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# DEATH OF A YUPPIE DREAM

The Rise and Fall of the Professional-Managerial Class

By Barbara Ehrenreich and John Ehrenreich

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## Class Analysis for the 21<sup>st</sup> Century

Saddled with tens of thousands of dollars of debt, unemployed or working part-time for not much more than minimum wage: the struggling recent college graduate has—thanks to Occupy Wall Street—become a new iconic figure on the American cultural landscape. To many it seems that an implicit promise has been broken: work hard, get an education and you will ascend to the middle class.

Middle class is a famously flexible term in the United States, but here it seems to mean something close to what Barbara Ehrenreich and John Ehrenreich first labeled the “professional-managerial class” (PMC) in 1977. This class of college-educated professionals is distinct from—and often at odds with—both the traditional working class and the old middle class of small business owners, not to mention wealthy business owners. Organized into largely autonomous professions defined by specialized knowledge and ethical standards, members of the PMC at times—from the Progressive Era to the New Left—were instrumental in mobilizing for progressive causes.

Today, the PMC as a distinct class seems to be endangered. At the top end, exorbitant compensation and bonuses have turned managers into corporate owners. At the bottom, journalists have been laid off, recent PhDs have gone to work as part-time, temporary adjuncts rather than tenure-track professors, and those now iconic recent graduates have taken to the streets. In the middle, lawyers and doctors are more and more likely to work for corporations rather than in private practices. Once independent professionals, they are now employees.

In this study, Barbara Ehrenreich and John Ehrenreich deploy an all-too-rare example of class analysis as they revisit the concept of the professional-managerial class. Against the background of this new class’ historical evolution since the late 19<sup>th</sup> century and its rise in the 20<sup>th</sup>, the authors focus on the more recent development of the PMC. In the 1970s, this class seemed ascendant. An increasing percentage of the workforce held professional jobs, and many members of the PMC had found a distinct political voice in the New Left. Since 1980, however, things have looked less rosy. As capital attacked the autonomy of the liberal professions, the rightwing media tapped into working-class resentment of the “liberal elite.” More recently, while college educated workers, despite the impact of the Great Recession, have continued to do relatively well as a demographic category, the PMC as a class capable of acting in its own interest seems to be an increasingly irrelevant product of the 20<sup>th</sup> century.

Historically, members of the PMC have designed and managed capital’s systems of social control, oftentimes treating working-class people with a mixture of paternalism and hostility. As advocates for rational management of the workplace and society, however, the PMC has sometimes also acted as a buffer against the profit motive as the sole meaningful force in society. Today, members of the PMC face a choice. Will they cling to an elitist conception of their own superiority and attempt to defend their own increasingly tenuous privileges, or will they act in solidarity with other working people and help craft a politics capable of creating a better world for all?

*Stefanie Ehmsen and Albert Scharenberg  
Co-Directors of New York Office, February 2012*

# Death of a Yuppie Dream

## The Rise and Fall of the Professional-Managerial Class

By Barbara Ehrenreich and John Ehrenreich

Every would-be populist in American politics purports to defend the “middle class,” although there is no agreement on what it is. Just in the last couple of years, the “middle class” has variously been defined as everybody, everybody minus the fifteen per cent living below the Federal poverty level, or everybody minus the very richest Americans. Mitt Romney famously excluded “those in the low end” but included himself (2010 income \$21.6 million) along with “80 to 90 percent” of Americans. President Obama’s effort to extend the Bush-era “middle class tax cut” excludes only those earning over \$250,000 a year, while Occupy Wall Street excluded only the richest one per cent. The Department of Commerce has given up on income-based definitions, announcing in a 2010 report that “middle class families” are defined “by their aspirations more than their income [...]. Middle class families aspire to home ownership, a car, college education for their children, health and retirement security and occasional family vacations”—which excludes almost no one.<sup>1</sup>

Class itself is a muddled concept, perhaps especially in America, where any allusion to the different interests of different occupational and income groups is likely to attract the charge of “class warfare.” Everyone intuitively recognizes various distinctions even within the vague “middle class” of political discourse, but we have hardly any way of talking about them. Sociologists slice the class spectrum in many, seem-

ingly arbitrary, different ways, while those in the Marxist tradition insist that a group is not a class unless it has developed some sense of collective self-interest, as did, for example, the industrial working class of the late 19<sup>th</sup> through the late 20<sup>th</sup> centuries. If class requires some sort of “consciousness,” or capacity for concerted action, then a “middle class” conceived of as a sort of default class—what you are left with after you subtract the rich and the poor—is not very interesting.

