

**II**  
**THE VARIETY OF**  
**URBAN EXPERIENCES**

# The Evolution of New York City Politics

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It's always been a mug's game to bet against New York City, which was counted out only to quickly bounce back after 9/11 and again in 2008 after the financial system nearly collapsed and took the world economy with it. But too many New Yorkers, caught in a wave of optimism after getting through the worst of the pandemic, haven't realized how challenging the years ahead will likely be, how far behind the national recovery the city already is, and how much deeper the problems go than those COVID-19 exposed and exacerbated.

By the time Eric Adams became New York City's mayor in January 2022, the nation as a whole had already recovered all the jobs lost during the worst of the 2020 pandemic shutdowns, when the unemployment rate in New York City had hit 20 percent. As I write in January 2022, the city isn't expected to reach pre-pandemic employment numbers until 2025. The public has failed to recognize the problem's depth: The new mayor won office in an election with the lowest share of voters bothering to turn out in at least 70 years. Adams, New York's second black mayor, who's hoping to be its first successful one, is inheriting nearly as bad a situation as David Dinkins did in 1989—not coincidentally, the last time when one Democrat left City Hall and another Democrat entered.

Four years after Dinkins entered office, as the city's finances teetered and violent crime hit a record high on his watch, he lost a rematch with Rudy Giuliani, beginning what turned out to be 20 uninterrupted years of non-Democratic control of the overwhelmingly Democratic city. Over the Giuliani and Michael Bloomberg interregnum (with both mayors trying to change the law to extend their time in office—and the second one succeeding), crime fell and the economy boomed, driven by federal policies that kept interest rates low and the Dow Jones Industrial Average high. That mix may have hurt other parts of the country and black

homeowners in Queens, but it paid off for New York’s financiers and the city’s tax roll.

The Democrats’ return, in a city where they now outnumber Republicans by more than six to one, came with the election of Bill de Blasio (who, like Adams, effectively won the job by prevailing in a crowded primary, winning the general election as an afterthought). The progressive politician spent rising tax revenue as quickly as it came in and then some, increasing the city’s spending baseline by twice the rate of inflation over eight years. But now New York City—with Democrats in full control of the city and state governments—faces tough choices about spending for the first time in a long time. The city has eaten through what it put away in the fat years, and now leaner ones loom.

Speaking of one-term losers, Donald Trump allayed, or at least delayed, these financial problems. Soon after ditching his hometown for tax-friendlier Florida, Trump did his native city a “yuge” favor, however unintentionally, when he followed his own defeat in the 2020 presidential election with an epic tantrum against the voting system that had supposedly rigged the election against him. Trump’s protest discouraged Republicans from turning out to vote in Georgia’s two crucial Senate runoff races.

Democrats narrowly won both races and with them control of the Senate, where they authorized billions of dollars in aid that New York City might otherwise have failed to secure. A big reason de Blasio and other New York politicians could talk around the city’s increasingly serious financial problems is that they had banked enough cash to *temporarily* paper over the hole that the coronavirus and shutdowns had punched into the economy.

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As the pandemic peaked and the city ground to a mandated pause, unemployment hit double digits, trains emptied, tourism collapsed, storefronts shuttered, and Midtown became a ghost town as hundreds of thousands of mostly wealthier New Yorkers left. Yet de Blasio, an unpopular lame-duck mayor, continued projecting nothing but sunshine. Other local pols, more interested in dividing the roughly \$20 billion in federal spoils than in surveying the damage that money was supposed to repair, followed his lead.

These politicians included the new Democratic candidates for mayor. The pack largely followed Andrew Yang as he shot to the top of the polls and remained there for months by offering glib boosterism rather than serious plans for achieving economic recovery and improving the public health system before the next crisis. Almost all the candidates implicitly assumed New York City would resume its pre-pandemic trajectory with rising prices and revenues, so they promised new spending above the existing baseline.

