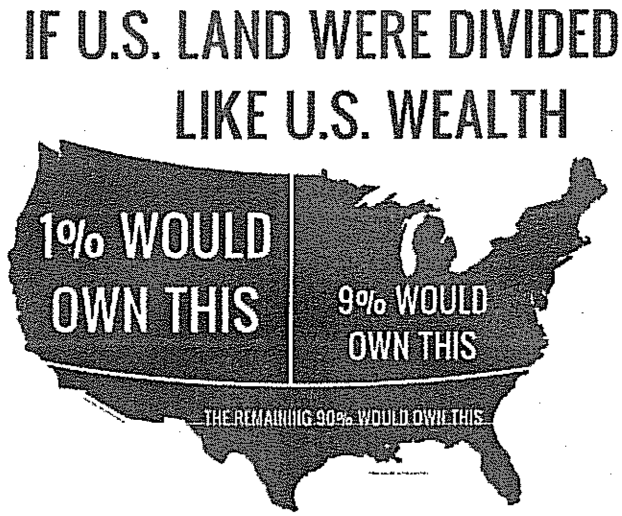
The Reign of the One Percenters

Income inequality and the death of culture in New York City

By Christopher Ketcham



For my daughter's benefit, so that she might know the enemy better, know what he looks like, where he nests, and when and where to throw eggs at his head, we start the tour at Wall Street. It's hot. August. We're sweating like old cheese.Here are the monuments that matter, I tell her: the offices of Deutsche Bank and Bank of New York Mellon; the JPMorgan Chase tower up the block; around the corner, the AIG building. The structures dwarf us, imposing themselves skyward."Linked together like rat warrens, with air conditioning," I tell her. "These are dangerous creatures, Léa. Sociopaths."

She doesn't know what sociopath means.

"It's a person who doesn't care about anybody but himself. Socio, meaning society—you, me, this city, civilization. Patho, like pathogen—carrying and spreading disease."

Long roll of eyes.

I'm intent on making this a teachable moment for my daughter, who is fifteen, but I have to quit the vitriol, break it down for her. I have to explain why the tour is important, what it has to do with her, her friends, her generation, the future they will grow up into.

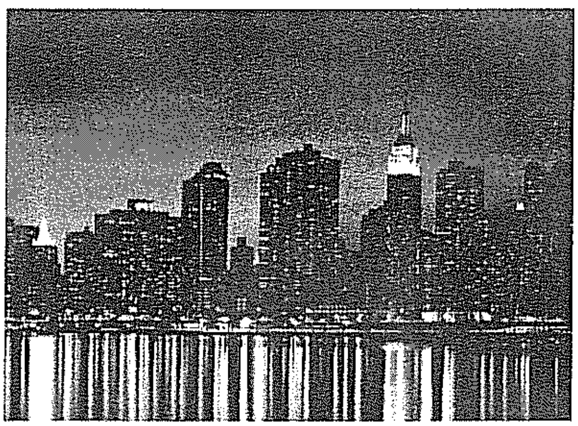
On a smaller scale, I want Léa to understand what New York, my birthplace and home, once beloved to me, is really about. Because I'm convinced that the beating heart of the city today is not its art galleries, its boutiques, its restaurants or bars, its theaters, its museums, nor its miserable remnants in manufacturing, nor its creative types—its writers, dancers, artists, sculptors, thinkers, musicians, or, god forbid, its journalists.

"Here," I tell her, standing in the canyons of world finance, "is what New York is about. Sociopaths getting really rich while everyone else just sits on their asses and lets it happen."

Cancer

Talk is cheap, anger without action is a turnoff, and even at fifteen my daughter sensed that her father's rage was born of impotence. I thought of Mark Twain's line, "The human race is a race of cowards; and I am not only marching in that procession but carrying a banner." A few weeks later, Léa was gone, back to France, where she lives with her mother. I had new material to chew into bitter cud. It was a report titled "Grow Together or Pull Further Apart?: Income Concentration Trends in New York," issued in December 2010 by a Manhattan-based nonprofit called the Fiscal Policy Institute (FPI). The twenty-five-page report only quantified in hard data what most New Yorkers—the ones struggling to survive (most of us)—understood instinctively as they watched their opportunities diminish over the past three decades.