But there is another, potentially more productive, interpretation of what has been going on in the mid-income range. In 1977, we first proposed the existence of a “professional-managerial class,” distinct from both the “working class,” from the “old” middle class of small business owners, as well as from the wealthy class of owners.<sup>2</sup> The notion of the “PMC” was an effort to explain (1) the largely “middle class” roots of the New Left in the sixties and (2) the tensions that were emerging between that group and the old working class in the seventies, culminating in the political backlash that led to the election of Reagan. The right embraced a caricature of this notion of a “new class,” proposing that college-educated professionals—especially lawyers, professors, journalists, and artists—make up a power-hungry

<sup>1</sup> Romney is quoted by, among others, CBS News, September 21, 2011, [www.cbsnews.com/8301-503544\\_162-20109658-503544.html](http://www.cbsnews.com/8301-503544_162-20109658-503544.html). The Department of Commerce report, *Middle Class in America*, January 2010.

<sup>2</sup> Barbara and John Ehrenreich, The Professional-Managerial Class, *Radical America* 11 (2), March-April 1977, pp. 7-31, and reprinted, together with a number of commentaries, in Pat Walker, *Between Labor and Capital*. South End Press: Boston, 1979. Many of the themes of the original article were further elaborated in Barbara Ehrenreich, *Fear of Falling: The Inner Life of the Middle Class*. Pantheon: New York, 1989.

“liberal elite” bent on imposing its version of socialism on everyone else.

But much has changed since we surveyed the American class landscape over thirty years ago. Job opportunities for the supposedly liberal professions, which were expanding in the sixties, have in some cases, such as journalism, undergone a devastating decline. Other professional jobs have been severely downgraded, as illustrated by the replacement of tenure-track professors with low-wage “adjuncts.” Yet others (doctors and other health workers, lawyers) have been absorbed into large corporations or corporation-like enterprises. On the mana-

gerial side of the class, college-educated professionals seem to have been fully integrated into their corporate enterprises—to the point where stock options have effectively transformed middle- and upper-level executives into “owners.”

In this setting, we have to ask whether the notion of a “professional-managerial class”, with its own distinct aspirations and class interests, still makes any sense, if it did in the first place. Does the PMC have any ideological or social coherency? Can it still muster, as it did at various times in the 20<sup>th</sup> century, some notion of a political mission?

## The Emergence of a New Class

There was little need for a class of professionals when modern capitalism emerged in the Industrial Revolution of the late eighteenth and early nineteenth century. In the simplest case, the owner raised the funds to finance the enterprise and directed the production process (and in many early cases, had himself contributed to the design and development of the machinery of production). He was simultaneously financier, owner, chief engineer, and chief manager.

By the end of the nineteenth century, as capitalist enterprises grew, this do-it-yourself business model was increasingly obsolete. The growing size of capitalist enterprises required more capital than an individual could supply, more varied and complex technology than a single person could master, more complex management than one or a few owners could provide, more stability in labor relations than police and hired thugs could offer, and ultimately more stability in markets than chance alone would provide. But it was also increasingly possible to meet these needs because the new concentration and centralization of capital meant that business owners could afford to hire experts to do the work

of management, long-term planning, and rationalizing the production process.

By the early 1900s American capitalism had also come to depend on the development of a national consumer goods market. Items, like clothing, which previously had been produced at home, were replaced by the uniform products of mass production. The management of consumption came to be as important as the management of production and required the efforts of legions of trained people in addition to engineers and managers: school teachers, professors, journalists, entertainers, social workers, doctors, lawyers, ad men, “domestic scientists,” “experts” in child rearing and romance and practically all other aspects of daily life, etc. By the 20<sup>th</sup> century, social theorists were beginning to note the emergence of a “new middle class” or “new working class” composed of professional and managerial workers—what we later called the “Professional-Managerial Class” (PMC).

