



STRATEGIC PLAN 2021-2025

Office of the Advocate for
Small Business
Capital Formation

U.S. SECURITIES AND EXCHANGE COMMISSION

This Strategic Plan of the Office of the Advocate for Small Business Capital Formation does not necessarily reflect the views of the Commission, the Commissioners, or staff of the Commission.

MESSAGE FROM THE DIRECTOR OF THE OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION

No longer a startup within the U.S. Securities and Exchange Commission (SEC), our [Office of the Advocate for Small Business Capital Formation](#) has successfully scaled and operationalized over our first two years. Our team continues to champion pragmatic solutions so that small businesses—from startups to smaller public companies—and their investors can build great companies together using our capital markets.

This strategic plan is a roadmap to guide our Office's decisions and align actions with mission execution. We are making this plan publicly available in furtherance of our core values: making our work accessible, fostering inclusivity in how we engage internally and externally, crafting pragmatic approaches to addressing capital raising challenges, and being efficient with how our team uses time and resources. The plan outlines four key goals, with strategies and initiatives underpinning each.

We are committed to this vision for our Office, and I look forward to implementing this plan together with the Commission, our SEC colleagues, Congress, our agency partners, and—most importantly—those whom we are called to serve: small businesses and their investors.



MARTHA LEGG MILLER

EXECUTIVE SUMMARY



GOAL 1

Engage with small businesses and their investors to solicit views on relevant capital raising issues.

Strategy 1.1: Conduct outreach with diverse audiences.

Strategy 1.2: Host the SEC's annual Small Business Forum.



GOAL 2

Educate small businesses and their investors about capital raising rules to reduce barriers to entry and increase compliance.

Strategy 2.1: Develop accessible educational materials about capital raising.

Strategy 2.2: Optimize content and delivery based upon changes in market needs and preferences.



GOAL 3

Collaborate on pragmatic policy solutions to address capital raising challenges faced by small businesses and their investors.

Strategy 3.1: Assist small businesses and their investors in resolving issues encountered with the SEC or self-regulatory organizations (SRO).

Strategy 3.2: Analyze data on capital raising to identify trends and gaps in funding, including for underrepresented and rural founders, and in areas affected by natural disasters.

Strategy 3.3: Promote practical policy solutions for Commission or Congressional action to address capital raising challenges.

Strategy 3.4: Deliver annual reports to Congress and the Commission that advocate for capital raising solutions.

Strategy 3.5: Support the SEC's Small Business Capital Formation Advisory Committee in providing advice to the Commission on capital raising policy.



GOAL 4

Empower a mission-driven team to leverage varied perspectives to solve the complex problems of an evolving and increasingly diverse capital market.

Strategy 4.1: Advance diversity, equity, and inclusion (DE&I) throughout Office operations.

Strategy 4.2: Foster a culture of connectivity, collegiality, and collaboration among Office staff.

ABOUT THE OFFICE

The Office advocates for solutions to address challenges faced by small businesses and their investors raising and deploying capital. “Small business” for the Office spans from early-stage start-ups raising seed capital, to later-stage private companies whose founders and investors are seeking liquidity in the public markets, all the way to smaller public companies. Congress established the Office via the bipartisan [SEC Small Business Advocate Act of 2016](#) as an independent office within the U.S. Securities and Exchange Commission (SEC) that reports to the entire Commission as well as to multiple committees of Congress.

The Office approaches its advocacy mission by:

- Engaging with small businesses and their investors to understand their most pressing capital raising issues;
- Identifying unique capital raising challenges faced by minority-owned, women-owned, rural, and natural disaster-affected small businesses and their investors;
- Analyzing the potential impact of policy changes likely to significantly affect small businesses and their investors; and
- Advocating to Congress and the Commission for policy changes.

MISSION

We champion pragmatic solutions so that small businesses—from startups to smaller public companies—and their investors can build great companies together using our capital markets.

CORE VALUES

ACCESSIBILITY — We engage with both small businesses and their investors, as well as with the SEC, SROs, Congress, and other agencies on a regular basis through a variety of channels.