New York, the FPI informs us, is now at the forefront of the maldistribution of wealth into the hands of the few that has been ongoing in America since 1980, which marked the beginning of a new Gilded Age. Out of the twenty-five largest cities, it is the most unequal city in the United States for income distribution. If it were a nation, it would come in as the fifteenth worst among 134 countries ranked by extremes of wealth and poverty—a banana republic without the death squads. It is the showcase for the top 1 percent of households, which in New York have an average annual income of $3.7 million. These top wealth recipients—let's call them the One Percenters—took for themselves close to 44 percent of all income in New York during 2007 (the last year for which data is available). That's a high bar for wealth concentration; it's almost twice the record-high levels among the top 1 percent nationwide, who claimed 23.5 percent of all national income in 2007, a number not seen since the eve of the Great Depression. During the vaunted 2002–07 economic expansion—the housing-boom bubble that ended in our current calamity, this Great Recession—average income for the One Percenters in New York went up 119 percent. Meanwhile, the number of homeless in the city rose to an all-time high last year—higher even than during the Great Depression—with a record 113,000 men, women, and children, many of them comprising whole families, retreating night after night to municipal shelters.



But here's the most astonishing fact: the One Percenters consist of just 34,000 households, about 90,000 people. Relative to the great mass of New Yorkers—9 million of us—they're nobody. We could snow them under in a New York minute.

And yet the masses—the fireman, the policeman, the postal worker, the teacher, the journalist, the subway conductor, the construction worker, the social worker, the engineer, the architect, the barkeep, the musician, the receptionist, the nurse—have been the consistent losers since 1990. The real hourly median wage in New York between 1990 and 2007 fell by almost 9 percent. Young men and women aged twenty-five to thirty-four with a bachelor's degree and a year-round job in New York saw their earnings drop 6 percent. Middle-income New Yorkers—defined broadly by the FPI as those drawing incomes between approximately $29,000 and $167,000—experienced a 19 percent decrease in earnings. Almost 11 percent of the population, about 900,000 people, live in what the federal government describes as "deep poverty," which for a four-person family means an income of $10,500 (the average One Percenter household in New York makes about that same amount every day). About 50 percent of the households in the city have incomes below $30,000; their incomes have also been steadily declining since 1990. During the gala boom of 2002–07, the trend was unaltered: the average income in the bottom 95 percent of New York City households declined.

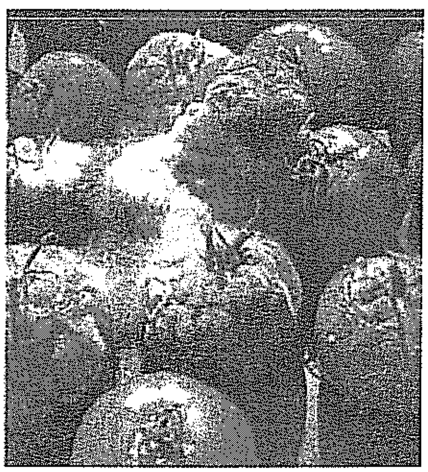
According to the FPI, the wealth of the One Percenters derives almost entirely from the operations of the sector known as "financial services," whose preoccupation is something they call "financial innovation." The One Percenters draw the top salaries at commercial and investment banks, hedge funds, credit card companies, insurance companies, stock brokerages. They are the suit people at Goldman Sachs and J. P. Morgan and AIG and Deutsche Bank. To get a sense for how their fortunes have blossomed, consider the fact that the largest twenty financial institutions in the U.S., almost all of them headquartered in New York, now control upward of 70 percent of the country's financial assets, roughly double what they controlled in the 1990s.

And what do the suit people do to earn such heaping returns? At one time, the financial sector could be relied upon to allocate capital for the building of things that society needed—projects that also invariably created jobs. But productivity is no longer its purview. Lord Adair Turner, a financial watchdog and former banker in the city of London—the other world capital of finance—recently denounced his class as practitioners and beneficiaries of a "socially useless activity." Paul Woolley, who runs a think tank in London called the Centre for the Study of Capital Market Dysfunctionality, observed that the "presumption that financial innovation is socially valuable" was a kind of metaphysics. "It wasn't backed by any empirical evidence," Woolley told John Cassidy, a staff writer forThe New Yorker. Structured investment vehicles, credit default swaps, futures exchanges, hedge funds, complex securitization and derivative pools, the tranching of mortgages—these were shown to have "little or no long-term value," according to Cassidy. The purpose was to "merely shift money around" without designing, building, or selling "a single tangible thing." The One Percenter seeks only exchange value, as opposed to real value. Thus foreign exchange currency gambling has skyrocketed to seventy-three times the actual goods and services of the planet, up from eleven times in 1980. Thus the "value" of oil futures has risen from 20 percent of actual physical production in 1980 to 1,000 percent today. Thus interest rate derivatives have gone from nil in 1980 to $390 trillion in 2009. The trading schemes float disembodied above the real economy, related to it only because without the real economy there would be nothing to exploit.

Behold, then, the One Percenter in his Wall Street tower.

