

Exploring Definitions of Small Business and Why It Is so Difficult

**Christina Anastasia
Colorado Technical University**

Small businesses dot the American landscape and have stimulated the economy for the past two centuries. The definitions for small businesses have changed consistently over the course of the last five decades. While some businesses are considered small if they have fewer than 500 employees, other businesses seem to get lost in the process simply because they fall into a microenterprise category including the Mom and Pop companies, family owned companies, and those individuals that are considered self-employed. The Small Business Administration (SBA) has been the authority on defining what is or is not a small business. With this in mind, this study used a mixed methodology to explore the definitions of small businesses and microenterprises by surveying 388 MBAs and CPAs in the United States with the goal of creating a better understanding of what constitutes a small business and a microenterprise. When all was said and done, the definitions of small businesses and microenterprise still remain a mystery, however a broader understanding of the difficulties associated with defining the two is brought to the forefront.

INTRODUCTION

There are over seven million businesses in the United States that could be considered either a small business or microenterprise (ada.gov). Depending on the definition of a small business or microenterprise, some of these entities have access to resources based on size and industry. However, there is confusion on what actually differentiates a small business from a microenterprise.

Research Defining Small Business

Small business enterprises dot the American landscape and stimulate the economy from East to West and North to South. As of 2013, there are over “3.7 million “Micro businesses in the United States, accounting for 75.3% of the private sector” (Headd, 2015, p. 1). “ Over 28 million small businesses created half of the U.S. workforce in 2012” (Nelson, 2015; p. 3). An average of 60% of all new jobs can be attributed to small businesses, including existing companies and start-ups. “Small businesses with fewer than 100 employees have the largest share of small business employment” (Nelson, 2015, p.1). These companies are owned by men, women, minorities, and veterans and are crucial to the economic stability of the United States. Sizes vary with approximately 6 million being businesses with less than 500 employees, 5 million having less than 20 employees, and 27 million non-employer firms or self-employed individuals creating over 115 million jobs in the United States (Nelson, 2015; p. 5-6).

These numbers are impressive, yet one mystery remains, the viable definition of what constitutes a small business or a microenterprise. For the past three decades, theorists have been attempting to define small business. In the 1980s, Nappi and Vora (1981) determined that the definition of small businesses fluctuated from state to state suggestions that there needed to be a basic set of criteria such as number of

employees or annual income, used nationally to create standards by which government agencies could identify small businesses. This opened the door for more effort in the definition.

In 1981, the SEC brought forth a definition of small business to create compliance with the Regulatory Flexibility ACT (RFA) based on income. This definition assumes that the company or person has assets totaling less than 2.5 million, however, for businesses such as an investment company, the net assets are to be 50 million or less (p. 9). This attempt to clarify misunderstandings of small business seemed to create more confusion. Five years later, a new definition was proposed by Peterson, Albaum, and Kozmetsky (1986) stating that a small business has fewer than 100 employees with gross receipts of one million or less (p. 63). This definition was supported by a study questioning over sixteen hundred random participants. However, the qualifications of the participants as business managers, academics, or owners were not presented in the study.

The next attempt to provide a definition was presented by Ang (1991) who stated that small business is defined as private, undiversified, lacking limited liability, and entrepreneurial. In this definition, the company would not be led by a management team rather it would be a sole proprietor or general partnership with room to grow. An additional attempt to define small business was presented by Drinan (1995) stating that the number of employees should be less than 100 in manufacturing and less than 20 in construction or service industries. There is little rationale for this definition.

Osteryoung, Newman, and Davies (1997) presented a new definition of small business stating that a small business must meet three criteria, “(a) it must be measurable and observable, (b) it must be congruent with the market system, and (c) it must be meaningful” (Osteryoung, Newman, & Davies, 1997, p. 4). The authors also supported the idea that a small business should not be publicly traded and would be personally guaranteed by the company owner. In 2001 Valker, Phillips, and Anderson attempted to provide yet another definition of small business as any company that is represented by the “degree of development and access to capital” (p. 11). Essentially, this means that a small business has limited access to funding beyond personal savings, family, and local banks. However, they also question the concept of defining a small business through the number of employees meaning that a company with 100 employees could have higher profits than a company with 200 employees, making this method irrelevant.