INCLUSIVITY — We encourage people to speak openly and contribute authentically to facilitate greater trust and collaboration.

PRAGMATISM — We approach problems with a solution-oriented mindset to make practical recommendations.

EFFICIENCY — We operate like a lean start-up, maximizing resources and focusing activities where the Office can have a meaningful impact.

GOALS, STRATEGIES, AND INITIATIVES



GOAL 1: ENGAGE



GOAL 2: EDUCATE



GOAL 3: POLICY



GOAL 4: PEOPLE

ENGAGE WITH SMALL BUSINESSES AND THEIR INVESTORS TO SOLICIT VIEWS ON RELEVANT CAPITAL RAISING ISSUES.

STRATEGY 1.1: CONDUCT OUTREACH WITH DIVERSE AUDIENCES.¹

- Engage with small businesses, investors, professional advisors, and ecosystem builders through a variety of channels, including: roundtables, speaking engagements, podcast recordings, webinars, and other relevant platforms.
 - » Leverage external participants' networks for broader reach.
 - » Share recordings after events, as appropriate, to increase accessibility.
- Proactively connect with:²
 - » Underrepresented demographic groups, including women and minorities;
 - » Entrepreneurial ecosystems across the United States, including rural communities and areas affected by natural disasters; and
 - » Businesses and investors at different stages of the capital raising lifecycle.
- Collaborate with the Office of Public Affairs (OPA), the Office of Minority and Women Inclusion (OMWI), the Office of Legislative and Intergovernmental Affairs, and SEC regional offices in the promotion of events to maximize accessibility and reach of engagement efforts.
- Involve SEC leadership and relevant policymaking staff to provide direct exposure to public feedback.
- Track outreach metrics, including attendee headcount and any expressed attendee demographic affiliation and geographic location, as available.

STRATEGY 1.2: HOST THE SEC'S ANNUAL SMALL BUSINESS FORUM.³

- Convene members of the public and private sectors for a yearly forum to highlight relevant capital raising issues and suggest policy improvements.⁴
- Invite speakers who bring diverse backgrounds and perspectives.
- Incorporate federal agencies, SEC staff, and other stakeholders in planning and providing feedback on the event.⁵
- Prepare a report to Congress with a summary of the event and findings or recommendations by participants, along with the Commission's response.⁶

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GOAL

EDUCATE SMALL BUSINESSES AND THEIR INVESTORS ABOUT CAPITAL RAISING RULES TO REDUCE BARRIERS TO ENTRY AND INCREASE COMPLIANCE.

STRATEGY 2.1: DEVELOP ACCESSIBLE EDUCATIONAL MATERIALS ABOUT CAPITAL RAISING.⁷

- Collaborate with rulewriting staff, the Office of the General Counsel (OGC), and OPA on content development.
- Design user-centric content tailored to targeted audiences—such as videos, Q&A guides, fact sheets, charts, and infographics—that:
 - » Explain impact of rule changes to affected audiences; and
 - » Encourage comments to the rulemaking file for rule proposals.
- Create educational toolkits for distribution through external parties' platforms (e.g., educational institutions, trade associations, chambers of commerce, accelerators, local bar associations).
- Promote educational materials across channels that meet user needs, including SEC.gov, social media, and email.

STRATEGY 2.2: OPTIMIZE CONTENT AND DELIVERY BASED UPON CHANGES IN MARKET NEEDS AND PREFERENCES.

- Assess trends in external parties' capital raising educational content to understand user needs and address gaps in Office content.
- Evaluate educational content sufficiency and relevancy to ensure it meets the needs of small businesses and their investors.
- Collaborate internally and externally to update content and delivery strategies.

COLLABORATE ON PRAGMATIC POLICY SOLUTIONS TO ADDRESS CAPITAL RAISING CHALLENGES FACED BY SMALL BUSINESSES AND THEIR INVESTORS.

STRATEGY 3.1: ASSIST SMALL BUSINESSES AND THEIR INVESTORS IN RESOLVING ISSUES ENCOUNTERED WITH THE SEC OR SELF-REGULATORY ORGANIZATIONS (SRO).⁸

- Maintain accessible channels for communication with the public, including:
 - » Public-facing website;
 - » Email inbox; and
 - » Office phone line.
- Raise relevant matters with SEC leadership, rulewriting teams, and SROs for technical assistance, issue flagging, and/or policy resolution.