That an obviously unqualified neophyte who'd never even bothered to vote in a New York City mayoral election managed to rise so far and fast surely revealed the Democratic establishment's weakness. (Yang—who announced he was leaving the party altogether just after losing the primary, in a book he'd started writing before running—clearly saw that.) With the general election reduced to a rote formality, Adams narrowly won the city's first ranked-choice primary with just 404,000 votes in a city of nearly nine million souls, enough for him to promptly proclaim himself the new national "face of the Democratic Party," a title de Blasio had aspired to and been touted for after his surprise win in 2013.<sup>1</sup> Since taking office in January 2022, Adams has talked endlessly about restoring the city's "swagger," as if the problems ahead—starting with an economy on the ropes, rents nonetheless rising, violent crime and disorder increasing, and a faltering public school system in which enrollment began declining even before the pandemic—are nothing tough talk and rolling shoulders can't handle.

But the problems run deep. The city faces budget gaps of \$5 billion a year for the next three years, according to the state comptroller's office—even before factoring in new and renewed contracts for cops, firefighters, and teachers—or the possibility of a recession. No cash is set aside for raises, and each 1 percent pay increase is projected to cost \$460 million a year.<sup>2</sup> Under de Blasio, the city's budget ballooned from \$72.9 billion in 2014 to \$101 billion in 2021, a 38 percent spending increase—about double the rate of inflation over that same period. A 35 percent increase in tax revenues supported this spending.<sup>3</sup>

"The roughly \$20 billion in pandemic-related federal aid the city received will be fully spent over the next several years, even though billions of those dollars are being used to pay for programs that are intended

to be permanent,” Bloomberg News explains, cataloging troubles ahead that New York’s leading Democrats have tried to ignore. The article drily notes, “A post-pandemic return of the galloping growth in tax revenue that helped fund outgoing Mayor Bill de Blasio’s expansive vision of government services is far from certain.”<sup>4</sup>

That’s Adams’s problem now. In October 2021, the city had lost 443,000 jobs since the pandemic began; in January 2022, the unemployment rate was still over 9 percent. Even the de Blasio administration’s highly aspirational projections, which assume the city will add new jobs 60 percent faster than it did in the 10 years before the pandemic, don’t show overall employment catching up to its previous level for another three years.<sup>5</sup>

Just 38 percent of Manhattan office workers were back at work on any given weekday in April 2021, according to a survey from the big-business umbrella group Partnership for New York City.<sup>6</sup> Naturally, real estate is the only field in which office attendance has mostly recovered, since developers recognize that their business models will break down and help take the city’s economy down with them if many hundreds of millions of square feet of office space are no longer needed. Adams has publicly called on financial firms and other big employers to start bringing their workers back in, but—swagger aside—he has much less power to reopen offices than his predecessor had to shut them down.

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Meanwhile, train ridership is in sharp decline, with just 2.34 million riders on one Monday in January—down 55 percent from the pre-pandemic numbers. This threatens to create a crisis for the state-run system, which gets half its revenue from fares.<sup>7</sup> Again, federal aid has temporarily bridged that gap, but some combination of fare hikes, service cuts, and layoffs could set off a downward spiral if the ridership numbers don’t recover.

Violent crime in New York City has also increased dramatically, as it has done in big cities nationally, compared to 2019’s historically low pre-pandemic numbers. In 2020, 468 murders occurred in New York City, up from 319 in 2019—an unprecedented 47 percent increase. In 2021, 485 murders occurred.<sup>8</sup> While police and prosecutors have blamed

bail reform for this increase, it tracks a disturbing national rise in violent crime—particularly gun violence—that roughly lines up with the pandemic’s beginning in spring 2020 and the George Floyd protests that summer. New York suffered some of this violence, including one night of looting in Midtown. It also suffered what can fairly be described as police riots in response to peaceful protests.<sup>9</sup>

