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The Mamdani Campaign for an Affordable New York

By: Adam Tooze

For the majority of New Yorkers, coping with rising costs of living generates stress, resentment, and incomprehension. Mamdani's campaign that speaks openly about these pressures and urges bold steps is a starting point to address these issues.

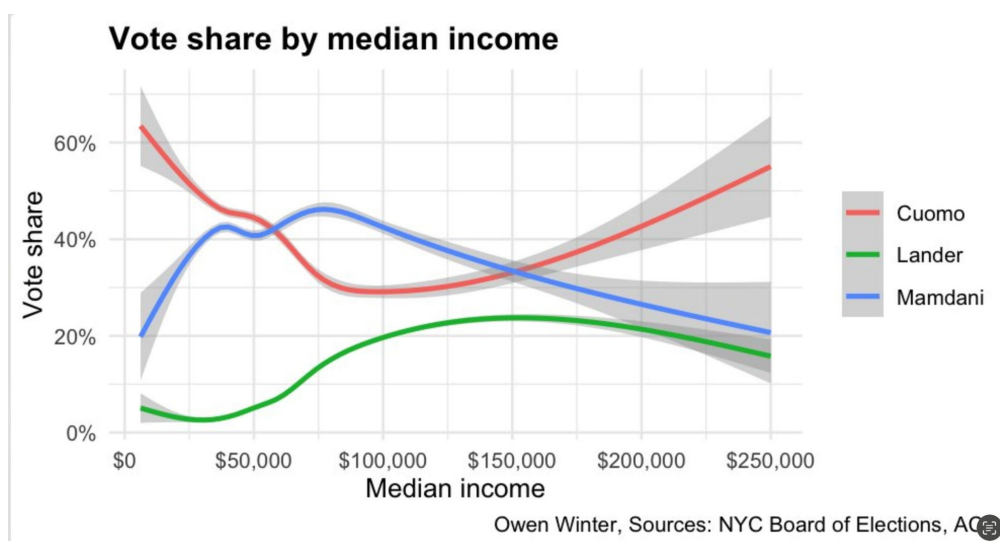
For many of us, New York City is still the ultimate city. In the 20th century NYC defined a new type of urban existence – the staggering verticality, the extraordinary mixing of people from all over the world, the extremes of capitalist wealth and dynamism. Still today, compared to sprawling megacities like Mexico City or Shanghai, NYC remains a compact urban space. Its overlapping layers of architectural and infrastructural history, offer a 'classic' experience of dense modernity, including unkempt dereliction, filth and infestation with rats. If you live in NYC you have a visceral sense of how plagues happen, and riots. Anyone who has lived there knows that the city seems to experience moments where huge masses of people seem to vibrate in synch. With powerful universities and media, it is an intellectually, culturally, and politically vibrant place, capable of generating huge intensity of debate and true surprises.

In a city like NYC, one should expect the unexpected.

Nevertheless, it did come as a surprise, in the middle of the speech to the summer Davos meeting in Tianjin by Chinese Premier Li Qiang, to watch as hundreds of delegates turned to their phones to read the news that Democratic Socialist Zohran Mamdani had won the Democratic primary, making him the presumptive future mayor of New York, the headquarters of global capitalism and the capital of the dollar system.

The causes of Mamdani's decisive defeat of Andrew Cuomo are much debated. We should presumably start from the premise that this 'upset' was, in fact, overdetermined. Cameron Abadi and I talk about some of the issues in a rather jet lagged [podcast](#) recorded shortly after the event.

Mamdani is a brilliant candidate. He ran against a truly awful Democratic Party establishment. He has progressive, some would say radical, but obviously sane positions on everything from the subway to Israel-Gaza. The majority of the New York electorate and several of his rivals – kudos notably to Brad Lander – are smart and decent enough to acknowledge Mamdani's sanity and to respond in kind. New York City is not a place that expects conformity. Mamdani ran on a progressive platform of measures regarding rents, taxes, public transports, childcare etc., that address the palpable crisis of affordability in the city. Others will try to figure out whether it was Mamdani's position on rent control that was decisive, as opposed to his position on Gaza. It does seem clear that Mamdani has rallied a new coalition that is heaviest in the 'middle-income band', which in NYC can be reasonably said to stretch from \$60,000 to \$150,000.



