**Exceptional: The Elites of New York and the Story of American Inequality**

**Brief Description**

Through a sociological history of the elites of New York City, *Exceptional* uncovers the unique character of American inequality. New York was founded, in part, as an aristocracy and today it remains one of the most glaring examples of inequality in our world. It contains our nation’s wealthiest census tract, with an average household income of $189,000, as well as its poorest, where the average household somehow lives on $9,300 a year. Twenty percent of New York’s 8 million residents live on less than $20,000 a year, yet if the bonus pool from one of its financial firms were distributed to its citizens, poverty in our nation’s largest city could be eliminated.

Aristocracy may be dead, but it has not been replaced by social equality. This book tells how, as New York institutions became less exclusive, opening to those previously excluded, inequality increased. I argue that the key understanding this curiosity is a kind of American exceptionalism: our capacity to combine the social openness that often eluded our European counterparts with levels of economic inequality that could only be experienced within the triumph of a capitalist marketplace and a particular set of American cultural mores. Openness and inequality are strange, yet quintessentially American bedfellows.

**Full Description**

Since 1970, America has experienced a tremendous rise in economic inequality. Today our nation is as unequal as it was at the close of the Gilded Age. A quarter of the city of New York is collectively worth less than its single richest citizen. And with such rising inequality, the opportunity for Americans to improve their social and economic standing has declined. Whereas thirty years ago those Americans who worked longer hours saw their likelihood of advancing increase, this is no longer the case. Americans experience less mobility than the citizens of any other industrialized nation, except England.

We usually look down towards the plight of the disadvantaged to find the causes of and solutions to inequality and immobility. But we should be looking up. While the average American have experienced a decline in net income since 1968, the richest Americans have enjoyed an almost 500% raise. Our increasing national wealth has been completely seized by the top 10%. The success of the rich, not the deficits of the poor, is the engine of contemporary inequality.

Elites have long built moats and fences around resources to ensure their position, whether through taxation, education, or access to social, cultural institutions, or economic opportunities. This hoarding and exclusion is an old story. Yet the last forty years have seen a transformation of our society into one that is in many ways more inclusive. Women now lead major corporations, our nation’s president is not white, and highly-prestigious colleges have graduating classes that are more than 50% minority. Social barriers are being reduced every day.

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1 Tom Hertz, 2006, “Understanding Mobility in America,” *Center for American Progress*


In their place, however, economic barriers have been erected, ones that have powerful consequences. So powerful, that the greater social openness of labor markets, political offices, corporate boardrooms and colleges does little to counter their effects. Social democratic movements and theories hold that providing access produces equality. And yet in today's more open society we are experiencing levels of inequality we haven't seen since the time of the robber barons.

To find an answer to this puzzle we must look at the constitution and formation of American elites. I began this project in my earlier work. My first book, Privilege: The Making of an Adolescent Elite at St. Paul's School, reveals a year in the life of a boarding school where the most common college students attend is Harvard, and where Rockefellers and Vanderbilts have long sent their offspring. Yet St. Paul's is not the school it was fifty years ago. Today it is diverse, and it aggressively fights the entitlements of older elite families. Against the backdrop of this change—a more unequal nation—I outline the production and sensibility of America's new elite.

I define elites as those who have vastly disproportionate control over or access to a resource. This resource could be economic—money, a factory, stock holdings—it could be social—access to other people or institutions that might provide business or marriage opportunities—or, cultural—control over defining cultural institutions and the tastes and dispositions of the time. Elites are not a monolithic group. And so we must understand how elites manage varied competing interests as different members seek the increased prominence of the resource that provides them with power and advantage. I am particularly interested in how elites deal with pressures from non-elites who seek to join them in enjoying the advantages of the few.

