

PO Box 995  
1550 Gadsden Street  
Columbia, SC 29202  
www.dew.sc.gov



**Nikki R. Haley**  
Governor

**Abraham J. Turner**  
Executive Director

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**STATE EMPLOYMENT SERVICES INSTRUCTION NUMBER: 12-07**

**TO:** WIA Administrators  
DEW Area Directors  
DEW Staff Managers  
SC Works Center Operators

**SUBJECT:** Business Size Classifications

**ISSUANCE DATE:** October 19, 2012

**EFFECTIVE DATE:** Immediately

**PURPOSE:** To provide the South Carolina workforce system a universal definition of business size classifications.

**BACKGROUND:** There is not unanimity in how business size is defined. The United States Small Business Administration (SBA) has small business size standards on an industry-by-industry basis, with a size range up to 1,500 for some manufacturers. Some organizations define small business on the basis of revenues or other measures.

**POLICY:** The South Carolina Department of Employment and Workforce addresses any business establishment with less than 50 employees a small business. This standard is widely used, including by the South Carolina Department of Commerce and the South Carolina Chamber of Commerce. Businesses with 50-249 employees are considered medium size, and those with 250 or more employees are considered large. This definition is based on establishments, not firms. Bureau of Labor Statistics defines "firm" as a collection of establishments that use the same employer identification number issued by the IRS. This definition includes all establishments that share an EIN, regardless of the number of states in which the establishments are located or the number of industry sectors in which they operate. An EIN generally identifies a single company although some large, diverse companies may have more than one EIN to identify different operating units. Therefore, a small unit (less than 50 employees) of a large corporation is considered a small business under this definition.

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**EXCEPTION:** Any waivers or grant solicitations with a different definition would supersede the state's classification. For example, a WIA waiver for South Carolina for OJT reimbursement is based on employer size classes of 50 or fewer employees, 51-250 employees, and more than 250 employees.

**ACTION:** You are responsible for the distribution and implementation of this policy guidance within your local workforce system.

**INQUIRIES:** Questions may be directed to Brenda Lisbon at (803) 737-2813 or [blisbon@dew.sc.gov](mailto:blisbon@dew.sc.gov).



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Dennis M. King  
Assistant Executive Director  
Employment Services