SBA Definitions of Small Business

Throughout the years, the Small Business Administration (SBA) has provided several different definitions of small business. The initial definitions presented from the SBA focused on size standards and industries. With these size standards SBA matched their definition to those of the North American Industry Classification System (NAICS) industries (Ragland, 2007). The size standard focused on two areas, the number of employees, and the amount of income or less than 500 employees and income under 21.5 million for service and manufacturing. In 2005, the SBA announced that it would start working on a more simplified definition of small business because of an increased problem with larger companies taking over contracts that were supposed to be set aside for small businesses (Norman, 2005). In 2010 the SBA changed the standards for defining small businesses. The new definition divided businesses into three different areas including retail, food, and other services. The reason for the change was to make more small business eligible for funding (Kaltwasser, 2010).

Prior to 1953, the federal government defined small businesses as having fewer than 250 employees and working in small plants as opposed to medium sized or large plants in which a company had over 500 employees. During this post-World War II era, the government understood the need to differentiate small businesses from larger companies (Dilger, 2014). The Selective Service Act of 1948 states that small businesses wanting to work with the federal government or the military would have less than 500 employees and be independently operated (Dilger, 2014). Yet another version was presented by the U.S. Census Bureau in 1952 defined small business as having fewer than 100 employees and less than two hundred thousand in annual sale unless the company was a retailer, in which case the annual revenues would be less than fifty thousand (Dilger, 2014).

In 1953, the Small Business Act was created to stimulate the economy through small business. Specifically, the Act defined small business and being economically disadvantaged and having a need to

receive special considerations (Clark & Saade, 2010). These businesses have a decreased chance of soliciting bank funding for business start-up or growth. The focus of the Act was to encourage citizens to open small businesses that would in turn stimulate the economy. It is important to note that when the Act was passed, small business was responsible for over ninety percent of all businesses in the United States, creating over sixty-four percent of the nations' jobs (Clark & Saade, 2010). The Small Business Act is a crucial turning point for small businesses because it meant that it would reduce the confusion in defining small businesses using number of employees, revenues, net worth, and any other factors considered appropriate (Dilger, 2014). The biggest problem that was encountered was the lack of guidance on which data to use for a proper definition.

The SBA has revised its standards for small business definitions on several different occasions. In 1980, it was recommended that the SBA revisit its size standards based on a report by the Government Accountability Office (GAO). Specifically, this recommendation was to allow for federal contracts to be set aside for small businesses. In response, the SBA proposed a simplification of the process by focusing on number of employees over income. However, lost in the shuffle, the smallest of these enterprises (the mom and pop businesses) were discounted as a result. In 1982, the SBA proposed a size standard of between 25 to 500 employees as being defined as small businesses. The opposition for this change was high and as a result, in 1983 additional changes were proposed. The size rule was separated into industries that retained the size standards through the North American Industry Classification System (NAICS) in manufacturing and an adjustment for inflation receiving overall approval and the final ruling published in 1984 in the Federal Register. In 1985, another effort to make changes to the Small Business Act based on market share was unanimously opposed.

In 1992, a new proposal to adjust size standards was made by the SBA. The new size standards were meant to "streamline" the existing standards. In this proposal nine size standards were presented as "were 100 or fewer, 500 or fewer, 750 or fewer, 1,000 or fewer, or 1,500 or fewer employees; and no more than \$5 million, \$10 million, \$18 million, or \$24 million in annual receipts" (Dilger, 2014; p. 16). In the end, the changes were not initiated. After an adjustment for inflation, in 2002 yet a new proposal was presented by the SBA using the number of employees for all businesses as the size standard. Again, the proposal was opposed and no changes were made.

In 2008, the SBA announced the need to do an analysis on its current size standards by looking at size, assets, competition, and market share. As a result, in 2009 the SBA proposed the following changes:

SBA is proposing to establish eight "fixed-level" receipts based size standards: \$5.0 million, \$7.0 million, \$10.0 million, \$14.0 million, \$19.0 million, \$25.5 million, \$30.0 million, and \$35.5 million. These levels are established by taking into consideration the minimum, maximum and the most commonly used current receipts based size standards (SBA, 2009, pp. 21-23). See figure 1.

According to the SBA, lowering the size standards for small businesses would be in conflict with its efforts to provide small business assistance. In 2010, the SBA finalized these changes.

