

Exceptional: The Astors, The New York Elite, and the Story of American Inequality

Shamus Rahman Khan
Department of Sociology
Columbia University

Brief Description

Exceptional uses the Astor family to tell a sociological history of the city of New York and, more broadly, to reflect upon the character of American inequality. John Jacob Astor came to America months after the end of the revolution; like many before and after, he sought a new life free from shackles of European aristocracy. Yet almost uniquely, his journey would make him one of the wealthiest men the world has ever seen. His family would become entrenched in the city of New York turning into the kind of institution the young John Jacob himself had tried to escape. A fortune built largely upon early 19th century trade with China and solidified in Manhattan real estate would sustain this family's dominance for nearly two centuries. Yet today, with the emergence of a second gilded age, new men have eclipsed the Astors. *Exceptional* uses this rise, dominance, and fall to reflect upon the character of elites in American society, and outline the central role they have played in its economics and inequality, politics and society, and culture and mores.

Full Description

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 in 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Aristocracy may be dead, but it has not been replaced by social equality.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 of the complicated relationship between openness and equality. It chronicles the not infrequent moments when, as New York institutions became less exclusive, opening to those previously excluded, inequality increased. I argue that the key to 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.

A key part of this story has become increasingly familiar to scholars and Americans alike. 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 has experienced wage stagnation since 1968, the richest Americans have enjoyed an almost 500% raise. Our increasing national wealth has been completely seized by the top 10% of its earners. 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 connections, 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.

In their place, however, economic barriers have been erected, ones with 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 open yet 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 their varied competing interests as different members seek to increase the prominence of the resource that provides them with power. 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 earlier 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 is 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 a 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.

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. Rogers Smith has pointed to the multiple political traditions operative in America—some of which are far from egalitarian. 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.

To evaluate this thesis I follow the experience of the New York elite from the founding months of the republic through the present. My focus is on New York because it has long been a dominant player in 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. Further, the elite are not representative. One of the arguments of this book plays upon the title word: *Exceptional*. Across historical eras time and again I argue that elites have a countercyclical character. Take the 1960s: while the average American experienced considerable wage mobility and intergenerational mobility, the elite were comparatively stagnant. Or compare that with today: most Americans are locked in place and their family background is highly determinative of their social position. In comparison to the average American, elites experience something different – with more new men among the richest Americans and massive wage growth. The rich are different than you and me. And it’s not simply that they have more money. They may well live in a different world. *Exceptional* explores this world and thinks through the implications of this difference.

Other than this argument about the countercyclical character of the elite (which I have introduced in earlier scholarly work published in *Public Books* and *Research in the Sociology of Organizations*), the argument that emerges through the rest of the book is not completely unified. Different eras in New York’s history have different logics, and no simple set of factors can explain such a broad sweep of history. Rather than provide a “Guns, Germs, and Steel” type thesis, I take seriously the discreet logics of each historical moment. This is not to say that there is no argument, or, that the explanations are haphazard. But rather than argue that there is a single, unified framework for understanding the American elite,

Exceptional takes a different route. It suggests that elites are a diverse, competing group. Some are established, others are “new”; this is to say that they have different bases of their power. There are multiple resources available in the social world (economic, social, cultural, political), which different elites deploy differently to greater or lesser success in their aim of securing their position and augmenting their power.

This complexity across cases guides me to reply upon a different kind of unity: the Astor family. There are both narrative and analytic advantages to this focus. From the narrative perspective, following a family creates the kind of unity that the argument does not. Across chapters we follow from fathers to sons, grandmothers to granddaughters. While the argument can roam from the social to the political to the economic and cultural, a single family serves as a guide – a kind of Virgil into the world of the New York elite. But there are also analytic advantages. Whereas much of elite history focuses on men and business, following the Astors causes our eye to look to the role of women and the social-cultural words within which they reign. Further, the construction and maintenance of enduring institutions of advantage suggests the ways in which class and family are densely intertwined. And finally, such an approach takes up, but rethinks C. Wright Mills’ classic account of sociology: which sits at the intersection of biography and history. *Exceptional* is not a biography of the Astor family, but it combines biographical and historical details of their lives to reveal the sociology of elites in America.

