

A History of Inequality



in New York City

By Ethan G. Sribnick

Bill de Blasio, the new mayor of New York City, has made fighting New York's poverty and inequality a focus of his young administration. While the percentage of the country's wealth concentrated among its top earners has been on the rise for four decades, New York is one of the most striking examples of American inequality: among the nation's 30 largest cities, it is home to the biggest income discrepancies. In 2011 the median household income in New York's richest area, the Upper East Side, was \$247,200. By contrast, in the city's most impoverished neighborhood, the Coney Island section of Brooklyn, the figure was \$9,500. The numbers speak for themselves.

De Blasio's efforts seem aimed at undoing the policies of his predecessor, Michael Bloomberg, who, according to his harshest critics, turned Manhattan into a preserve of tourists and the wealthy. The inequality and poverty that de Blasio hopes to alleviate, however, have roots much deeper in New York's past. The recently published book *The Poor Among Us: A History of Family Poverty and Homelessness in New York City*, which I coauthored with Ralph da Costa Nunez, documents the presence of poverty and inequality in New York from the eighteenth century up to today. A companion Web site, www.PovertyHistory.org, provides interactive maps, timelines, stories, and images so the user can explore the nature and experience of poverty in the city's past.

A foreman in a box factory teaches a worker, Carmen Zapata, to operate a stamping machine in 1960s. Photo courtesy of the Library of Congress.

There are many periods of inequality addressed in the book and Web site that suggest parallels to the scenario de Blasio faces. A look at the chasm of inequality created over the nineteenth century by the process of industrialization might reveal telling similarities to circumstances seen in the city today. Instead, this article will discuss a period of relative equality in the city's past—the period beginning after World War II and extending through the 1960s—and explore the makeup of that more equal city. The “tale of two cities” that de Blasio now cites has its first chapter in the deindustrialization that ended the postwar boom and resulted in the service industries that still form the core of the city's economy.

In the postwar era, that economy was based on manufacturing. As the city's manufacturing base developed in the nineteenth and twentieth centuries, New York did not come to resemble other industrial centers; the giant plants that were typical of Pittsburgh or Detroit, for instance, were never built in the city. Instead, with limited space, New York was peppered with many small-scale manufacturing shops. The secret to New York's industrial success was its ready supply of labor and its flexible production capacity.

The apparel business, also known as the garment industry, formed one of the largest manufacturing sectors in the city and exemplifies the nature of production. Production of clothing required changes that would accommodate the new trends of each fashion season. It also called for highly skilled craftsmen to work closely with less-skilled and lower-paid workers. In New York, small firms, each specializing in a particular aspect of apparel production, were

able to make limited quantities of garments at a fairly low cost. In 1947 the average-size garment-manufacturing shop in the city employed only 20 people. When more production was required, manufacturers culled more workers from the city's ready supply of low-skilled labor.

For this system to be economically viable, a large pool of low-wage workers was needed. As the city's garment industry grew, these workers were often recently arrived European immigrants looking to gain a foothold in the United States. In the 1940s the children of these immigrants still made up the majority of the city's blue-collar workers. Yet, black migrants from the South who had begun arriving in New York in the 1910s and Puerto Rican migrants who had started to show up in large numbers in the 1940s were quickly joining the ranks of the working class.

With manufacturing dominating New York's economy, the large number of workers involved in production dominated the city's politics. Of the 3.3 million employed people living in New York City in 1946, 2.6 million could be considered part of the working class. With their husbands, wives, and children included, this working class formed the majority of the city's population. The presence of powerful, politically engaged unions further increased the strength of the working class. As a result of all this, New York became a city with extensive publicly funded services, one described by the historian Joshua Freeman as a "homegrown version of social democracy." This included an extensive transportation system, tuition-free colleges, hospitals, and even a radio station. The labor move-

The James Weldon Johnson Houses, a New York public housing project, is seen being built in 1947. When complete, the Johnson houses would cover the blocks from 112th to 115th Streets and from Park to Third Avenues in East Harlem, rapidly becoming a predominantly Puerto Rican neighborhood. Photo courtesy of the Library of Congress.



ment, with public support, created new cooperative housing complexes for workers and their families. New York City unions even built their own health clinics and, with government encouragement, helped oversee prepaid medical plans that covered workers' health care.

The future of all of these public and semipublic programs depended on continued widespread employment and steadily

increasing tax revenue. Unfortunately, at the same time that many of these programs were being put in place, manufacturing centers were beginning to move out of New York City. At first they relocated to suburban areas, where property was less expensive. In 1953, 56 percent of the metropolitan region's manufacturing took place within the city limits; by 1966 the majority of those jobs were elsewhere. Many of the jobs lost were in the apparel industry, whose workforce shrank by 29 percent between 1950 and 1965. In an effort to keep work in the city, the unions made concessions that lowered salaries in this key industry. In 1950 garment workers made 10 cents per hour more than the average manufacturing employee in the city, but by 1965 they made 22 cents less per hour. The quality of life of people in these low-skilled positions began to decrease. Much of the burden of this economic decline fell on the black and Puerto Rican communities. As relative newcomers to New York, blacks and Puerto Ricans often had less union seniority and were frequently the first to be laid off.

