

Yuppies: Young Urban Professionals and the Making of Postindustrial New York

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In the early 1980s, the yuppie stereotype emerged as an object of media and popular fascination. In 1984, *Newsweek* magazine declared it the “Year of the Yuppie,” the words emblazoned above a Gary Trudeau caricature of two urbane white people in New York’s Central Park. Inside, an article profiled the members of this newly discovered class: professionals who earned high salaries, coveted loft apartments, trained for marathons, owned Cuisinarts, and supped on sushi and chardonnay. Elsewhere, commentators trotted out the image of the yuppie to make sense of a host of related issues: from new modes of masculinity, to unease about consumerism, to the entrance of women into the professions. Yuppies, ultimately, were anxieties about affluence made flesh.¹

When I began my dissertation research, I wondered: What would happen if we took “yuppies” seriously—not as a stereotype or as an object of satire, but as a real demographic wave that washed over America’s cities beginning in the late 1970s? What would I discover if I looked critically at the highly educated professionals who came to New York to work on Wall Street and in law firms? Would it help me tell a new story about the 1980s—one that did not foreground Ronald Reagan, Sunbelt suburbanites, corporate revanchists, or conservative economists, as other historians have?²

What I discovered was that yuppies themselves—real, living young urban professionals—are essential to understanding how the booming financial and professional sectors remade America in the closing decades of the twentieth century. They were at the forefront of the concentration of capital and brainpower in a handful of cities. They embodied the split of what was once a broad middle class in two: an upwardly mobile, college-educated metropolitan class, on the one hand, and a downwardly mobile class of workers on the other. They transformed American politics, as the Democratic Party became more beholden to educated professionals than to blue-collar workers, more indebted to Wall Street than to urban political machines, more in thrall to highly paid young people than to older or poorer voters. Ultimately, yuppies, while never numerous enough to swing national elections by themselves, were able to reshape American politics—and with it, American economic and social life.

1. Special Reort, “The Year of the Yuppie,” *Newsweek*, December 31, 1984. See Horowitz, *Anxieties of Affluence*; Rodgers, *Age of Fracture*.

2. For examples of the vast literature on the 1980s as the culmination of conservative ascendance, see McGirr, *Suburban Warriors*; Burgin, *Great Persuasion*; Lassiter, *Silent Majority*; Zelizer and Schulman, *Rightward Bound*; Shermer, *Sunbelt Capitalism*.

When historians describe the emerging political economy of that era, they often use terms like or “financialization” or “neoliberalism.” Those terms can be useful as shorthand. But too often, they remain abstract, or theoretical, or seem to occur at a remove from people’s everyday lives. Even worse, relying on those bloodless terms tends to efface the role that finance capital played in enacting economic and racialized violence well into the late twentieth-century, a period not usually understood through that lens.³

Yuppies, in contrast, reveals what the emergence of this new order looked like and felt like on the ground. In this article, I explain how I do that, writing what I believe is the first social history of financialization. First, I give a brief overview of each of my thematic chapters and show how seemingly disparate transformations—in the economy, in the workplace, in the built environment, in gender, in culture, and in politics—were all part of the same process. Then I zero in on one neighborhood to reveal just how disruptive, violent, and even deadly those transformations could be.

But to start: Where did these professionals come from? What brought them to New York?

The story began, I discovered, with the deregulation of Wall Street by the Carter and Reagan administrations. In my first chapter, I explain how the resulting transformation of the bond markets increased the dominance of large investment banks, which were all based in New York. It made those banks more profitable and increased the speed and scale of bond issues and takeover transactions, both of which favored banks that could muster the largest staff of analysts to dream up and vet new deals. As deregulation ended Wall Street’s gentlemanly era of relationship banking, banks needed to find huge numbers of talented young analysts and traders if they hoped to keep growing.

Wall Street found those employees on the campuses of America’s elite colleges and business schools. I visited many of those schools. In their career services offices, I discovered boxes of old records that revealed where their seniors went after graduation. Across the Ivy League, one out of thirty graduates had headed to Wall Street in the mid-1970s. By 1987, that figure had risen to one out of every three.

