample to obtain a clear picture of pawnshop owners' succession planning. Multiple mechanisms are available for business owners to make provisions for future succession. The NPA survey included five types of succession provisions, a "Will", a "Living Will", a "Power of Attorney", a "Trust" and a "document that outlines steps to be taken if unable to run business". Table 5 reports how the survey respondents utilize the succession provisions in the planning process. In the Successor subsample, 56 of 86 (65.1%) respondents with a willing successor have formalized their succession plans by using at least one type of provisions. As shown in Table 5, 32 respondents exclusively use a single type of succession planning provisions. Among the exclusive mechanisms, the frequently used types include a trust, a will, and a document that outlines steps to be taken if unable to run the business. At the same time, the will is the only provision type used by itself while other listed types are included in various combinations. Among the 24 respondents using a combination of provisional types,

majority of them tend to include a document outlining steps to be taken if unable to run the business and/or a trust in their succession provisions.

We are also interested in the experience/training of the identified successors. Based on the untabulated results, 80 (93.0%) of the Successor subsample respondents indicated that their successor has pawnbrokering experience. Among them, 47 respondents provided the information about the extent of experience/training that the successors have received. Table 6 summarizes the experience level of identified successors by business type. We find that 87.2% of the respondents indicated that the identified successors have the experience of more than three years. In addition, Table 6 shows that the owners of both family and non-family businesses prefer the successors with multiple years of experience. The result is consistent with our previous finding that the business type is not a significant factor of pawnshops' succession planning.

**Table 6**  
Experience level of identified successors by business type

Experience Level	Business Type		Total
	Non-Family	Family	
Less Than 1 Year	1 2.1%	1 2.1%	2 4.3%
1 to 3 Years	2 4.3%	2 4.3%	4 8.5%
More than 3 Years	14 29.8%	27 57.5%	41 87.2%
Total	17 36.2%	30 63.8%	47 100.0%

Beyond the experience level, pawnshop owners consider professional background/licensing when selecting their successors. As pawnshops involve in a wide range of products and services, they are subject to multiple areas of regulation, e.g., on financing on pawned materials and on firearms held for sale. Thus, various licenses and/or professional education are required for running a pawnshop. As reported in Panel A of Table 7, pawnshop owners seem to recognize the importance of successors being licensed in the appropriate state and/or local governmental units. Among 83 identified successors with details on their qualifications, over 95% have the minimum qualifications, i.e., with a pawn license and/or a Federal Firearms License. In addition, at least 80% have the adequate number of continuing education hours and access to required financial resources. Panel B of Table 7 summarizes the number of qualifications identified successors have. All successors have at least two qualifications and most have all four qualifications. As shown in both panels of Table 7, family and non-family pawnshops have similar requirements on the successors.

Family harmony is important in the success of a family business (e.g., Churchill and Halen (1987)). Given that pawnshops are predominantly family owned, we focus on the role of family harmony in the succession planning of pawnshops. Specifically, we looked at the question on the relationship between family members and the identified successor. As some pawnshops are not family owned, the examination helps increase the understanding of whether family harmony is relevant to non-family businesses. Table 8 provides the results of this question by business type for the 82 respondents in the Successor subsample who answered this question. With 98.8% of the respondents stating

a harmonic relationship, it appears that they have given the issue a careful consideration in identifying their successors. Further, this result is not solely the product of being a family firm. All of the non-family pawnshops also indicated the presence of family harmony.