He creates "value" by tapping on keyboards and punching in algorithms. He makes money playing with money, manipulating abstractions. He manufactures and chases after financial bubbles and then pricks them. He speculates on mortgages, car loans, credit card debt, the price of gas that keeps the real economy moving, the price of food that keeps the labor pool alive, always hedging his bets so that he comes out ahead whether society wins or loses. A study from the New Economics Foundation in England found that for every pound made in financial services in the city of London, roughly seven pounds of social wealth is lost—meaning the wealth of those in society who do productive work.

Finance as practiced on Wall Street, says Paul Woolley, is "like a cancer." There is only maximization of short-term profit in these "financial services"—they are services only in the sense of the vampire at a vein. There is no vision for allocating capital for the building of infrastructure that will serve society in the future; no vision, say, for a post-carbon civilization; no vision for surviving the shocks of coming resource scarcity. The finance nihilist doesn't look to a viable future; he is interested only in the immediate return.



Rotten Vegetables

The optimist will say that the wealth disparities in New York have been far worse in the past, and the optimist would be correct. When in 1869, for example, a young journalist named Henry George arrived in New York, already the most opulent city in America, he found that "amid the greatest accumulations of wealth, men die of starvation, and puny infants suckle dry breasts." The inequalities got worse. There came the Panics of 1873 and 1884, which resulted from the speculation and stock fraud of the city's financial and business elite. Epicentered in lower Manhattan, the panics—we'd call them crashes today—produced nationwide shock waves of mass unemployment, homelessness, hunger, years of depression and dislocation, and, at times, the specter of all-out chaos. President Grover Cleveland, aghast at the scope of the division between the few very rich and the many poor, concluded that the "wealth and luxury of our cities," primarily enjoyed by the industrial monopolists and the financier and Wall Street class, was "largely built upon undue exactions from the masses of our people." The exactions in New York, as with every city where unregulated industrial capital ran amok, were most felt in the profitable horrors of wage slavery: the fourteen-hour workdays, the miserable pay, the children forced into labor, the dangerous conditions on factory floors, the rents extracted by landlords for the opportunity to live in windowless, rat-infested, soul-destroying tenements.

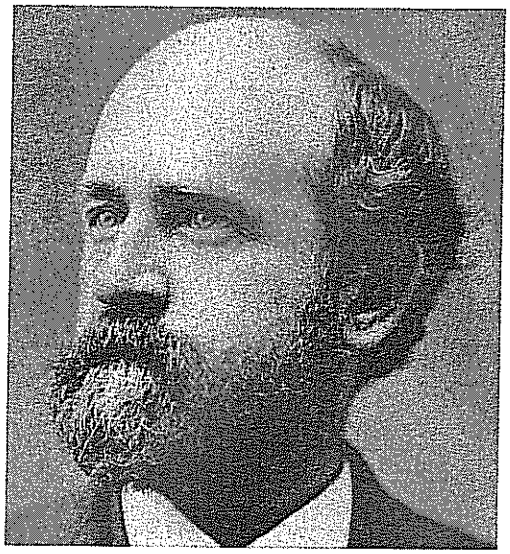
In answer, across New York City throughout the 1880s there were strikes, marches, boycotts, gigantic torch-lit demonstrations. New York's Central Labor Union (CLU), a branch of the Knights of Labor, whose national membership approached 700,000, welcomed all the "producing classes," skilled and unskilled: the bricklayers, the jewelers, the printers, the industrialized brewers and machinists, the salesclerks, bakers, cloak makers, cigar makers, piano makers, musicians, tailors, waiters, Morse operators, Protestants, Catholics, Jews, whites and blacks, men and women. The only people they refused to welcome in their ranks, wrote historians Edwin G. Burrows and Mike Wallace, were "bankers, brokers, speculators, gamblers, and liquor dealers"—what the Knights and other radicals of the time called the "fleecing classes," the "parasites," the "leeches."

The CLU and the Knights organized the first Labor Day parade in the United States, on September 5, 1882, marching twenty thousand strong from City Hall to Union Square, unfurling banners that said:LABOR BUILT THIS REPUBLIC AND LABOR SHALL RULE IT. And: NO MONEY MONOPOLY. And: PAY NO RENT. The seamstresses along the route waved handkerchiefs from windows and blew kisses at the marchers. When the ladies at their sills saw cops and thugs hired by the fleecing classes, they rained down rocks, eggs, rotten vegetables.

By 1886, the labor coalition was looking for a radical candidate for mayor, and they found one in Henry George, who by then had become a famous writer, known on four continents. Seven years earlier, he had published a book of economics called Progress and Poverty that during the last decades of the nineteenth century would outsell every book but the Bible. His chief contribution was to acquaint the lay American with the problem of "economic rent" in society. This was defined as revenue with no corresponding labor or productivity; economic rent was unearned income.

