

Chapter 1

ART, CULTURE, AND NEW YORK CITY

In 1977, a graffiti duo with the name of SAMO (standing for Same Old Shit) began bombarding New York subways and slums. It was the height of graffiti's hold on the city, with thousands of kids running through subway tunnels deep into the night, away from cops and into subway yards where they spent hours painting masterpieces and signature tags on the sides of the subway cars so that, come morning, the trains would barrel through the city displaying their names and artwork like advertisements to anyone waiting on the platform. Thousands of kids wrote graffiti through their teenage years, only to put aside their artistic leanings by the time they reached their twenties, remaining unknown and invisible to anyone who didn't ride the New York subway system during the 1970s and '80s.

But SAMO was different. Still living in the gritty East Village, working and DJ-ing at downtown clubs, by 1981, one-half of the duo, Jean-Michel Basquiat, had attained recognition in the art world as the "Radiant Child" in *ArtForum* magazine. By the early eighties, Basquiat was being shown alongside Julian Schnabel, David Salle, Francesco Clemente, and Keith Haring. Between 1982 and 1985, Basquiat dated a then little-known musician named Madonna, began working with Andy Warhol, was shown by the star-maker gallery owner Mary Boone (his paintings sold for over \$20,000), and landed on the cover of the *New York Times Magazine*. In 1988, he died of a heroin overdose. He was twenty-seven years old. Basquiat's paintings are still worth thousands and thousands of dollars, and he is still considered one of the pivotal figures in New York's postmodern, Neo-expressionist art world. Basquiat's life, from his early days as an anonymous graffiti writer to the gritty East Village art and nightlife scene he thrived in, to meeting Mary Boone and Andy Warhol (who radically changed and catapulted his career) is emblematic of the central reason that New York City remains one of the global centers of creativity. In New York,

such things happen, and in New York, creativity and creative people are able to succeed.¹

Basquiat's life, while tragically short, is illustrative of the mythology of artistic creativity. Fashion, art, and music are fun. They are, after all, the industries that drive celebrity and create those ephemeral and elusive qualities of glamour, sexy, and cool. And how they attain these qualities is often impossible, if not downright arbitrary, to predict. Putting value on Mark Rothko's painting or Manolo Blahnik's latest sky-high stiletto is not easy. It's not clear what makes Marc Jacobs' Kurt-Cobain-meets-hot-librarian sweatshirts and dresses so appealing, but that doesn't stop thousands of women around the world from purchasing them in bulk. And people like Marc Jacobs as a person too (people who've never actually even met him). They read about his clothes in Anna Wintour's editorials in *Vogue*, they follow his social life in gossip magazines and columns. The same can be said of any number of creative people, from Quincy Jones to Jay-Z to Diane von Furstenberg—or, more broadly, “cultural producers”—those who create and produce the art and culture consumed by both mass and niche markets.

But this is not just a book devoted to talking about how fashion, art, and music are interesting and fun. For that, you can read *SPIN* or *Vogue* or *ARTnews*. Instead, *The Warhol Economy* is about how and why fashion, art, and music are important to New York City. Despite the random and seemingly arbitrary processes that lead to the success of a music single or a new designer, a pattern emerges: a preponderance of creativity on the global market—and successful creativity at that—comes out of New York City. Why is that?

On a basic level, it's clear that art and culture happen in particular places—New York, Paris, London, Los Angeles, Milan. Parties and clubs and high-profile restaurants are often cited in tandem with the celebrities that frequent them. Entertainment—whether Fashion Week or the MTV Music Awards show—generates lots of money and, if we think a little more, probably lots of jobs. But much of our understanding of art and culture is taken for granted at best, superficial and inconsequential at worst.

Worst because we view the role of art and culture as insignificant and not as a meaningful part of an urban, regional, or national economy. We take it as more fun and less business. And so, although

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policymakers and urban economists are versed in the mechanics of urban economies or how we think cities work, the role of art and culture is left out of this basic paradigm of city growth and vitality, why some cities are more or less successful than others, and what components are necessary to generate great, vibrant places where people want to live.

