

New York University: College, Inc.

NYU's corporate-dominated expansion plan

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In late October the New York University (NYU) Student Activities Board (SAB) denied the International Youth and Students for Social Equality (IYSSE) and 39 other groups on campus club status, which is required in order for groups on campus to book rooms and hold events. Although the SAB claimed to reject roughly 90 percent of club applicants due to a lack of space and funding, within two months NYU announced the construction of a 735,000-square-foot building for over \$1 billion.

The new building—which is located at 181 Mercer Street in Lower Manhattan—will include additional classrooms, theaters, sports facilities and student dorms. The NYU administration has announced that the new building should be completed by late 2021. It is also part of a larger controversial expansion plan that is slated to add 1,630,000 square feet by 2031.

The expansion plan is itself an expression of the corporatization of higher education that is heavily influenced by wealthy donors and their connections within the university. This process has found a particularly sharp expression at NYU, one of the largest private universities in the United States.

As Stanley Aronowitz documented in his book *The Knowledge Factory*, starting in the 1980s, NYU's "strategy was to build the endowment by selling every inch and scratch of the university's vast real estate holdings to create shrines to its corporate donors." The new billion dollar building is an extension of this process.

The funding for the construction of the new building shows that the university's reliance on contributions from super-wealthy individuals has continued. According to a report put out by the university, the construction will be paid for through a combination of "long-term budgetary planning" and large donations.

Iris Cantor, the widow of a wealthy director of a financial firm, has provided the project with \$10 million to construct a theater to be named after herself. Cantor is also a member of the NYU Tisch School of the Arts Dean's Council and has made large donations to the school in the past.

Data from the New York City Department of Planning and the Department of Finance shows that NYU is the wealthiest landowner in the city. The university has devoted vast sums of money to its 2031 expansion plan. The administration decided to proceed with the plan despite resistance from community groups, historical preservation societies and NYU students that took out lawsuits in 2012. To appease widespread anger, in 2012 NYU decided to scale back the expansion from 2 million square feet.

The administration made an additional superficial concession by deciding to make the façade of the new building transparent. Andrew Berman, the executive director of the Greenwich Village Society for Historic Preservation, and a plaintiff in one of the lawsuits, told the *Wall Street Journal*, "The notion that covering a 300-foot-long building in glass is going to make it less intrusive is ridiculous and sounds like the proverbial lipstick on a pig."

Faculty at the university have also expressed hostility to the expansion project, and organized a demonstration alongside community groups as recently as 2015.

NYU's "grow or die" mentality, as former NYU President L. Jay Oliva put it, is a product of the intermingling of the grotesque world of New York real estate speculation and the corporatization of American higher education.

Following the school's financial turmoil in the 1970s, NYU worked throughout the 1980s to transform itself from a commuter school into an academic dynamo

oriented towards upper-middle-class students from across the country and internationally. The university set out to purchase extensive real estate holdings around Washington Square Park, where the university is centrally located, and transform nearby buildings into dorms and classrooms for incoming undergraduate students.

In order to finance these projects, NYU imposed massive tuition hikes and fundraising campaigns. In 1985, the school pioneered surcharges for incoming students, which result in new students paying higher tuition than other students in the same program, and announced a \$1 billion dollar fund drive.

The university also began to rename colleges and buildings after large donors, who would often be awarded positions allowing them to shape the school's curriculum.

In the 1980s, real estate developer Leonard Stern created a memorial to himself through a massive donation that led to the business school being renamed the NYU Stern School of Business. Stern still sits on the Board of Overseers that shapes the college's programs. Laurence Tisch, another real estate mogul, gave enough to have the school of arts and a hospital named after him and his brother.

The Tisch family has established a semi-dynastic relationship with the school. The older Tisch sat on the school's Board of Trustees, and one of his sons, Daniel R. Tisch, remains a member. Andrew Tisch, his older son, is the Dean's Council co-chair for the art school that bears his family's name.

In 2015 the Engineering School was renamed after Chandrika and Ranjan Tandon after the couple gave the school \$100 million. Chandrika Tandon has an extreme influence over the university as the vice chair of the university's Board of Trustees, sitting on two separate Boards of Overseers for the engineering and business schools, and as a member of the NYU President's Global Council.

NYU's business model is part of a general process that is increasingly transforming education into a privilege for a wealthy minority. NYU was listed as the third most expensive school in the US in 2015-2016.

The corporate elitism of the university was further revealed in 2015 when an email exchange between a prospective lower-income student, Joshua Jackson, and an administrator was widely circulated online. In the

exchange, initiated by Jackson's request to have an application fee of \$65 waived, the director of graduate admissions, Dan Sandford, replied, "Maybe you should give yourself a year off looking at ways to fund your graduate education."

Sandford's comments were among numerous scandals under NYU President John Sexton, who used \$1 million in favorable loans from the university to purchase a summer home on Fire Island, and arranged for his son, an aspiring actor, to live in NYU faculty housing. In 2013, Sexton received a vote of no confidence from faculty at four of the university's colleges, but was allowed to remain university president for another two years with the support of the Board of Trustees. As president of NYU he received a salary of nearly \$1.5 million and continues to receive annual retirement benefits of \$800,000 per year.

The university has since disclosed that Andrew Hamilton, NYU's current president, who was appointed last year, receives a comparable salary to Sexton, and the university paid at least \$1.1 million to have the presidential penthouse renovated. Since he became president of NYU, Hamilton has claimed a desire to address affordability at NYU, but as vice chancellor of Oxford, he angered many students by suggesting the need to raise the legal tuition increase above the cap of £9,000 (roughly \$10,982).

NYU emerged in its present form from the 1980s world of hedge funds and New York real estate speculation, whose political outlook is crystallized in the person of Donald Trump. The university's unending development projects have made it increasingly reliant on donations at a time when vast amounts of America's resources have been transferred to an ultra-wealthy minority that has profited as living standards have declined for the vast majority.

The dependence of NYU, and higher education more broadly, on the most reactionary layers of the American financial aristocracy poses an extreme danger for democratic rights and intellectual freedom on campus.



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