

# RECENT PATTERNS OF JEWISH REPRESENTATION IN THE CORPORATE AND SOCIAL ELITES

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This paper reports on the degree to which a sample of Jewish philanthropists are integrated into the topmost corporate and social circles in the United States. It is part of an ongoing investigation of the way Jewish business leaders and their descendants fit into the predominantly gentile social and power elites. Earlier studies focused on patterns of assimilation into the local upper class in two southern cities and into corporate and social institutions of the national upper class (Zweigenhaft, 1978, 1979, 1980).

Various analysts of the class and power structure in this country have stressed the predominantly WASPish makeup of the corporate elite. In *The Power Elite*, C. Wright Mills summarized a body of research on the personal characteristics of the top corporate executives of the largest corporations, and had this to say about "the top executives of 1950":

The business executives are predominately Protestant and more likely, in comparison with the proportions of the population at large, to be Episcopalians or Presbyterians than Baptists or Methodists. The Jews and Catholics among them are fewer than among the population at large. (Mills, 1959)

Similarly, in the late 1960s, Lundberg (1968:363) concluded in *The Rich and the Super-Rich* that "Jews, very clearly, are glaringly underrepresented in corporate management in relation to their frequency in the population and among college graduates."

Domhoff, writing in 1972, has suggested that Jews are in the power elite, but still decidedly on the fringes. Jewish businessmen, mostly from New York, and gentile oilmen from Texas constitute, he claims,

the major fringe group in an overwhelmingly Anglo-Saxon power elite rooted in commercial banking, insurance, public utilities, railroads, and manufacturing—precisely the areas from which people of Jewish background are almost completely excluded. Even where the Jews and Cowboys are highly visible, as in investment banking, oil, and real estate, they are decidedly minor leaguers compared to the even wealthier gentiles. (Domhoff, 1972:54)

In addition to their claims about the underrepresentation of Jews in the highest circles of corporate power, these and other analysts have pointed out the absence of Jews in the most prestigious social clubs. Moreover, the upper-class sociologist E. Digby Baltzell (1964:367) has asserted that exclusion from social clubs is professionally detrimental to Jews in the business world. It is his contention that business opportunities accrue from club membership and that exclusion from clubs leads to exclusion from the corporate elite; as he puts it, the club is “the tail that wags the corporate dog.” He writes: “In city after city, the admissions policies of the top clubs are increasingly causing our national corporations to bar some of their best-qualified men from top leadership positions.”

There is evidence that corporations and clubs are interrelated in a way that is more than casual. The National Club Association, a trade group that represents 1,000 of the top city and country clubs in America, has estimated that 26 percent of the country clubs’ income and 37 percent of the city clubs’ income come from memberships paid for by corporations (*Business Week*, 1980). Similarly, in a study performed for the Committee on Banking, Housing, and Urban Affairs, it was found that slightly over half of the 890 savings and loan associations who responded to a survey pay membership dues in private clubs for their “officers, directors, or employees” (U.S. Senate, 1979).

Yet another institution that has significant social clout—though it, unlike the clubs, does not purport to be primarily social—is the prep school. Upper-class parents typically send their children to one of a relatively small number of such schools, where they prepare for college and, in the process, live with upper-class children from other towns and cities. Although these schools perform the function of “dividing the ruling-class young from their compatriots,” as Paul Sweezy (1970:367) puts it, we should not be “confused” by the fact that they also allow children from the lower classes to attend. As he says: “This is merely a method by which the ruling class recruits the most capable elements of the lower classes into its service and often into its ranks. It is probably the most important such method in the United States today, having replaced the older method by which the abler lower-class young people worked their way directly up in the business world.”

The question of how extensively Jews have entered the realms of the corporate and social elite in America is part of a broader question about the adaptability of the American upper class. Various analysts, ranging from Marx to Baltzell, have asserted that it is in the interests of those in power to draw from those in the classes below. On the opening page of *The Protestant Establishment*, Baltzell (1964:3) acknowledges the accuracy of Marx’s

claim: "Karl Marx well understood the strengths of the Anglo-Saxon version of democracy when he wrote, in *Das Kapital*, that 'the more a ruling class is able to assimilate the most prominent men of the dominated classes, the more stable and dangerous its rule.'"