STRATEGY 3.2: ANALYZE DATA ON CAPITAL RAISING TO IDENTIFY TRENDS AND GAPS IN FUNDING, INCLUDING FOR UNDERREPRESENTED AND RURAL FOUNDERS, AND IN AREAS AFFECTED BY NATURAL DISASTERS.⁹

- Monitor research and publications on relevant capital raising topics.
- Engage with academia and thought leaders who study relevant capital raising topics, collaborating as appropriate on areas for further research.
- Work with the Division of Economic and Risk Analysis (DERA) on analyses of capital raising trends.
- Produce translational research in the Office's annual report to contextualize capital raising policy alongside market trends.
- Conduct or contract for research in accordance with the Office's statutory mandate.¹⁰

STRATEGY 3.3: PROMOTE PRACTICAL POLICY SOLUTIONS FOR COMMISSION OR CONGRESSIONAL ACTION TO ADDRESS CAPITAL RAISING CHALLENGES.¹¹

- Contribute to Commission capital raising policy initiatives by:
 - » Supporting SEC staff and leadership during the rulewriting process;
 - » Suggesting timely research and public feedback from outreach to be considered by the Commission; and
 - » Providing insights on the potential impact of policy initiatives on small businesses and their investors.
- Monitor relevant updates to SRO rules.
- Liaise with Congress and committee staff on relevant capital raising matters.
- Propose other policy solutions by:¹²
 - » Identifying practical options directly with SEC leadership;
 - » Publishing recommended solutions in the Office's annual report;
 - » Consulting with other SEC staff and leadership, including the Office of the Investor Advocate,¹³ and OMWI,¹⁴
 - » Conferring with Congress, other federal agencies, policymakers, interest

- groups, and private parties on potential solutions; and
- » Working with the Commission as it responds to solutions from the Office.¹⁵

STRATEGY 3.4: DELIVER ANNUAL REPORTS TO CONGRESS AND THE COMMISSION THAT ADVOCATE FOR CAPITAL RAISING SOLUTIONS.¹⁶

- Prepare a compelling and visually engaging report on the Office’s prior fiscal year, detailing:
 - » Highlighted activities of the Office;¹⁷
 - » Data from DERA and external parties quantifying relevant capital raising trends;¹⁸
 - » Policy recommendations to address key capital raising issues,¹⁹ highlighting unique challenges encountered by underrepresented groups;²⁰
 - » Small Business Capital Formation Advisory Committee activities (see Strategy 3.5); and
 - » Any other information on capital raising matters that are appropriate to promote the interests of small businesses and their investors.²¹
 - » Ensure independence of the report by limiting pre-publication access to design support by OPA and citation clearance by OGC staff.²²
- Promote accessibility of the report following publication, including via social media and targeted outreach.

STRATEGY 3.5: SUPPORT THE SEC’S SMALL BUSINESS CAPITAL FORMATION ADVISORY COMMITTEE IN PROVIDING ADVICE TO THE COMMISSION ON CAPITAL RAISING POLICY.²³

- Provide administrative support for meetings called by the Committee chair or the Commission, including by:²⁴
 - » Coordinating meeting logistics, travel, and other matters;
 - » Drafting meeting materials at the direction of the Committee chair;
 - » Vetting speakers and preparing briefing materials for Committee members; and
 - » Managing the Committee website on SEC.gov in collaboration with OPA.
- Support the Commission’s replacement of Committee members upon resignation, removal, or expiration of terms, including by:
 - » Monitoring end dates of Committee member terms;
 - » Conferring with OMWI and other SEC leadership on candidate identification; and
 - » Vetting a diverse slate of candidates based upon functional membership categories.
- Highlight the Committee’s fiscal year activities in the Office’s annual report.
- Collaborate with rulewriting staff on Commission responses to Committee recommendations.²⁵



GOAL

EMPOWER A MISSION-DRIVEN TEAM TO LEVERAGE VARIOUS PERSPECTIVES TO SOLVE THE COMPLEX PROBLEMS OF AN EVOLVING—AND INCREASINGLY DIVERSE—CAPITAL MARKET.

