Wall Street

From Wikipedia, the free encyclopedia

Wall Street is a street in lower Manhattan, New York City, USA. It runs east from Broadway downhill to South Street on the East River, through the historical center of the Financial District. Wall Street was the first permanent home of the New York Stock Exchange, over time Wall Street became the name of the surrounding geographic neighborhood.[1] Wall Street is also shorthand (or a metonym) for "influential financial interests" in the U.S.[2] as well as for the financial industry in the New York City area.

Several major U.S. stock and other exchanges remain headquartered on Wall Street and in the Financial District, including the NYSE, NASDAQ, AMEX, NYMEX, and NYBOT. Many New York-based financial firms are no longer headquartered on Wall Street, but are in midtown Manhattan, the outer boroughs of the city, Long Island, Westchester County, Fairfield County, Connecticut, or New Jersey.

History

View in Wall Street from corner of Broad Street, 1867. The building on the left was the U.S. Customs House at the time but is today the Federal Hall National Memorial.

The name of the street derives from the fact that during the 17th century, Wall Street formed the northern boundary of the New Amsterdam settlement. In the 1640s basic picket and plank fences denoted plots and residences in the colony.[3] Later, on behalf of the Dutch West India Company, Peter Stuyvesant, in part using African slaves,[4] led the Dutch in the construction of a stronger stockade. A strengthened 12-foot (4 m) wall of timber and earth was created by 1653 fortified by palisades.[2][5] The wall was created, and strengthened over time, as a defense against attack from various Native American tribes, New England colonists, and the British. In 1685 surveyors laid out Wall Street...
along the lines of the original stockade. The wall was dismantled by the British in 1699. And while the original name referred to the Walloons, the French speaking Belgians that helped populate this settlement in the beginning, the name was now easily taken to refer to the wall that once was here.

In the late 18th century, there was a buttonwood tree at the foot of Wall Street under which traders and speculators would gather to trade informally. In 1792, the traders formalized their association with the Buttonwood Agreement. This was the origin of the New York Stock Exchange.

In 1889, the original stock report, Customers' Afternoon Letter, became the The Wall Street Journal, named in reference to the actual street, it is now an influential international daily business newspaper published in New York City. For many years, it had the widest circulation of any newspaper in the United States, although it is currently second to USA Today. It is owned by Rupert Murdoch's News Corp..

Decline and revitalization

For the crash that started the Great Depression, see Wall Street Crash of 1929.

The Manhattan Financial District is one of the largest business districts in the United States, and second in New York City only to Midtown. In the late 19th and early 20th centuries, the corporate culture of New York was a primary center for the construction of skyscrapers (rivaled only by Chicago). The Financial District, even today, actually makes up a distinct skyline of its own, separate from but not soaring to quite the same heights as its midtown counterpart a few miles to the north.

Built in 1914, 23 Wall Street was known as the "House of Morgan" and for decades the bank's headquarters was the most important address in American finance. At noon, on September 16, 1920, a bomb exploded in front of the bank, killing 38 and injuring 300. Shortly before the bomb went off a warning note was placed in a mailbox at the corner of Cedar Street and Broadway. While theories abound about who was behind the Wall Street bombing and why they did it, after twenty years investigating the matter, the FBI rendered the file inactive in 1940 without ever finding the perpetrators.

1929 brought the "Great Crash" of the stock market, ushering in the Great Depression. During this era, new development of the Financial District had stagnated. The construction of the World Trade Center was one of the few major projects undertaken during the last three quarters of the 20th century and, financially, it was not originally, as successful as planned. Some point to the fact that it was actually a government-funded project, constructed by the Port Authority of New York and New Jersey with the intention of spurring economic development in downtown. All the tools necessary to international trade were to be housed in the complex. However, at the beginning much of the space remained vacant.
Nonetheless, some large and powerful firms did purchase space in the World Trade Center. Further, it attracted other powerful businesses to the immediate neighborhood. In some ways, it could be argued that the World Trade Center changed the nexus of the Financial District from Wall Street to the Trade Center complex. When the World Trade Center was destroyed in the September 11, 2001 attacks, it left somewhat of an architectural void as new developments since the 1970s had played off the complex aesthetically. The attacks, however, contributed to the loss of business on Wall Street, due to temporary-to-permanent relocation to New Jersey and further decentralization with establishments transferred to cities like Chicago and Boston.

Wall Street itself and the Financial District as a whole are crowded with highrises by any standard of measure. Further, the loss of the World Trade Center has actually spurred development in the Financial District on a scale that hasn't been seen in decades. This is in part due to tax incentives provided by the federal, state and local governments to encourage development. A new World Trade Center complex, centered on Daniel Liebeskind's Memory Foundations plan, is in the early stages of development and one building has already been replaced. The centerpiece to this plan is the 1,776-foot (541 m) tall Freedom Tower. New residential buildings are already sprouting up, and buildings that were previously office space are being converted to residential units, also benefiting from the tax incentives. Better access to the Financial District is planned in the form of a new commuter rail station and a new downtown transportation center centered on Fulton Street.

Wall Street today

To say that a corporation is a "Wall Street company" today does not necessarily mean that the company is physically located on Wall Street. It more likely means that the firm deals with financial services; such a firm could be headquartered in many places across the globe. Today, much of Wall Street's workforce tends to be made up of professionals working in the fields of law or finance who work for medium-to large-sized corporations. Many of the nearby businesses are local companies and chain stores that cater to the tastes of professionals and to the needs of the workforce. Most people who work in the Financial District commute from suburbs in Long Island, Connecticut, Pennsylvania, New Jersey, and the lower Hudson Valley.

Wall Street's culture is often criticized as being rigid. This is a decades-old stereotype stemming from the Wall Street's establishment's protection of their interests, and the link to the WASP establishment. More recent criticism has centered on structural problems and lack of a desire to change well-established habits. Wall Street's establishment resists government oversight and regulation. At the same time, New York City has a reputation as a very bureaucratic city, which makes entry into the neighborhood difficult or even impossible for middle class entrepreneurs.
Since the founding of the Federal Reserve banking system, the Federal Reserve Bank of New York in the Financial District has been the point where monetary policy in the United States is implemented (although it is decided in Washington, D.C. by the Federal Reserve Bank's Board of Governors). As such, New York State is today unique in that it is the only state that constitutes its own district of the Federal Reserve Banking system. This is perhaps partly owed to population distribution in the United States of the time, however. Until the 1960s, New York was the most populated state in the U.S.; it now ranks third, behind California and Texas. The NY Federal Reserve's president is the only regional Bank president with a permanent vote and is traditionally selected as its vice chairman. The bank has a gold vault 80 feet (25 m) beneath the street. This depository is the largest in the world, larger even than Fort Knox.

Wall Street vs. Main Street

As a figure of speech contrasted to "Main Street," the term "Wall Street" can refer to big business interests against those of small business and the working or middle class. It is sometimes used more specifically to refer to research analysts, shareholders, and financial institutions such as investment banks. The idea of "Main Street" conjures up images of locally owned businesses and banks. While the phrase "Wall Street" is commonly used interchangeably with the phrase "Corporate America", it is also sometimes used in contrast to distinguish between the interests, culture, and lifestyles of investment banks and those of Fortune 500 industrial or service corporations.