

U.S. Small Business Administration

Socially Disadvantaged Eligibility

Before SBA can approve an 8(a) Business Development program application, the disadvantaged individual(s) must show that he or she is socially disadvantaged.

Under [federal law](#), socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identification as members of groups without regard to their individual qualities.

For purposes of the 8(a) Business Development program, the following individuals are presumed socially disadvantaged (called "presumed groups"):

- Black Americans
- Hispanic Americans
- Native Americans
- Asian Pacific Americans
- Subcontinent Asian American

In the absence of evidence to the contrary, an individual applicant is presumed socially disadvantaged if:

1. Holds him or herself out to be a member of a presumed group
2. Is currently identified by others as a member of a presumed group

The presumed groups listed above are solely for purposes of SBA's 8(a) Business Development program. Remember: An individual who is not a member of one of the "presumed groups" can be admitted into the 8(a) Business Development program.

Some businesses believe that if their firm is approved for [Disadvantaged Business Enterprise](#) certification by their state or other entity, the firm automatically is eligible for SBA's certification. This is not so. Each federal agency's definition and qualification requirements are different.

Other Socially Disadvantaged Individuals

Other individuals may similarly be found socially disadvantaged and eligible for the program on a case-by-case basis.

An individual who is not a member of one of the presumed groups can be admitted into the 8(a) Business Development program. To do so, the business must prove to SBA that the individual(s) meeting SBA's ownership and control requirements is socially disadvantaged. This process includes showing personal experiences where applicable in education, employment, and business history.

The individual must provide evidence to SBA proving one's individual social disadvantage. Evidence of individual social disadvantage must include:

- At least one objective distinguishing feature such as race, ethnic origin, gender, physical handicap, long-term residence in an environment isolated from the mainstream of American society, or other similar causes not common to individuals who are not socially disadvantaged.
- Personal experiences of substantial and chronic social disadvantage in American society, not in other countries.

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- Negative impact on the individual's entrance into the business world or advancement in the business world because of the stated disadvantage(s).

Additional Requirements for Socially Disadvantaged Individuals

To prove social disadvantage, the individual(s) owners must ultimately show that such personal experiences had a negative impact on entry into or advancement in the business world.

More importantly, all individuals that SBA finds socially disadvantaged – including all presumed group members must also meet these requirements:

- SBA's [economic disadvantage requirements](#) - including presumed group members
- SBA's [ownership requirements](#)
- SBA's [control and management requirements](#)
- SBA's [character requirements](#). This requirement actually extends to all principals, which include
 - owner(s) of more than 10%
 - officers
 - directors
 - members
 - partners
 - key employees
- All principals will undergo a [Federal Bureau of Investigation](#) background check before SBA can admit the firm into the SBA 8(a) Business Development program.

In addition, to be approved, all firms must meet:

- SBA's [small business size requirements](#).
- SBA's [potential for success requirement](#).

Contact an [SBA local office](#) or [resource partner](#) for free one-on-one assistance to understand the process requirements to proving social disadvantage.

Source: www.sba.gov