The PMC grew rapidly. From 1870 to 1910 alone, while the whole population of the

United States increased two and one third times and the old middle class of business entrepreneurs and independent professionals doubled, the number of people in what could be seen as PMC jobs grew almost eight fold. And in the years that followed, that growth only accelerated. Although a variety of practical

and theoretical obstacles prevent making any precise analysis, we estimate that as late as 1930, people in PMC occupations still made up less than 1% of total employment. By 1972, about 24% of American jobs were in PMC occupations. By 1983 the number had risen to 28% and by 2006, just before the Great Recession, to 35%.<sup>3</sup>

## Between Labor and Capital

The relationship between the emerging PMC and the traditional working class was, from the start, riven with tensions. It was the occupational role of managers and engineers, along with many other professionals, to manage, regulate, and control the life of the working class. They designed the division of labor and the machines that controlled workers' minute by minute existence on the factory floor, manipulated their desire for commodities and their opinions, socialized their children, and even mediated their relationship with their own bodies.<sup>4</sup> As experienced day to day, contacts between teacher and student, manager and worker, social worker and client, etc. featured a complex mixture of deference and hostility on the part of working class people and paternalism and contempt on the part of the PMC.

At the same time though, the role of the PMC as "rationalizers" of society often placed them in direct conflict with the capitalist class. Like the workers, the PMC were themselves employees and subordinate to the owners, but since what was truly "rational" in the productive pro-

cess was not always identical to what was most immediately profitable, the PMC often sought autonomy and freedom from their own bosses. A vigorous critique of unbridled capitalism developed within the early 20th century PMC, with some Progressive era thinkers, like Veblen, proposing that theirs was the only social group capable of impartial leadership, based on science rather than on any narrow class interest. Edward A. Ross, a Progressive ideologue who is also considered the founder of American sociology, argued in 1907 that

*Social defense is coming to be a matter for the expert. The rearing of dykes against faithlessness and fraud calls for intelligent social engineering. If in this strait the public does not speedily become far shrewder... there is nothing for it but to turn over the defense of society to professionals.*

In its own defense, but with considerable encouragement from the capitalist class, the PMC organized itself into *professions*. The Carnegie

<sup>4</sup> See, inter alia, Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*. Monthly Review Press: New York, 1974; John Ehrenreich (Ed.), *The Cultural Crisis of Modern Medicine*. Monthly Review Press: New York, 1978; Samuel Bowles and Herbert Gintis, *Schooling in Capitalist America*. Basic Books: New York, 1977; and Stewart Ewen, *Captains of Consciousness: Advertising and the Social Roots of the Consumer Culture*. McGraw Hill: New York, 1976.

<sup>3</sup> Precise figures and accurate comparisons are hard to come by for several reasons: The Bureau of Labor Statistics' definitions and groupings of occupations, methods of gathering data, etc. have changed several times over the years, and defining social class distribution purely by occupational distribution is both theoretically problematic and confounded by factors such as having families with two wage earners, with sometimes only one, sometimes both in PMC occupations. Data above are from H.D. Anderson and P.E. Davidson, *Occupational Trends in the United States* (Stanford, 1940); U.S. Bureau of Census, *Historical Statistics of the United States, Colonial times to 1957*; and U.S. Bureau of Census, *Statistical Abstract of the United States, 1973, 1981, 2001, and 2008*.

Foundation, based on steel money, funded the reports that launched the medical, legal, and engineering professions in the early 20<sup>th</sup> century; railroad and banking money underwrote the development of the social work profession. State licensing boards defined the new professions and limited practitioners to those who (a) professed to uphold a set of ethical standards and (b) could demonstrate that they had mastered a specialized body of knowledge, accessible only through lengthy training. The claim to specialized knowledge now seems obvious and necessary, but at the time the emerging professions had little such knowledge to call their own. Even today, it is not clear why a lawyer needs a liberal arts education or a pre-med student needs to master calculus. Advertised as “reforms,” such requirements largely serve to limit access to the professions as well as to justify a broad claim to autonomy from outside interference in the practice of the profession—particularly from business interests.