Currently, the SBA defines small business as an entity that was created to make a profit, is located in the United States, pays taxes, and/or uses American products, materials, and labor. Small businesses are independently owned and are dominant in their fields. A small business can be a sole proprietorship, corporation, or any other recognized legal form. The SBA continues to use NAICS and size to determine if an organization is a small business. On the SBA website (<https://www.sba.gov/content/determining-business-size>), the tools for determining business status include whether a company qualifies for government contracts. To determine a business status, the company must first determine its NAICS code. Once this is established, the website asks for the number of employees. If that number is under five hundred, the results show a small business status. However, it is the type of industry that will make the difference. For example, for a manufacturing company, the number of employees is requested. However, for a life insurance company it is the annual revenues that are sought to determine the status.

The Microenterprise

While the government has made several attempts to define and classify small businesses, today there are millions of companies that continue to get lost in the shuffle. In 1991, the SBA recognized that there are over three million companies that fall into a different category of small business by referring to these businesses as microenterprises. The Microenterprise is a small business that is defined as having less than ten employees and being economically disadvantaged companies meaning that the company is low income or very low income and lacks the access to capital or other resources essential for business success, or is economically disadvantaged (U.S. Small Business Administration 15 U.S. Code 6901 Definitions).

The biggest problem associated with defining the microenterprise is the lack of data to estimate exactly how many microenterprises exist in the United States. For example, a self-employed individual would fall into the same microenterprise as a small manufacturing plant. What is known is that there are well over ten million businesses that have difficult time accessing financing and resources (Hoyw, Robero, & Zeuli, 2012). In 1999 ACCION U.S.A. commissioned a study by Roslow Research Group to try to answer the question of how many microenterprises are currently working in the U.S. The research suggested that there were over thirteen million micro entrepreneurs, most of which are single employee companies (Burrus, 2002). According to Hoy, Robero, and Zeuli (2012)

4.1 million, or 54.6 percent, employ between one and four people. An additional 21.1 million firms have no employees other than the owner, according to the U.S. Census Bureau. Non-employer firms and companies with fewer than five employees account for 87.4 percent of all firms in the United States, and about 20 percent of total employment (p. 1-2).

While microenterprises appear to include any company with less than ten employees, one of the biggest differentiators between small business and microenterprise is revenues, along with lack of access to funding. For example, a typical loan for a microenterprise is less than fifty thousand dollars and is provided by creditors beyond banks through microcredit lending or microloans which are set up with higher interest rates (Hoy, et.al, 2012).

In 2014 the U.S. Small Business Administration proposed a new rule regarding microenterprises stating that microloan programs are meant to assist “women, low income, veteran, and minority entrepreneurs, and others capable of operating a small business that are in need of small amounts of financial assistance” (p. 14617). The reason for this proposal was to make micro funds available to more microenterprises. While funding programs of these types are meant to stimulate small business development, the problem is that most microenterprise owners are unaware of them.

The status of a microenterprise is not provided in the tools found on the SBA website. On the SBA website (<https://www.sba.gov/content/determining-business-size>), the business owner must determine the NAICS code and is then prompted to enter either the number of employees or the annual revenue to determine status. There is no variance in those companies with less than ten employees that is identified by the website, meaning that a company with less than ten employees or consisting of a self-employed individual must look beyond SBA for assistance on the county level.

The Problem and Purpose

The general problem is the confusion about the definition of a small business or microenterprise. This has a direct impact on the resources available to both small businesses and microenterprises. As explained earlier, while small businesses account for over seven million companies in the United States, more than four million or over half of those companies fall into the microenterprise category (Hoy, et.al., 2011). Microenterprises or disadvantaged businesses, according to the SBA, may have access to special funding or microloans based on their status. Small businesses, however, do not qualify for many of the microloan programs, leaving them to try to fund their organizations through more traditional routes. The specific problem is a lack of understanding on how to differentiate a small business from a microenterprise.

Attempts to define the small business and microenterprise have continued for the past half century and currently the process uses the federal NAICS code combined with either the number of employees or annual income, depending on the type of company. The current processes are confusing.

The purpose of this study was to provide a new set of definitions for small business and microenterprises by soliciting experts and academics in the fields of business management and accounting. Five hundred MBAs and CPAs were asked to provide their expert opinions to differentiate between the small business and the microenterprise. Of the five hundred experts solicited, 388 responded.