While the number of murders and shootings declined in summer 2022, every other major crime category was sharply up. The sense of danger and disorder has been particularly pronounced on the subways, where there were 10 murders in the 14 months between March 2020 and May 2021—as many murders as in the 60 months between 2014 and 2019, as Manhattan Institute fellow Nicole Gelinas noted in a *New York Post* column.<sup>10</sup> This rise occurred even as, and partially because, ridership plummeted. With fewer “eyes on the street” and inside train stations and cars, and with police reluctant to enforce laws against crimes that prosecutors will no longer prosecute, polls show a widespread sense of dread and disorder. Nightmarish shoving incidents, random attacks, and targeted murders of homeless men help explain why a poll taken at the end of May showed that just 3 percent of New Yorkers said they felt safer than they did before the pandemic, and 85 percent said they wanted more police on the trains.<sup>11</sup>

Ridiculously, the de Blasio administration had all but declared victory in 2021 when the summer murder numbers proved no worse than in 2020, effectively accepting 150 more murders than in 2019 as a new normal.<sup>12</sup> The pandemic’s worst dislocations are long gone, but the violence that simultaneously arose has lingered. While most murders continue to occur in poorer and higher-crime neighborhoods, the upward trend is citywide and uncontained. Disturbingly, since December 2019, two Columbia University students have been murdered near Riverside Park, which cuts off the campus’s Morningside Heights neighborhood from the rest of Harlem.<sup>13</sup>

Public school attendance dropped throughout the pandemic as New York City switched for months to “virtual learning,” which, particularly for younger students, often amounted to no learning at all. That continued a trend that began several years earlier under the de Blasio administration, when the mayor and his team kept failing schools open and

neglected the largely failing system to wage a sustained ideological war on supposedly racist gifted-and-talented programs and schools. The *New York Post*, citing internal New York City Department of Education documents, reported in May 2021 that daily public school attendance was 890,000, down sharply from over one million a decade ago.<sup>14</sup> Despite or perhaps because of that enrollment decline, in summer 2022 Democrats in Albany passed, over Adams's objections, a new, unfunded mandate for a class-size cap in New York City, which is expected to add as many as 10,000 new teachers once it's implemented, at a cost to the city of \$500 million a year for elementary schools.<sup>15</sup>

Public schools are always to some extent a system of last resort for parents with other options. New York had managed to partially obscure that fact because of the astronomical cost of local private schools and the decline of Catholic schools as a relatively affordable alternative. That encouraged liberals who didn't move to places like Maplewood to find ways to use their addresses and screening programs to keep their kids in "good" schools while taking pride in participating in the public program that saved them tens of thousands of dollars a year.

That started to change under de Blasio, as classroom education became more rigidly and explicitly ideological. De Blasio's second school chancellor, "equity warrior" Richard Carranza, dedicated himself to taking down the city's most successful high schools, which he all but accused of being agents of segregation and white supremacy. Parents with other options began considering them more seriously, as the declining public school attendance numbers reflected. Predictably, these numbers fell faster during the pandemic and the city's great experiment in remote learning.

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So where does that leave the undisputed capital of the 20th century?

The city's economy is staggering, and its pattern of bouncing up quickly in past crises may not repeat this time around. Violent crime is up, and participation in civic life is down. And little buffer remains against another hard hit.

All this is happening as New York City, despite electing the pragmatic Adams, has paired him with a new city council that leans ever further left

and a Manhattan district attorney who won office on a promise not to prosecute a host of fairly serious crimes. Furthermore, New York state is now wholly controlled by Democrats who consistently favor big government interventions, particularly in the state's hugely expensive health care system.

So why is it still probably a mug's game to bet against New York? There are three big reasons.

First, global capital is still seeking shelter in New York's real estate and financial markets. While the ultra-luxury market has cooled, Manhattan sales prices and rents have continued their seemingly endless upward climb.<sup>16</sup> While that may be bad news for New Yorkers looking to purchase shelter with their wages, it's good news for the city's tax base.