It is striking that he did less well in predominantly black neighbourhoods of the city, which also, in many cases, are lower-income precincts.

How candidates fared with groups of voters

Based on results in precincts where each group is a majority.

PRECINCTS WITH...	ANDREW CUOMO	ZOHRAN MAMDANI	BRAD LANDER
Higher income residents 24% of precincts	30%	42%	20%
Middle income residents 49% of precincts	37%	47%	7%
Lower income residents 24% of precincts	49%	38%	3%
More college graduates 27% of precincts	28%	45%	19%
More white residents 29% of precincts	34%	39%	19%
More Hispanic residents 16% of precincts	41%	48%	4%
More Black residents 15% of precincts	51%	34%	3%
More Asian residents 4% of precincts	36%	52%	5%
More renters 70% of precincts	33%	47%	11%

The New York Times

What I want to focus on are the socio-economic structures of the city itself because knowing those may help us to understand what may come next.

New York City is a classic city also in its degree of socio-economic inequality. Even by US standards, it is a space of extreme inequalities of wealth and income. The concentration of that inequality within a compact urban space, creates a battlefield with more 'classic' contours than the muddy mess of US national politics.

At the level of a city of New York, some of the classic tension between capitalism and democracy can still be felt. There was once a time when redistributive mechanisms could be built in America. The American income tax system is still progressive. There are basic structures of welfare. America has a public education system. But at the national level, since the 1980s the traffic has been largely one way. The idea that democracy might enable the majority of Americans to proactively distribute significantly greater resources away from the rich towards public services and those most in need, has come to seem increasingly quaint. At this moment, President Donald Trump's Big Beautiful Bill, a huge tax giveaway for the upper class, is moving through Congress. It will be profoundly regressive in its impact.

But within the frame of a city like New York, with a tightly packed population of 8.5 million, the distributional struggle takes on a rather different hue. In New York City the trade offs and conflicts feel real. The rich, the middle class, and the poor cannot avoid each other, as they often do in the rest of the United States. Through shared infrastructure like schools or overcrowded and dangerous streets, the competition for scarce housing and the cost of everyday necessities, the struggle of competing purchasing power, and class differentiation is played out in plain view.

Meanwhile, the shocking state of the subway brings home viscerally the many failures of public policy. How can a city of such wealth be reliant on a system of such shabby, stinking decrepitude? It is not by accident that New York City’s upper class fear democracy more than their counterparts in much of the rest of the country. Here there might actually be a majority in favour of redistribution and major market regulation, and against privatisation. De facto, New York City’s taxing powers are limited. Mamdani is talking about a few percentage points for those earning more than a million dollars a year. Everything requires approval by Albany, the far more conservative state-capital, 140 miles (225 km) to the north. But, to prevent these questions even being posed, the backlash against Mamdani will be intense and it will be very well funded.

That backlash will be led by big money from New York’s rich upper class. As the voting data suggest, his support dwindled fast amongst those with incomes more than \$150,000. At the upper end, there are 28,000 or so New Yorkers who filed income tax on adjusted gross income (AGI) of more than \$1 million, accounted for 0.7% of all tax filers, 35.6% of the AGI, and 42.4% of NYC Personal Income Tax (PIT) liability. Roughly 4,400 individuals declared more than \$ 5 million or more. And 1,600 made \$10 million or more. That group, who amounted to 0.04% of the total returns in 2011–2021, accounted for 17.9% of the AGI, and 21.3% of NYC income tax paid. Of the Forbes list of billionaires, 123 are registered as living in the city.