The research reported here will attempt to deal with these general questions of assimilation into the upper class and the power elite. It will do so by building and extending previous work examining the extent to which Jews have become a part of the corporate and the social elite. In this study, a group of prominent American Jews involved in the world of philanthropy will be compared with a matched control group of prominent American gentile philanthropists in terms of the frequency of their presence on corporate boards, their membership in elite social clubs, and their attendance at elite prep schools.

## METHODS

The population from which the sample was drawn consisted of those people listed in *Trustees of Wealth* (Brodsky, 1975). This book is a "who's who" in the world of philanthropy, and, as such, provides background information about thousands of people who are involved in foundation work. Because of the particularly important role philanthropy has played in the Jewish community, the world of philanthropy may be precisely the place to look for those Jews most likely to be a part of the national upper class. As Naomi Cohen (1978:126) writes:

Philanthropists gained the admiration of Jews and non-Jews, and certainly a position of leadership within the Jewish community. Since Jews were generally barred from posts of command in old established civic causes—charity organizations, museums, private libraries—that were the purview of the American elite, they could satisfy their ambitions in Jewish areas. And, because of the weakened position of the synagogue, the philanthropic maze became increasingly the locus of Jewish communal power.

Those entries in *Trustees of Wealth* who by the nature of their club, civic, or religious affiliations could be assumed to be Jewish were selected. Thus, for example, if a person listed that he was a member of the American Jewish Committee, the United Jewish Appeal, the Federation of Jewish Philanthropies, or some other such clearly Jewish organization, that person was assumed to be Jewish. Similarly, if the person listed membership in a social club known to be exclusively, or nearly exclusively, Jewish, such as New York's Harmonie Club, Chicago's Standard Club, or Los Angeles' Hillcrest Club, the person was assumed to be Jewish. A total of 219 people were selected in this manner.

An equal number of names from *Trustees of Wealth* that were not Jewish were then randomly selected. Furthermore, the selection process was a matched sample by residence in such a way that the number of names chosen from each state corresponded to the number in the Jewish sample. Thus, for example, since there were 28 Jewish trustees from California, 28 non-Jewish trustees were selected from that state; similarly, since there were three Jewish trustees from Texas, three non-Jewish trustees were selected from Texas. In addition, in almost every case the residences of the non-Jewish group were matched to those of the Jewish group in terms of city as well as state.

A few of the non-Jewish trustees, like Shalom Spiegel of New York, had names that did not sound non-Jewish. Two colleagues (one Jewish, one gentile) who were unfamiliar with the data, were therefore asked to look at the list of names and to estimate which, if any, they thought had a greater than 50 percent probability of being Jewish. The two agreed that Shalom Spiegel and nine others were likely to be Jewish (eight of the 10 were from New York). These people were replaced by others from the same city and state, by the same process of selection.

The 219 Jewish trustees and the 219 non-Jewish trustees were then compared in terms of: (1) their presence in the corporate elite as of 1976 (*Trustees of Wealth* was published in December, 1975); (2) their presence in elite social clubs as of 1976; and (3) those corporate and club connections added between 1976 and 1980.

The corporate elite was defined as those 1,300 corporate boards listed as the top boards in 1976 by *Fortune* magazine. *Fortune's* 1300 include the 1,000 largest industrials, the top 50 commercial banking companies, the top 50 diversified financial companies, the top 50 life insurance companies, the top 50 retailing companies, the top 50 transportation companies, and the top 50 utilities. By comparing the frequency of representation of the Jewish and non-Jewish trustees on these boards, we could see not only *whether* Jews were as likely as non-Jews to be on these boards, but which kinds of boards they were more or less likely to be on.

Two measures of "elite social clubs" were used. The first was Domhoff's (1970:23-24) list of 40 clubs that indicate upper-class membership. The list, like our sample, is national in scope and includes clubs like New York's Links and Knickerbocker Clubs, Atlanta's Piedmont Driving Club and Los Angeles' California Club. Second, because of the particularly large number of Jews both in New York City and in our sample, Lundberg's (1968:340) list of the top seven New York clubs was also used.

By following the *Who's Who in America* biographies of these 438 people from the 1974-1975 edition through the 1980-1981 edition, we were able to

add a time dimension to our data. That is, in addition to the static look at corporate directorships and club memberships as of 1976, we were able to investigate patterns over an eight-year period. For this third measure of corporate and club involvement, the 37th edition (1974-1975) of *Who's Who* was used as a baseline measure, and each of the 438 names was looked up in the subsequent three editions (the 38th, 1976-1977; the 39th, 1978-1979; and the 40th, 1980-1981) for the inclusion of additional corporate directorships or club memberships.

