

THE HAMILTON PROJECT

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THE CHALLENGE

We believe in America's promise: that education and hard work can provide each individual with the opportunity to advance and allow each generation to do better than the one before. Today, however, that promise is in jeopardy because our nation is neither paying its way nor investing adequately in its future. Our nation has failed to make the tough decisions needed to maintain our economic strength over the years and decades ahead. To address this challenge, we need an alternative economic strategy as well as public policies based on empirical evidence and experience, not ideology and doctrine.

Advancing Opportunity, Prosperity and Growth

It is time for our nation to tackle the budget deficit. Many options are on the table. Now political leaders from both sides of the aisle must come together to adopt real solutions.

And it is time for America to invest wisely in sound public policies that will expand individual opportunity and promote economic growth.

Changes in the global economy have made the need for sound strategy and innovative policies serving that strategy more urgent. American workers already face global competition in some high-skill, high-wage sectors; this competition may ultimately extend to all services that can be delivered electronically. The solution is not to turn inward. Instead, our nation must embrace the substantial economic benefits of open trade and competition while also better equipping our workers to compete in the world economy, through smarter approaches to education, worker training, enhanced economic security, and strengthened incentives for innovation.

Our Vision and Principles

The overall economic vision of the Hamilton Project—addressing the fiscal imbalance and increasing public investment in key growth-enhancing areas—differs strikingly from the theories driving current economic policy.

Our approach reflects several conclusions about the nature of economic growth:

Broad-based economic growth is stronger and more sustainable: We believe

PRINCIPLE 1

that broad-based growth will be stronger and more sustainable than growth accruing disproportionately to a small segment of the population. When public policy excessively favors relatively few, the economy misses out on opportunities for innovation and productivity by the many.

Economic security and economic growth can be mutually reinforcing: Not only

PRINCIPLE 2

does economic growth increase economic security, but economic security in turn can increase economic growth—by enabling people to take the risks that promote growth (such as starting a new business or investing in their own education), by getting families back on their feet quickly after unexpected shocks, and by lessening calls for growth-diminishing policies such as closing our markets to competition.

Effective government can enhance economic growth: Markets are the cornerstone of

PRINCIPLE 3

economic growth, but government must invest in those critical needs that market forces will not adequately meet, such as education, infrastructure, and basic research. Government must rigorously seek efficiency, increased productivity, and internal reform so that it can most effectively target its policies to provide necessary services.

Mission and Activities

The Project aims to spark a debate on its strategy and policy ideas.

In addition to an overarching economic strategy, the Hamilton Project will put forward proposals representing innovative ideas from leading economic thinkers. These proposals—grounded in evidence and real-world experience—will represent a portfolio of options from which policymakers may choose, with each idea offering an innovative step to strengthen the country’s policies.

The Project’s proposals will focus on some of our nation’s most important policy challenges in four areas central to promoting growth and opportunity: education and work; innovation and infrastructure; savings and insurance; and effective government.

Although the specific policy proposals reflect the views of diverse individual thinkers, we all support the core economic strategy that underlies the project, and we all recognize the need for specific policy proposals broadly consistent with that strategy.

The Project will regularly release in-depth policy papers, which will be subject to debate among all interested parties at policy forums sponsored by the Brookings Institution. The Project also will serve as an ongoing resource for federal, state, and local policymakers who are interested in advancing specific policy options put forward by the Project.

The Project is named after Alexander Hamilton, the nation’s first treasury secretary, who laid the foundation for the modern American economy. An immigrant who was born into poverty and was self-schooled in his early years, Hamilton symbolizes the traditional American values of opportunity and upward mobility that motivate the Project’s work. He fostered the nation’s capital markets, encouraged commerce, and stood for sound fiscal policy. The guiding principles of the Project are consistent with Hamilton’s deep belief that broad-based opportunity for advancement would drive American economic growth by motivating people to use the full range of their capacities. And he recognized not only the substantial power of markets to deliver economic growth but also the need for “prudent aids and encouragements on the part of government” to enhance and guide market forces. Hamilton was the first architect of American prosperity, and is an apt symbol for what we are trying to do in our time.



Advisory Council

The Advisory Council for the Project comprises leading business executives, former policymakers, economists, and others interested in promoting broad-based economic growth and opportunity:

George A. Akerlof
*Kosbland Professor of Economics,
University of California, Berkeley
2001 Nobel Laureate in Economics*

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