This upper class group are the tip of the mountain. The broader patterns of inequality are better captured by statistical measures such as the Gini coefficient, which describes overall patterns of disparity between incomes. In this regard New York City with a Gini coefficient of 0.5547 stands out starkly compared to all other American cities.

Income inequality increased (based on the Gini Index) in NYC and the U.S. from 2019-22, with NYC the only city among the nation's 10 largest to record a statistically significant increase

Gini Income Inequality Index *	2022	Statistically significant change from 2019	% change 2019-22 if significant
U.S.	0.4863	Yes	1.1%
New York City	0.5547	Yes	1.4%
Los Angeles	0.5315	No	
Chicago	0.5246	Yes	-2.3%
Houston	0.5292	No	
Phoenix	0.4662	No	
Philadelphia	0.5148	No	
San Antonio	0.4573	No	
San Diego	0.4670	No	
Dallas	0.5483	No	
San Jose	0.4702	No	

* Gini income inequality index values range from 0 to 1; a higher value indicates greater inequality
Source: CNYCA analysis of Census Bureau American Community Survey data, 2019 and 2022

For sake of comparison, New York City’s Gini coefficient puts it on the same level as [Rio de Janeiro](#) (0.58). [Germany’s capital, Berlin](#), has a Gini coefficient of 0.3.

New York City is overwhelmingly the most expensive place to live in the United States.

Cost of living index

1. New York (Manhattan): 231
2. Honolulu: 186.2
3. San Jose, California: 177.1
4. San Francisco: 169.6

5. New York (Brooklyn): 161.5
6. Orange County, California: 154.9
7. Los Angeles (Long Beach): 150.6
8. New York (Queens): 146.9
9. Washington, D.C.: 144.6
10. Boston: 144.3

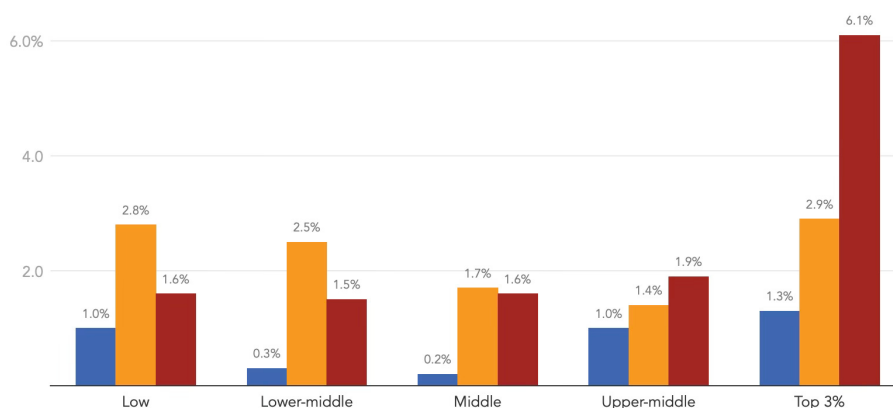
Source: *Coli*

It is a city where since the 2010s, polarisation has not moderated – as it has at the national level – but has sharply increased. Those earning in the top 3% have seen their incomes soar away, whilst the rest of the population have seen increases barely in line with the cost of living.

Real Hourly Wage Growth in NYC, Three Time-Periods Comparison

Annualized growth rate

■ 1996-2013 ■ 2013-2019 ■ 2019-2024



The top 3% represents the average of the top three percentiles of the wage distribution. Low wages represent the average of the 1st-20th percentile, lower-middle the average of 21st-40th percentile, middle the average 41st-60th percentile, and upper-middle the average 61st-80th percentile. Wages are adjusted for inflation using the 2024 Consumer Price Index for Wage Earners and Clerical Workers for the New York, New Jersey and Pennsylvania area.

Source: CNYCA analysis of Current Population Survey Outgoing Rotation Groups data.

