



# Is New Canaan the "Promised Land"?

New Canaan Men's Investment Club

Monday, September 11, 2017 – 10 AM at Lapham Center

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## *Is New Canaan the Promised Land?*

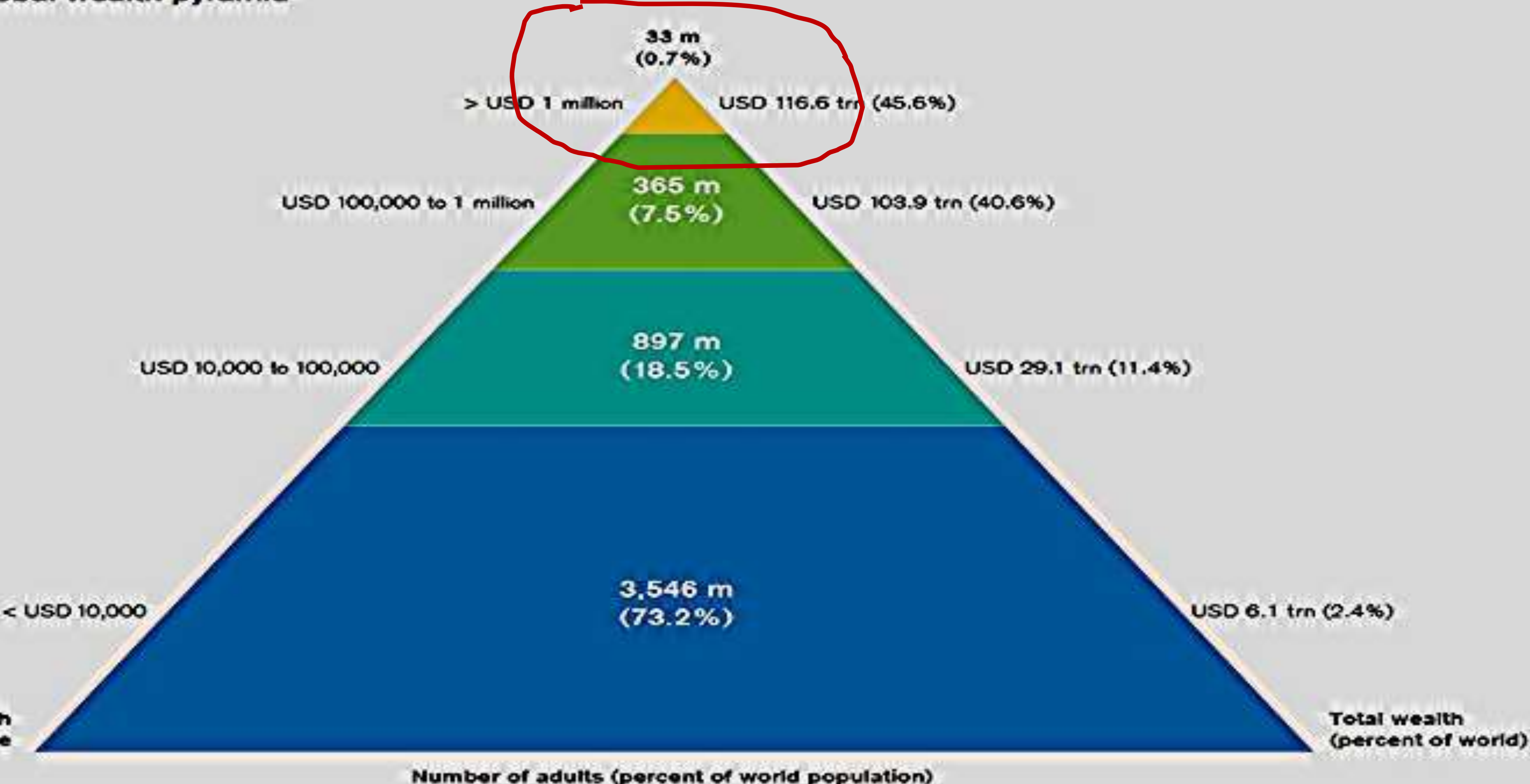
- Moses led people out of bondage to the promised land of Canaan where God promised they would live in a “land flowing with milk and honey.”