The omissions of corporate directorships over this time period were also recorded. In interviews with corporate directors as part of a larger research project, however, it became apparent that corporate directors are rarely, if ever, asked to leave a board for reasons other than reaching a retirement age or a corporation's having been purchased by another corporation. The pattern of departures from boards did not differ significantly for the Jewish and non-Jewish trustees, though the two groups did differ significantly in age: the average age for the Jewish trustees was 70.5 years (with a standard deviation of 11.8), and the average age for the non-Jewish trustees was 65.4 years (with a standard deviation of 10.7;  $t=4.56$ ,  $p<.001$ ). Therefore, for the purposes of the research reported here, the relevant measure was the number of boards added.

Finally, as part of the large research project just referred to, 10 interviews of approximately one hour each were conducted with Jewish trustees in New York and Boston who sit on one or more *Fortune* boards. These interviews provided valuable background material for understanding some of the data discussed in this paper.

**TABLE 1**  
**Jewish and Non-Jewish Trustees in *Fortune* 1300, 1976**

	Jews	Non-Jews
Top Industrials	1	4
Top 50 Industrials	3	14
Top 100 Industrials	13	22
Top 200 Industrials	24	36
Top 500 Industrials	49	53
Top 1000 Industrials	72	61
Top 50 Commercial Banking Cos.	8	11
Top 50 Diversified Financial Cos.	2	5
Top 50 Life Insurance Cos.	3	6
Top 50 Retailing Cos.	11	3
Top 50 Transportation Cos.	4	4
Top 50 Utilities	5	4

## RESULTS

### *Corporate Boards*

There were more Jewish trustees on *Fortune* boards than non-Jewish trustees. Whereas 75 of the 219 non-Jewish trustees sat on one or more boards, only 54 of the 219 non-Jewish trustees did. Thus, Jews in our sample were more likely, not less likely, to sit on *Fortune* boards than a group of matched non-Jewish counterparts were. This result reaches statistical significance at the .05 level using a chi-square test ( $\chi^2=4.85$ ;  $df=1$ ;  $p<.05$ ).

However, the Jewish directors were less likely to be on the boards of the largest corporations (see Table 1). Whereas Jewish trustees were on the boards of 13 of the top 100 industrials, non-Jewish trustees were on 22 ( $\chi^2=2.81$ ;  $df=1$ ;  $p<.10$ ). Furthermore, when we focus on the 10 largest industrials, we find only one Jewish trustee in our sample on any of these 10 boards (Joseph Frederick Cullman, 3rd, who sat on the board of Ford Motor, no. 4 on the 1976 *Fortune* list), but there were non-Jewish trustees from our control group on the boards of General Motors (no. 2), Mobil Oil (no. 5), Standard Oil of California (no. 6) and IBM (no. 7). Or, to consider the pattern of representation from another perspective, 36 of the 61 boards with non-Jewish trustees were among the top 200 industrials, as compared with 24 of the 72 boards with Jewish trustees ( $\chi^2=8.80$ ;  $df=1$ ;  $p<.01$ ).

As can also be seen in Table 1, there are differences in our sample in representation on the boards of the top commercial banks, the top diversified financial companies, the top life insurance companies, and the top 50 retailing companies (although these differences are not statistically significant, except where indicated, they suggest differential patterns of representation worthy of noting). Jewish trustees were directors on eight of the top 50 banks and were on two of the top 50 diversified financial companies; non-Jewish trustees were directors on 11 of the top 50 banks, and were on five of the top 50 diversified financial companies. There were Jewish trustees on the boards of three of the top 50 life insurance companies, but non-Jewish trustees on six of these companies. On the other hand, Jewish trustees were on eleven of the top 50 retailing companies, but non-Jewish trustees were only on three ( $\chi^2=5.32$ ;  $df=1$ ;  $p<.05$ ), confirming the high level of Jewish involvement in the retail world that has characterized American Jewry. Similarly, Jewish trustees were on five of the top 50 utilities, and non-Jewish trustees were on only four. Jews and gentiles were equally represented on the boards of the transportation companies.

The data in this study indicate that Jews may no longer be underrepresented in the corporate elite, as Mills suggested was the case in 1950, and

that Jews are not totally on the fringe of the corporate elite, as Domhoff suggested in 1972. But these data also indicate that Jews are not at the center of corporate power in America.