Chapter Outline

Introduction

The story of America’s founding by Puritans evokes a dominant element of the national imagination: this continent is a promised land, sought out for its capacity to provide freedom from the shackles of political, economic, and religious oppression. Here lies the core of American Exceptionalism. Yet this is not the only way to understand our beginnings. I tell a different kind of origin story – where America is an in-the-way place, separating the two great economies of the era: Europe and China. America as a beacon, as a city on a hill, is an important aspect of its cultural history. But so too is America as a place-in-between. Rather than place America in opposition to the world, as an exception to Europe, I begin by locating our nation as deeply embedded within a newly emerging global order.

Coming to America

John Jacob Astor (1763-1848) is a representation of this new order. Born to a butcher from Waldorf, Germany, he learns a variety of trades – from removing hides from carcasses to selling wares on the street. His sense of adventure takes him first to London and, immediately after the signing of the treaty of Paris, to America. Here he puts his skills to work, wandering the streets of New York selling goods, and learning to do business in this new land. He also meets Sarah Todd, who holds a dowry at three times Astor’s yearly wages, has a sister married into one of the most established Dutch families of the city, a business savvy that rivals other New Yorkers of the day, and a widowed mother who owns a home with space for a shop, a son-in-law, and grandchildren. In short, she is the kind of woman

that a poor immigrant could hardly expect to marry. But Astor is lucky in his timing. The war has left a generation of men dead, injured, or broken. Bourgeois families do not have the luxury of selection for their daughters. These are new times, where not only new political traditions are being born, but also new economic relations, social ties, and familial and cultural life.

Dominating America

Astor would have little to do with this new world that did not involve making money. He joined the Tammany Society and eventually the Masons. But he tended to detest social obligations. Instead, he sought to build a fortune. And he did this not by relying upon an internal economy, but instead, by focusing on Europe and China. He used the Northern and Western Indian populations to acquire furs – often illegally plying tribesmen with alcohol so as to gain favorable trading terms. These pelts were then shipped to China (the dominant world economy). The trip back brought teas, silks, and china, aimed at the luxury markets of the US and mostly Europe. While John Jacob built a fortune into the millions of dollars (which today would be in the billions), the wages of the average American stagnated; per capital income in 1835, for example, was roughly what it had been before the revolution. Elites and the rest lived in different economic worlds, and limits on democracy also meant they often lived in different political ones as well. Alongside other immigrants like Alexander Hamilton, Albert Gallatin, David Parish and Stephen Girard, Astor's wealth helped make him into a different kind of American founder: one less tied to landed republicanism and more attuned to the political and economic potential of capital markets. Such markets made him, perhaps, the richest man in the world. But this wealth could not buy completely belonging in America. Astor spent much of his later life traveling around Europe, seeking a Manor for his family, and fantasizing about moving there. Yet neither world welcomed him. He had not the manners and breeding of the European aristocrat. And to the Americans, he was similarly vulgar: an immigrant whose love of commerce might well destroy the republican nation; vanquished foes would suggest that there was something terribly wrong with men like Astor. They mobilized anti-Semitic sentiments (Astor was Protestant, but enemies suggested his "true" heritage was Jewish), implying that financial merchants did not share the values of the more landed protestant nation; indeed, they might well be its ruin. In this sense, Astor would come to be a kind of quintessential American – hardly meeting the lofty ideals of his adopted nation and constantly looking east with a twin sense of pining and disgust.

Returning to Europe

The Astor wealth was built in trade and finance, but it endured through the more traditional foundation of land; John Jacob's investments in Manhattan real estate were almost an accident. Though the family wealth was seemingly limitless, it was not enough to secure elite status for the Astors. This required greater personal connections, cultural acumen, and social refinement. European visitors to America wrote notes home marveling at the horror of seeing the world's richest man, John Jacob, eat his peas with a knife. His son, William Backhouse Astor (1792-1875), would make no such mistake. William returned, somewhat triumphantly, to Germany. There he was swept up in the major intellectual currents of the day. He read German romanticism, having heated discussions late into the night about the latest writings of Schopenhauer. In the great cities of Europe, bolstered by his staggering

wealth (and his traveling partner, the renowned scholar Von Bunsen), he refined his cultural tastes. William was hesitant to return to his rather provincial home in Manhattan, but the demands of his father and the family business brought him back. William would soon be known as “New York’s landlord” – from his father and his uncle he inherited unimaginably large swaths of land throughout the city, primarily in Manhattan. Where his father developed his skills butchering animal hides and selling wares in the street, William developed his among the ancient universities of Europe. And while America experienced a rise in Jacksonian democracy, William worked to become part of a more isolated elite. He converted to the Episcopal Church, a more respected branch of Protestantism than his mother’s Calvinism. As new men poured into the shores of New York, fundamentally changing its character, William, along with other elites, isolated himself and protected his opportunities from men who came with many of the same aspirations as his own father.