The decline in manufacturing in the city was largely the result of national and global economic forces that made it less expensive to produce goods of similar quality outside New York. But choices made in urban planning and redevelopment, especially with regard to Manhattan, also contributed to the flight of production out of the city. The New



Robert Moses and Mayor Robert Wagner take a housing tour. Moses's plans to redevelop much of New York led to dislocation for many poor and working-class New Yorkers. Photo courtesy of the Library of Congress.

York area's first regional plan, developed in 1929, envisioned a Manhattan virtually free of industry, with manufacturing and port facilities moved to New Jersey and the outer boroughs. In the period after World War II, this vision for the city began to become reality. The urban redevelopment along the East River that occurred between 1945 and 1955—which included the construction of the United Nations, Stuyvesant Town, Peter Cooper Village, and, on the other side of the river, the Brooklyn Civic Center—led to the loss of 18,000 manufacturing jobs. This trend in urban renewal would continue. From 1954 to 1965, years that encompassed Robert Wagner Jr.'s tenure as mayor, 200,000 manufacturing jobs left the city.

The redevelopment of New York and the changing economy also had consequences for where New Yorkers lived. Urban renewal projects frequently failed to build the number of housing units they destroyed, and many of the units they did provide were more expensive than those they replaced. For example, according to Robert Caro's biography of Robert Moses, the urban planner who oversaw many of these developments, the Lincoln Square urban renewal project, which built the Lincoln Center complex, destroyed 7,000 low-income units and built only 4,400 dwellings, 4,000 of which were luxury apartments. The movement of poor and middle-class communities out of most of Manhattan and into the upper reaches of the island and the outer boroughs had begun in the early twentieth century. But in the postwar era, projects such as urban renewal helped to push more struggling families to the outskirts of the city. A 1953 study found that 150,000 people, more than half of them black or Puerto Rican, would be dislocated by public works projects. While it is difficult to say in every case where those people ended up, the city saw a general movement of poverty out of Manhattan and other core areas and into neighborhoods in eastern Brooklyn and the South Bronx. As the maps on www.PovertyHistory.org demonstrate, this movement has continued in recent years. At the same time, neighborhoods in Manhattan have grown more affluent, with only a small number of poor residents.

The dislocation in work and housing experienced by many New Yorkers was the result of an economic transformation from a manufacturing economy to a service economy. This transformation would continue into the 1970s; between 1969 and 1977 the city lost an additional 600,000 manufacturing jobs, leading to declining wages for many who had once worked in that sector. The loss of work decimated many of the city's working-class communities, leaving neighborhoods with high concentrations of poverty. The housing in many of these areas was destroyed

by arson and neglect, and the safety of residents was threatened further by the drug trade and gang conflicts. Declining tax revenue, along with the city's efforts to maintain the extent and quality of its services in transportation, education, and housing, would lead to the New York fiscal crisis of the 1970s and the eventual peeling back of social programs.

Today, the service economy is firmly in place in New York City. Of the 3.77 million New Yorkers in the workforce, only a little over 155,000, or 4.1 percent, work in manufacturing, and about 188,000, or 5 percent, have jobs in construction. The vast majority of the remainder are employed in some aspect of the service industry. The term "service industry," however, encompasses a wide range of jobs. The fast-food worker is hardly in the same economic class as the Wall Street attorney. New York's service economy is largely divided into low-skill, low-pay service jobs that often do not allow families to exceed the poverty threshold and high-paying jobs held by some of the wealthiest New Yorkers. This fact, which is at the root of the inequality in New York City, is what makes de Blasio's challenge so difficult.

Some observers view the development of this bifurcated service economy as a tradeoff. They see the city's choice to replace manufacturing and working-class housing with world-class political and cultural institutions in Manhattan—the U.N., Lincoln Center—as prescient; they view the subsequent efforts under Giuliani and Bloomberg to make the city accessible and welcoming as at least part of the reason that New York has not gone the way of Detroit. At the same time, as de Blasio has made clear, there are consequences for these choices, among them inequality and pockets of deep poverty. *The Poor Among Us* and www.PovertyHistory.org document this poverty, demonstrating its long history in New York City. As the de Blasio administration takes its first steps toward confronting this enormous problem, it would be wise to heed the lessons from the city's past. ■

Boys play catch in a vacant East Harlem lot in 1954. Many of New York's poorer neighborhoods would see an increase in abandoned properties and demolished buildings, especially over the 1960s and 1970s. Photo courtesy of the Library of Congress.