### *Clubs*

Only 12 of the 219 Jewish trustees in our sample listed membership in one of the 40 elite clubs specified by Domhoff. Unlike the findings on corporate directorships, this result contrasts greatly with the 47 non-Jewish trustees in one or more of the elite clubs ( $\chi^2=23.99$ ;  $df=1$ ;  $p<.001$ ). Only one Jewish trustee had memberships in two or more of the clubs, but nine of the non-Jewish trustees held two or more memberships ( $\chi^2=6.51$ ;  $df=1$ ;  $p<.05$ ). Similarly, when Lundberg's list of the top seven New York clubs was used as a measure of membership in the social elite, it was found that 26 of the non-Jewish trustees were members of one or more of these clubs, but only one Jewish trustee had a membership ( $\chi^2=24.67$ ;  $df=1$ ;  $p<.001$ ).

### *Prep Schools*

Whereas the Jewish trustees were not likely to be in the top clubs, they were just as likely as gentiles to have attended one of the prep schools that Domhoff (1970:22-23) delineates as an indicator of membership in the upper class. Twelve of the Jewish trustees went to the schools on Domhoff's list, as did 12 of the non-Jewish trustees. And, if we include Exeter and Andover, which Domhoff omitted because of their "large minority of scholarship students," (p. 34), we find that there were 17 Jews and 14 non-Jews in the top prep schools. Given the age of the trustees, it is clear that the top prep schools have long accepted Jewish students, and our interviews indicated that the contacts made during those prep school years were important ones that remained with the Jewish trustees for life. All of those who attended a prep school indicated that they are regularly in touch with their former schoolmates. As one graduate of the Hill School said, "I was at school with Edward Bunker Hunt, John Bunting, the Stevenson brothers, Ted Donforth and yes, I'm very much in touch with them." And many of those who had not attended prep schools did send their children to them. Simon Rifkind, who arrived as an immigrant from Russia at the age of 9, speaking no English, went to a public high school where, as he put it, "I discovered America." Years later, when he had become a well-known lawyer and then a respected judge, and when his son was old enough for high school, Rifkind asked one of the Rockefellers where he sent his children. Loomis was the answer, so Rifkind sent his son there.

### *Corporate and Club Connections Added over Time*

As can be seen in Table 2, 12 Jewish trustees added directorships on 15

*Fortune* boards, and the same number of non-Jewish trustees added directorships on 17 *Fortune* boards. Once again, the non-Jewish trustees were more likely than Jewish trustees to join the largest corporations. Ten of the 17 boards they added were in the top 20 percent of the *Fortune* list (the top 200 industrials and the top 10 of the lists of 50), compared with only five of the 15 added by Jews. Similarly, seven of the 10 industrials added by the non-Jewish trustees were in the top 200, but only three of the 13 industrials added by the Jewish trustees were in the top 200 ( $\chi^2=5.06$ ;  $df=1$ ;  $p<.05$ ). There was no evidence of clubs on Domhoff's list or Lundberg's list being added during this period.

**TABLE 2**  
**Number of Directorships Added, 1976-1980**

Directorships Added	Jews	Non-Jews
1976-1977	8	7
1978-1979	4	7
1980-1981	3	3
	15	17

The pattern, then, has remained basically the same since the publication of *Trustees of Wealth* in late 1975. In the second half of the 1970s Jewish trustees were just as likely to become directors on *Fortune* boards, but there is evidence that they were less likely to become directors on the largest boards.

## DISCUSSION AND CONCLUSION

These data indicate that Jewish trustees are as likely as non-Jewish trustees to be on *Fortune* 1,300 boards but not as likely to be on the boards of the banks, the diversified financial companies, the life insurance companies, or the very largest industrial corporations. Jews, then, seem to be better represented among the corporate elite than earlier studies have indicated, although they continue to be underrepresented in certain segments of the business community.