Most students of New York see it as a center of finance and investment and understand the city's economy as evolving from industrial production to the FIRE industries (finance, insurance, and real estate) that form its foundation today. And yet, for the better part of the twentieth century and well before, New York City has been considered the world's authority on art and culture. Beginning with its position as the central port on the Atlantic Ocean, New York has been able to export and import culture to and from all parts of the globe. By the middle of the twentieth century, New York was the great home of the bohemian scene, beat writers, and abstract expressionists and later, to new wave and folk music, hip-hop DJs, and Bryant Park's Fashion Week. As Ingrid Sischy, editor-in-chief of *Interview* magazine, remarked, "Before Andy [Warhol] died, when Andy led *Interview* you'd run into people who would say, 'I came to New York because of *Interview*. I read it when I was in college, lonely and alienated and it made me feel not alone. I wanted to come there and be a part of that world'." High-brow, low-brow, high culture, and street culture, New York City's creative scene has always been the global center of artistic and cultural production.

Well, it's New York. But what underneath that cliché propels the greatest urban economy in the world? New York's cultural economy has sustained itself—despite increasing rents, cutthroat competition, the pushing out of creative people to the far corners of Queens and Philadelphia. Within its geographical boundaries are the social and economic mechanisms that allow New York to retain its dominance over other places. As the Nobel Prize-winning economist Robert Lucas pointed out, great cities draw people despite all of the drawbacks of living in a densely packed, noisy, expensive metropolis, because of human beings' desire to be around each other. It is the inherent social nature of people—and of creativity—that makes city life so important to art and culture.

Central is the assumption that cultural economies operate differently from other industries. What we traditionally think of as the lure of New York City for business is different for those who produce art and culture. The central tenets of successful urban economies (the density of suppliers, the closeness of a labor market) are indeed important to fashion, art, and music, but they manifest themselves in a different way. For finance, law, manufacturing, and other traditional industries, these systems and mechanisms are pretty straightforward and, for the most part, operate within a formal, rigid structure. Economists often talk of the agglomeration of labor pools, firms, suppliers, and resources as producing an ensuing social environment where those involved in these different sectors engage each other in informal ways (they hang out in the same bars, live in the same neighborhoods, and so on). But this informal social life that economists often hail as a successful by-product (what they call a positive spillover or externality) of an economic cluster is actually the central force, the *raison d'être*, for art and culture. The cultural economy is most efficient in the informal social realm and social dynamics underlie the economic system of cultural production. Creativity would not exist as successfully or efficiently without its social world—the social is not the by-product—it is the decisive mechanism by which cultural products and cultural producers are generated, evaluated and sent to the market (more on this in chapters 4 and 5).

The cultural economy operates far from the boardrooms and skyscrapers that pack Manhattan's geography. The evaluation of culture occurs in the tents in Bryant Park during Fashion Week, the galleries in Chelsea, the nightlife of the Lower East Side, or the clandestine nooks in SoHo, Chelsea, or the Meatpacking District that house nightclubs, lounges, and restaurants with bouncers who could be mistaken for Secret Service agents. In these haunts—often exclusive—the cultural economy works most efficiently. Culture is about taste, not performance, and so, unlike a dishwasher or a computer or even a car, there is no method or even means to evaluate how well it performs. We do not make decisions about pieces of art or music to listen to or (for many women) dresses to wear, based on how well they work. We buy these things because we like them . . . for some reason. And that reason is, very often, because it has

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Fashion designer Diane von Furstenberg and her creative director Nathan Jenden at the end of one of her runway shows during New York Fashion Week. Photographer: Dan Lecca. Courtesy DVF Studio.

been given value by experts—someone or some people or some organization or gallery or newspaper—that has the credibility to crown a dress, a painting, or a new music single with the approval and the cachet that make it worth wearing, buying, or listening to. These people are the gatekeepers, the tastemakers, the “connectors,” to use Malcom Gladwell’s term. They tell us what is worth having, what has taste, in a seemingly arbitrary, symbolic, and status-driven economy.