Those who benefited from this income were known as rentiers, and the most egregious rentier in George's day was the landlord, who, sitting on land as it rose in value, got rich on the backs of his tenants "without doing one stroke of work, without adding one iota to the wealth of the community." Political liberty required also economic liberty, said George, and economic liberty required doing away with the privileges of the rentier. "We are not called upon to guarantee all men equal conditions...but we are called upon to give to all men an equal chance," said George. "If we do not, our republicanism is a snare and a delusion, our chatter about the rights of man the veriest buncombe." George also proclaimed, "It is not enough that men should vote; it is not enough that they should be theoretically equal before the law. They must have liberty to avail themselves of the opportunities and means of life."

In declaring his candidacy, George decried the "principle of competition upon which society is now based." He announced to an ecstatic public that his intention was "to raise hell!" He saw only corruption in government as it was then comprised, and suggested that "a revolutionary uprising might be necessary to turn out the praetorians who were doing the corporations' bidding in government office." But George was defeated in the 1886 campaign, and new and more advanced rentiers, typified by J. P. Morgan, with his offices at 23 Wall Street, rose to dominate the American political economy. By the turn of the twentieth century, Morgan had directed a massive consolidation of banking and, through the leverage of credit and debt, industry. This superconsolidation, which came to be known as monopoly finance capitalism, extended the influence of New York bankers nationwide to the point that, as Woodrow Wilson observed in 1911, "all our activities are in the hands of a few men" who "chill and check and destroy genuine economic freedom."



It would take decades of labor unrest and protest, coupled with the near total collapse of monopoly finance capitalism after 1929, to smash the power of New Yorkers like Morgan and secure some measure of economic equality in the United States. The institutions exploited by the bankers—commercial banks, investment banks, insurance companies, stock brokerages—were broken up and regulated. Antitrust law barred the supersizing of corporations in mergers and acquisitions. The incomes of the very rich were heavily taxed. The finance rentier was placed in the cage where he belonged.

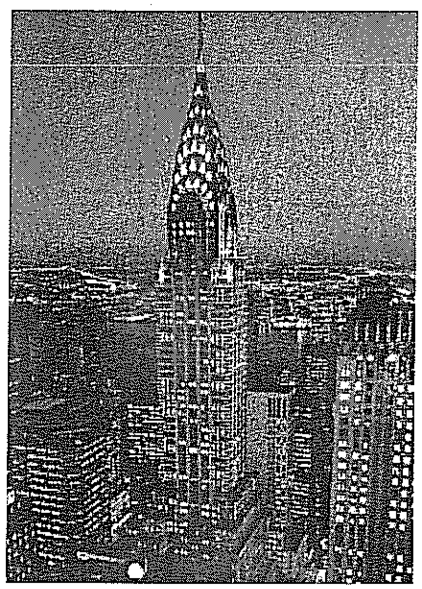
New York City stood at the forefront of the new progressivism. It was here that the nation's first large-scale system of low-cost housing was built, here that some of the earliest labor and social welfare policies were developed and enforced—efforts to regulate working conditions on factory floors, reduce working hours, mandate equal pay for women. New York developed one of the largest social services sectors of any city in the United States. Its universities were free. It had twenty-two public hospitals. Its public transit system was the largest in the world, and cheap—you could ride fifteen miles for fifteen cents. It was still a city, with all the attendant ills of a metropolis, in many ways too big, entangled in bureaucracies, full of corruption and crime, congestion and pollution, racial and ethnic division. Yet by 1945, it was home to a strong and stable middle class, anchored in industry and the trades. It was becoming a city of equals. During this period of relative economic equality, roughly from World War II to around 1980—a period known to economic historians as the Great Compression, as income and wealth leveled out nationally following the reforms of the 1930s—the city also experienced a series of artistic and creative revolts that cemented its reputation as a cultural mecca. Jazz flowered here, so did folk music, so did the avant-garde of modern art, so did the Beats, so did punk and hip-hop.

Rent

A few years ago, an old family friend, whom I'll call Anthony, went homeless at the age of sixty-eight and ended up sleeping in my dad's Brooklyn basement, living on coffee and cigarettes. He had survived for years in a garret on the top floor of a brownstone on Strong Place, in the area once known as South Brooklyn, exchanging his labor for a roof and a toilet, his only foothold in a neighborhood where he'd worked for fifty years as an electrician and carpenter and plumber. But eventually the owner of the brownstone could see nothing more than cash in the pile of stone on Strong Place. A lot of landowners in South Brooklyn caught the greed bug during this time, when the real estate bubble began to inflate in 2002. The owner, who liked Anthony and told him he was sorry, sold to a speculator, left Brooklyn, and the brownstone was converted to condos.

