



Cosponsor the American Ownership and Resilience Act (AORA), a Bipartisan Bill to Help Provide Access to Private Capital to Promote Employee Ownership

BACKGROUND

- Many ESOPs never form, or dissolve their ESOP, because of a lack of access to capital – a key factor limiting the growth of the number of ESOPs and employee ownership.
- The American Ownership and Resilience Act (AORA), modeled on the successful SBIC program at the Small Business Administration, would help motivate private capital investment with federal loan guarantees to specifically support ESOP formation and recapitalization.

SUMMARY

- The goal of AORA is to advance employee ownership by leveraging the full faith and credit of the U.S. government in partnership with private investment funds.
- AORA establishes a zero-subsidy investment facility within the U.S. Department of Commerce that enables licensed private investment entities, known as Ownership Investment Companies (OICs), to mobilize private capital for the purchase of privately held businesses transitioning to ESOP ownership.
- AORA does not rely on taxpayer funds and subsidies, only on federal loan guarantees.
- OICs would make a range of debt and equity-like investments in eligible employee ownership transactions that generate market-rate returns. The facility would offer a standard debt security that is federally guaranteed, operating without taxpayer subsidy cost.
- Sen. Chris Van Hollen (D-MD) and Sen. Jerry Moran (R-KS) introduced the bill in the Senate, with cosponsors Sen. Tammy Baldwin (D-WI), Sen. Todd Young (R-IN), Sen. Jeanne Shaheen (D-NH), Sen. Eric Schmitt (R-MO), and Sen. Peter Welch (D-VT).
- Rep. Blake Moore (R-UT) and Rep. Lori Trahan (D-MA) introduced the House companion bill, with cosponsors Rep. Dusty Johnson (R-SD), Rep. Bill Foster (D-IL), Rep. Michael Baumgartner (R-WA), Rep. Chrissy Houlahan (D-PA), Rep. Brian Fitzpatrick (R-PA), Rep. Angie Craig (D-MN), Rep. Ed Case (D-HI), and Rep. Eugene Vindman (D-VA).

REQUEST

- **Cosponsor the bipartisan AORA to help promote greater access to capital for ESOP formation.**
 - **Senate – S. 1645 House – HR 3248**

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