One reason for the substantial number of Jewish trustees on *Fortune* boards is that a number of *Fortune* companies were founded or subsequently purchased by Jews. Companies like Federated Department Stores (the ninth-largest commercial retailer in America in 1976), or Levi-Strauss (the 200th-largest industrial corporation in 1976) were



founded by Jews and have always had a number, if not a majority, of Jewish directors. For example, two of the Jewish trustees in our sample were Sidney and Irving Rabb, who sit on the board of Stop and Shop (the 27th-largest retailing company in 1976). The Rabb family started the business in 1919, and 10 of the 14 people on the current board of directors are Jewish. In addition to the two Rabb brothers on the Stop and Shop board, our sample included five people on the board of Levi-Strauss, five on the board of Food Fair, three on the board of Lowe's, three on the board of Inland Steel, and two each on the boards of CBS, Cerro, Crown-Zellerbach, Cone Mills, General Dynamics, Giant Foods, MCA, Sears, and Seagrams. These, plus individual seats on the boards of Federated Department Stores, May Department Stores, Philips Industries, Revlon, and Witco Chemical lead us to estimate that at least one-third of the 116 positions held by the Jewish trustees are on boards that were founded or purchased by Jewish individuals or families

It is possible that because philanthropy has played such an important role in Jewish life the sample drawn from *Trustees of Wealth* includes the most elite Jews but not the most elite non-Jews. If this were the case, it would explain the unexpectedly high frequency of board representation on the part of the Jewish trustees when compared with the non-Jewish trustees. This may in fact be the case. When the Jewish and non-Jewish trustees were compared for frequency of appearance in the 1976-77 edition of *Who's Who in America*, it was found that 158 of the 219 Jews (72 percent) but only 108 of the 219 non-Jews (49 percent) were listed ( $\chi^2=22.52$ ;  $df=1$ ;  $p<.001$ ). The data on clubs, however, which indicate that many of the non-Jews are members of the top social clubs in America, suggest that the matched non-Jewish group is not drawn from a less prestigious group of gentiles.

It is indeed noteworthy that there is such disparity between the corporate and the club data in this study. As has been indicated, Baltzell and Lundberg have emphasized that important business advantages accrue from club membership and that exclusion from such clubs leads to exclusion from the corporate elite. They may be right, especially since their argument applies to corporate executives who are not directors. The distinction is an important one, for boards of directors are indeed different from top management. As Warren Hellman, former president of Lehman Brothers, and on the boards of Twentieth Century Fox (*Fortune* no. 371 in 1980), Gulton (no. 924) and Peabody (no. 401) says about the higher frequency in banks of Jewish directors than Jewish officers: "What is a bank board? A bank board essentially is a sort of an agglomeration of the top businessmen that they can get to be directors of the bank. . . . It's relatively painless to put a

very important Jewish person on the board of your bank. It seems to be much more painful to move them up through the ranks.”

Whatever the continuing difficulties in the upper levels of corporate management, our data in this and previous research indicate that gains have been made in the realm of corporate directorships without corresponding gains in the realm of the social club.

In general, the Jews on corporate boards that we interviewed believed that social clubs, like New York’s Links and Knickerbocker clubs, are in fact, essentially social. They acknowledged that there might be some occupational advantages to having membership in such clubs, but only for people doing certain kinds of work. The men we spoke with did not think their memberships, or lack of memberships, in clubs had helped or hurt them occupationally. As Robert Tisch, the president and chief operating officer of Loew’s (the ninth-largest diversified financial company in 1980), explained how he made his business contacts: “Anybody I want to meet from the professional or business standpoint I do at the Regency Dining Room. As you may know, that’s the big political and social hangout in New York. We own the Regency, and I happen to live there, so I’m there every morning.”

This study, then, suggests that there are more Jews in the economic elite than Domhoff thought, and probably more in the social elite than is thought by those who focus only on clubs. The fact that the Jews in our sample were as likely as gentiles to have attended elite prep schools but were not as likely to be members of elite gentile clubs indicates that Sweezy was correct in his suggestion that such schools are “the most important” way that Jews and other new minorities are assimilated into the predominantly gentile upper class. Why the more exclusive gentile social clubs have failed to accept more Jewish members, especially in light of the increase in corporate representation, remains perplexing, and requires further investigation.

And what of the impact of becoming a part of the corporate elite on those Jews who have done so? Although this question was not explored directly in this paper, we found in a previous study that Jews in the corporate elite were less likely to be involved in Jewish communal activities than Jews who were not in the corporate elite. Furthermore, those Jewish corporate leaders who were involved in Jewish communal activities were more likely to be involved in decidedly secular activities than in more religious ones. Along the same lines—but perhaps more psychologically significant—those who were in the corporate elite and were members of certain Jewish organizations were less likely than those not in the corporate elite to indicate their membership in *Who’s Who*-type biographies. It appears from our earlier study that assimilation goes on and, from this study, that social

clubs may have been overemphasized and that prep schools need closer scrutiny. These are some of the issues we are currently exploring in our interviews with members of the corporate elite.

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