Anthony, who never graduated high school, was a smart man, self-educated, and knew history. He knew that what was happening was part of a transformation of class, the wiping away of the class that wasn't in hot pursuit of money. He was born in South Brooklyn on the eve of what he called the Great War. The Irish and the Italians fought in gangs on the waterfront, the mafia dumped bodies in the bay, and the merchant marines came and went in the boardinghouses and in the whorehouses. There were dockworkers, ironworkers, shipbuilders, grocers, laborers of all kinds, and, on occasion, there were weirdos who wrote books or painted on canvas for a living. Anyone could live here, because most anyone could afford it. I will not pretend that this is all the neighborhood amounted to; but it's how Anthony remembered it, and for decades he had thrived, working where the work could be found, fixing whatever needed fixing. He had little interest in money, property, accumulation; his status, I gathered, was primarily tied to the quality of his workmanship. Then the ground fell out from labor in New York as industry fled at the dawn of globalization, and the stability of a life like Anthony's was gone overnight—600,000 manufacturing jobs were lost from the city between 1968 and 1977. Over the next two decades, two-thirds of the city's manufacturing jobs would disappear. The first wave of the gentrifiers arrived in the 1970s. They were my parents, who bought in South Brooklyn when property was still cheap.

"You have a single class now in the neighborhood, the mono-class of the rich," Anthony told me one day. We were walking up and down Court Street, a stretch of shops and theaters and restaurants, looking for places and people he recognized. "No industry, no trades, no jobs for the average person to pull himself up. Now it's all restaurants that the old-timers can't afford. Now we got the Television Watchers, the Cell Phone Talkers. A whole class of men and women who watch TV or some version of it, like this internet thing. Sad. Free-thinking goes in the toilet. The Television Watchers start thinking alike, looking alike, buying alike, and they don't know why." After that conversation, I'd see him often on sunny days pacing Court Street, looking as lost as a child.



It's a classic case study in gentrification: the old man gets pushed out by a land-value bubble as the new generation—white, affluent, professional—crowds in with gibberish about slow food and microbrews and Wi-Fi access. There have been real estate booms and busts throughout the history of New York—prices skyrocketing, enriching speculators, impoverishing renters, then impoverishing the speculators when prices crash—but this latest boom does not appear to be cyclical. It looks permanent, for it is driven by the permanency of the One Percenters, who can afford to bid up prices and keep them up while corralling an ever-larger portion of the city's wealth. New York is thus increasingly ghettoized by class. Forty years ago, Daniel Friedenberg, a real estate developer who became disgusted at his line of business, predicted that the city would come to resemble "a grotesquely enlarged medieval town with each caste in its own quarter." It has come to pass. As for Anthony, I do not know where he is today. He might be dead.

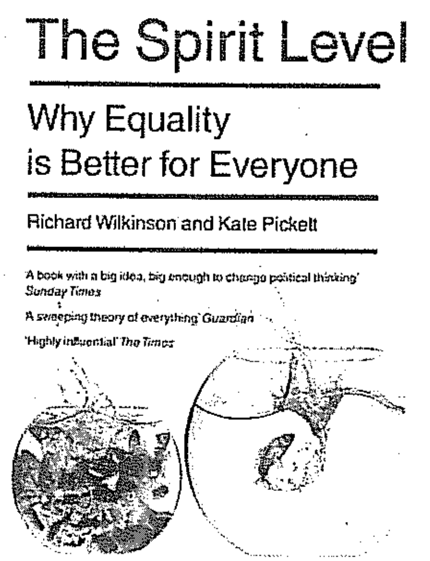
Sterility

And what of the city as engine of culture? The art critic Robert Hughes pronounced New York a fading star as early as 1990—just ten years into our new Gilded Age—"when the sheer inequality of New York became overpowering," he wrote. "Could a city with such extremes of Sardanapalian wealth and Calcutta-like misery foster a sane culture?" Hughes declared it could not. Between 1980 and 1990, the One Percenters in New York roughly doubled their take of income, from 12 percent to 20 percent, and this conspicuous concentration of money inflated the art market, which was soon "run almost entirely by finance manipulators, fashion victims and rich ignoramuses." The "impulses of art appreciation and collecting," lamented Hughes, were now "nakedly harnessed to gratuitous, philistine social display." At the same time, rents skyrocketed, driven by speculative real estate development. By the 1980s, wrote Hughes, "the supply of affordable workspace for artists in Manhattan finally ran out." In a somber observation, Hughes noted, "It was always the work of living artists, made in the belief that their work could grow best there and nowhere else, that fueled New York. The critical mass of talent emits the energies that proclaim the center; its gravitational field keeps drawing more talent in, as in the combustion of a star, to sustain the reaction. The process is now dying."

