

FEDCON Concerned about New SBA Guidelines on Behalf of Contractors

FEDCON is concerned that new SBA guidelines could give to many entities access to small business benefits

TAMPA, FL, UNITED STATES, August 27, 2026 /EINPresswire.com/ -- There are concerns about the new changes to small business size standards that the U.S. Small Business Administration has proposed. [FEDCON](https://FEDCON.com), which can be found at FEDCON.com, is worried that these changes will hurt traditional small businesses. The changes, which were published on August 20, 2026, would completely change how the agency decides what a small business is. This would affect all federal contractors and change the way they compete with each other. The main concern is that the changes will make it harder for small businesses to get federal contracts, which are crucial for their survival. If the changes go through, it could mean that smaller businesses will have a harder time competing with bigger ones, which could lead to them losing out on important opportunities. This could have a big impact on the economy as a whole.



FEDCON

FEDCON, No Nonsense Contract Consulting



Marina Nicola | Project Coordinator

The SBA's comprehensive rewrite aims to simplify the system by consolidating nearly 1,000 industry-specific size standards into 338 standards based on broader four- and five-digit North American Industry Classification System (NAICS) codes. The proposal also defaults to employee-based standards for many industries—shifting 64 sectors away from revenue-based metrics—and eliminates historical maximum size caps alongside all 18 subindustry exceptions.

Under the new methodology, the SBA estimates a net increase of approximately 114,500 newly eligible small businesses. This influx includes roughly 37,000 mid-sized firms that held more than \$71 billion in federal contracts during the 2025 fiscal year. FEDCON emphasizes that while this

change eliminates the growth penalties often faced by mid-sized businesses outgrowing current thresholds, it simultaneously floods small business set-aside pools with much larger, highly experienced competitors.

With the removal of absolute ceilings, such as the previous \$47 million revenue cap for certain services, size thresholds in professional services, information technology, engineering, and logistics will rise dramatically. In some instances, multibillion-dollar public companies with low employee counts could qualify as small businesses. FEDCON cautions that this structural shift places traditionally small enterprises at a distinct disadvantage, as they will now be forced to compete against highly resourced firms for the same limited set-aside contracts.

When it comes to small businesses, there's a real concern that if the pool of eligible companies gets too watered down, it could squeeze profit margins and make it super tough for smaller contractors to land federal contracts. The whole point of federal set-aside programs was to give emerging businesses a fair shot by shielding them from direct competition with big corporations. But if we start broadening the definition of what constitutes a small business, it could end up backfiring and crowding out the very businesses these programs were designed to protect. This could have serious consequences, like limiting the ability of small businesses to grow and thrive, and ultimately undermining the effectiveness of these set-aside programs. By diluting the pool of eligible businesses, we risk creating a situation where smaller contractors are forced to compete with larger, more established companies, which could lead to a decline in innovation and competition in the federal contracting space.

The Federal Contracting Committee is urging all companies that work with the federal government to take a close look at the proposed changes. They should compare their current sales and employee numbers to the new rules. It's crucial for businesses that rely on special contracts set aside by the government to identify new competitors and think about how these changes might affect their plans for teaming up with other companies and meeting government goals. By doing this, they can get ready for what's coming and make smart decisions about their future. This will help them stay competitive and make the most of the opportunities available to them.

The Small Business Administration is now taking comments from the public on a proposed rule and a new way to determine size standards, and this will be open until September 21, 2026. FEDCON is encouraging all small businesses that work with the federal government to take part in this comment process and speak up for policies that truly help small businesses. By sharing their thoughts and opinions, small businesses can help shape the rules and make sure they have a fair chance to succeed in the federal contracting sector. This is a great opportunity for small businesses to make their voices heard and advocate for what they need to thrive.

To get more information on following the rules for federal contracts and to keep up with changes in regulations, go to [FEDCON.com](https://www.fedcon.com).

Marina Nicola
Federal Endowment Directing Consultants, LLC
+1 855-233-3266

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Instagram](#)

[YouTube](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/937419293>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.