Tastemakers and gatekeepers spend a lot of time in the social realm—they (and the creative people who also thrive in the social life of New York) give meaning to a world that many people think of as frivolous, superficial, or filled with beautiful people who

The “inspiration board” for Diane von Furstenberg’s fall 2007 La Moviada collection. Photographer: Andrew Bicknell. Courtesy DVF Studio.



have nothing to say. It is the social life of creativity—from industry parties to 2 a.m. nights at Passerby or the Double Seven—that is the central nexus between culture and commerce. It is in this realm that creative people get jobs, meet with editors and curators who write reviews and organize exhibitions and shows. Designers like Dior’s Hedi Slimane or the late Stephen Sprouse plug into the nightlife scene to become inspired for their next collection; simultaneously business deals across creative industries are made while just hanging out late into the night. When *Vanity Fair* asked Slimane who the most stylish woman in the world is, he replied, “Some unknown girl on the dance floor.”² It is this seemingly informal social world that drives and sustains the cultural economy, and it

is why New York has been able to maintain its creative edge decade upon decade.

The very idea of a cultural economy deserves further explanation. When we think of art and culture, we often think of film or fashion or art or design but often as separate entities. And while they do cultivate their own following, discipline, and norms, they are also part of a far more encompassing and symbiotic whole than we generally consider them. These separate industries operate within a fluid economy that allows creative industries to collaborate with one another, review each other's products, and offer jobs that cross-fertilize and share skill sets, whether it is an artist who becomes a creative director for a fashion house or a graffiti artist who works for an advertising agency. That there is real importance in the music that designer John Varvatos listens to or what the singer Beyonce wears when she goes out indicates the degree to which those who work in the cultural economy are simultaneously producers and gatekeepers. That the Metropolitan Museum of Art holds the Costume Institute benefit, the annual gala devoted to fashion design, and that Nike hires graffiti artists to design sneakers is evidence of the interdependent nature that artistic and cultural industries have with one another, and their need to be around each other and engaging each other in the same places. And therein lies the significance of New York's informal social life in cultivating the fluidity of creativity and the symbiotic relationships that fashion, art, music, graphic design, and their related industries have with one another. This type of cross-fertilization is partly responsible for how New York maintains its edge across a wide field of cultural industries. Chapter 6 looks at the various ways that such types of relationships form and produce new types of creativity.

Geography plays an important role, too: all of this occurs in the same limited geography, the island of Manhattan and parts of Brooklyn, Queens, and the Bronx. The parties, the nightlife, the gatekeepers, the artists, and fashion designers and musicians and museums, rock venues, and so on are all sharing the same twenty-five square miles or so. (As are the hoops to jump through, the editors and curators to please, the high-powered jobs, the magazines, music labels, and museums that matter to the global

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Astor Place in the East Village. Photographer: Frederick McSwain. © Frederick McSwain. Used by permission.



economy.) New York City, due to this dense concentration, is a global tastemaker that dictates the direction of fashion, art, music, and design across the world. So if a creative producer is successful in navigating the networks of New York’s cultural economy, she has, in the process, undoubtedly established herself with the rest of the world.

The mechanisms I’ve discussed so far, and the role of the social, make New York so important to the cultural economy. Part of the cultural economy’s success in New York has to do with the city’s built environment. The close proximity of galleries in Chelsea, nightlife in the Lower East Side, Meatpacking District, and SoHo, and the artistic community that lives in the West Village, Nolita, and Chelsea create a cultural clustering, both within the neighborhood and in the broader “downtown scene”—after all, most of these neighborhoods are just walking distance from one another. Because the social is so important to their careers, creativity, and access to the gatekeepers that review and valorize their work, the ability of artists, designers, and musicians to share the same dense geographic space with gatekeepers in the cultural industries (record labels, fashion houses, museums) makes possible New York’s cultural and artistic economy. The old warehouses left over from industry have made possible the spacious lofts where many designers

