

## **SMALL BUSINESS SIZE STANDARDS (Details at [www.sba.gov](http://www.sba.gov))**

Size guidelines define the maximum size that a firm (including its affiliates) can be to qualify as a small business for most SBA programs.

Size standards usually are a measure of a business's number of employees or its average annual receipts.

Based on those criteria, the SBA has established the following common standards for a small business, depending on its North American Industry Classification System (NAICS) code:

- 500 employees for most manufacturing and mining industries, and
- \$7 million in average annual receipts for most non-manufacturing industries.

There are many exceptions, but these are the primary size standards for most industries. For complete information on size standards, see the SBA's Small Business Size Regulations (13 CFR Part 121) or the Table of Small Business Size Standards.

### **Size Standards for principal NAICS Sectors**

#### **Construction**

- General building and heavy construction contractors: \$33.5 million
- Special trade construction contractors: \$14 million
- Land subdivision: \$7 million
- Dredging: \$20 million

#### **Manufacturing**

- About 75 percent of the manufacturing industries: 500 employees
- A small number of industries: 1,500 employees
- The balance: either 750 or 1,000 employees

#### **Mining**

- All mining industries, except mining services: 500 employees

#### **Retail Trade**

- Most retail trade industries: \$7 million
- A few (such as grocery stores, department stores, motor vehicle dealers and electrical appliance dealers) have higher size standards, but none above \$35.5 million (or 200 employees for New Car Dealers only).
- Retail Trade NAICS codes and their size standards do not apply to Federal procurement of supplies. For Federal contracts set aside for small businesses a concern that supplies a product it did not manufacture (which is what a retailer would do) is a "nonmanufacturer." To qualify as small for Federal government contracting, a nonmanufacturer must: 1) have 500 or fewer employees; 2) be primarily in the wholesale or retail trade and normally sell the type of the item(s) being supplied; 3) take ownership or possession of the item(s) with its personnel, equipment or facilities in a manner consistent with industry practice; and 4) supply the end item of a United States small business manufacturer, processor or producer or obtain a waiver of such requirement pursuant to SBA's regulations. This is called the "nonmanufacturer rule." This rule does not apply to supply contracts of \$25,000 or less that are processed under Simplified Acquisition Procedures.
- For SBA's financial assistance and other Federal programs the Retail Trade size standards apply.

#### **Services**

- Most common: \$7 million
- Computer programming, data processing and systems design: \$25.5 million

- Engineering and architectural services and a few other industries have different size standards
- The highest annual-receipts size standard in any service industry: \$35.5 million

#### **Wholesale Trade**

- For loans and all other Federal government programs: 100 employees is the size standard for all wholesale trade industries.
- However, for Federal contracts set aside for small businesses a concern that supplies a product it did not manufacture is a “nonmanufacturer.” To qualify as small for Federal government contracting, a nonmanufacturer must: 1) have 500 or fewer employees; 2) be primarily in the wholesale or retail trade and normally sell the type of item being supplied; 3) take ownership or possession of the item(s) with its personnel, equipment or facilities in a manner consistent with industry practice; and 4) supply the end item of a United States small business manufacturer, processor or producer or obtain a waiver of such requirement pursuant to SBA’s regulations. This is called the “nonmanufacturer rule.” This rule does not apply to supply contracts of \$25,000 or less that are processed under Simplified Acquisition Procedures.

#### **Other NAICS Sectors and Industries**

- Other NAICS Sectors include Agriculture; Transportation and Warehousing; Information (such as telecommunications); Utilities; and Finance, Insurance and Real Estate.

Because of a wide variation in the structure of industries in these Sectors, there is no common size standard pattern.