STRATEGY 4.1: ADVANCE DIVERSITY, EQUITY, AND INCLUSION (DE&I) THROUGHOUT OFFICE OPERATIONS.²⁶

- Incorporate best practices with hiring, development, and retention to develop a team that is reflective of the multi-faceted needs of small businesses and their investors, with attention paid to all facets of diversity.
- Take proactive steps to include diverse voices in decision-making for the Office and that team members have equal opportunity to thrive.
- Develop skills and talents of team members through coaching, training, and opportunities to hone subject matter expertise.
- Broadly engage both internally and externally on DE&I issues.

STRATEGY 4.2: FOSTER A CULTURE OF CONNECTIVITY, COLLEGIALLY, AND COLLABORATION AMONG OFFICE STAFF.

- Reduce barriers and foster connectivity among colleagues through project staffing decisions and informal relationship-building opportunities.
- Emphasize transparency in decision-making, a team-based mentality, and positivity in approaching challenges.
- Provide regular, concrete feedback to team members to set expectations and create clear pathways for growth.



END NOTES

- 1 *See* 15 U.S.C. § 78d(j)(4)(E), directing the Office to “conduct outreach to small businesses and small business investors, including through regional roundtables, in order to solicit views on relevant capital formation issues.”
- 2 *See* 15 U.S.C. § 78d(j)(4)(C), directing the Office to “identify problems that small businesses have with securing access to capital, including any unique challenges to minority-owned small businesses, women-owned small businesses, and small businesses affected by hurricanes or other natural disasters.”
- 3 *See* 15 U.S.C. § 78d(j)(8), directing the Office to “be responsible for planning, organizing, and executing the annual Government-Business Forum on Small Business Capital Formation described in section 80c-1 of this title.”
- 4 *See* 15 U.S.C. § 80c-1(a), directing the SEC through the Office to “conduct an annual Government-business forum to review the current status of problems and programs relating to small business capital formation.”
- 5 *See* 15 U.S.C. § 80c-1(b), directing the Commission to “invite other Federal agencies, such as the Department of the Treasury, the Board of Governors of the Federal Reserve System, the Small Business Administration, organizations representing State securities commissioners, and leading small business and professional organizations concerned with capital formation, to participate in the planning for such forums.”
- 6 *See* 15 U.S.C. § 80c-1(e), directing the Commission to “(1) review the findings and recommendations of the forum; and (2) each time the forum submits a finding or recommendation to the Commission, promptly issue a public statement-(A) assessing the finding or recommendation of the forum; and (B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.”
- 7 *See* note 2; through outreach with small businesses and their investors, accessibility of securities laws has been repeatedly flagged as a critical barrier to entry for entrepreneurs and investors alike, particularly among communities with fewer financial resources. *See also* SEC FY 2018-2022 Strategic Plan, Initiative 1.2 “Enhance our outreach, education, and consultation efforts, including in ways that are reflective of the diversity of investors and businesses.”
- 8 *See* 15 U.S.C. § 78d(j)(4)(A), directing the Office to “assist small businesses and small business investors in resolving significant problems such businesses and investors may have with the Commission or with self-regulatory organizations.” *See also* SEC FY 2018-2022 Strategic Plan, Initiative 1.1 “Enhance our understanding of the channels retail and institutional investors use to access our capital markets to more effectively tailor our policy initiatives.”
- 9 *See* 15 U.S.C. § 78d(j)(4)(D)(i), directing the Office to “analyze the potential impact on small businesses and small business investors of proposed regulations of the Commission that are likely to have a significant economic impact on small businesses and small business capital formation.” *See also* SEC FY 2018-2022 Strategic Plan, Initiative 2.1 “Expand market knowledge and oversight capabilities to identify, understand, analyze, and respond effectively to market developments and risks.”
- 10 *See* note 9.
- 11 *See* 15 U.S.C. §§ 78d(j)(4)(B), directing the Office to “identify areas in which small businesses and small business investors would benefit from changes in the regulations of the Commission or the rules of self-regulatory organizations.” *See also* SEC FY 2018-2022 Strategic Plan, Initiative 2.2 “Identify, and take steps to address, existing SEC rules and approaches that are outdated.”
- 12 *See* 15 U.S.C. § 78d(j)(4)(F), directing the Office to “propose to the Commission changes in the regulations or orders of the Commission and to Congress any legislative, administrative, or personnel changes that may be appropriate to mitigate problems identified under this paragraph and to promote the interests of small businesses and small business investors.”
- 13 *See* 15 U.S.C. § 78d(j)(4)(G), directing the Office to “consult with the Investor Advocate on proposed recommendations made under subparagraph (F).”
- 14 *See also* SEC FY 2018-2022 Strategic Plan, Initiative 3.5 “Promote collaboration within and across SEC offices to ensure we are communicating effectively across the agency, including through evaluation of key internal processes that require significant collaboration.”
- 15 *See* 15 U.S.C. § 78d(j)(7).