and artists have studios, galleries, and the like. The “walkability” of New York’s streets and neighborhoods makes run-ins possible between those offering artistic skill sets and those needing them (record labels, advertising firms, etc.). (Contrast this to Los Angeles, a city literally driven by the automobile. These random, street-level interactions would be impossible—laughable, even—in L.A.) New York’s tight-knit nightlife scene, which directs the fashion, music, and art industries toward the hippest, trendiest place to hang out, means that economic functions are almost always happening in social contexts. Put another way, the city’s unique geography and built environment allow for this “perpetual creativity.” Our current understanding of cities and of cultural economies only scratches the surface. By its very nature, creativity is capricious, at times ephemeral, making its value and significance hard to grasp. And yet it also exhibits tendencies and characteristics that, when formalized (as done in this book), give us a deeper understanding of creativity and lessons for how to cultivate and sustain it. What we have to remember is that the seeming randomness of nightlife, of lucky breaks, of exhibitions that make an artist’s career, of the monumental Fashion Week shows that define a designer’s impact exhibit patterns and dynamics in how they became successful (or conversely didn’t). The idea that creative people blindly arrive in New York City just because they were told to, or that cultural industries locate here because that is the historical tendency, completely overlooks the systematic understanding that creative people and firms have about how their economy operates and why they need to be in New York City as opposed to somewhere else—and how they contribute to the fundamental character of the city’s economic success. Creative people don’t just come to New York because of its bohemian mythology. They know creativity happens in New York City and they know why. Social science, as the sociologist Howard Becker once wrote, gives us a greater awareness of things we already know.³ And this book may strike some—namely, those who actually work in cultural fields—as obvious: the significance of social networks, the importance of nightlife, the fluidity across fashion, art, music, and design. The fact that so much of it happens in New York.

Herein lies the second challenge, and that is to understand culture vis-à-vis how we already understand cities and the functions and mechanisms by which they sustain themselves. As these first pages bring forth, we see that art and culture while exhibiting some of the same tendencies as other industries are also quite different due to their taste-driven nature, and as such, when thinking about how to regulate, cultivate, or optimize, they must be dealt with differently as well.

Of course, the naysayers would challenge that art and culture don't even matter to urban economies, except for their tourism lure or culture's importance as an amenity to attract firms and skilled labor pools from other industries. But these arguments demean the real impact of the cultural economy. Despite the common perception that finance is New York's great distinction, with regard to sheer concentration, the city's greatest stronghold and advantage are in artistic and cultural occupations. As chapter 3 discusses, detailed Census and industry data over the last 250 years show that as early as 1940 and 1950, art and culture combined to form the third largest employer within highly skilled occupations behind only management. These creative industries now employ almost as many people as finance and medicine. New York ranks number one over all major metropolitan regions in art and culture, even outranking Los Angeles within particular film and media occupations. Art and culture are essential in providing not just jobs and revenue but also New York's competitive advantage against other metropolitan and global cities. And they also form a several-billion-dollar industry, the magnitude of which is much harder to grasp than finance or law or manufacturing due to its hybrid nature of not just producing creative products but also providing revenue for tourism and skills for advertising, public relations, and so forth. If we tack on nightlife—a \$9.2 billion industry—the impact of the cultural economy rivals and even outperforms that of most other sectors.

In that sense, understanding how art and culture work also gives us a lens through which to see how the biggest city economy in the world operates. And understanding the dynamics by which creativity operates in New York City teaches us more broadly about the ways in which art and culture happen in the world at large and how to cultivate them. New York may be one of the most successful

global cities, but the patterns exhibited within its geography are not entirely unique—they are indicative of basic dynamics that occur in urban economies, and particularly with regard to how creativity manifests itself, a topic to be considered in chapter 7. And thus, this book is not about just New York City, it is about how cities work and how creativity occurs within them.

