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### SBA could alter definition of small business

HARLINGEN, Texas, Jan 02, 2005 (Valley Morning Star - Knight Ridder/Tribune Business News via COMTEX) --

What do a mom-and-pop store, a doctor's office with 10 employees and a company with up to 500 workers have in common?

The U.S. Small Business Administration classifies them as small enterprises.

In addition, wholesalers and industries with up to 500 employees are also classified as small businesses.

So what is a small business?

SBA says that depends on several factors, such as sales receipts, number of employees and federal procurements, among others.

That could change as the federal agency is now seeking input from the business community to determine what really is a small business.

Sylvia Zamponi, the SBA district director for South Texas, said a small business can be classified by industry type.

"If you are in the service industry, that's based on revenues," she said.

"If you are in the wholesale and manufacturing industries it's based on the number of employees." Businesses from the service industries include restaurants, doctors' clinics, law offices and mom-and-pop corner stores. Such businesses can have annual revenues of up to \$5 million.

Wholesalers and manufacturers with up to 500 employees, respectively, are also considered small businesses.

The federal government gives South Texas businesses a 25 percent allowance, meaning the \$5 million in revenues translates into \$6.25 million, while the number of employees can be up to 525.

"That is because South Texas is in a geographical area with high unemployment rates," Zamponi said.

Nat Lopez, president of the Harlingen Hispanic Chamber of Commerce, said small businesses are the backbone of the economy whether at the local or national levels.

"They keep the country going," he said. "They hire local people and the money they make stays locally." But because of funding, the SBA has been trying to determine what really constitutes a small business and it's seeking input from the public.

For more information, log on to [www.sba.gov](http://www.sba.gov).

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