By the mid-twentieth century, jobs for the PMC were proliferating. Public education was expanding, the modern university came into being, local governments expanded in size and role, charitable agencies merged, newspaper circulation soared, traditional forms of recreation gave way to the popular culture and entertainment (and sports) industries, etc.—and all of these developments created jobs for highly educated professionals, including journalists, social workers, professors, doctors, lawyers, and “entertainers” (artists and writers among others).

Some of these occupations managed to retain a measure of autonomy and, with it, the possibility of opposition to business domination. The so-called “liberal professions,” particularly medicine and law, remained largely outside the corporate framework until well past the middle of the 20<sup>th</sup> century. Most doctors, many nurses, and the majority of lawyers worked in indepen-

dent (private) practices. In the case of doctors, as late as 1940, there was still little medical technology in use and no significant economies of scale were possible. Even much professional nursing could be done outside the hospital by nurses who were self-employed or who worked for small, local agencies. Some lawyers did work directly for corporations or in large law firms serving corporations, but the majority remained in local, solo practices serving nearby small businesses and individuals and using little technology.

Other professionals, such as teachers, professors, and social workers, were employed in the “not-for-profit” or governmental sectors where there was little incentive for corporations to intrude. Universities, for example, were still relatively small and elite. (In the early 1930s, only about a million students were enrolled in colleges and universities nationwide—about ten percent of the “college aged” population). Many of these universities could trace their origins to churches and other non-profit groups and remained in the not-for-profit sector; others (the land grant universities) were in the public sector. Educational work was highly labor intensive, and there was no obvious way, at the time, to automate or streamline student-teacher interaction and make universities a profitable undertaking. Social Service agencies, which employed a third of a million or so social workers and therapists, were even less tempting to entrepreneurs and corporations because their services, which were mainly directed at the poor, offered no opportunity for profit. So social workers were left pretty much left to run their own agencies.

The most historically fractious group within the PMC—the “creative” professions, including journalists and editors, artists, musicians, and architects<sup>5</sup>—also retained a considerable autonomy

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5 Bureau of Labor Statistics, *Detailed Occupation of the Economically Active Population, 1900-1970*.

well into the late 20<sup>th</sup> century. Although many of these were employed by for-profit corporations (e.g., newspapers, book publishers, movie studios, and ad agencies), a substantial and very visible minority remained self-employed. Insofar as their occupational role was to push the boundaries of mass consumer culture, even top corporate management often recognized and tolerated their eccentricities, at least to an extent.

In the 1960s, for the first time since the Progressive Era, a large segment of the PMC had the self-confidence to take on a critical, even oppositional, political role. Jobs were plentiful, a college education did not yet lead to a lifetime of debt, and materialism was briefly out of style.

## The Capitalist Offensive

Beginning in the seventies, the capitalist class decisively re-asserted itself, which is to say that many individuals within it or immediately beholden to it began to raise the alarm: Profits rates were falling, and foreign competition was rising in key industries like auto and steel. College students and urban blacks, inspired by third world nationalist movements, were talking openly about “revolution;” the traditional working class was engaged in the most intense wave of strikes and work actions since the 1940s. Business leaders who could see beyond the confines of their own enterprises declared that capitalism itself—or, in more, attractive, libertarian-sounding terms, “free enterprise”—was under attack.

The ensuing capitalist offensive was so geographically widespread and thoroughgoing that it introduced what many leftwing theorists today describe as a new form of capitalism, “neoliberalism.” Thatcher in the U.K., Pinochet in Chile, and Reagan in the United States all up-

held the ideal of unfettered and expanded free enterprise: reductions in the welfare state, the deregulation of business, the privatization of formerly public functions, “free” trade, and the elimination of unions. Within the United States, elite organizations like the Business Roundtable sprang up to promote pro-business public policies, assisted by a growing number of foundations and think tanks providing an intellectual undergirding for neoliberal ideology.<sup>7</sup>

College students quickly moved on from supporting the civil rights movement in the South and opposing the war in Vietnam to confronting the raw fact of corporate power throughout American society—from the pro-war inclinations of the weapons industry to the governance of the university.<sup>6</sup> The revolt soon spread beyond students. By the end of the sixties, almost all of the liberal professions had “radical caucuses,” demanding that access to the professions be opened up to those traditionally excluded (such as women and minorities), and that the service ethics the professions claimed to uphold actually be applied in practice. The first “Earth Day,” staged in 1970, opened up a new front in the attack on corporate domination and priorities.