Second, New Yorkers are resilient, and the city has significant natural advantages including its size, swelling population, and impressive talent pool, which includes immigrant strivers and the world's best and brightest looking to play on a big stage. (Notably, the foreign-born population has continued to increase in New York City even while declining in Los Angeles and Chicago.)<sup>17</sup>

In their quasi-monopolistic efforts to hoard that talent, tech giants such as Google, Facebook, and Amazon (even after its HQ2 boondoggle went down in part due to vociferous local opposition) have started investing in significant chunks of New York real estate, with Google now easily the biggest landlord in Chelsea. These tech giants have hugely helped the otherwise-struggling office-space market, which was also strained by the slow collapse of WeWork, an office-space firm that swelled to enormous size and became one of the city's biggest landlords by getting stupid and greedy investors to value it as a tech firm.

Third, Adams, a longtime political ally of de Blasio, seems serious about correcting some of the excesses and missteps of the de Blasio years. Crime may be Adams's low-hanging fruit, since de Blasio, fearing the New York Police Department and its protesters, managed to alienate both groups by the end of his tenure. Adams has already replaced the gun unit that de Blasio disbanded in June 2020, just as the murder rate was starting to shoot up. Adams also reinstated police in the subway system, which they'd all but abandoned.



Meanwhile, Adams is showing sensitivity to ordinary, workaday New Yorkers' concerns, as no mayor has done since Ed Koch (though of course Koch often didn't seem to count black homeowners as workaday New Yorkers). Adams has pushed bankers to get their workers back in the office while committing the rhetorical error of using the dismissive term "low-skilled workers" at a press conference where he called on finance workers to show up in person and pointed out that people in the retail and service industries suffer otherwise.<sup>18</sup>

Despite pressure from the teachers union, Adams has consistently stressed the importance of keeping schools open and kids in the classroom. He's appointed a schools chancellor, David Banks, who's stressed making every school work for the students it serves. Banks has promised that "change is coming" to a "fundamentally flawed system" in which "we spend \$38 billion dollars every year" but "65 percent of black and brown children never reach proficiency." He stated, "That's a betrayal, and we should be outraged by that."<sup>19</sup>

The new mayor has already earned some national attention, including from the center and right, by resisting leftist ideologues who increasingly gained power in low-turnout primary elections. That's been a useful corrective for Democratic regulars who relied on old voters habitually showing up, and few others doing so, to stay in power. Now, motivated progressives have flipped that arrangement to their advantage by working to bring in a handful of younger voters.

The trouble with both groups is that the voters they depend on don't reflect the larger city. This helps explain how Manhattan ended up electing a "decarceral" progressive district attorney the same year New York City elected a former cop as mayor. Adams has leaned into this tension while pushing back hard against an incoming council full of socialists (and five Republicans) as he clearly looks to claim the center.

The key question for Adams—and New York—is how to address the city's serious issues without increasing the size of the workforce and government, as de Blasio did almost continually. Adams's budget czar, Jacques Jiha, sent a letter less than two weeks into the new mayor's term asking most city departments and agencies to identify 3 percent cuts, which "cannot be based on layoffs." With these cuts, and then a second round of 3 percent cuts from every agency in September, the city is

trying to cover what it optimistically projects will be a \$2.9 billion hole in its 2023 spending plan—a hole that could grow “because of a slowing economy from the omicron variant”<sup>20</sup> and an increasingly grim national financial outlook.

But even if Adams successfully sets a new tone for the city, he may face a much rockier road than did his hapless predecessor, whose many missteps were cushioned by a soft pad of tax dollars that were all but ensured by low interest rates from global capital flowing into the city’s markets. Naturally, Adams is hoping that the money keeps adding up and that he can put off the difficult decisions. But there’s a good chance he won’t be so lucky. A luxury city, as New York trended toward becoming in the Bloomberg years, comes with its own problems, notably gentrification and displacement of working-class residents. But those problems pale compared to being broke.

There’s no simple way to rekindle the economy and repopulate the office buildings. There’s also no easy or popular way to manage decline, but that may be the task confronting Adams—if New York City’s decades-long winning streak abruptly ends just as he assumes power.

## Notes

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