

The 8(a) Program is a Fast, Cost-Effective Tool That Works.

- **8(a) is Competitive:** Critics of the program describe 8(a) as a “handout.” Nothing could be further from the truth. Across FY2018–FY2023, only about 18–22% of certified 8(a) firms won even a single federal contract — meaning roughly four out of five companies in the program never receive an award in a given year. If 8(a) were a “handout,” participation rates would be close to 100%; instead, the data shows the opposite — the overwhelming majority of certified firms never break into the federal market at all. That is not what a handout program looks like. It is what a competitive gateway into a structurally difficult market looks like.
- **8(a) Ensures Competition Among Contractors:** A normal small business cannot simply “decide to sell to the government.” The market is structurally closed *by design*. It rewards incumbency. If you’ve already done federal work, you are far more likely to win more of it. If you haven’t, you are almost invisible. Without 8(a) and other small-businesses programs, the federal market *does not* become a free-market paradise of plucky small businesses competing on merit, you get an oligarchy of a small number of multi-billion-dollar firms. The 8(a) and other small-businesses programs are one of the only tools the government has to prevent that from happening.
- **Veteran Participation Is a Key Strength Of 8(a):** The 8(a) program is a major reason why our nation is able to benefit from veterans and service-disabled veterans continuing to serve the nation as entrepreneurs. 17.1% of all 8(a) firms are also Veteran Owned Small Businesses (VOSB) or Service-Disabled Veteran Owned Small Businesses (SDVOSB) -- about 1 in 6. *In 2023 alone over two billion dollars in awards went to Veteran-owned businesses through the 8(a) program.*
- **Sole Source Does Not Mean Non-Competitive:** And “Full and Open Competition (FOC)” doesn’t mean competitive. Most new 8(a) awards through sole source are highly competitive, with agencies requiring capabilities briefs, full proposals, and line-by-line price negotiations. On the other hand, a third of all FOC from 2018–2025 had zero, one, or just two bids – in other words no real competition. And FOC do not have the price guardrails that 8(a) awards do.
- **8(a) is 3.5x Less Likely to Commit Fraud:** If 8(a) were a “corrupt handout pipeline,” you would expect to see a higher incidence of fraud, waste, and abuse flags compared to the broader government contractor base. But that is not what the data shows. While fraud, bribery and corruption are present in all federal programs, the data shows that the 8(a) program is among the cleanest. According to the Department of Justice’s Procurement Collusion Strike Force, 8(a) firms appear in fraud investigations at roughly one-third the rate that would be expected from their share of federal contracting, meaning they are approximately 3.5 times less likely to be implicated in procurement fraud than the average federal contractor.
- **8(a) Saves Taxpayer Dollars:** Bid protests are estimated to cost the government between 720,000 and 1,080,000 hours, and millions of dollars per year. 8(a) contracts cannot be protested. Further, across FY2018–2025, 8(a) awards consistently cost taxpayers less than Full & Open Competition because the streamlined process cuts administrative costs to roughly *half* those of fully competed awards, profit on 8(a) negotiated work is capped under FAR 15.404-4 at about 10 percent (often less on fixed-price work).