At the level of the individual corporation, the new management strategy was to raise profits by single-mindedly reducing labor costs, most directly by simply moving manufacturing offshore to find cheaper labor. Those workers who remained employed in the United States faced

6 A more detailed discussion of the relationship between the PMC and the movements of the sixties can be found in Barbara and John Ehrenreich, “The New Left: A Case Study in Professional-Managerial Class Radicalism.” *Radical America* 11 (3), May-June 1977, pp. 7-22.

7 David Harvey, *A Brief History of Neoliberalism*. Oxford University Press: Oxford/UK, 2005.



a series of initiatives designed to discipline and control them ever more tightly: intensified supervision in the workplace, drug tests to eliminate slackers, and increasingly professionalized efforts to prevent unionization. Cuts in the welfare state also had a disciplining function, making it harder for workers to imagine surviving job loss.

Most of these anti-labor measures also had an effect, directly or indirectly, on elements of the PMC. Government spending cuts hurt the job prospects of social workers, teachers, and others in the “helping professions,” while the decimation of the U.S.-based industrial work-

ing class reduced the need for mid-level professional managers, who found themselves increasingly targeted for downsizing. But there was a special animus against the liberal professions, surpassed only by neoliberal hostility to what conservatives described as the “underclass.” The awakening capitalist class had begun to nurture its own intelligentsia, based in the new think tanks and the proliferating rightwing media, and it was they who promoted the ostensibly populist idea of a “liberal elite.” Crushing this liberal elite—by “defunding the left” or attacking liberal-leaning nonprofit organizations—became a major neoliberal project.

## Technological Change and the Professional-Managerial Class

Of course, not all the forces undermining the liberal professions since the 1980s can be traced to conscious neoliberal policies. Technological innovation, rising demand for services, and ruthless profit-taking all contributed to an increasingly challenging environment for the liberal professions, including the “creative ones.”<sup>8</sup> In medicine, new technologies such as magnetic resonance imaging, which were too expensive for solo practitioners, pulled physicians into employment by hospitals and group practices that were themselves often owned by hospitals. By 2010,<sup>9</sup> more than half of practicing U.S. physicians were directly employed by hospitals or by integrated delivery systems, compared to the 24%

of doctors who were salaried employees in 1983.<sup>10</sup>

There was a similar change in the legal profession. Driven largely by a dramatically increased demand for legal services, large — even “mega”—firms replaced private practices. Around 1960, there were fewer than forty law firms employing as many as fifty or more lawyers; today there are many hundreds, twenty-one of which employ more than one thousand lawyers each.<sup>11</sup> Currently 42% of all practicing lawyers work in one of the biggest 250 firms or in other institutional settings (corporations, government, or the not-for-profit sector).

The sheer size of hi-tech hospitals and mega law firms seemed to require increasingly bureaucratic forms of organization. Hospitals hired professional managers to take a role once

8 For a detailed discussion and explanation of the transformation of the lot of health care professionals, lawyers, journalists, writers, editors, and the like, see John Ehrenreich and Barbara Ehrenreich, “Background Notes: The Recent History of the Professional Managerial Class,” [www.rosalux-nyc.org/backgroundnotes1](http://www.rosalux-nyc.org/backgroundnotes1).

9 Gardiner Harris, “More Doctors Giving Up Private Practices,” *The New York Times*, March 25, 2010; Robert Kocher and Nikhil R. Sahni, “Hospitals’ Race to Employ Physicians—The Logic Behind a Money-Losing Proposition,” *The New England Journal of Medicine*, May 12, 2011.