At the same time, the idea of regulating or creating policy regarding art and culture seems foreign and somewhat counterintuitive. Creativity is supposed to be spontaneous and uninhibited, its world is uncensored, and those who achieve success do so by hard work and luck but not through tax breaks and business incentives. When we think of real creative moments, it is the bustling East Village art movement of the early 1980s, where everyone lived in dirt cheap apartments, and galleries and nightlife were fused into one. Or we think of the early days of the West Village, when Bob Dylan played in small venues and people threw money on the floor of the Village Vanguard to pay the jazz musicians who played there. So the idea of policymaking or multimillion-dollar tax incentives to optimize the cultural economy seems misplaced and quite possibly harmful to the organic synergies that emerge out of the density of a creative community. Policymaking is for the floundering manufacturing industry or to lure JPMorgan Chase to set up shop; it is not to keep people like Andy Warhol or Jay-Z or Jean-Michel Basquiat in New York City or to prevent Mary Boone from moving her gallery to New Jersey. The idea that such creative icons would even leave New York doesn't make much sense anyway—they, after all, need New York as much as the city needs them—and it seems unnecessary for the state to get involved in the intimate and intricate relationship that art and culture have with New York City.

Or does it? We have reached a critical juncture in New York City. The very means by which the cultural economy operates—the density of creativity, the interaction of work and social life and the mix of the famous and the not so much, the gatekeepers and the unknowns, the merging of art, film, fashion, and music—is being challenged significantly. The increasing cost prohibition of living in New York, the city's punitive approach toward nightlife, and the exclusivity of nightlife institutions that once kept their doors open to all those who were simply interesting and now charge \$300 for

Manhattan skyline from Williamsburg, Brooklyn. Photographer: Frederick McSwain. © Frederick McSwain. Used by permission.



bottle service, are quickly thwarting the artistic and cultural legacy within New York City. Chapter 7 considers some of the economic development policies that could counteract the squelching of the city's cultural economy.

Art and culture thrive in almost bifurcated economies. They are most creative when rents are depressed, gallery space plentiful, and gatekeepers and fledgling artists are able to engage in the same spaces. These conditions lead to what economists call low barriers to entry, which means that the only requirement to participate in the cultural economy is being creative. Because in depressed economies there is no cost-prohibitive factor, huge influxes of talented artists could flood New York, increasing the chances of more creative and interesting work to occur. This most vividly occurred during the East Village art movement of the late 1970s and early 1980s and during the Abstract Expressionism of the 1950s.

The other type of economy in which the creative world thrives is a vibrant and robust one where people—dealers, investment bankers, lawyers, and so forth—have the disposable income to actually purchase artwork at high prices, thus turning the symbolic art form into a very real and highly decided commodity. We have witnessed this type of economy in New York City through the 1980s into the present day.

But what ultimately perpetuates creativity is the influx of a new guard. Creativity is fundamentally about generating new ideas and new forms, and much of this is dependent on new labor pools who bring forth fresh ways of interpreting the world. And so it is the cycle of a depressed and then thriving economy that makes for a constant entry of new forms of art and culture and the people who produce them and then the marketplace where they can be bought and sold. But such a cycle has ceased to exist in New York, and certainly no one would wish a recession upon New York to provide cheap housing for a wave of young artists. But policymaking must take its place such that new creative people are actually able to move into the city and afford rent and studio space, and that neighborhoods that have been home to dense artistic communities do not all go the way of SoHo, replacing art galleries with Banana Republic. In other words, policymaking must cultivate the density, low barriers to entry, open nightlife and social environment that have been the pivotal forces in maintaining New York City's creative edge. From zoning that helps (not hinders) nightlife districts to creating more subsidized housing and studio space for artists, designers, and musicians to more city support for cultural events such as Fashion Week and the Whitney Biennial, policymaking can facilitate many of the mechanisms by which the cultural economy operates most effectively. Such a policy perspective is unconventional—it is not about dumping money into public art or giving grants to artists and designers by way of tedious grant proposals and applications that take so much time that most artists would rather spend painting or designing. Instead, what this approach asks for is actually engaging with the city and the very built environment in which art and culture thrives. We do not normally think about policy incentives for art, culture, and nightlife, and yet without these industries New York would not be New York. Their presence not only enriches the city, it creates and defines what New York is to the world. And, as such, policy and government must work to sustain it.