**Table 7**  
Qualifications of identified successors

Panel A Qualification Type Obtained by Identified Successors

Qualification Type	Business Type		Total
	Non-Family	Family	
Pawn License	27 32.5%	55 66.3%	82 98.8%
Financial Resources	26 31.3%	52 62.7%	78 94.0%
Firearms License	25 30.1%	54 65.1%	79 95.2%
Continuing Education	22 26.5%	45 54.2%	67 80.7%
Total	27 32.5%	56 67.5%	83 100.0%

Panel B: The number of Qualifications obtained by Identified Successors

Number of Qualifications	Business Type		Total
	Non-Family	Family	
2	0 0.0%	3 3.6%	3 3.6%
3	8 9.6%	12 14.5%	20 24.1%
4	19 22.9%	41 49.4%	60 72.3%
Total	27 32.5%	56 67.5%	83 100.0%

**Table 8**  
Relationship between family members and the identified successor

Family Harmony	Business Type		Total
	Non-Family	Family	
No	0 0.0%	1 1.2%	1 1.2%
Yes	21 25.6%	60 73.2%	81 98.8%
Total	21 25.6%	61 74.4%	82 100.0%

**C. No Successor Subsample**

Now we explore the reasons for not selecting a successor by examining the No Successor subsample. Table 9 reports that 24 (38.1%) of the 63 respondents in the No Successor subsample have no one to appoint. This highlights the need to educate pawnshop owners

on expanding their views of succession planning beyond the traditional sense of passing the business onto a younger generation. That is, if pawnshop owners do not have family members to pass their business onto, they still should be mindful of the factors identified by Hawkey (2002) that can help maximize their business value when selling to an outside party. These factors include improving gross margins, reducing spending on non-essential items, and adequately trained staff.

**Table 9**  
Reasons for not identifying a successor

Reason	Number of Respondents	Percentage of the Subsample
"I have no one to appoint"	24	38.1%
"I haven't given it any thought"	23	36.5%
"I haven't decided between potential successors"	16	25.4%
Total	63	100.0%

Another 23 (36.5%) of the No Successor subsample have given no thought to his/her successor. This result shows the importance of initiating the succession planning process, consistent with Ip and Jacobs' (2006) assertion that just talking about succession is half the battle. The remaining 16 (25.4%) respondents indicated that they have not decided between potential successors. These respondents may appear to be in a better position. However, it is important to pinpoint the underlying issues. For instance, such indecisiveness delays/impairs the training of the eventual heir and thus creates problems during the succession process (Morris et al., 1997).

#### **D. The Existence of National Pawnbroker Chains**

The NPA survey concluded with an open question to obtain additional comments from the respondents. One respondent mentioned that the chain stores have contacted him/her multiple times about selling the business. This highlights a unique aspect of the pawn industry and the need for better understanding the scope of such acquisitions.

When large national pawnbroker chains are actively pursuing acquisitions of smaller pawnshops, pawnshop owners or their heirs may feel they will not have troubles finding a potential buyer for their businesses. Thus, with a buyer in waiting, pawnshop owners may be less motivated to initiate the succession planning process. The existence of such active buyers may also mitigate the difference in the succession planning of family and non-family pawnshops. That is, pawnbrokers may be less susceptible to the Trow (1961) assertion that it is more difficult for family businesses to find outside successors.

To explore acquisition engagements of national pawnbroker chains, we first identify the two pawnshop chains that are currently publicly traded: EZCORP, Inc. and First Cash Financial Services, Inc. For each firm, we obtain from S&P Capital IQ the mergers and acquisitions data during a ten-year period from March 7, 2008 through March 6, 2018. Table 10 summarizes the pawnshop chains' acquisitions with a specified number of stores in US.<sup>3</sup> The two pawnshop chains acquired 240 stores in 19 acquisition transactions. Among them, 16 transactions involve five or more stores. Each transaction tends to involve multiple stores in a region.

