

The Myth of the “Friends & Family Discount” in Small Business

Why Supporting Small Businesses Means Paying Full Value

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Abstract

Small business owners are frequently placed in an uncomfortable position: the expectation that personal relationships should translate into discounted pricing. This white paper challenges that assumption and reframes what it truly means to “support” a small business. By examining the economic, community, and value-creation roles of small enterprises, we argue that paying full price is not a lack of loyalty—it is the purest form of it.

Introduction: A Common Question with a Flawed Premise

I’ve been asked several times recently:

“Since you know the business owner, shouldn’t you get—or expect—a discount?”

My answer is always a clear and immediate **no**.

The premise behind the question is understandable but misguided. It assumes that proximity to the business owner reduces the value of the product or service being offered. In reality, the opposite is true. Knowing the owner often means understanding exactly how much effort, risk, and responsibility sits behind the price.

What It Really Means to Support a Small Business

When you support a small business, you are not simply purchasing a product or service. You are contributing to:

- **Local job creation**
- **Regional economic stability**
- **Community identity and continuity**
- **Entrepreneurial risk-taking**

Small businesses are not faceless entities. They are built by individuals who invest capital, time, reputation, and personal sacrifice to serve others.

A discount, when expected rather than offered, undermines this reality.

A Personal Reflection: Wearing Both Hats

This question naturally caused me to reflect on my own work.

While Educo Advisor Group is affiliated with **LPL Financial**, a publicly traded firm, **Educo Advisor Group** is the small business.

We are the ones:

- Creating jobs locally
- Building a professional community
- Investing back into our region
- Taking on the responsibility of serving clients well

The affiliation provides infrastructure and scale—but the business itself is very much local, personal, and human.

Turning the Question Around

The most clarifying exercise is reversal.

If a fellow small business owner came to me and asked:

“Since you know me, can I get a discount on your services?”

My answer would again be a resounding **no**.

Not out of arrogance—but out of respect for the value being created.

Value Creation Is Not a Favor

Whether a business sells:

- A **product** (food, clothing, equipment, art), or
- A **service** (financial advice, legal counsel, consulting, healthcare)

...the underlying principle is the same:

Value creation is not a favor.

Small business owners price their offerings to:

- Sustain operations
- Pay employees fairly
- Reinvest in growth
- Deliver consistent, high-quality outcomes

When value is present, compensation should be expected—not negotiated away through social pressure.

Why Discounts Can Be Harmful

Unspoken or implied discount expectations can:

- Devalue the professional expertise of the owner
- Create resentment instead of goodwill
- Undermine long-term sustainability
- Blur the line between personal and professional relationships

Ironically, those who ask for discounts often believe they are being supportive—when, in fact, they are doing the opposite.

The Truest Form of Support

The most meaningful ways to support a small business are simple:

- Pay full price, willingly and proudly
- Refer others who value quality
- Advocate publicly for the business
- Respect the professionalism of the relationship

Paying full value says:

“I believe in what you do, and I want you to continue doing it.”

Conclusion: Respect Is the Real Currency

Small businesses are engines of opportunity, community, and innovation. When we reduce them to “friends who should give discounts,” we miss their true contribution.

Supporting small business means respecting the value they create—without expectation, without negotiation, and without apology.

That respect, far more than any discount, is what keeps small businesses alive and thriving.

About Educo Advisor Group

Educo Advisor Group is an independent wealth-management and financial-planning firm committed to helping individuals, families, and business owners make confident, informed decisions. Our mission is to **Educate, Communicate, and Guide**—creating clarity and value at every stage of life.

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