The lure of Wall Street transformed the Ivy League. Banking, once thought of as a fallback career option for children of the WASP elite, became the most coveted postgraduation job for every type of student at rapidly diversifying universities. At Princeton, upward of fifty students would wait for hours in the snow outside the Career Services offices to get their names onto banks’ interview schedules. As one of those students remembered, “All night, all through the winter, the office resembled a ticket booth at a Michael Jackson concert, with lines of students all trying to get ahead.”⁴ At the University of Pennsylvania’s undergraduate Wharton School, only 3 percent of the class of 1979 headed to Wall Street. By 1987, over a third of graduates went into investment banking and more than half were bound for a job in financial

3. See, for example, Harvey, *Brief History of Neoliberalism*; Krippner, *Capitalizing on Crisis*. In histories of postfiscal crisis New York, the growth of Wall Street and the FIRE (finance, insurance, and real estate) sector does similar work as a generalized bogeyman—an explanatory conceit that is made to stand for a host of interrelated economic and social processes. For studies in this mode, see Fitch, *Assassination of New York*; Moody, *From Welfare State to Real Estate*; Greenburg, *Branding New York*. For more subtle and persuasive accounts of New York’s fiscal crisis and its aftermath, see Phillips-Fein, *Fear City*, and Holtzman, *Long Crisis*.

4. “Career Services Newsletter, May 1986,” Box 75, Folder 1, Historical Subject Files, Princeton University Archives, Princeton University Career Services; Lewis, *Liar’s Poker*, 28.

services. Almost all of those jobs were in New York City.⁵ In an earlier decade, these were the people who would have moved to Rochester, New York, to work as an accountant for Kodak, or to Detroit, Michigan, to become a manager at General Motors. But as the financial sector moved toward the center of the American economy, it pulled all those graduates away from other industries and took them instead to Wall Street and to New York City. Between 1977 and 1989, this massive recruiting campaign brought nearly 120,000 new banking jobs to the city. As banks expanded, the number of corporate lawyers nearly doubled, as well.⁶ As one Yale graduate said at the time, “Making it in Milwaukee just isn’t the same any more.”⁷

As they descended on New York, yuppies forged new forms of culture and politics that helped them make sense of their position atop the newly unequal class pyramid. What unites those developments was their grounding in an ideology of meritocracy. Yuppies believed that their hard work, educational credentials, and intelligence—not class position or family background—had secured their success. The growing diversity of the professional class, which in this period came to incorporate small but significant numbers of women, white ethnics, African Americans, and Asian Americans, only reinforced this sense of earned accomplishment. Yuppies’ meritocratic worldview, born in the university and the workplace, soon spread to the realms of leisure, consumption, and, ultimately, politics.

In a chapter about the New York City Marathon, I explain how yuppies developed a new passion for running and training for competitive road races. As I discovered in the course of conducting oral histories with dozens of professionals, running was far from an indulgent pastime. It was actually a way to gird oneself for the increasingly competitive white-collar job market. Marathon training required the same far-sighted planning, delayed gratification, and discipline rewarded in professional careers. For yuppies, road racing and upward mobility in the workplace were subject to the same logic of meritocracy. As one bond trader told me: “Some races you fell flat on your face, some races you did great. It’s the same thing in the trading world. There are no excuses. You either perform or you go home.” If their work life could be rigorously structured, yuppies seemed to say, so could their leisure time. For yuppies, leisure would be remade into its own kind of work.⁸

That logic of meritocracy also shaped yuppies’ consumer practices. As higher education replaced inherited capital or breeding as the credential for success in the postindustrial economy, yuppies needed new ways of demonstrating their prowess. Buying something expensive with their rising salaries was a fine way to gain status. It was even better if that thing was exotic, rare, or required special knowledge to fully enjoy. In a chapter on yuppie gourmet culture, I explain how food connoisseurship became a mark of elite status: something that required wealth, of course, but also education, expertise, and cultural *savoir faire*. The chapter narrates this story through the rise of New York gourmet outlets like The Silver Palate,

5. Wharton Undergraduate Division, “Placement Survey, Class of 1987,” “Wharton Undergraduate Division, Class of 1988,” and College of Arts and Sciences, “Career Plans Survey, Class of 1987,” Historical Files, University of Pennsylvania Career Services Office.

6. Bank employment figure in Table 11, “Employment in Nonagricultural Establishments,” *Annual Labor Area Report: New York City* (Fiscal year 1990), Department of Labor, New York State; law firm data in Poor, “Organizational Culture and Professional Selves,” 65.

7. Blake Fleetwood, “The New Elite and an Urban Renaissance,” *New York Times*, January 14, 1979.

8. Author interview with Robert Jen, December 23, 2016.

Food Emporium, and Dean & DeLuca. And it recounts how the Zagat guide—created by two corporate lawyers in 1979—became a way for educated professionals to demonstrate their expertise. (It is no accident that the guide was designed to fit in the pocket of a business suit jacket.)⁹ This transformation in consumer habits, I argue, was predicated on the widening income gap between young professionals and the rest of the middle class. Even as most workers saw their real wages fall, the urban professional class saw its income—and, even more importantly, its level of disposable income—soar higher. For yuppies, food became a crucible for turning their growing economic capital into social and cultural capital—erecting new hierarchies of taste that reflected and reinforced the broader inequalities of late twentieth-century America.