**Table 10**  
Mergers and acquisitions by publicly traded pawnshop chains from March 7, 2008 to March 6, 2018

Close Date	Target	Number of Stores
Panel A: Acquisitions of EZCORP, Inc.		
August 17, 2015	Multiple stores in United States	13
February 19, 2015	Multiple stores in United States	12
December 20, 2012	USA Pawn and Jewelry Co LLC	12
April 13, 2012	Multiple stores in the Minneapolis Metropolitan area	9
November 4, 2011	Moneymartpawn.com, Inc. (multiple stores in San Antonio)	15
May 5, 2011	Jumping Jack Cash Utah, LLC (multiple stores in Utah)	7
June 23, 2010	Multiple stores in Chicago	5
June 8, 2010	Multiple stores in Central and South Florida	8
November 13, 2008	Multiple store in Las Vegas and Henderson	11
	Total Number of Acquired Stores	92
Panel B: Acquisitions of First Cash Financial Services Inc.		
June 16, 2015	Multiple stores in North Carolina and one store in Virginia	25
October 31, 2014	Multiple stores in Southeastern U.S.	15
August 27, 2014	Multiple stores in Texas	4
August 25, 2014	Cash America International, Inc. (multiple stores in Mexico and Colorado)	52
December 31, 2013	A chain of multiple stores	12
June 15, 2012	Mister Money Holdings, Inc., (a chain of multiple stores)	24
March 12, 2012	Multiple stores in Dallas area	3
November 30, 2011	Multiple stores in Indiana	5
February 28, 2011	Multiple stores in Indiana and Missouri	6
June 17, 2009	Multiple stores in Dallas	2
	Total Number of Acquired Stores	148

There are two plausible reasons behind the propensity of large chains to acquire multiple stores in each transaction. First, such preference may link to the large chain's effort to maximize the benefits by leveraging acquisition costs across multiple locations and building its regional presence as a part of the national network. If this is the dominate factor, small pawnshop owners should not count on active buyers to be an alternative to succession planning. Second, the large chain's multiple-store acquisitions may reflect small pawn owners' aversion to "selling out" to a chain store. In this case, succession planning is still of great importance to small pawnshop owners. That is, the value offered by large chain stores may be significantly less than what could have been achieved through succession planning. The acquisition activity in the pawn industry presents open questions that deserve future research.

## V. CONCLUSIONS

Our study is the first research endeavor of succession planning in the pawnshop industry. We examine a sample of 149 NPA members from 35 different states. Of the pawnbrokers,

57.7% have identified successors who are willing to take over the business. When the pawnbrokers with successors select a single type of succession planning provision, they tend to consider establishing trusts, wills, or a document detailing the steps to be taken if the owner is unable to run the business. If using a combination of various provisions, the pawnshop owner prefer to include the document detailing steps to be taken if the owner is unable to run the business. Regarding the successors, the selected candidates generally have more than three years of experience as well as necessary licenses, financial resources and continuing education. It is also important to have a harmony between the successors and family members of pawnshop owners. These results hold for both family and non-family pawnshop. For those who have not yet identified a willing successor, the reasons commonly mentioned are a lack of a candidate or consideration to succession planning. This result highlights the urgency to raise the awareness of succession planning in the pawnshop industry.

We also investigate the acquisition activity of publicly traded pawnshop chains during the past ten years. Here we observe that the active buyers in the market tend to acquire multiple stores in a region at one time. This result suggests that the existence of active buyers affects small pawn owners' succession planning ties to the driving factor of large chains' acquisition decisions. A promising avenue for future research is to explore whether the presence of active buyers influences pawnshop owners' perception of succession. Sales of small business to active buyers could also be analyzed for potential added value due to the presence (versus absence) of succession planning. In addition, small pawnshop owners may resent larger organizations in the industry and hence never consider selling to them. Another factor that may be of interest in future research is the level of friction between small pawnshop owners and active large buyers.

#### ENDNOTES

1. Prior research on pawnbrokers focuses on factors influencing the geographic disbursement of their locations (Caskey, 1991; Shackman and Tenney, 2006), variations in the readability of their state regulations (Miller et al., 2018), and characteristics of their customers (Johnson and Johnson, 1998; Bos et al., 2012).
2. The NPA granted us the permission to access the survey results for further analysis.
3. We excluded from Table 10 the transactions involving exclusively non-U.S. locations. Also excluded are the transactions where multiple locations were acquired without specifying the exact number of stores.

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