Industries in New York where the highest paid are employed have seen substantial wage growth, whereas low-wages appear to have remained largely static. This **divergence** is so sharp that it causes a moment of disbelief!

Industries where top 3% wage earners work recorded significant average real wage growth during 2020-2024

NAICS Code	Industry / Sub-sector	Wage growth (%)	Average wage (as of Q2 2024)
NAICS 519	Other Information Services	28.8%	\$303,100
NAICS 5415	Computer Systems Design and Related Services	17.1%	\$224,209
NAICS 5417	Scientific Research and Development Services	16.7%	\$147,602
NAICS 334	Computer and Electronic Product Manufacturing	12.4%	\$224,209
NAICS 51	Information	11.2%	\$206,177
NAICS 5231	Security & Commodity Investment Activity	1.4%	\$473,726
N/A	Low-wage industries	-0.6%	\$47,043
N/A	Middle-wage industries	0.0%	\$94,807

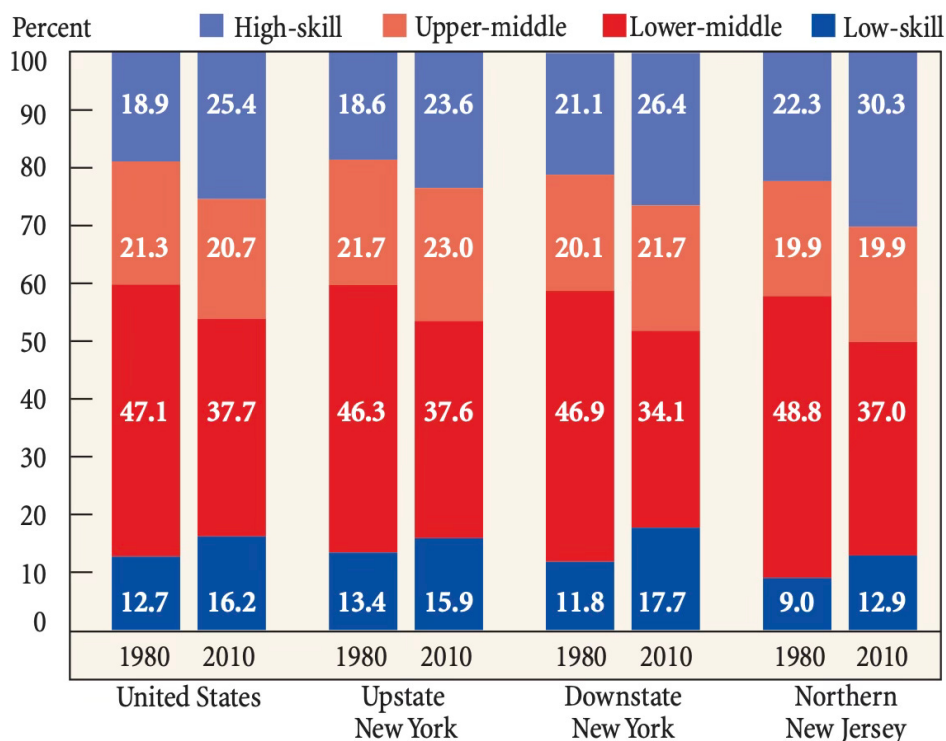
Wages are adjusted for inflation using the Consumer Price Index for Urban Wage Earners and Clerical Workers. Wage figures represent 4-quarter moving averages.

Source: CNYCA analysis of Quarterly Census of Employment and Wages data.

But, as [work published by Abel and Deitz of the New York Fed](#) confirms, these widening gaps reflect long-standing patterns of polarisation in New York City and Northern New Jersey regions that amplify national trends to extreme levels. Across New York City and its immediate hinterland, high skill jobs have expanded, as have low-skill jobs, whilst mid-level jobs have been squeezed.

