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A Mayor Who Puts Wall Street First

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On March 15 of last year, at a moment when many New Yorkers found themselves increasingly disturbed by revelations that the Police Department had conducted constitutionally suspect surveillance of Muslim communities, Mayor Michael R. Bloomberg made an unplanned visit to the offices of Goldman Sachs.

The mood had grown sour among some of the city's most amply compensated plutocrats. The day before, Greg Smith, an executive director in the company's equity derivatives business, announced his resignation, in an Op-Ed page article in The New York Times, declaring that the previous decade had left Goldman's culture so steeped in avarice and self-interest, so utterly disdainful of its clients, that he no longer found it morally tenable to work there.

Outraged by the attacks on Goldman that immediately followed — a "piling on," as the mayor put it, that he found "ridiculous" — Mr. Bloomberg arrived to heal and absolve. Do any wounds require avuncular tending quite like those of an investment banker?

Staying for an hour, Mr. Bloomberg shook hands with employees and sat down to hamburgers with Goldman's chief executive, Lloyd C. Blankfein, the son of a postal clerk whose trajectory from the East New York housing projects in Brooklyn to Harvard to the management of one of the world's most powerful banks could hardly seem less plausible now, amid the realities of millennial New York.

Among the various enduring images of the Bloomberg years, many are positive and some perhaps even blessed: bike lanes, smokeless restaurants, new expanses of green space, the increased presence of ferries on the city's waterways. But to my mind, this gesture of therapeutic outreach to an institution that defrauded its own clients is unmatched in its symbolic weight, so clearly encapsulating the mayor's most devoutly held allegiances and the civic repercussions accompanying them, the tireless coddling of the overclass.

No mayor in New York's history has done more to consolidate the city's identit[y with Wall] Street. Mr. Bloomberg obviously does not bear responsibility for the creation o[f] indecipherable, huckster financial instruments that resulted in our economic cr[isis] litany of personal miseries that followed, but he was one of the country's most nurturing supporters of Wall Street during its most ethically unhinged hour.

It was not simply that he was such an obvious champion of the financial industry, but also that in the city he ran he could barely brook any dissent of it.

This was apparent in the way his police force greeted the arrival of Occupy Wall Street, with Mace and pointless arrests, ultimately clearing Zuccotti Park, where the protesters had encamped, with the aid of sirens and riot gear, as if Manhattan had been taken over by the Shining Path.

A political figure rarely afraid of expressing reproach — someone whose administration stigmatized fat people, poor teenage mothers, members of the teachers' union — Mr. Bloomberg seems to imagine that any impulse short of adulation will shoo Wall Street away. Several weeks ago he publicly denounced Eliot Spitzer, not for his domestic failings but for his wish to curtail the worst instincts of the banks and to maximize their utilitarian value. ("This is our industry," the mayor said. "We'd appreciate it if someone recognized that this is our tax base.")

Presumably, in Mayor Bloomberg's most terrified imagination, the true agenda of someone like Mr. Spitzer is to bundle up Wall Street in Bubble Wrap and send it to Connecticut, leaving in its place only a bottomless container of Pepsi.

Wall Street has benefited under Mayor Bloomberg much more than other industries, as evidenced by the pronounced inequality felt all over the country and experienced most dramatically here.

The average salary in the securities industry in 2011 was $362,900, according to the state comptroller's office, an average higher than before the financial crisis and more than five times the average in the rest of the city's private sector. As a share of private sector wages, the securities industry grew from 21 percent at the beginning of Mayor Bloomberg's first term to 28 percent early in his second, while never accounting for more than 6 percent of jobs.

The top 1 percent of earners in New York make nearly 40 percent of the total income of city residents, nearly twice the national figure. This number has grown. At the beginning of Mr. Bloomberg's tenure in 2002, the top 1 percent of earners in New York made 27 percent of the income.

It is worth considering these numbers in the context of the previous gilded age, the era of Oliver Stone's first "Wall Street," in 1985, when the wealthiest 1 percent of New Yorkers made 15 percent of the city's income, virtually in line with the national figure at the time.

During a presentation to the American Sociological Association last week, James Parrott, chief economist at the Fiscal Policy Institute, a nonprofit research and education group, offered a look at income polarization in the city that included this startling statistic, culled from census data: while real median family incomes were flat from 2000 to 2010, median family incomes rose an average of 55 percent in eight high-income neighborhoods, including TriBeCa and the Upper East Side, the home ZIP codes of the financial industry.

To what extent can we hold Mr. Bloomberg responsible for these gulfs? For the fact that the poverty ratio has remained essentially unchanged in New York since his first days in office, with roughly a fifth of the city's residents living below the federal poverty level?

Certainly, some of the disparity would exist without him, and the poverty rate has been more or less intractable for the past 30 years. But it is easy to envision that we might have arrived at a better place with someone who had paid more visceral attention to inequity than with someone who felt the need to sue the City Council to block a measure mandating a living wage (the suit was thrown out of court).

And still, it is not fair to paint the mayor as a Dickensian ogre who utterly ignored the poor. His Young Men's Initiative, to which he contributed $30 million of his own money, seeks to improve the lives of young underprivileged black and Latino men. The administration's efforts to expand education and job training in Brownsville, Brooklyn, for example have led to higher high school graduation rates and lower rates of unemployment. A network of organizations and agencies called NEON, an innovation of the Department of Probation, puts probation offices in neighborhoods where rates of incarceration have been high so that those in the criminal justice system are saved long commutes to mandatory meetings with their officers. Instead they are encouraged to use their time productively.

What's striking about a recent report delivered by the Furman Center for Real Estate and Urban Policy at New York University, which examines demographic data neighborhood by neighborhood, is that poverty actually declined between 2000 and 2011, though by no means hugely, in some of the most afflicted places in the city — in Brownsville and in various enclaves of the South Bronx.

Where poverty has crept up are those places where income levels hover around the city's median of $55,000 — neighborhoods like the Fresh Meadows, Hillcrest and Elmhurst sections of Queens and Stapleton and St. George on Staten Island. Job losses, rent increases and foreclosures have brought those previously able to sustain themselves to precarious new lows.

One legacy of the Bloomberg era is that it has redefined our economic and social categories — giving us a universe of superrich that have assumed a great share of our psychic space, and replacing a working class with an artisan class. The mayor spoke this month on his fiscal legacy at the former Pfizer pharmaceutical factory in Brooklyn, making this explicit.

The building had served as a manufacturing plant for 150 years, the mayor told his audience. Five years ago, executives closed it. “But today, as you can see, this is once again a manufacturing hub,” he continued. “Only now it’s an incubator for a new generation of craftsmen and women, who are making everything from furniture and fashion designs to kimchi and cookies, to software and 3-D printers.”

Mayor Bloomberg, who did nothing to elevate the status of teachers, an exercise that might have helped draw the most talented to that profession, has done a lot to elevate the status of people who make things, or rather the people who make the right things intended to be sold to the right MacBook-carrying-Martha’s Vineyard-vacationing people.

To the graduate of the Rhode Island School of Design who can create $13,000 copper bathtubs (of the kind the mayor recently imported from France for his home) or cerused cocktail tables commissioned by uptown decorators, New York is an increasingly hospitable place. If what you make is more pedestrian, Stella D’oro cookies once sold in places like Key Food, instead of $6-a-piece shortbread of the type you might find at Chelsea Market, the mayor’s subliminal message winnows down to this: “Good luck, and send us a postcard from Ohio.”

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