My ethnographic portrait of the present has led me to think more seriously about the past. In particular, I have begun to wonder if our “new” elite are really that new, and if open inequality is rare. Turning to the historical record, I have been discovering that rather than unique, today's inequality might be quite common. We often read our history through the lens of post-war America, when equality and mobility were at their highest, and when our citizens fought for and won a more inclusive society. But rather than a culmination of the American spirit, that moment may instead be a unique one. Our return to inequality might not be an abandonment of core American principles, but instead a return to what for most of our history has been a normal state of affairs.

Scholars have used the term, “American Exceptionalism” to make sense of the differences between America and its sister liberal democracies in Europe. Alexis de Tocqueville coined the term as a way to explain variations in American and European political and religious institutions. America's high levels of social egalitarianism and social mobility, the strength of religion, and the weakness of the central state surprised Tocqueville. He explained these differences by the absence of feudal remnants; we have never experienced aristocracy, so status distinctions are less likely to mark our national culture. Many other writers—including Karl Marx—have come to similar conclusions, arguing that while the distribution of wealth in America has a tendency to grow more unequal, consumption and the overall standard of living of the working class will continue to improve due to enormous economic growth. The resonance of class as a defining identity for Americans is inhibited by a relatively high standard of living, egalitarian social relationships and a belief in widespread opportunities for social mobility.

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My work builds upon, yet transforms this idea. Tocqueville, while noting the potential for equality in America simultaneously worried about the possibility of aristocracy emerging within American industrial society. And Rogers Smith has pointed to the multiple political traditions operative in America--some of which are far from egalitarian.\(^5\) American exceptionalism, I argue, is our nation’s capacity to combine the kinds of social openness that often eluded our European counterparts with levels of economic inequality that could only be experienced within the triumph of a capitalist marketplace and under unique cultural mores. Openness and inequality are strange, yet quintessentially American bedfellows\(^6\).

To evaluate this thesis I use five case studies of different periods in New York’s history. My focus is on New York because it has long dominated the nation’s trade, production, and finance, and has served as one of the central places for producing elites and their culture. New York is not representative or typical, but when studying elites this is a virtue. It is where the action is, revealing more about the American elite than any other site.

In each of these case studies my aim is to understand how elites construct and maintain social boundaries: how they have defined who is “in” and who is “out,” with what kinds of boundaries and under what conditions elites have been more or less successful in protecting their interests, and most important, how boundaries have been used to both challenge and preserve inequality. We associate rigid boundaries with inequality, and porous ones with more equitable relations; I believe this view is naïve. Boundaries are not so simple that we can understand them along a single dimension (open or closed). Nor can boundaries be eliminated all together. They are what social scientists call a “social fact.” All societies everywhere have boundaries; even when some disappear, others inevitably emerge. And so the question is not whether we can make boundaries disappear, nor is it the case that “opening” boundaries always alleviates social problems. Instead the question is to better understand the character of different kinds of social boundaries, and what these different characters mean for social equality. This richer understanding of boundaries will allow us to escape from the simplistic view that “open” means “equal” and instead understand how different kinds of openness enable us to realize greater social equality.

**Chapter Outline**

Though each chapter will deal with a distinct historical case, the themes introduced in this proposal will be each be deployed across chapters and thereby tie them together. To provide further narrative coherence, across chapters we will occasionally encounter members of the same families who experience both the weight of the family history and the pressures of shifting boundaries, economic logics, cultural tastes, and inequalities. More a narrative trope than an element of the argument, this design will aid in the readability of the manuscript.

**Introduction**

Presentation of the main themes of the book: inequality, social boundaries, elites, exceptionalism and social openness/closure. Further, a justification for the selection of New York and the logical of a series of case studies is provided.

