

Prepared Remarks Before the 2023 42nd Annual Small Business Forum



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Thank you, Amy, for that kind introduction. Welcome to the SEC's 42nd Annual Government-Business Forum on Small Business Capital Formation.

As is customary, I would like to note that my views are my own, and I'm not speaking on behalf of the Commission or SEC staff.

I am the son and grandson of small business owners. My grandparents on one side opened and ran a grocery store and on the other side a bar, both in Baltimore. My dad, Sam Gensler, started a small business repairing vending machines. It grew into a small vending machine business that served hundreds of other small businesses in the process, such as small diners and bars.

In this sense, my family's business was part of a larger community of small businesses, whose owners were as diverse as the city of Baltimore.

The SEC's Office of the Advocate for Small Business Capital Formation serves an important role at the Commission. It represents America's small businesses—like so many families across America.

Entrepreneurs and small businesses are integral to our capital markets.

Over the last 25 years, small businesses have created nearly two out of every three new jobs.^[1] They account for a substantial amount of goods, services, and innovation.

Even though public companies listed on the stock market may dominate the daily news, more than 99 percent of U.S. businesses are small businesses. Their employees make up nearly half of the American workforce.^[2]

As small businesses grow, they often migrate from borrowing in bank markets to capital markets. Having that breadth and depth in our markets facilitates capital formation. That's why, consistent with our mission and Congressional mandate, we are working to make them as efficient as possible.

At the SEC, our job is to serve investors building for a better future and companies of every size raising money to fund innovation. We do this while working to make our markets more efficient, competitive, transparent, fair—and worthy of the public's trust. Further, we work to ensure that markets serve investors and issuers—not the other way around.

Many of the projects the SEC is working on today are focused on increasing the efficiency, integrity, and resiliency of the markets to lower costs for all businesses raising capital and increase returns for investors.

As you discuss the various topics this week, from the early-stage landscape and building entrepreneurial ecosystems to investing in small business and accessing the public markets, please let us know your ideas and policy recommendations.

We greatly benefit from your perspective, and this forum will inform a report that will be delivered to Congress. Further, your perspective may help the Commission consider policies to benefit American small businesses, like my dad and grandad's, and support your efforts to innovate and create jobs.

I'll now turn it back over to Amy.

[1] See U.S. Chamber of Commerce, "The State of Small Businesses Now" (April 10, 2023), *available at* <https://www.uschamber.com/small-business/state-of-small-business-now>.

[2] Ibid.