



UNITED STATES HOUSE COMMITTEE ON
FINANCIAL SERVICES
CHAIRMAN FRENCH HILL

Incentivizing New Ventures and Economic Strength Through Capital Formation (INVEST) Act

The INVEST Act, sponsored by Capital Markets Subcommittee Chair Ann Wagner (MO-02) and cosponsored by Representative Gregory Meeks (NY-05), will cut Washington red tape, empower small businesses and entrepreneurs, and give Americans more freedom to invest.

Why Is The INVEST Act Needed?

- Nearly all venture funding pours into just a few coastal cities leaving job-creating entrepreneurs from across the Midwest, South, and rural America often overlooked when trying to raise capital.
- Current rules for investing in private markets are obsolete, relying on wealth instead of financial knowledge. This unfairly bars millions of Americans from investing in promising, early-stage companies.
- Public markets are shrinking: the number of U.S. public companies has fallen from 8,800 in 1997 to fewer than 4,000 today, costing jobs and limiting investment options for retirement savers.

The INVEST Act Will Expand Access To Capital For Small Businesses:

- Cuts red tape so startups and small businesses can raise capital more efficiently, increasing American competitiveness, economic growth, and job creation.
- Updates outdated investment thresholds that have prevented small companies from utilizing every available method of raising capital.
- Ensures capital reaches beyond Wall Street and Silicon Valley to entrepreneurs across the heartland.

The INVEST Act Will Increase Opportunities For Investors:

- Expands investment opportunities for Main Street investors, ensuring retirement savers – not just Wall Street insiders – share in the success of tomorrow's leading companies.
- Modernizes the accredited investor definition so education, professional credentials, and experience – not just wealth – determine whether an individual can invest in private offerings.
- Opens up investment options for Americans by eliminating restrictions on the types of financial products available in certain retirement accounts.
- Protects seniors by increasing safeguards and resources to combat financial fraud and exploitation.

The INVEST Act Will Strengthen Our Public Markets:

- Streamlines disclosure requirements to make it faster, simpler, and more practical for companies to go and stay public.
- Gives businesses more flexibility to raise capital on competitive terms, helping them grow in America instead of overseas.
- Modernizes how companies can test the market for an initial public offering, allowing them to assess demand before incurring the full cost of going public.