The research question presented in this study is if there is a way to differentiate between the definition of a small business and a microenterprise. RQ1: Can a definition of small business and microenterprise be made based on income and number of employees? The hypothesis H1: Small business and microenterprises can be defined using either income or number of employees. The Null Hypothesis H0: Small business and microenterprises cannot be defined using income or number of employees.

Methodology

A mixed methodology using components of both quantitative and qualitative questions was used to provide a greater understanding of both the small business and microenterprise. This methodology is appropriate because both structured and unstructured methods of questioning were incorporated to address the research question. Creswell (2003) states that when research takes on a sequential approach, a mixed methodology is acceptable in order for the research to elaborate on the findings of one method in conjunction with another method. The nature of this study is ex-post facto meaning that while there will be variables explored, exploratory qualitative data will be included that allows the participants to expand on their experiences and knowledge. For this study a fixed method design was used because the qualitative and quantitative methods were predetermined at the onset of the study. This method is sequential and explanatory (Creswell, Plano Clark, Gutmann, and Hanson, 2003; Plano Clark, 2010) and is applicable to research that is educational in nature

Population and Sample

The study incorporated the expert opinions of academics possessing a minimum of a Master's degree in business and from CPA's licensed to practice in the United States. Academics were solicited from University business programs outside of the Universities in which they instruct. Academic participants were contacted through linkedIn.com. CPAs were solicited from the list of CPAs found on the American Institute of CPAs license verification website. Once the criterion for participation was established, participants were then directed to the survey website at surveymonkey.com (Questionnaire Appendix A). In total, 500 potential participants were solicited via email. Of the initial 500 participants solicited, 388 met the criteria and participated in the study.

Data Analysis Quantitative

A total of 12 questions were presented to the participants. The questions focused on both a small business definition and a microenterprise definition. The last question was an unstructured open-ended question asking participants to explain how they would define a small business and microenterprise. The data was analyzed using SPSS software. The data analysis using the software addressed questions 6, 7, 11, and 12, all of which were multiple choice and allowed for comparison of the data. The remaining questions required a simple yes or no response. The following section reviews the findings.

Questions 1-5

Question one shows that over 75% of the participants have owned a small business in their past. Of the percentage that did or still do own a business, (Question two) the number of employees is a total of one to fifty. Interestingly, the response to question four, which asked participants if they felt a definition of a small business should be based on income was close, with 48.6% or 187 respondents stating yes and 51.4% or 198 respondents stating no. Questions 3 and 5 asked participants if small business should be

defined based on income 48.7% answered yes and 51.43% answered no. When asked if small business should be defined based on the number of employees 73.44% stated yes and 26.56% stated no.

Questions 6-7

Question number 6 was coded as Q6Inc focused on the definition of small business based on income. Of the 388 participants, only 363 responded to this question. The frequency indicated by SPSS overwhelmingly favored annual incomes of less than one million dollars with 181 of the respondents followed by 123 respondents that favored annual incomes of one to five million dollars. The mean value showed as 1.7245 with a standard deviation of .87704.

Question 7 coded as Q7Emp asked participants to evaluate the definition of small business based on the number of employees. The overwhelming response to this question over 60% was one to fifty employees to define a small business. The mean value of this question was 1.6897 with a standard deviation of 1.04511. Of the 388 participants only 377 responded to the question.

Questions 8-10

Questions 8-10 asked participants to evaluate the definitions of microenterprises. Question 8 asked if microenterprises should be defined as have fewer than ten employees, 48.97% of the participants agree and 50.13% disagreed. Question 9 asked participants if microenterprises should be defined based on income, 54.07% of the participants agreed and 45.93% disagreed. Question 10 asked if microenterprises should be defined based on the number of employees, 75.66% of the participants stated yes and 24.34% stated no.

Questions 11-12

Question 11 coded Q11MicInc asked the participants to evaluate the microenterprise based on annual income. Of the 388 participants only 377 responded to this question with the majority of the responses stating that less than one million dollars in annual income should be used to define a microenterprise. The mean for this question was 1.1601 with a standard deviation of .47434.

Question 12 coded as Q12MicEmp asked the participants to evaluate the definition of the microenterprise in terms of the number of employees. A total of 377 of the participants answered this question with the majority indicating that a microenterprise should be defined as having 1-50 employees. The mean for this question was 1.0949 with a standard deviation of .46532 (See figures 2 and 3).

