

A Vision for Expanding Economic Opportunity

In Washington this year, fresh thinking has been as rare as sunny days. All season, the congressional debate between the two parties has been so predictable that it could be reduced to a Miller Lite ad. Less taxes, cries one side. More spending, answers the other.

The capital is so polarized that after a liberal magazine recently ran a story declaring George W. Bush "the most dangerous president ever," a conservative magazine responded with a cover that showed Democrats, lemming-like, hurling themselves into the sea under the headline: "Democrats Go Off the Cliff."

Which is why it was as refreshing as a cool Pacific breeze late last week when a group of young business executives, most of them based in Los Angeles, launched an organization dedicated to expanding economic opportunity with ideas that can appeal to both parties.

After Enron, WorldCom, ImClone and the rest, many people might consider loan sharks a more reputable source than business executives on how to create a fairer economy. But it's worth resisting the impulse to turn away. This collection of young activists has produced a distinctive vision, a bit naive in places, but mostly smart, pragmatic and creative.

The new organization is known as the Hope Street Group because it held several of its early meetings in offices on that street in downtown Los Angeles. It was founded in 2001 by seven business professionals in their 30s — lawyers, a management consultant, planning and personnel executives — who thought that in the 2000 election, both parties were offering stale ideas.

Advancing in the business world but interested in policy

and politics, the group's members shared the belief that the central problem facing the economy was finding ways to accelerate growth while simultaneously expanding opportunity — so that a rising tide could reach more boats on the bottom. During the fight over Bush's initial tax cut in 2001, they concluded both parties were missing the point.

"It seems there should have been a genuine debate about how to restore opportunity and how to eliminate barriers to opportunity, like our school system," says Byron G. Auguste, a Los Angeles-based partner at the management consulting firm McKinsey & Co. who played a key role in organizing the group. "We felt both parties were going astray."

Convinced they wanted to inject themselves into the political debate but unsure how, the group spent the next year doing all the things consultants do: interviewing experts, exploring options, sending e-mails, formulating strategic plans.

Eventually, in the summer of 2002, they set their sights on constructing a policy agenda. They divided into five groups (recruiting some more like-minded young business types to help shoulder the work), sharpened their ideas, consulted with more experts and completed a fresh and cohesive blueprint called "Building the Opportunity Economy," which they released to the world Friday on their new Web site, www.hopestreetgroup.org.

The plan offers a series of ideas to create "equality of opportunity in a high-growth economy." None are entirely new. But, like a good house, or maybe a good business plan, the agenda combines familiar pieces into a compelling new package.

On education, it urges two

priorities: a federal-state partnership to provide universal access to preschool and \$6 billion a year in federal grants to help raise teacher pay in states that agree to hold teachers and principals more accountable for student achievement.

To help low-income families accumulate wealth, it urges a major effort to subsidize homeownership through a \$5,000 refundable tax credit for lower-income, first-time home buyers and a tax credit to encourage builders to construct more affordable homes. The plan proposes to expand retirement security, and increase national savings, by making it easier for workers to transfer their pension savings from job to job — and providing subsidies to help low-income workers to begin putting some retirement money away.

Finally, it offers some thoughtful new defenses against corporate corruption and proposes to pay for the whole package by creating a commission, modeled on the old base-closing panel that eliminated obsolete military facilities, that would force Congress to vote on whether to revoke tens of billions of dollars in corporate subsidies.

With this plan, the group amalgamates more influences than Beck or Quentin Tarantino. Its education proposal echoes two of Al Gore's best ideas in his 2000 campaign; its housing plan turbocharges initiatives President Bush has endorsed. Ideas from Democratic Rep. Richard A. Gephardt of Missouri and former President Clinton influence its pension plan; and its corporate subsidy commission bears the fingerprints of Sen. John McCain (R-Ariz).

What unifies this melange is the group's focus on a single vital insight: Expanding opportu-

nity is the best way to grow the economy, and vice versa. Helping more kids come to kindergarten ready to learn isn't just good for them, but for businesses that need skilled workers. Helping more minorities own homes doesn't just enable them to accumulate wealth and give their kids a boost into the middle class, but creates home-building jobs.

Perhaps inevitably, the group sounds a bit starry-eyed at times. Almost every candidate and group proposes to fund their agenda by eliminating corporate subsidies, largely because all of the previous proposals to clean out those stables never make it from paper to practice. And it would be much tougher than the Hope Streeters suggest to build support for these ideas in both parties, simply because so many on each side now resist almost everything the other side likes.

Still, the group's energy and enthusiasm make it a promising civic start-up. With the manifesto published, the organization is now committed to building its membership, starting local affiliates, applying its insights to health care and adapting its plan to California's gargantuan problems.

It's too early to tell whether the group's ideas will attract many politicians. But it will make an important contribution even if it just wins converts among its peers. The best measure of this group's success won't be whether it can secure a hearing in the Oval Office; it will be whether it can inspire busy young professionals to open their eyes and ears to the problems outside their own offices.

Ronald Brownstein's column appears every Monday. See current and past Brownstein columns on *The Times'* Web site at www.latimes.com/brownstein.