- 16 *See* 15 U.S.C. § 78d(j)(6)(A), directing that “[n]ot later than December 31 of each year after 2015, the Advocate for Small Business Capital Formation shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the activities of the Advocate for Small Business Capital Formation during the immediately preceding fiscal year.”
- 17 *See* 15 U.S.C. § 78d(j)(6)(B)(ii), directing the report to include: “information on steps that the Advocate for Small Business Capital Formation has taken during the reporting period to improve small business services and the responsiveness of the Commission and self-regulatory organizations to small business and small business investor concerns”
- 18 *See* 15 U.S.C. § 78d(j)(6)(B)(i), directing the report to include: “appropriate statistical information and full and substantive analysis.”
- 19 *See* 15 U.S.C. § 78d(j)(6)(B)(v), directing the report to include: “recommendations for such changes to the regulations, guidance and orders of the Commission and such legislative actions as may be appropriate to resolve problems with the Commission and self-regulatory organizations encountered by small businesses and small business investors and to encourage small business capital formation.”
- 20 *See* 15 U.S.C. § 78d(j)(6)(B)(iii), directing the report to include: “a summary of the most serious issues encountered by small businesses and small business investors, including any unique issues encountered by minority-owned small businesses, women-owned small businesses, and small businesses affected by hurricanes or other natural disasters and their investors, during the reporting period.”
- 21 *See* 15 U.S.C. § 78d(j)(6)(B)(iv), directing the report to include: “an inventory of the items summarized under clause (iii) (including items summarized under such clause for any prior reporting period on which no action has been taken or that have not been resolved to the satisfaction of the Advocate for Small Business Capital Formation as of the beginning of the reporting period covered by the report) that includes—
- (I) identification of any action taken by the Commission or the self-regulatory organization and the result of such action;
 - (II) the length of time that each item has remained on such inventory; and
 - (III) for items on which no action has been taken, the reasons for inaction, and an identification of any official who is responsible for such action;”
- See also* 15 U.S.C. § 78d(j)(6)(B)(vi), directing the report to include “any other information, as determined appropriate by the Advocate for Small Business Capital Formation.”
- 22 *See* 15 U.S.C. § 78d(j)(6)(D), directing that the report “shall be provided directly to the committees of Congress listed in such subparagraph without any prior review or comment from the Commission, any commissioner, any other officer or employee of the Commission, or the Office of Management and Budget.”
- 23 *See* 15 U.S.C. § 78qq.
- 24 *See* 15 U.S.C. § 78qq(d)(1), (f), directing the Commission to “make available to the Committee such staff as the chairman of the Committee determines are necessary to carry out this section.”
- 25 *See* 15 U.S.C. § 78qq(g), directing the Commission to “(1) review the findings and recommendations of the Committee; and (2) each time the Committee submits a finding or recommendation to the Commission, promptly issue a public statement— (A) assessing the finding or recommendation of the Committee; and (B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.”
- 26 *See* SEC Diversity and Inclusion Strategic Plan for FY 2020-2022; *see also* 15 U.S.C. § 78d(j)(3).



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FORMATION

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