Additional analysis conducted includes a dependent t-test to understand the differences between defining a small business and a microenterprise. Both sets of questions focused on either income or number of employees.

A bivariate correlation was used to determine if the two variables were linearly related to each other. The variables were based on number of employees or annual income for both small business and microenterprise definitions (See figures 4 and 5).

When comparing the two groups in terms of income related definitions Q6Inc presented a correlation coefficient of 1 compared to the .733 form Q11MicInc. The two groups compared for number of employees show Q12MicEmp correlation coefficient of 1 compared to .521 for Q7Emp.

Summary of Quantitative Data

The quantitative data indicates that for small businesses, there is a divide on creating a definition based on income with 48.6% supporting income and the remaining 51.4% not in favor. However, a definition based on the number of employees showed a 73.4% in favor. For the micro enterprise, the same divide in opinion exists with 49.9% supporting employee count. If annual revenues were used to define a small business, 49.9% of the participants agreed that the annual amount should be less than one million dollars per years. Using the employee count, 60.5% of the participants agreed that the number of employees would be less than fifty.

The defining factors for a microenterprise were also divided. Over 49% of the participants agreed that a microenterprise should consist of less than ten employees with 50.1% of the participants not supporting

employee count as a means to define the microenterprise. In the area of income there also was a divide with 54.1% supporting income as a defining factor for a microenterprise and 45.9% unsupportive of this method for defining a microenterprise. If income were used to define the microenterprise, 87.7 of the participants agreed that the annual income should be less than one million dollars. If employee count were to be used in defining a microenterprise, 94.9% of the participants agreed that the employee count would be fifty or less.

Figure 6 and 7 reflect the division for defining small business and microenterprise based on income (See figures 6 and 7). While the responses using income to define a small business were divided, using employee count to define small business was clearly preferred by the participants.

Data Analysis Qualitative

One unstructured open-ended question was asked of all of the participants. Question 13 asked participants if they would like to provide their own definitions of small business and microenterprise. Of the 388 participants, 38 provided a separate definition of small business. Provalis research data mining software was used to analyze the individual responses to question thirteen. The answers were coded into the software as cases and key words and strings were entered to identify recurring themes identified.

Theme 1 Eliminate Microenterprise

Several of the participants indicated that a microenterprise and small business are one in the same. For example, participant 4 stated, "I find the term "microenterprise" confusing, less than 10 is "micro" 11 is something else, "small?" I would go with broader ranges of 1-50 is a small enterprise and dump the "micro" label entirely." Participant 7 stated, "There should be no distinction between the two. Any business that is started and makes a profit should be considered a small business and the number of employees should not be a factor in determining the definition of a business!!!"

Also suggesting that microenterprises should not be included in the definitions, Participant 19 stated,

Small business and microenterprise could be based on the value of the service or products it provides, % of growth over previous years, and investor interests, not necessarily number of employees or annual revenue; although growth in revenue is very important. If a small business has 500 or more employees, how do you define a business with 10-25 employees with revenues of 200K-1,500K? Leaving this segment out seems to dismiss a significant number of businesses,

Theme 2 Family Owned Businesses

A second theme produced concerns on defining a family owned business. Participant 2 stated, "I view the microenterprise as falling between a family-owned business and small business enterprise (small capitalization company). A "small business" is more of an umbrella term for them all, but SBA can easily have its own legal definition as could states and other agencies." Participant 26 stated,

In my opinion, a small business or microenterprise can be family owned and operated. If that is the case, there are rarely more than ten (10) people who work for the business. I don't know of any small businesses that has an income of a million dollars annually. If there are any, then perhaps they should be taking this survey as well."

Also supporting the notion that a family-owned business should be differentiated from a small business, Participant 32 stated,

A Microenterprise enterprise I feel would be more in the line of a family owned business (sole proprietor) ~ 20 employees. Limited to the product lines, but I would feel a larger sales volume, in the several millions would be allowed."

Participant 35 stated,

Micro is more family owned or a loosely organized structure with part time people, people who work for money and perks. Micro will make less than \$1M or they can be very good and still be loosely structured and do \$5M. The choice should have been under \$5M not between 1 & 5 or under 1million.”

