



Framework for the Empowering Main Street in America Act

The *Empowering Main Street in America Act* is Ranking Member Scott's plan to revitalize a critical pillar of the U.S. economy – the businesses within our communities – and ensure all Americans have access to our nation's premier capital markets. The U.S. capital markets are the global gold standard and help make the strength of the American economy the envy of the world. In order to maintain and support the growth of our capital markets, we must boost avenues for capital formation that create jobs and generate economic growth across America.

OVERVIEW:

The *Empowering Main Street in America Act* is designed to empower, support, and foster growth by providing streamlined access to funding through our capital markets system which can be used to innovate, job create, and accelerate economic growth. This creates opportunity – the single best means to financial security for all Americans - especially those who are often underserved and overlooked.

The legislation would return the Securities and Exchange Commission (SEC) to its primary focus on ensuring the engines of the U.S. capital markets system are primed to fuel the next chapter of American exceptionalism, instead of putting up new and burdensome hurdles that limit opportunity, drive new investors out of markets, and chill innovation and competition.

KEY PILLARS:

Promoting Greater Capital Formation in U.S. Public and Private Markets:

Innovation, not regulation, spurs economic growth. Small businesses accounted for 66% of employment growth in the last 25 years, however most entrepreneurs report access to capital as the number one barrier to their company's survival. The *Empowering Main Street in America Act* will address the unique challenges small businesses face and reverse an onerous regulatory regime that limits their ability to grow.

To help entrepreneurs, small businesses, and newly public companies more easily access the funding necessary to expand their operations and create jobs, the *Empowering Main Street in America Act* will streamline and modernize the rules governing capital raises for public and private markets. This begins with ensuring the current regulatory environment doesn't disproportionately impact small businesses' ability to raise funding. Tailored regulatory relief is a key driver of economic growth and job creation, enabling businesses to use funding to invest in growth rather than unduly burdensome regulatory compliance.

Further, the *Empowering Main Street in America Act* seeks to improve access to capital in rural and non-metropolitan hubs and for a broader swath of entrepreneurs who continue to face challenges accessing capital including rural residents, women, veterans, and minorities – at every stage of a company’s growth cycle.

Responsibly Expanding Investment Opportunities for Retail Investors:

The goal of our nation’s capital markets system is not only to help business grow, but also to help every-day Americans secure their financial future by turning one dollar into two. Investing your hard-earned money shouldn’t be an act limited to the wealthy. Bridging the wealth gap through equity investing and financial literacy will allow all investors the opportunity to succeed.

The *Empowering Main Street in America Act* will increase opportunities for everyday investors to build wealth and help American businesses access new sources of capital by responsibly expanding the definition of who can qualify as an accredited investor.

Fostering Investor Confidence in Market Integrity, Fairness, and Transparency:

Markets that operate fairly and safely benefit all investors. Ensuring bad actors and financial fraudsters have no room to operate in our capital markets system preserves market confidence and integrity. The American Dream shouldn’t stop at a certain age and ensuring seniors’ hard-earned money is protected from fraud and scams is essential.

The *Empowering Main Street in America Act* seeks to understand and address the barriers that currently limit Americans’ participation in our capital markets and provides the public, financial institutions, and state and local governments tools to better identify, prevent, and prosecute financial crimes.

Holding Regulators Accountable Through Increased Oversight:

The Securities and Exchange Commission’s (SEC) mandate is to facilitate capital formation, protect investors, and maintain fair, orderly, and efficient markets. However, the agency has created an increasingly hostile regulatory environment for investors, and private and public companies alike. Increased regulatory oversight and transparency of the SEC ensures the agency upholds its three-part mission and is accountable to the investors they serve.

The *Empowering Main Street in America Act* ensures more consistent transparency and accountability to Congress and the public by extending the oversight provisions authorized under the Dodd-Frank Act to mandate the SEC Chair to testify on a semi-annual basis and to statutorily require the SEC to perform thorough rulemaking cost-benefit analysis.