That art and culture can be optimized through policy and government intervention bodes well for cities and regions that are invested in cultivating their own cultural economy. That creativity exhibits tendencies that can be supported through policy tells us that

Eleven Spring Street near the Bowery in Nolita, a former carriage and stable house that has become a world famous landmark of graffiti and street art. Plans to turn the building into condos include gutting the building and removing all of the artwork on the façade. Photographer: Frederick McSwain. © Frederick McSwain. Used by permission.



places that want to further establish their cultural advantage have a means to do so.

The case of New York City has broader implications for the study of the creative economy and of economic evolution more broadly. As a case study, it can teach us something about the broader world of creative production. Or rather, how does creativity happen in the first place? What makes creative people innovate? And why does creativity concentrate and flow to some geographic spaces? What are “scenes” and how do they matter to cultural production and economic growth? To what extent are the informal structures of creativity and its broad social life important elements of its production system and creative economic development? I’ll return to these themes—what New York City can do to support its cultural economy, and how other cities can find inspiration in the New York case—in the final chapter of the book.

Through the use of nearly one hundred interviews with those in art and culture from the famous and the almost famous to the unknown—the wildly successful and those hoping to just make ends meet—this book aims to understand how creativity happens in the first place and why it happens where it does. It is a lesson and story for New York City but also for art and culture more broadly. As such, it is a story about icons such as Diane von Furs-



Christo and Jeanne-Claude's pioneering public art installation "The Gates," on display in Central Park from February 12 through February 27, 2005. Photographer: Frederick McSwain. © Frederick McSwain. Used by permission.

tenberg, Quincy Jones, Francisco Costa, Marc Jacobs, Ricky Powell, Zac Posen, and the Talking Heads, and graffiti writers such as Futura 2000, Lady Pink, DAZE, and Lee Quinones, but also one about the struggling, young artists with small loft studios in Brooklyn and on the Lower East Side and the aspiring designers emerging out of the Fashion Institute of Technology or Parsons. It is a story about up-and-coming creative workers, along with the long-standing artists who paved the way and established New York City as a global creative hub.

Most fundamentally, this book is about New York and the creative people who live there, people from seemingly dissimilar worlds who share similar qualities in their creative production and social patterns, and in their need to live in New York. Their stories tell us about the very nature of art and culture and the places and spaces that cultural producers inhabit and diffuse creativity and ideas within. It is the story about how New York City makes creativity and, just as important, how creativity makes New York City.

Andy Warhol exemplified these dynamics more than anyone. He understood but also encapsulated, in both his work and his Factory, the collective nature of creativity: that fashion, art, film, music, and design did not reside in separate spheres—that instead they were constantly engaging each other and sharing ideas and resources

across creative sectors. In his work, Warhol translated commodities into art, whether soup cans or dollar bills. But he also understood the inverse: that art and culture could be translated into a commodity form—what he called “business art,” a central tenet to contemporary creative production. Warhol also saw the significance of the social spaces in which these industries and creative people interacted—his Factory merged cultural production with a social scene. And he demonstrated that this scene was instrumental in generating real economic value for those who participated in it, both through the merging of ideas while at a Factory event and the way in which the Factory cultivated economic value through its social cachet. And thus, the social and economic dynamics exhibited within the artistic and cultural world are very much the Warhol economy.

Much of this book is devoted to understanding how contemporary cultural industries and workers interact with one another, the city and different industries, but first it is important to see the trajectory and history of art and culture in New York, an overview that the next couple of chapters will give. Punk may have defined the late 1970s and '80s and hip-hop and a return of rock and roll may be the music du jour, but how musicians produce music, engage with other musicians and artists, and network their careers may not be a product of their genre or time period but instead indicative of how creativity emerges and is transmitted to the public at large. What we want to know is if processes by which Diane von Furstenberg's wrap dress, Jay-Z's new single, or Mark Rothko's paintings are generated, distributed, and evaluated exhibit similar tendencies. This retrospection and compression of the history of art and culture in New York City is useful: looking at creativity through time allows us to see if there is an overarching pattern by which cultural production operates. Understanding the history of New York allows us to view the present and the past and their relationship to each other, and gives us the perspective to discern the fads from the fundamentals of how and why creativity happens in New York City.