Theme 3 Sole Proprietorships

A third theme produced focused on sole proprietorships. Participant 25 stated,

I know a guy who creates hedge funds. It’s basically him, his partner and a few support people (in total about 7 or 8).they both make over \$6million a year each. If you base it on employees only, they are a small business. If you look at profits (their income only, not what they trade) the SBA would still consider them a small business. Really? Microenterprise is a fairly new term they developed to encompass what the current definitions lack, but they still missed the boat.”

Participant 32 stated, “A Microenterprise enterprise I feel would be more in the line of a family owned business (sole proprietor).” Participant 33 stated,

“Small business is classified as an entrepreneur who is solo. He or she is the sole owner of the business. A small business may be a small grocery store or gas station that is not franchised or a corporation. A small business may also be started by partnership considered as a joint venture. Small businesses rely on small loans. Employees are limited. A microenterprise is also solo owned and consists of less than 10 employees and started with less capital. An example of this would be carpenters.”

Triangulation of the Results

Figure 8 reflects the triangulation of the data gathered using the mixed methodology approach. The Null hypothesis was supported and the research question could not be answered definitively. The results were divided both quantitatively and qualitatively suggesting this study was unable to provide a definition for neither a small business nor microenterprise.

Findings and Conclusions

The purpose for this study was to gain a better understanding on the definitions of both a small business and a microenterprise. Using the basic definitions provided over the past two decades, 388 participants were asked to define both small business and microenterprises. Of the 388 participants, 38 provided additional definitions of the two, beyond the questions asked in the survey. The purpose of this study was to explore definitions for small business and microenterprises by soliciting experts and academics in the fields of business management and accounting.

Discussion

The research question presented in this study is if there is a way to differentiate between the definition of a small business and a microenterprise. The hypothesis H1: Small business and microenterprises can be defined using either income or number of employees. The Null hypothesis H0: Small business and microenterprises cannot be defined using income or number of employees. It should be noted that while participants indicated that number of employees could be used to define both a small business and a microenterprise, overall the data does not support this. Based on the findings in this study, there is little support for the hypothesis that small business and microenterprises can be defined using either income or number of employees. The data does support the null hypothesis that small business and microenterprises cannot be defined using income or number of employees.

The recurring themes discovered in this research presented concepts that were not incorporated in the survey. For example, type of entity such as a sole proprietorship was not considered as a factor in defining either a small business or microenterprise. Also, family owned businesses were included. A final recurring theme was the elimination of microenterprises completely.

Limitations

While this study was focused entirely on academics having a minimum of a Master's degree in business and CPA's licensed in their state, the study could be replicated using either of the groups explicitly. Additional limitations include the measurements to collect data. For example, there were no demographic questions included that separated MBAs from CPAs. Additional questions could have been added to the survey that may have provided more data.

Conclusion

Not all research supports a hypothesis as was the case in this study. Years of attempts to define small business and microenterprise has been the goal of organizations such as the U.S. Small Business Administration. The results of this study support the difficulty the SBA has had over the years. While this study was unsuccessful in determining how to define a small business and a microenterprise, important factors are presented throughout including the need to differentiate between the smallest of businesses (microenterprises) and small businesses in general.

REFERENCES

- ADA: Know Your Rights – Returning Service Members with ... (n.d.). Retrieved from http://www.ada.gov/servicemembers_adainfo.pdf
- Ang, J. (1991). Small business uniqueness and the theory of financial management. *The Journal of Small Business Finance*, 1(1), 1-13.
- Burrus, W. (2002). Innovations in the microenterprise development in the United States. *Journal of Microfinance*. Word Press. (4)1. Pp. 81-98).
- Clark, L. & Saade, R.W. (2010). The Role of Small Business in Economic Development of the United States: From the End of the Korean War (1953) to the Present. SBA.gov. <https://www.sba.gov/advocacy/role-small-business-economic-development-united-states-end-korean-war-1953-present>
- Creswell, J.W., Plano Clark, V.L., Gutmann, M., Hanson, W. (200). Advanced missed methods research designs. In A. Tashakkori & C. Teddlly (Eds.) *Handbook fo missed methods in social and behavioral research*. (pp. 209-240). Thousand Oaks, CA. Sage.
- Dilger, Robert J. "Small Business Size Standards: A Historical Analysis of Contemporary Issues." *Congressional Research Service* 7.5700 (2014): 1-40. Web.
- Drinan, A. (1995). Small business review--1995. *Businessdate*, 3(1), 8.
- Federal Register Volume 79, Number 51 (Monday, March 17, 2014) [Proposed Rules][Pages 14617-14621]From the Federal Register Online via the Government Printing Office [www.gpo.gov][FR Doc No: 2014-05549]
- Headd, B. (2015, January 1). The Role of Microbusinesses in the Economy. Retrieved February 27, 2015, from https://www.sba.gov/sites/default/files/Microbusinesses_in_the_Economy.pdf
- Hoy, T., Romero, J. & Jeuli, K. (2012). Microenterprise and the Small-Dollar Loan Market. *The Federal Reserve Bank of Richmond*. Pp. 1-6. https://www.richmondfed.org/publications/research/economic_brief/2012/pdf/eb_12-05.pdf
- Kaltwasser, J. (2010). SBA expands size of 'small business'. *NJBIZ*, 23(41), 2-3. Retrieved from <http://search.proquest.com/docview/758251981?accountid=458>
- Nappi, A. T., & Vora, J. (1980). Small business eligibility: A definitional issue. *Journal of Small Business Management*, 18(4), 22. Retrieved from <http://search.proquest.com/docview/220985972?accountid=458>