Yuppies also exported their worldview into the realm of local and national politics. In New York, they reoriented the local and state governments' focus away from working-class constituencies and toward the desires of its professional class. Even as New York City faced fiscal crisis in the 1970s, its leaders were willing to devote millions of dollars to the "I ♥ NY" advertising campaign. The urban crisis, city leaders came to believe, could be best solved by fixing the city's *image* crisis—and spending public funds on advertising would do much more to improve that image than devoting them to social welfare programs. What could be a better advertisement for the postindustrial city than an event like the New York City Marathon, where 90 percent of participants were white-collar professionals?¹⁰ Television broadcasts beamed images of yuppies running through the city's neighborhoods to over fifty million spectators around the world.¹¹ In the 1980s, New York's government decided to stake the city's future on yuppies—and an economy centered on paying, housing, and entertaining them.

A similar process occurred at the national level. Yuppies and the politicians they supported engineered a shift in the Democratic Party away from the unions, African Americans, and ward heelers of the New Deal coalition and toward the interests of metropolitan professionals. I combed through the papers of Gary Hart and Mark Green, part of a new generation of Democratic politicians. Then I mapped political donations from specific banks, from specific law firms, and neighborhood by neighborhood. I argue that during the 1970s and '80s, a new generation remade liberalism for the postindustrial era. Yuppies imported the expectations and experiences of their professional lives into the Democratic Party. The meritocratic ethos of the law firm or trading floor or marathon, they reasoned, should be applied to society at large. Innovation, not regulation or redistribution, would drive growth. The sclerotic regulatory state was hampering that innovation; what was needed instead was a more nimble state, overseeing a technology- and information-heavy economy, with educated professionals at the vanguard.¹²

Indeed, I show how many of the hallmark ideas of what would come to be called "neoliberalism" were championed as much by liberals as they were by conservatives. And they had roots in surprising places: Upper West Side community groups, Manhattan law firms,

9. "Diners Turn the Tables," *The Wall Street Journal*, August 20, 1985.

10. "Who's In the Running: 1989 Marathon Demographics," *New York*, October 30, 1989, 20A.

11. Neil Amdur, "On Covering the Marathon," *The New York Times*, October 18, 1983 and Montieth M. Illingworth, "Run For the Money," *Manhattan, Inc.* (October 1985), 129.

12. On the reorientation of liberalism in this period, see Geismer, *Don't Blame Us*; Baer, *Reinventing Democrats*.

and Ralph Nader's consumer rights campaigns. Gary Hart did not capture the Democratic nomination in 1984, yet his campaign brought together the ideas, people, and money that would come to dominate the party. By the end of the century, no national candidate could consider running for office without first capturing the dollars of New York's postindustrial elite. I show that it was no historical accident that in 2008, Barack Obama raised more money from Wall Street than any presidential candidate in history.

In this sense, my work challenges the standard narratives of the rise of conservatism since the 1960s. I direct our attention away from the suburbs, away from the Sunbelt, and away from the White House in favor of an examination of the rightward shift within liberalism itself that began in New York. Urban professionals could not win elections by themselves, of course. However, they were able to reshape American life with their influential new ideas about work, politics, and society—and, most importantly, with the money they donated to political candidates. America's move to the right, I demonstrate, encompassed a wider cast of characters than is usually assumed.

The growing professional economy also had frightful ground-level consequences. Yuppies may have thought that they were part of a benign movement to remake cities, but by looking closer at the level of individual neighborhoods, my work reveals the violence of the unequal social order yuppies helped to create.

One chapter focuses on Hoboken, New Jersey, a square-mile city just a ten-minute train ride across the Hudson River from Manhattan's trading floors and law firms. Why Hoboken? When I was beginning my research, I used software mapping tools to find out exactly where finance and professional workers were moving. I noticed a surprising concentration of them in Hoboken. Why were all these bankers and lawyers there? Hoboken was a poor place at the time, and its residents were mostly low-income Italians and Latinos.

