

Differences Between 8(a) and SDB Certifications

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Type Certification	8(a)	SDB
Certification Purpose	Focus is on socially and economically disadvantaged businesses	Focus is on socially and economically disadvantaged businesses
Burden of Proof	Black, Hispanic, Asian-American and Native Americans are presumed to be socially and economically disadvantaged. Others not in these categories must submit a claim for social and economic disadvantage.	Black, Hispanic, Asian-American and Native Americans are presumed to be socially and economically disadvantaged. Others not in these categories must submit a claim for social and economic disadvantage.
Length	9 years	12 years
Certifying Agency	SBA	SBA
Set-Aside Eligibility	Yes	No
SBA Business Opportunity Specialist Support	Yes	No
Owner Net Worth (Personal Net Worth)	Must be less than \$250,000 (upon program entry) Can reach up to \$750,000 by end of program	Must be less than \$750,000
Non-Competitive Procurements (Set-Aside)	Yes – If Under \$3 Million	No
Bid Preference	No	Get 10% bid preference on all federal government contracts
Size Standard	Must qualify as a small business in their NAICS code area	Must qualify as a small business in their NAICS code area
Subcontracting	Subcontracting plan not required	Subcontracting plan not required (?)
History	Program started in 1953	Program started in 1989
Federal Acquisition Regulation (FAR)	FAR 19.8	FAR 19.9

The above table illustrates the differences between the 8(a) and SDB programs. Some important points to understand about both programs are:

- The 8(a) program is for the growth and development of your business.
- The SDB is contract preference program only.
- 8(a) status automatically provides your company SDB certification
- Both programs take about the same amount of time to get certified.
- If your net worth is over \$250,000 then your best bet is to seek SDB certification only.

There are other differences between the 8(a) and SDB certifications. It's best to seek the advice of a qualified consultant in this area to determine which options are best.

FOR ADDITIONAL INFORMATION. Please contact the authors at:

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