Nelson, B. (2015, February) Small Business Profiles Offer Valuable Insight into States' Economies. *The Small Business Advocate*, 34(2), 1-8.

Norman, J. (2005, Jun 30). SBA sizes up eligibility woes. *Knight Ridder Tribune Business News*
Retrieved from <http://search.proquest.com/docview/463015981?accountid=458>

Osteryoung, J., Newman, D., & Davies, L. (1997). *Small Firm Finance: An Entrepreneurial Analysis*. New York, NY: The Dryden Press Harcourt Brace College Publishers.

Peterson, R. A., Albaum, G., & Kozmetsky, G. (1986). THE PUBLIC'S DEFINITION OF SMALL BUSINESS. *Journal Of Small Business Management*, 24(3), 63.

Plano Clark, V. L. (2010). The adoption and practice of mixed methods: U.S. trends in federally funded health-related research. *Qualitative Inquiry*, 6(6), 428-44.

Ragland, V. (2007, Oct 17). PLANS topic 218: SBA what is small business? *Hyde Park Citizen* Retrieved from <http://search.proquest.com/docview/367585548?accountid=458>

SEC proposes definition of "small business". (1981). *The CPA Journal (Pre-1986)*, 51(000008), 9. Retrieved from <http://search.proquest.com/docview/211795347?accountid=458>

TABLES AND FIGURES

**TABLE 1
2009 SBA STANDARDS**

Receipts (In millions)	Employees
\$5	50
\$7	100 (wholesale)
\$10	150
\$14	200
\$19	250
\$25.5	500 (manufacturing)
\$30	750
\$35.5	1000

**TABLE 2
Q12MICEMP**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-50	350	92.8	94.9	94.9
51-100	9	2.4	2.4	97.3
101-250	6	1.6	1.6	98.9
251-500	2	.5	.5	99.5
More than 500	2	.5	.5	100.0
Total	369	97.9	100.0	
Missing System	8	2.1		
Total	377	100.0		

**TABLE 3
DESCRIPTIVE STATISTICS**

	N	Minimum	Maximum	Mean	Std. Deviation
Q12MicEmp	369	1.00	5.00	1.0949	.46532
Valid N (listwise)	369				

**TABLE 4
CORRELATIONS / INCOME**

		Q6Inc	Q11MicIn c
Q6Inc	Pearson Correlation	1	.733**
	Sig. (2-tailed)		.000
	N	363	359
Q11MicIn c	Pearson Correlation	.733**	1
	Sig. (2-tailed)	.000	
	N	359	359

** . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 5
CORRELATIONS / EMPLOYEE COUNT**

		Q12MicEmp	Q7Emp
Q12MicEmp	Pearson Correlation	1	.521**
	Sig. (2-tailed)		.000
	N	369	369
Q7Emp	Pearson Correlation	.521**	1
	Sig. (2-tailed)	.000	
	N	369	377

** . Correlation is significant at the 0.01 level (2-tailed).

**TABLE 6
PAIRED SAMPLES TEST**

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Q6Inc - Q11MicInc	.54039	.59599	.03146	.47853	.60225	17.180	358	.000

FIGURE 1
TRIANGULATION OF QUALITATIVE/QUANTITATIVE DATA