Chart 3

Job Shares by Skill Group, 1980-2010

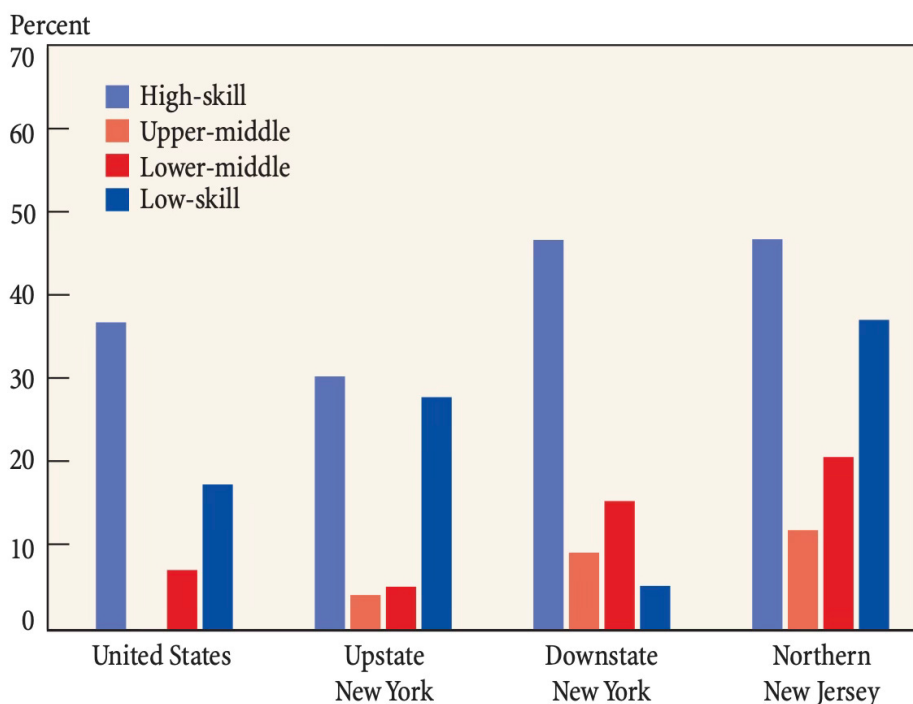


Sources: U.S. Bureau of the Census; authors' calculations.

Whereas wage growth for highly skilled workers has been above national averages, low-skilled workers in New York saw amongst the slowest growth in the country.

Chart 5

Growth in Real Median Wages by Skill Group, 1980-2010



Sources: U.S. Bureau of the Census; U.S. Bureau of Labor Statistics; authors' calculations.

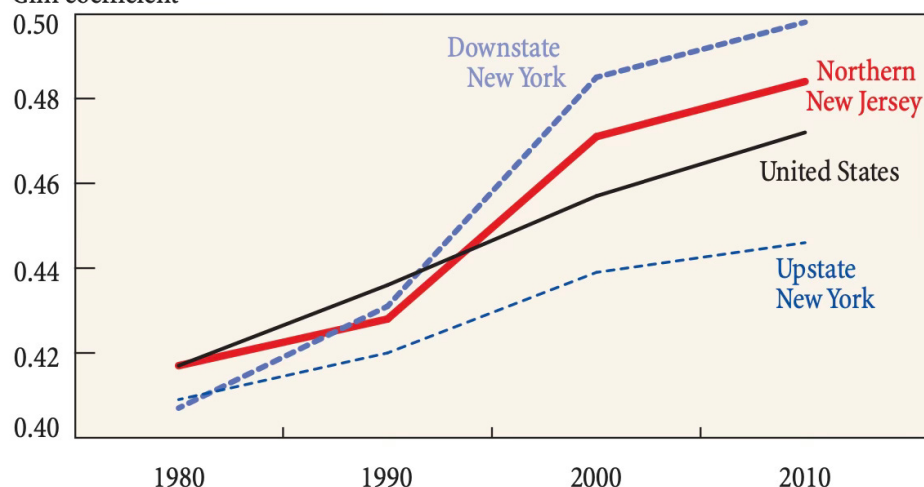
Note: The chart shows growth in annual median wages, which are not adjusted for hours worked.

