

ACG's Public Policy Agenda seeks to educate policymakers on the important role of the middle market, foster the formation of private capital, and emphasize pro-growth policies. This helps ACG to fulfill the organization's mandate to advocate for legislative and regulatory policies that advance the health and growth of ACG members and the middle market.

Middle-Market Education - Access to Private Capital - Pro-Growth Policies

As part of its policy efforts, ACG:

- Advocates for policies, legislation and regulations that enhance the ability of middle-market companies to create and preserve jobs in a changing global economy.
- Monitors and defends against policy initiatives that could hinder or impede middle-market growth.
- Provides a middle-market voice to federal agencies and legislators on policies that impact the middle market.
- Offers avenues for ACG members to advocate directly with members of Congress and regulators.

ACG Advocacy Issues

- ✓ Modernize the SEC's **Advertising Rule** for private equity funds
- ✓ Clarify that **broker-dealer regulations** do not apply to investment advisers merely because they may receive certain transaction fees
- ✓ Amend the **Volcker Rule** to permit banking entities to invest in smaller, middle-market investment funds
- ✓ Clarify the **joint-employer standard** under the National Labor Relations Act and the Fair Labor Standards Act so middle-market businesses can continue growing jobs and expanding economic opportunities without facing unknown legal liability
- ✓ Expand the definition of an **accredited investor**
- ✓ Maximize benefits of the tax law's new **Opportunity Zone** program for the middle market

MIDDLE-MARKET EDUCATION

There are approximately 200,000 middle market companies—those with revenues between \$10 million and \$1 billion. The middle market is the single largest contributor to growing U.S. jobs, accounting for over 51.8 million jobs created since the financial crisis (2011-2017), and is responsible for one-third of both private sector GDP and employment. Despite the powerful impact of the middle market on the U.S. economy, the middle market historically has been underrepresented in policy discussions and proposals.

ACG is committed to spreading the positive message of the middle market with policymakers so that they can understand this important segment of the economy, equipping them to consider the needs of the middle market when engaging in policymaking. By educating and building relationships with members of Congress and regulators, ACG is ensuring that the voice of the middle market is an essential contributor to policy conversations. ACG's education efforts serve as the foundation for its advocacy on well-reasoned policies that are clear, appropriately balanced, and reflective of operational realities in the middle market.

One important way to keep the middle market front and center on Capitol Hill is to increase membership in the Congressional Caucus for Middle Market Growth. This Caucus was formed to raise awareness of critical issues that affect the mid-market economy through educational briefings to increase the understanding of the middle market and its critical role in job creation and economic growth. *Expanding membership in the Congressional Caucus for Middle Market Growth is a key priority for ACG in the 116th Congress.*

ACCESS TO PRIVATE CAPITAL

Access to capital and operational expertise is essential for companies to operate and grow. Unfortunately, there can be significant challenges for small and mid-sized businesses to obtain bank loans, important business reasons to not sell company stock, and significant impediments to accessing the public markets. Private capital is a critical alternative that fills this void. ACG's private capital members partner with growing middle-market businesses, providing operational and strategic expertise along with a strong injection of capital, to significantly improve their potential for growth and increased value.

The benefits of private capital on growth, especially in the middle market, are supported through robust data. GrowthEconomy.org research found that from 1998 to 2017:

- U.S. private capital-backed companies grew jobs by 60 percent while all other U.S. companies grew jobs by 25 percent. **Nearly three-quarters of this growth comes from the middle market.**
- U.S. private capital-backed companies grew sales by 104 percent, while all other companies in the United States grew sales by 29 percent. **Nearly 90 percent of this growth comes from the middle market.**

ACG, directly and by collaborating with like-minded industry groups, works to ensure that middle-market businesses continue to benefit from access to private capital. ACG accomplishes this through engagement with federal policymakers to promote private capital investment and efforts to continue to develop data that demonstrates the impact of private capital on job and sales growth.

PRO-GROWTH POLICY

ACG advances public policies that grow jobs, investments, and middle-market businesses across the United States. With tens of millions of employees, the vitality of the middle market is critical to the health of American families, communities, and the overall economy.

ACG advocates for clear and appropriately tailored regulations so that middle-market businesses can focus on growing jobs and revenue instead of spending resources on compliance obligations that lack a corresponding benefit. ACG also supports tax policies that incentivize growth and provides the middle market a voice in tax policy discussions.

Want to Learn More About ACG's Public Policy Efforts? Contact policy@acg.org.