10 P.R. Kletke et al, 1994, 1996, cited in John B. McKinlay and Lisa D. Marceau (2002), “The End of the Golden Age of Doctoring.” *International Journal of Health Services* 32 (2), 379-416.

11 *America’s Largest 250 Law Firms*. Internet Legal Research Group. [www.ilrg.com/nlj250/attorneys/desc/1](http://www.ilrg.com/nlj250/attorneys/desc/1).

played by doctors; law firms came under the sway of senior partners specializing in management. Universities, which had been undergoing a parallel growth spurt since the 1960s, began to depend on the leadership of business school graduates. As a result the work experience of the “liberal professions” has been coming to resemble that of engineers, managers, and others in the business service professions—more like a cog in a machine and less like an autonomous practitioner. The pressure in all of these institutions—profit-making and nonprofit—is to cut costs and drive up “sales,” whether these are measured in “billable hours,” class size, or the number of procedures performed.

The Internet is often blamed for the plight of journalists, writers, and editors, but economic change preceded technological transformation. In the 1990s a wave of corporate consolidation and aggressive profit-taking swept through the corporations that produce newspapers and books. Journalism jobs began to disappear as corporations, responding in part to Wall Street investors, tried to squeeze higher profit mar-

gins out of newspapers and TV news programs. “Editors at papers across the country became increasingly frustrated that editorial decisions were being made not in order to keep the papers afloat, but to propel profit levels ever higher.”<sup>12</sup> Mergers simultaneously transformed the book publishing industry, as new corporate managers, whether from Bertelsmann or Viacom or News Corp, pressed for higher rates of return, meaning blockbusters rather than works of literature or scholarship.

The effects of these changes on the traditionally creative professions have been dire. Staff writers, editors, photographers, announcers, and the like faced massive layoffs (more than 25% of newsroom staff alone since 2001), increased workloads, salary cuts, and buy-outs. Authors had to make do with diminishing advances; freelance writers, artists, and photographers found themselves in straitened circumstances well before the recession. And while the Internet provides new outlets for the creators of “content,” it offers little or no compensation.

## The Crisis of the Liberal Professions

Then, in just the last dozen years, the PMC began to suffer the fate of the industrial class in the 1980s: replacement by cheap foreign labor.<sup>13</sup> Earlier, business analysts had promised a new global division of labor in which the third world would provide the “hands” for manufacturing while the U.S. and other wealthy coun-

tries would continue to provide the “brains.” So it came as a shock to many when, in the 2000s, businesses began to avail themselves of new high speed transmission technologies to outsource professional functions. Hospitals sent a growing variety of tasks—such as reading x-rays, MRIs and echocardiograms—to be performed by lower paid physicians in India. Law firms outsourced document review, review of litigation emails, and legal research to English-speakers abroad. The publishing industry sent out editing, graphic design, and—for

13 Although good statistics on the outsourcing of professional jobs are hard to find, some economists estimated that by 2010 more than two thirds of a million professional jobs, previously done in the U.S., would be done abroad. These ranged from reading x-rays to transcribing legal depositions to graphic design. For more detailed discussion and sources, see John Ehrenreich and Barbara Ehrenreich, “Background Notes: The Recent History of the Professional-Managerial Class”, op.cit.

12 Federal Communications Commission (n.d.). The Media Landscape. <http://transition.fcc.gov/osp/inc-report/IN-OC-1-Newspapers.pdf>.

textbooks—even parts of content creation. Corporations undercut U.S.-based engineers and computer professionals by outsourcing product design and development.

By the time of the financial meltdown and deep recession of the post-2008 period, the pain inflicted by neoliberal policies, both public and corporate, extended well beyond the old industrial working class and into core segments of the PMC. Unemployed and underemployed professional workers—from IT to journalism, academia, and eventually law—became a regular feature of the social landscape. Young people did not lose faith in the value of an education, but they learned quickly that it makes more sense to study finance rather than physics or “communications” rather than literature. The old PMC dream of a society rule by impartial “experts” gave way to the reality of inescapable corporate domination.