Thirty years on, with rents at historic highs, this has been a long death march, swallowing in its pall not only the artist, but the writer, the poet, the musician, the unaffiliated intellectual. The creative types sense that they are no longer wanted in New York, that money is what is wanted, and creative pursuits that fail to produce big money are not to be bothered with. But it is rent, more than anything else, that seals their fate. High rent lays low the creator, as there is no longer time to create. Working three jobs sixty hours a week at steadily declining wages, as a sizable number of Americans know, is a recipe for spiritual suicide. For the creative individual the challenge is existential: finding a psychological space where money—the need for it, the lack of it—won't be heard howling hysterically day and night.

Crain's New York Business, not known as a friend of the arts, reports the endgame of the trend identified by Hughes, namely that the young painter and sculptor are now sidestepping New York altogether, heading instead to cities like Pittsburgh, Philadelphia, Cleveland, and overseas to Berlin—wherever the rents are low and the air doesn't stink of cash. The Times reports that freelance musicians in New York are killed off in a marketplace that no longer has need for them. The once-great Philharmonics, mainstay of a New York tradition, are crippled from lack of listeners, lack of funding; Broadway replaces the live musician in the well with the artifice of sounds sampled out of computers. New York loses its "standing as a creative center," reports Crain's. It becomes "sterile." It is "an institutionalized sort of Disney Land" where "art is presented but not made." Henceforth it will no longer be "known as a birthplace for new cultural ideas and trends."

In Brooklyn, I bump into a newspaper editor I once worked with who tells me he is abandoning the city. He talks of Costa Rica, the dark side of the moon, even Los Angeles. Anywhere but New York. "It's just too depressing to watch what's happened," he tells me. "The place is creatively bankrupt." He had freelanced at the paltry rates that freelancers are expected to survive on—the wages dropping always lower, the marketplace for journalism devalued by "content mills" and "information aggregators" staffed by content serfs producing blog entries. Then he attempted to start a small newspaper in Brooklyn. The investors weren't interested. "They want digital projects that promise an all-or-nothing billion dollars," he tells me. "I just don't get that buzzy creative vibe from New York anymore. I see mercenarianism. Cynical ambition. Monied dullness. People trying to get rich and cash out. It's always a CEO and CTO and CFO launching a new web property. Not writers and editors getting together because they have common visions."



This is old news. Technologic advances in the digital world order now mandate that the journalist vies in the editorial room with technocrats advising on the method for tweaking headlines and articles to the rhythm of Google. The model is from advertising: find what people want to hear, then echo it in the news so that they will be attracted to hear more of it. "If you want to know what's really going on in a society or ideology, follow the money," writes author Jaron Lanier. "If money is flowing to advertising instead of musicians, journalists, and artists, then a society is more concerned with manipulation than truth or beauty. If content is worthless, then people will start to become empty-headed and contentless... Culture is to become precisely nothing but advertising." No surprise then that the most lucrative "creative" jobs in New York for the "aggregating" of "content" are not in journalism but in corporate media, advertising, and marketing—the machines of manipulation and deceit.

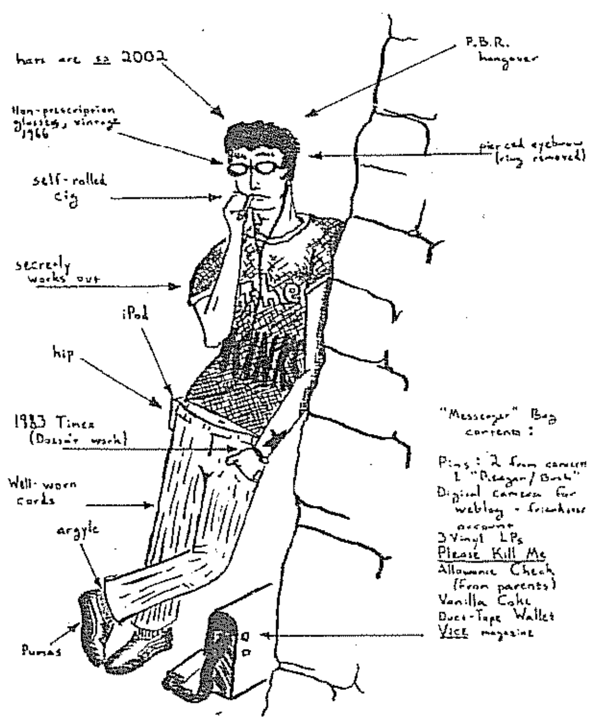
Affluenza

"Everyone was broke and no one cared," said a friend of mine recently, describing Brooklyn in the 1970s. The people he knew back then, before New York degenerated into a city run by and for the rich, "lived it up. They were freer and they were happier, because they weren't so uptight about the money thing." I think what my friend was saying was this: it was easier not to care about appearing to have money, easier on mind and spirit not to have to worry about the appurtenances of affluence.

