

Prepared Remarks before the Small Business Capital Formation Advisory Committee



Chair Gary Gensler

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Good morning, everyone. It's a pleasure to speak with the Small Business Capital Formation Advisory Committee. As is customary, I'd like to note that my views are my own as Chair of the Securities and Exchange Commission, and I am not speaking on behalf of my fellow Commissioners or the staff.

I am pleased to welcome the Advisory Committee's 14 new members. I thank each of you for raising your hand to serve. You're making a contribution to a critical part of our work at this agency: our work serving the small businesses that make up such an important part of our economy.

I say this out of personal experience, having grown up in a family with a small business. As I mentioned, we each speak today on our own behalf, but I believe both Commissioners Lizárraga and Uyeda also have shared this experience.

All Americans have seen the role that small businesses play in their local communities as well as across the broad economy. It's often through a small business that those who have a dream or want to take a risk can make a go at it. That's why it is so important that the capital markets help facilitate capital formation for businesses ranging from small to large.

Congress recognized this seven years ago when, through the Small Business Advocate Act of 2016, it established this Advisory Committee. For ongoing members and new members alike, you perform important work to help share advice and recommendations to the Commission on matters relating to small businesses, including smaller public companies. It's helpful to hear from you all—both in your formal role as a member of this committee as well as individually. We benefit when you weigh in, whether through comment letters, meetings with the staff, or otherwise.

That input, formal and informal, helps us advance our mission—including with regard to capital formation for small businesses.

I'm glad to hear you have a number of topics on your agenda today. We benefit from hearing your perspective on the state of small business capital raising. I'm particularly interested to learn what the committee sees on the horizon.

First, in the context of our current economy—given rising interest rates and the challenges of regional banks earlier this year—it will be beneficial to hear your perspectives.

Second, it would be good to hear your thoughts on the increasing use of predictive data analytics, including artificial intelligence, in the capital markets and by financial companies. I ask the committee members for your thoughts regarding how the growing use of these technologies has changed funding practices and availability with regard to small businesses.

I'm also glad your agenda includes a discussion on addressing funding gaps for underrepresented founders and startups.

All companies, from small businesses to high-growth startups to corporations, deserve access to our capital markets to fund their entrepreneurial ideas and innovations, regardless of founders' race, gender, geography, or any other factor.

At the SEC, we work every day to protect investors and facilitate capital formation across the spectrum of communities that make America strong, including underserved communities. With respect to the middle part of our mission—to maintain fair, orderly, and efficient markets—fairness literally is embedded in our mission. I welcome the committee's thoughts on how we might continue to advance this fairness on behalf of small businesses.

After all, our mission ultimately is to ensure that the markets serve the interests of investors and issuers alike—and not the other way around.

Thank you.