

SBA Proposal Raises Concerns About Expanding Small Business Benefits to Large Corporations

Trump administration proposal would allow large corporations to receive small business benefits

SAN FRANCISCO, CA, UNITED STATES, October 8, 2026 /EINPresswire.com/ -- A new proposal from the Trump administration's Small Business Administration could allow companies with hundreds of millions of dollars in annual revenue to qualify as "small businesses" when competing for federal contracts.



The proposal would consolidate nearly 1,000 North American Industry Classification System (NAICS) codes into 338 broader industry groups and raise the revenue and employee limits used to determine which companies qualify as small.

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In some industries, the increases are substantial.

Management consulting firms, for example, could qualify as small businesses with annual revenues of up to \$295 million, compared with the current \$24.5 million limit —an increase of more than 1,100%. In semiconductor manufacturing, the employee limit would increase from 1,250 to 2,800.

Laura Cherry, Director of [the Don't Cheat Women Project](#), said the changes could make it harder for smaller companies to compete for federal contracts.

“Calling a company with hundreds of millions of dollars in revenue a small business changes what the definition of small business means,” Cherry said. “A company that size has resources that a truly small business simply doesn't have. That could put smaller companies, including

women- and minority-owned businesses, at a disadvantage when they compete for federal contracts.”

The proposal is also drawing attention because of the role small businesses play in the federal contracting system. The SBA was created in 1953 to support small businesses and help preserve competitive enterprise.

Critics of the proposal say raising the size limits too far could allow much larger companies to compete for opportunities designed to help smaller businesses get a foothold in the federal marketplace.

The SBA has extended the public comment period through November 20, 2026. Business owners, federal contractors and other interested parties can submit comments on the proposed changes during that period.

For small businesses, the issue comes down to a simple question: How large can a company become before it is no longer meaningfully considered a small business?

About Don't Cheat Women Project

The Don't Cheat Women Project is a national campaign advocating for economic opportunity, capital access and federal contracting opportunities for women-owned small businesses.

#DontCheatWomen #SBA

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