His observation happens to be supported by a good deal of scholarship in the social sciences. Among developed nations, the evidence shows that healthier and happier societies—societies that are more sane, less uptight, whose members for the most part are enjoying life—are usually those with more equal distribution of wealth and income. The opposite correlation holds true: regardless of total wealth as measured by GDP, unequal societies appear to be less healthy and less happy—suffering, for instance, lower life expectancy, lower educational achievement, higher rates of obesity, more infant mortality and more mental illness and more substance abuse.

Richard Wilkinson, an emeritus professor of social epidemiology at the University of Nottingham in England, offers a sweeping hypothesis to explain the causality in the correlations. Economic inequality, he and coauthor Kate Pickett write in The Spirit Level: Why Greater Equality Makes Societies Stronger, "seems to heighten people's social evaluation anxieties by increasing the importance of social status. . . . If inequalities are bigger, so that some people seem to count for almost everything and others for practically nothing, where each one of us is placed becomes more important." The result is "increased status competition and increased status anxiety," whose effect on well-being is not to be underestimated. Scientists measuring stress-induced hormones in human beings have found that subjects were most stressed when faced with a task that included the opportunity for others to judge their performance—a "social-evaluative threat" to self-esteem and status, where the fear is that others might judge you negatively. A stressed person typically has higher cortisol, a steroid hormone that prepares body and mind to fend off danger and manage in an emergency. But if cortisol is high much of the time, it can act as a slow poison: the immune system is weakened, blood pressure rises, learning is impaired, bone strength is reduced, and, in some instances, the appetite is grossly stimulated. Wilkinson argues that, in a more unequal society, people become more stressed and insecure, vying in the hierarchy of status—more prone to feeling inadequate, defective, incompetent, foolish. And more sick both in body and mind.

The literature of the psychosocial effects of status competition and anxiety, to which Wilkinson's work is only the latest addition, points to a broad-stroke portrait of the neurotic personality type that appears to be common in consumer capitalist societies marked by inequality. I see it all around me in New York, most acutely among young professionals. The type, in extremis, is that of the narcissist: Stressed, to be sure, because he seeks approval from others higher up in the hierarchy, though distrustful of others because he is competing with them for status, and resentful too because of his dependence on approval. He views society as unfair; he sees the great wealth paraded before him as an affront, proof of his failure, his inability, his lack. The spectacle of unfairness teaches him, among other lessons, the ways of the master-servant relationship, the rituals of dominance, a kind of feudal remnant: "The captain kicks the cabin boy and the cabin boy kicks the cat." Mostly he is envious, and enraged that he is envious. This envy is endorsed and exploited, made purposeful by what appear to be the measures of civilization itself, in the mass conditioning methods of corporatist media: the marketeers and the advertisers chide and tease him; the messengers of high fashion arbitrate the meaning of his appearance. He is threatened at every remove in the status scrum. His psychological compensation, a derangement of sense and spirit, is affluenza: the seeking of money and possessions as markers of ascent up the competitive ladder; the worship of celebrities as heroes of affluence; the haunted desire for fame and recognition; the embrace of materialistic excess that, alas, has no future except in the assured destruction of Planet Earth and of every means of a sane survival.



Exhaustion

Look not to the youthful counterculture to challenge this madness. I am thinking here of the phenomenon of New York's postmodern "hipster." Forget that the term originated in the urban black subculture of the 1940s, primarily in New York, where the hipster maintained a style and language of nonconformity that was also implicitly a political statement, for the hipster stood apart from white authority (read: the cops) and was therefore menacing, subversive. Forget that the "white Negro" hipster of the 1950s, characterized in an essay of that name by Norman Mailer (a New Yorker) and represented in the ranks of the Angry Young Men and the Beatniks (also New Yorkers), stood by choice and necessity outside the mainstream, for yesteryear's hipster wanted nothing to do with '50s affluence, the cult of advertising, the postwar national security state, its standing armies and atom bombs.