But the PMC was not only a victim of more powerful groups. It had also fallen into a trap of its own making. The prolonged, expensive, and specialized education required for professional employment had always been a challenge to PMC families—as well, of course, as an often insuperable barrier to the working class. If the children of the PMC were to achieve the same class status as their parents, they had to be accustomed to obedience in the classroom and long hours of study. They had to be disciplined students while, ideally, remaining capable of critical and creative thinking. Thus the “reproduction” of the class required a considerable parental (usually maternal) investment—encouraging good study habits, helping with homework, arranging tutoring (and SAT preparation), and stimulating curiosity about academically approved subjects.

Up until the sixties, at least, the PMC was generally successful in reproducing itself. Access to college was growing, tuitions were still relatively low. Then the cost of college skyrocketed. To

take one example, tuition at the publicly funded University of California, Berkeley, rose from about \$700 a year back in the 1970s to more than \$13,000 per year now, a rate of increase far greater than that in the cost of living generally and certainly greater than salaries. (Tuition is, of course, far higher at private institutions). Consumer prices as a whole have increased 115% since 1986, but during the same time, college tuition increased 498%.<sup>14</sup> Part of the rise, especially in the larger universities, is directly attributable to the corporatization of the university—its proliferating layers of administration, the growth of its real estate holdings, and its aggressive efforts to court star professors and paying students. As tuition rose, parents from the PMC often found themselves too rich for their children to qualify for needs-based scholarships but too poor to pay for their children’s education themselves.

The solution, of course, was to have the student him or herself rely on loans, backed by the federal government. Today the average undergraduate student graduates with some \$25,000 in outstanding debts and little likelihood of finding a good job. By late 2011, aggregate student loan debt was greater than either aggregate car loan debt or aggregate credit card debt.<sup>15</sup> Graduate students are even worse off. For example, the median tuition at private law schools rose from \$7,385 in 1985 to over \$36,000 in 2011, and the median debt<sup>16</sup> of recent

14 Gordon H. Wadsworth, “Sky Rocketing College Costs,” *InflationData.com*, June 14, 2012; Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999-2009* (Delta Cost Project 2011); National Center for Education Statistics, *Digest of Education Statistics*, 2010, Table 345. [http://nces.ed.gov/programs/digest/d10/tables/dt10\\_345.asp?referrer=report](http://nces.ed.gov/programs/digest/d10/tables/dt10_345.asp?referrer=report).

15 The Project on Student Debt. *Student Debt and the Class of 2010*. November 2011. <http://projectonstudentdebt.org/files/pub/classof2010.pdf>; Meta Brown, et al., “Grading Student Loans,” *Federal Reserve Bank of New York*, March 5, 2012.

16 American Bar Association. *Law School Tuition, 1985-2009*. [www.americanbar.org/content/dam/aba/migrated/legaled/statistics/charts/stats\\_5.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/migrated/legaled/statistics/charts/stats_5.authcheckdam.pdf); Law School Admissions Council, *Financing Law School*, [www.lsac.org/jd/finance/financial-aid-repayment.asp](http://www.lsac.org/jd/finance/financial-aid-repayment.asp).

graduates is over \$100,000; although only 30-35% of recent law school graduates are actually finding permanent, full-time jobs requiring a law degree. Higher degrees and licenses are no longer a guaranty of PMC status. Hence the

iconic figure of the Occupy Wall Street movement: the college graduate with tens of thousands of dollars in student loan debts and a job paying about \$10 a hour, or no job at all.

## The Legacy of the Professional-Managerial Class

College-educated workers continue to thrive as a demographic category. But a demographic category is not a *class*. Decades ago the college educated population and the PMC were almost co-extensive. But now a college education has become the new norm, with employers in a growing number of occupations favoring degree-holders not so much because of any specialized knowledge or skills they possess, but because they have demonstrated the discipline to get through college. They can follow instructions and meet deadlines; they have mastered a bureaucratic mode of communication. At most, only half to two thirds of the increase in BA and MA degrees since 1970<sup>17</sup> appears to represent any increased need for training for people in occupations such as medicine, law, social work, or computer and information sciences that indisputably require postsecondary education. Today a motel manager, for example, needs a degree in "hotel and restaurant management," even though hotels and motels have been managed perfectly well for several thousand years without "professional" training.