Digging in the archives of the local historical museum, I turned up something shocking—something that not even *The New York Times* had covered at the time. Beginning in the late 1970s, there was a wave of arson fires at the *same* time all of these professionals were streaming into Hoboken. Its proportion of residents working in professional or managerial jobs leapt from one in twenty in 1970, to one in three by 1980, to one in two by 1990. The number of professional workers increased 700 percent over the same period.¹³

Owners of Hoboken's rent-controlled tenement buildings sought to capitalize on this influx of finance workers and their demand for luxury housing units. Between 1978 and 1983, nearly 500 fires ripped through buildings in Hoboken. The blazes killed fifty-five people and left more than eight thousand homeless. Almost all of the displaced residents were Puerto Rican. Most never returned to Hoboken. Investigators determined that nearly every fire had been the result of arson.¹⁴ To take one example, in November 1981, the American Hotel, a five-story

13. U.S. Census, *Employed Civilian Population 16 Years and Over: Managerial and Professional Specialty Occupations (1970, 1980, and 1990)*, <https://www.census.gov/prod/1/gen/95statab/labor.pdf>; New York State Department of Labor, "Historical Employment and Wages, 1975–2000," https://labor.ny.gov/stats/employ/historical_qcew.shtm#CC.

14. For the death toll, see "Fires Have Killed 55 in Four Years," *Jersey Journal*, May 1, 1982, 1. (Total listed as 56 in text because one more victim died of her injuries on May 5, 1982.) For fire statistics, see "Fires Changing Hoboken," *Jersey Journal*, May 1, 1982, 4. Displacement figures are estimates by Citizens United for New Action and Hoboken Union of Tenants spokespeople, quoted in Sutton, "Puerto Rican Group Demands Arson Probe."

single room occupancy building, went up in a fatal blaze that investigators determined had been set by arsonists. The hotel's owner had been under contract to sell the building to a developer under the condition that it be "delivered vacant." In April 1982, another intentionally set fire gutted three tenements on Clinton Street, displacing twenty-three people. Two days after the fire, real estate agents hung "for sale" signs above the stoop. By 1984, the three buildings had been converted into luxury units with rents starting at \$900 per month. In one advertisement, the developer boasted of the building's short commuting distance to midtown Manhattan. In case after case across Hoboken, arson proved the most effective—if deadly—way to clear out existing tenants to make way for market-rate housing for the cresting wave of Wall Street workers.¹⁵

These horrific incidents begin to reveal the brutality of yuppie-led gentrification in the late 1970s and 1980s. And the situation was not unique to Hoboken, or even to New York City. In the late 1970s, a similar arson wave swept Chicago's North Side. Fires accompanied gentrification in Indianapolis. In Boston, an influx of professionals led to scores of fires. After his election in 1983, Boston mayor Raymond Flynn declared a war on what he labeled "gentrification arson."¹⁶ Nationwide, the situation became so dire and the loss of life so great that Congress held hearings on the arson-for-profit crisis in 1980, 1981, and 1982.¹⁷ By the mid-1980s, cities now faced dual crises. On the whole, they continued to lose population and jobs yet, at the same time, a small number of neighborhoods began to suffer from the convulsions of *over* investment. In every city where the FIRE sectors boomed, it seemed, very real fires soon followed.

The consequences would soon reverberate beyond those neighborhoods, as yuppies became the shock troops for a newly unequal chapter in American life. Of course, that was their day job: At banks, they extracted profits from the husks of industrial companies. At corporate law firms, they devised mergers, tax shelters, and strategic bankruptcies, all of which eroded the power and wages of the working class. Outside of the workplace, yuppies created new forms of culture and consumption that legitimated their position atop the unequal society they had made. Yuppies then engineered a takeover of American politics—using their wealth to back candidates who would remake society in their image. Ultimately, I argue that yuppies were much more than a stereotype. They were, in fact, at the vanguard of the most important recent transformations in American capitalism and American politics, and they were key agents in the making of our current age of inequality.

15. "3-Alarm Fire Destroys Central Hoboken Hotel," *New York Times*, November 22, 1981; Barbara Demick, "Hoboken Arson Suspected," *Hudson Dispatch*, April 19, 1982; "11 Feared Dead in Hotel Blaze," *Jersey Journal*, April 30, 1982; City of Hoboken Planning Board, "1986 Master Plan Review Statement," Hoboken Historical Collection, Hoboken Public Library.

16. On fires in other gentrifying cities, see "Rebirth of a Neighborhood Is Not without Some Pain," *Chicago Tribune*, June 21, 1979, N1; "Urban Flight . . . or When 'Historic' Means Hardship," *Associated Press*, November 28, 1979; "Arson and J-51," *New York Times*, July 20, 1982; Raymond L. Flynn, "From City Hall to Neighborhoods, It's War on Arson," *Boston Globe*, February 7, 1984.

17. See U.S. Congress, House, Committee on the Judiciary, *Anti-arson Act of 1982: Hearing before the U.S. House Subcommittee on Crime of the Committee of the Judiciary*, 97 Cong., 2 sess., May 19, 1982.

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