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Colonial Aristocrats (1634-1765):
Early New York sets the scene for the dynamics and struggles around cosmopolitanism, openness, closure, capitalism, and elite border-making that will mark the United States in the centuries to come. Though the Rensselaer fortune of New York was initially built in the 17th century by mercantile wealth in the Dutch republic (Kiliaen van Rensselaer was a director of the Dutch West India Company), it was quickly based in New Netherland. Yet this new world family was tied to a far more old world, aristocratic control of land. The van Rensselaer manor, Rensselaerswyck, was an astonishing 1300 square miles, and it supported the family for two centuries through its feudal system of rents. Early America was dominated not by democracy, but by corporations and an almost aristocratic culture. We must not forget that the founding of New Netherland and New Amsterdam was a private, commercial endeavor, and that throughout the colonial period political officers were royally appointed. Yet the colonies were not like Europe; land abounded, and there were enormous incentives to seize and cultivate it. Hard-on-their-luck men and women from across Europe met one another, Africans (some free, most slaves), expelled Jews from Brazil and Europe, and native populations in a space that could best be described as cosmopolitan. Colonial America was a strange place. At once aristocratic, yet with opportunities not afforded in Europe. Both open and closed, and with a mercantilist, corporate ethic that would soon drive the world’s economy.

The Birth of Industry (1790-1845):
Early America, even in the immediate post-revolutionary period, looked toward Europe. Even at the start of the 19th century, more than 90% of its trade (and thereby, almost all of its economy) was with European nations. Cornelius Vanderbilt made his fortune and his imprint on American life by changing this. He started with a tiny boat, shuttling men and women from Staten Island to Manhattan. And he ended his life having helped create a system wherein goods and people could move vast distances, and Americans could begin to look within to grow. Vanderbilt’s is an American story -- a boy born with little who transformed himself into the richest man in the nation -- and he represents a shift away from the landed control of the old elite, to a new elite oriented to industry. The Rensselaers did not suffer. Yet being a patroon lording over 3,000 tenants was largely incompatible with the rising tide of Jacksonian democracy. With the industrial transformations that were fast becoming the foundation of the nation’s wealth, political transformations that increasingly supported democracy, and cultural transformations that rejected social distinctions, these Knickerbocker families of the region (Stuvesants, Schuylers, De Peytsers, Van Winkles, Gansvoorts, Van Dams, Gerard, Vandewaters, Duyckincks, and Van Dykes) lost much of their hold on the economy and society. A new elite was forming in New York, one where the inheritance of an old family name, or land was insufficient. Horatio Alger-like stories were emerging day-by-day. Industry was expanding, and with it, the economy; the number of banks grew from just 24 in 1797, to over 700 by 1837. America was remaking itself into something new the world have never seen before, and something that Tocqueville began to chronicle during his 1831 visit to our nation.

Aristocracy Revived: the Gilded Age (1850-1900):
This new elite created a crisis. Aristocratic forms of landed wealth were drying up, and as the north engaged in a war with the south, strict hierarchies become less sustainable. During this time migrants began pouring into America’s shores, and unimaginable wealth began to amass into the accounts of previously unknown men. These dual threats of new men and new times made elites anxious, and left them searching for ways to constitute and protect themselves. The economy seemed to expand with an uncontrollable (and exciting) energy. And so non-economic institutions were mobilized to help create new boundaries. It is at this moment that cultural institutions like the Metropolitan Museum of Art and the Metropolitan Opera were formed, that an Armory was built on Park Avenue to protect elite families, and social clubs gained prominence. The Met, purposefully nestled
in central park among the newly built mansions of Fifth Avenue, helped create boundaries around fine art. Just as elites were threatened economically, they found ways to construct social and cultural distinctions that helped form them as a social class. As economic doors opened for a lucky few, social and cultural distinctions were solidified. As some boundaries became more porous in this new America, others were constructed. The result was a massive increase in inequality. This open inequality could not be sustained, and shortly after the Gilded Age the nation experienced a crippling collapse.