So in the hundred years since its emergence, the PMC has not managed to hold its own as

a class. At its wealthier end, skilled professionals continue to jump ship for more lucrative posts in direct service to capital: Scientists give up their research to become "quants" on Wall Street;<sup>18</sup> physicians can double their incomes by finding work as investment analysts for the finance industry or by setting up "concierge" practices serving the wealthy. At the less fortunate end of the spectrum, journalists and PhDs in sociology or literature spiral down into the retail workforce. In between, health workers and lawyers and professors find their work lives more and more hemmed in and regulated by corporation-like enterprises. The center has not held. Conceived as "the middle class" and as the supposed repository of civic virtue and occupational dedication, the PMC lies in ruins.

More profoundly, the PMC's original dream—of a society ruled by reason and led by public-spirited professionals—has been discredited. Globally, the socialist societies that seemed to come closest to this goal either degenerated into heavily militarized dictatorships or, more recently, into authoritarian capitalist states. Within the US, the grotesque failure of socialism in China and the Soviet Union became a propaganda weapon in the neoliberal war against the public sector in its most innocuous forms and a core argument for the privatization of just about everything. But the PMC has also managed to discredit itself as an advocate for the common

17 Based on figures in National Center for Education Statistics, *Digest of Education Statistics, 2010*, Table 282, [http://nces.ed.gov/programs/digest/d10/tables/dt10\\_282.asp?referrer=list](http://nces.ed.gov/programs/digest/d10/tables/dt10_282.asp?referrer=list). While the expansion of college and university enrollment is in significant measure due to the need for a more highly trained workforce, a significant part seems to be associated more with the historical prestige of the college degree itself and with the lack of availability of jobs.

18 Vgl. Scott Patterson, *The Quants: How a New Breed of Math Whizzes Conquered Wall Street and Nearly Destroyed It*, New York 2010.

good. Consider our gleaming towers of medical research and high-technology care—all too often abutting urban neighborhoods characterized by extreme poverty and foreshortened life spans.

Should we mourn the fate of the PMC or rejoice that there is one less smug, self-styled, elite to stand in the way of a more egalitarian future? A case has been made here for both responses. On the one hand, the PMC *has* played a major role in the oppression and disempowering of the old working class. It has offered little resistance to (and, in fact, supplied the manpower for) the right's campaign against any measure that might ease the lives of the poor and the working class.

On the other hand, the PMC has at times been a "liberal" force, defending the values of scholarship and human service in the face of the relentless pursuit of profit. In this respect, its role in the last century bears some analogy to the role of monasteries in medieval Europe, which kept literacy and at least some form of inquiry alive while the barbarians raged outside. As we face the deepening ruin brought on by neoliberal aggression, the question may be: Who, among the survivors, will uphold those values today? And, more profoundly, is there any way to salvage the dream of rea-

son—or at least the idea of a society in which reasonableness can occasionally prevail—from the accretion of elitism it acquired from the PMC?

Any renewal of oppositional spirit among the Professional-Managerial Class, or what remains of it, needs to start from an awareness that what has happened to the professional middle class has long since happened to the blue collar working class. Those of us who have college and higher degrees have proved to be no more indispensable, as a group, to the American capitalist enterprise than those who honed their skills on assembly lines or in warehouses or foundries. The debt-ridden unemployed and underemployed college graduates, the revenue-starved teachers, the overworked and underpaid service professionals, even the occasional whistle-blowing scientist or engineer—all face the same kind of situation that confronted skilled craft-workers in the early 20<sup>th</sup> century and all American industrial workers in the late 20<sup>th</sup> century. In the coming years, we expect to see the remnants of the PMC increasingly making common cause with the remnants of the traditional working class for, at a minimum, representation in the political process. This is the project that the Occupy movement initiated and spread, for a time anyway, worldwide.

For further information on the transformation of the health care, legal, and journalistic professions:

**Background Notes: The Recent History of the Professional Managerial Class**

By John Ehrenreich and Barbara Ehrenreich

[www.rosalux-nyc.org/backgroundnotes1](http://www.rosalux-nyc.org/backgroundnotes1)

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