2000: First, they celebrated

Early in the first year of the new millennium, the economic roller-coaster that had been climbing for eight years finally reached its peak and started dipping toward recession. For most of the year, though, New York, like the rest of the nation, was blissfully unaware of its downward trajectory. Many of the dot.coms had not yet gone, advertising revenues were at record highs, as were sales volumes on Wall Street, office rents, and housing prices. Unemployment was at its lowest level since the last Wagner administration in the Sixties. Just as in the opening year of that memorable decade, the city seemed to be riding high. Back then, as the “Camelot era” was about to end with the assassination of President Kennedy in 1963, the city’s crime rate soared, it faced the first of a series of budget crises, and racial tension flared as the civil rights movement gained momentum. A focal point of the tension was Harlem, which erupted for several days when a policeman fatally shot a black youth in 1964. To help address inequities, leaders established the City University of New York, where any high school graduate could attend college free. Another first for New York—a transit strike—lasting nearly two weeks and costing businesses close to $1 billion, occurred in 1966. That was also the year that New York inaugurated an income tax, a commuter tax, and another transit fare hike. Still, the city went into debt to pay for its budget: union contracts were fattened, welfare rolls were growing, and the list of free city services expanded, setting the stage for the financial meltdown of the mid-1970s. For all the financial turmoil, it was a storm of a different sort that left the most negative impression of the administration of Mayor John Lindsay. When a blizzard buried the city in 1969, Manhattan streets were plowed quickly but the outer boroughs remained paralyzed for weeks, leading to such outrage that the
storm was mentioned in Lindsay’s obituary more than 30 years later. In the decade to come, some New Yorkers would suffer worse hardship, as the crack cocaine trade grew and decay deepened in the South Bronx. To help address the housing shortage there, in the early Seventies the government built Co-Op City, three-dozen residential high-rises with their own Zip Code. Elsewhere, white flight and job flight continued, as sprawling campuses surrounded by sprawling parking lots, often in Westchester County or New Jersey, proliferated.

**Icons in the making:** It was at this time that the World Trade Center towers were nearing completion, nearly two decades after David Rockefeller, head of Chase National Bank, had started to put together the intricate political and economic structure on which they were built. The two towers, each more than 1,300 feet high, were intended to seal Lower Manhattan’s role as the center of global finance. Trade Center architect Minoru Yamasaki, working on his project as the nation was racing to the Moon, was told to surpass the Empire State Building. In 2000, the 16-acre site on which the towers and plaza were built was not yet known as Ground Zero, a label usually reserved for the spot where a nuclear bomb is detonated. That label was affixed after the towers were destroyed by terrorists on Sept. 11, 2001, in an attack that killed nearly 3,000 people.

**Debt, too, looms:** Although intended as symbols of financial strength, the towers were opened during a time of slack demand for office space in the city. Even symbolic financial strength was in short supply when, three years after the towers opened, the city found itself on the brink of bankruptcy, the penalty for a decade’s worth of imbalanced budgets. Perhaps the most memorable symbol of the city’s plight was a 1975 headline on the front of the Daily News: “Ford to City: Drop Dead.” In the end, the federal
government, as well as New York State, did help the city to recover. By the Eighties, the era of President Ronald Reagan and Mayor Ed Koch, the city was in a position to participate fully in the nation’s all-business agenda. In the new decade, so-called yuppies (young, urban professionals) would gentrify the Upper West Side, SoHo, and Park Slope, and the city would add more than 50 million square feet of office space. It also laid the groundwork for a rejuvenated, repopulated Times Square, where seedy sex shops gave way to glimmering corporate showplaces and the homeless were moved out so that families might venture in. Although the new-style deals—leveraged buyouts, junk bonds, megamergers—garnered headlines and huge profits, they were no cure-all. Drive-by shootings and the AIDS epidemic were proliferating, as was financial hardship. By the mid-Eighties, one in five New Yorkers lived below the poverty level. By the end of the decade, New York would reach another demographic milestone: For the first time, its population was less than 50 percent white.

**Gimbel’s gives way:** Although most of the Nineties were boom years for New York, as for the rest of the country, the decade started in an economic trough, one that had hit white-collar workers for the first time and became the last straw for such Manhattan retail icons as Altman’s, Gimbel’s and Alexander’s. It was in a social trough, too, because of deepening poverty, crime, and ethnic/racial tension. The names Abner Louima, Amadou Diallo, and Yusuf Hawkins would become shorthand for that tension. And then came a new threat, as bombs were set off in the World Trade Center garage in 1993. Into this chaos strode Rudolph Giuliani, the law-and-order, quality-of-life mayor elected later that year. He presided over the city as crime fell and cyber-era prosperity rose, turning Chelsea into Silicon Alley, the low-rise, high-tech business district that was
New York’s answer to Silicon Valley. Magazines swelled to accommodate the river of advertising dollars, the residential skyline climbed to shelter the Cyber Era workforce, and Times Square bulked up as corporate giants competed for architectural bragging rights. By 2000, times had been so good for so long that some economists wondered aloud whether the old boom and bust economic cycle was as outmoded as a typewriter. They wouldn’t have to wonder for long.

**Sources for texts and photos**