The neohipster is a grotesque perversion of the original. If he fetishizes and hybridizes the cultural costumes of old hip—borrowing from the Beat poet, the jazzman, the rapper, the skater, the punk—it is only as a mockery of authentic anti-authoritarian countercultures. The neohipster is a creature of the advertisers: affluent and status-anxious, which means that he is consumerist and, in the manner of all conspicuous consumers, conforming to the demands of narcissistic chic. The "hipster zombies," writes journalist Christian Lorentzen, are "more likely to be brokers or lawyers than art-school dropouts." They are "the idols of the style pages, the darlings of viral marketers and the marks of predatory real estate agents." They are fauxhemians. And not much in the way of creative product has issued from their midst. The "hipster moment," per New York Magazine, did not "produce artists." It produced tattoo artists. "It did not produce photographers, but snapshot and party photographers... It did not produce painters, but graphic designers. It did not yield a great literature, but it made good use of fonts."

Hipster culture today, writes author Jason Flores-Williams, "is harmless culture. And that's an epic tragedy because being hip used to mean that you were heroic and dangerous. That you waged war on soullessness and greed through art and resistance. Being hip meant that you wanted upheaval in society. Being hip meant you were intense lower class, not detached upper class. Being hip meant being revolutionary."

The cultural nihilism of the neohipster—it is nothing less—has its corollary in financial nihilism: they each arose at roughly the same moment, and they each have produced nothing of value. That the counterculture has no fist raised against the banker is obviously to the banker's benefit. Every generation of youth since World War II has attempted to smash old customs and unjust systems—and terrified the elders. But not this one.

Politically, it is a disaster. The annals of popular resistance in America—in which turmoil and disruption have historically been the only means for achieving economic equality and social justice—teach us that without the energy of youth organized in the streets, there is little chance of progressive change. Culturally, what we are witnessing in the phenomenon of the neohipster is pattern exhaustion, which paleoanthropologists define as that moment in Stone Age societies when the patterns on pottery no longer advance. Instead, old patterns are recycled. With pattern exhaustion, there can be only repetition of the great creative leaps of the past. The culture loses its forward-looking vision and begins to die.

Cry Out!

It is August again, one year later, and my daughter is back in town. She brings with her a gift from Paris: a little book, barely a pamphlet, published in French under the title Indignez-Vous! which translates as "Cry Out!" or "Get Indignant!" or, perhaps more accurately, "Get Pissed Off!" It sold 600,000 copies in France when it was published last spring.

The author is a ninety-three-year-old French diplomat named Stéphane Hessel, who, during World War II, trained with the Free French Forces and British secret service in London, parachuted into Vichy France ahead of invading Allied troops in 1944, fought in the Resistance on his native soil, was captured by the Gestapo, and did time in two concentration camps. In "Cry Out!" Hessel reminds us that among the goals of the fight, as stated by the National Council of the Resistance following the defeat of Nazism, was the establishment in France of "a true economic and social democracy, which entails removing large-scale economic and financial feudalism from the management of the economy." "This menace," he writes—the menace of the fascist model of finance feudalism—"has not completely disappeared." He warns that in fact "the power of money, which the Resistance fought so hard against, has never been as great and selfish and shameless as it is now."

For the One Percenters are a global threat, found in every city where the technocratic managers of global capital seek to make money without being productive. They are in Moscow, London, Tokyo, Dubai, Shanghai. They threaten not merely the well-being of peoples but the very future of Earth. The system of short-term profit by which the One Percenters enrich themselves—a system that they have every interest in maintaining and expanding—implies everywhere and always the long-term plundering of the global commons that gives us sustenance, the poisoning of seas and air and soil, the derangement of ecosystems. A tide of effluent is the legacy of such a system. An immense planetwide inequality is its bequest, the ever-expanding gap between the few rich and the many poor. Therefore, cry out—though the hour is late.

What is needed is a new paradigm of disrespect for the banker, the financier, the One Percenter, a new civic space in which he is openly reviled, in which spoiled eggs and rotten vegetables are tossed at his every turning. What is needed is a revival of the language of vigorous old progressivism, wherein the parasite class was denounced as such. What is needed is a new Resistance. We face, as Hessel describes, a system of social control "that offers nothing but mass consumption as a prospect for our youth," that trumpets "contempt for the least powerful in society," that offers only "outrageous competition of all against all."

"To create is to resist," writes Hessel. "To resist is to create."

Such creativity, alas, is unlikely in New York. The city is regressing, and this sparks no protest from its people. Too many New Yorkers, it appears, want to join the One Percenters, want the all-or-nothing billion dollars. New York City, once looked upon as a crowning achievement of our civilization, one of its most progressive cities, is now the vanguard for the most corrosive tendencies in society. My daughter would probably do better to forget about this town.