Aristocracy Revived: the Gilded Age

One of William’s sons married into the most established of New York families, the Schermerhorns, and with this marriage the Astor ascension into “society” was complete. Caroline Webster Schermerhorn Astor (1830-1908), known as “*The Mrs. Astor*,” embodied both the great wealth of her husband’s family and the social breeding of the Schermerhorns, who were among the first European families to inhabit Manhattan. Immigrant men fed the industrial revolution, and some of these men even gained fortunes rivaled that of the Astors. Caroline Astor was instrumental in closing the social and cultural circle of the elite from the encroachments of such industrialists (like the Vanderbilts who “worked” managing a railroad empire). Mrs. Astor dominated the social scene of New York, largely determining who could be accepted or rejected by “society.” She arranged parties and marriages, consecrated new cultural institutions, and helped solidify the New York elite as a class, with a distinct set of cultural tastes, social ties, and mores. These elite stood in firm opposition to the rising immigrant working class – go as far as to build an armory in their neighborhood to protect themselves in the event of class warfare. The court of Gilded Age New York was Mrs. Astor’s living room; and through the family papers, this chapter brings the reader inside.

Giving it Away

Mrs. Astor’s son, John Jacob IV (a graduate of St. Paul’s School), perished in the *Titanic*. His son, Vincent Astor (1891-1959), inherited much of his father’s fortune and was named by Forbes as the 12th richest man in the world shortly after. The family had not worked for almost a century, and indeed protected itself from labor with pride. Yet this sensibility was hardly shared, and the Astors found themselves the subject of increasing contempt. When Vincent’s great-grandfather, William Astor died in 1875, *Appleton’s Journal* complained that, “No schools, no academies, no churches, no public pleasure grounds” bore the Astor name. Upon inheriting his fortune, Vincent promptly dropped out of Harvard and began managing his family’s real estate fortunes. America of Vincent’s era was moving steadily away from the Astors. The progressive era pushed the nation from the excess of the Gilded Age that Vincent’s grandmother Caroline represented, toward a more public-spirited ethos. The nation was propelled onto the world stage through the World Wars, and its elite, who had sought to mirror Europe, found themselves a quaint reminder of the past rather than a beacon of the future. Weathering this meant taking on a new role, and becoming something the world had yet seen: an Astor with a social conscience. Astor built playgrounds on

valuable land in Harlem, and transformed the reputation of Astor buildings (they owned much of the lower east side and were widely thought of as slum lords). From the 1940s-1960s, American democracy and its backbone, the middle class, were ascendant. The elite were on the decline. To Vincent the legacy of the Astor family needed to become something new. This meant giving back to the nation that had made them so fortunate.

Decline, Fall, & Rebirth: The New Gilded Age

Brooke Astor (1902-2007) was Vincent's third wife, and did much to inspire his philanthropy. She continued this legacy. But the world again was changing. When Vincent died, social commentators, economists, and respected intellectuals wrote the obituary of the elite, and wondered what the new open world of the middle class would bring. But in Brooke Astor's later years the seemingly unimaginable happened: the elite were reborn, ascending to their former heights. The final Mrs. Astor was in no position to exert the kind of power Caroline did; the logic of the elite had shifted, and the Astor fortune had been dispersed. 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 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 it did in the first Gilded Age. I argue that if unresolved, 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. It will no longer be the kind of a place Mr. Astor sought out for its freedom from the shackles of long-term wealth, and its opportunities to build something new.

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; I will be using my ties with more popular venues to help build that audience. 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*.

Additional Information:

This book will be approximately 120,000 words. It will likely contain 20 images. A final version completed by summer 2014.