The net result is surging wage inequality. As recently as 1980, New York's Gini coefficient was around 0.4. Today it is one-third higher.

Chart 6

Index of Wage Inequality, 1980-2010

Gini coefficient



Sources: U.S. Bureau of the Census; authors' calculations.

When you compress inequalities this extreme into a compact urban space, it would take city management of heroic excellence to avoid social and economic polarisation. Regrettably, New York City is remarkable not just for its wealth. Roughly one-fifth of the population is trapped in poverty.

New York City had the largest increase in all poverty among the 10 largest cities between 2019 and 2022, and the second largest increase in child poverty, after Houston

	All Poverty			Child Poverty		
	2022	Statistically significant change from 2019	Percentage point change 2019-22 if significant	2022	Statistically significant change from 2019	Percentage point change 2019-22 if significant
U.S.	12.6%	Yes	0.3%	16.3%	Yes	-0.5%
New York City	18.3%	Yes	2.3%	24.5%	Yes	2.3%
Los Angeles	16.8%	No		22.1%	Yes	-2.4%
Chicago	17.2%	No		26.0%	No	
Houston	20.7%	No		34.1%	Yes	5.2%
Phoenix	13.9%	Yes	-1.7%	18.8%	Yes	-4.6%
Philadelphia	21.7%	No		28.8%	No	
San Antonio	18.7%	No		27.7%	No	
San Diego	11.3%	No		12.0%	No	
Dallas	17.8%	No		25.9%	No	
San Jose	9.0%	Yes	1.9%	8.6%	No	

Source: CNYCA analysis of Census Bureau American Community Survey data, 2019 and 2022

And New York City poverty is not borderline. The largest increase in poverty in NYC between 2019 and 2022 was amongst those in 'deep poverty', which is defined as less than half of the federal poverty level. In 2022, the federal poverty threshold was \$14,880 for a single person, and \$29,678 for a four-person family with two adults and two children. In New York City, nearly 52% of the city's poverty population of 1.5 million in 2022 lived in deep poverty, that is 750,000 people. Poverty affects entire sections of the city. In the borough of the Bronx, with a population of 1.4 million, the median income is \$45,517, uncomfortably close to the Federal poverty line for a family of four. In 2022 New York City recorded a child poverty rate of just shy of 25%.

From 2019-22, only the Bronx did not experience a statistically significant median income drop; but the Bronx had by far the lowest 2022 median income level

Median household income	2022	Statistically significant change from 2019 (\$2022)	% change 2019-22 if significant
U.S.	\$74,755	Yes	-1.6%
New York City	\$74,694	Yes	-6.9%
Bronx	\$45,517	No	
Brooklyn	\$73,951	Yes	-4.4%
Manhattan	\$95,866	Yes	-11.4%
Queens	\$80,557	Yes	-5.4%
Staten Island	\$93,164	Yes	-10.2%

Source: CNYCA analysis of Census Bureau American Community Survey data, 2019 and 2022

New York City remains hugely attractive to millions of people. But the gap between the resources of the vast majority of the population and the cost of living yawns increasingly wide. The city gets by. Its people are resourceful and resilient. But this coping comes at a price: increasing stress, resentment, and incomprehension. How can things be this unaffordable, this dysfunctional and shoddy? Why is the city not as great as it could clearly be?

Of course, a minority do extremely well. They feel no urgency for change. But for the majority of people the trends, both of recent decades and more immediately since Covid-19, are in the wrong direction. A politics that speaks openly about these pressures and urges bold and imaginative steps – as Mamdani and the New York left do – is a starting point, both to address the issues and to relegitimise city government. His success is a rare sign of hope in American politics. If entrenched elites were to derail his candidacy in favour of machine interests, it would be a victory for privilege and a disaster for democracy that would resonate beyond New York.

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