The True American Exceptionalism: Middle Class America (1948-1970):
Through its engagement in the two world wars, American went from being an international curiosity to an international leader. Post-war America was a golden-age, of sorts, for declining inequality, increasing mobility, and the realization of political ideas wherein almost everyone could express a legitimate claim to our democratic process. When we imagine the spirit of America, with its middle class serving as the backbone of American morality, democracy, and growth, the image we conjure up is most accurately reflected in this post-war period. And as I explore it, I seek to reveal how post-war America was able to do something few other moments in American history were able to do: increase economic equality. In particular, I will look at the ways in which our nation transformed into a place marked less by a power elite, and more by political pluralism. And in exploring the boundary-making during this process, I show how as pressures increased for economic equality to be available to those who were systematically excluded--particularly non-whites and women--such equality collapsed. This period of hope ends as we regress to a far more typical America: one that is both open, but unequal.

The New Gilded Age: The Opening of American and the Increase in Inequality (1980-Present):
I end with a look at the present, through an exploration of our 21st century inequality. Drawing upon lessons from the earlier historical studies, I will reflect upon our open inequality and the character of different social boundaries that make our society. Central to this story are the rising wages of the elite. As such wages continue to increase faster than those of all other Americans, a tension between openness and inequality has come to a head, just as they did in the first Gilded Age. I believe that if not resolved, if American does not reinvent itself and find a way to be both democratic and equitable, our nation will soon become a secondary player on the world-historical stage.

Conclusion:
I take the politics of my work seriously. My project might be misconceived as arguing that closed social institutions are favorable to open ones, or used to justify the systematic exclusion of social groups in the name of reducing inequality. I share a moral commitment to open institutions and a more equitable world. But the empirical evidence seems to show that openness per se does not breed equality. And until we better understand the character of different kinds of social boundaries and how these can either promote or constrain inequality, we will miss some of the major ways in which advantages and disadvantages are made in America.

Comparable Books:
The clearest model for Exceptional is Sven Beckert’s The Monied Metropolis: New York City and the Consolidation of the American Bourgeoisie, 1850-1896 (Cambridge 2001). Beckert’s book is a magisterial account New York elites during the Gilded Age, and serves as the foundation for the chapter on this subject. There are two significant differences between Exceptional and Beckert’s book. First, Exceptional will provide a sustained sociological argument about inequality rather than a historical portrait of a period in time. In this sense, it will be more similar to Nicola Beisel’s account of the
same time period in *Imperiled Innocents* (Princeton 1998), where the historical material serves to support and evaluate what is at its core a sociological book. Second, whereas Beckert looks at the elite at a single historical moment, *Exceptional* takes a much broader view of the history of New York. In this way it is closer to Edwin G. Burrows and Mike Wallace’s *Gotham* (Oxford 1999), or Edward Robb Ellis’ *The Epic of New York City: A Narrative History* (Basic Books 2004). But whereas *Gotham* seeks to cover every moment from the first steps onto the island of Manhattan by Europeans through the start of the 20th century, and while it addresses all New Yorkers, from the elite to the masses, the aims of *Exceptional* are far more modest. It will not be an encyclopedic reference text. The historical material is at the service of the idea key idea: the exceptional quality of American inequality. Finally, the narrative style will be closer to a kind of historical ethnography, deploying the narrative tools of an ethnographic observer to reveal the relations under study. So the book will read much like popular history texts such as Russell Shorto’s *The Island at the Center of the World* (Doubleday 2004).

**Potential Market:**
*Exceptional* should be of interest to historians, but its main academic audience is within sociology. The topic matter -- New York, inequality, the American character and elites -- will likely appeal to a broader audience than simply academic readers. The book will be written in a narrative style that is meant to appeal to a general audience. Though it will draw upon more explicitly scholarly texts to give accounts of the city -- such as Kasinitz et al.’s *Inheriting the City* (Russell Sage 2009) -- it will read much like *Privilege*. The author is committed to marketing the book, and as it is supported by a research fellowship at the Cullman Center for Writers and Scholars, the New York Public Library will hold a symposium on the book once it is released.

**Additional Information:**
This book will be approximately 120,000 words. It will likely contain 20 images. A draft of the manuscript will be delivered by August 2012, and a final version completed by August 2013.

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