(SOURCE: Genesis 15:18-21

# The Wealth of the Promised Land

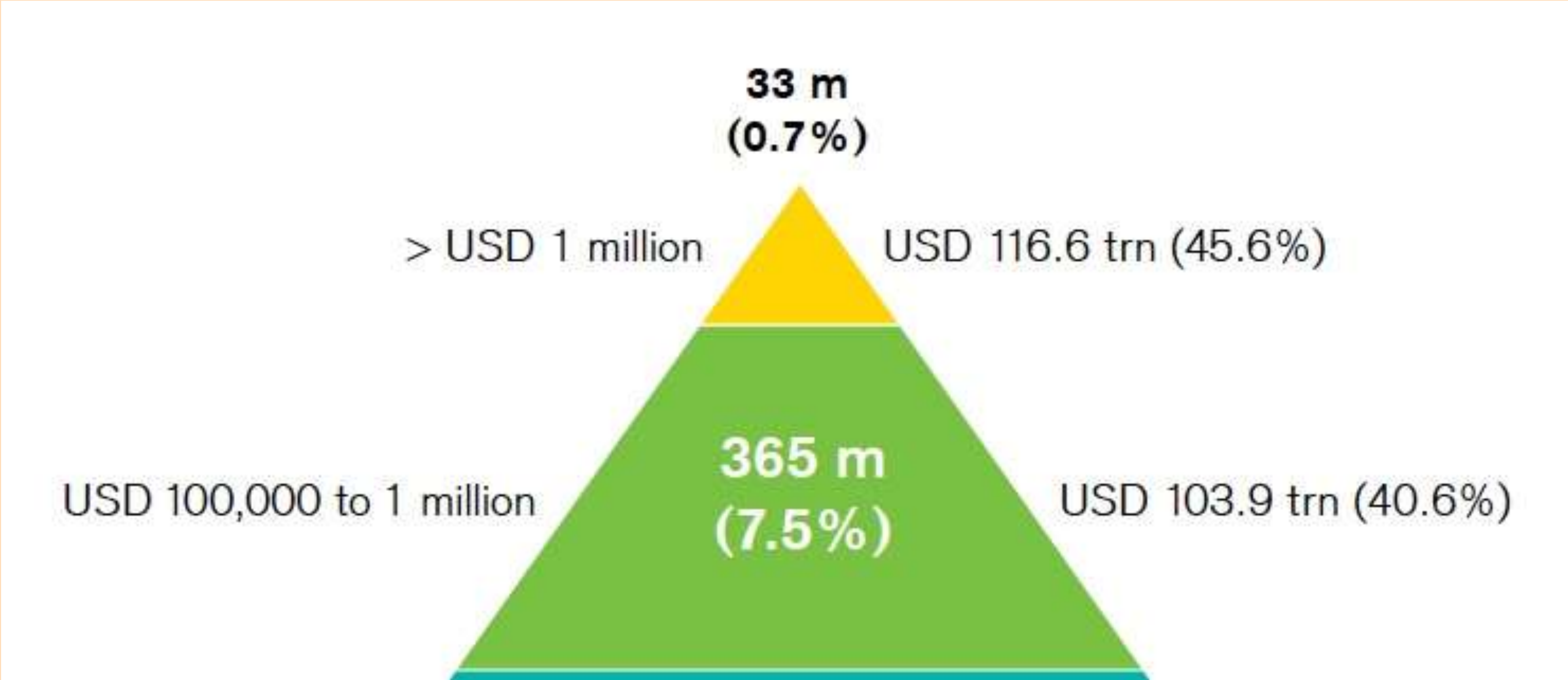
New Canaan Population Ranks on Top 0.7% of the World Population Wealth

Figure 1  
The global wealth pyramid



Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2016

*New Canaan Population Ranks on Top 0.7% of the World's Wealth*



- New Canaan Households with average property greater than \$1 million rank in the top 0.7% of the global adult population.
- The top 0.7% of global adults own 45.6% of global wealth.

## 33.2% of Global Wealth Spent on 5.1% of the Global Population

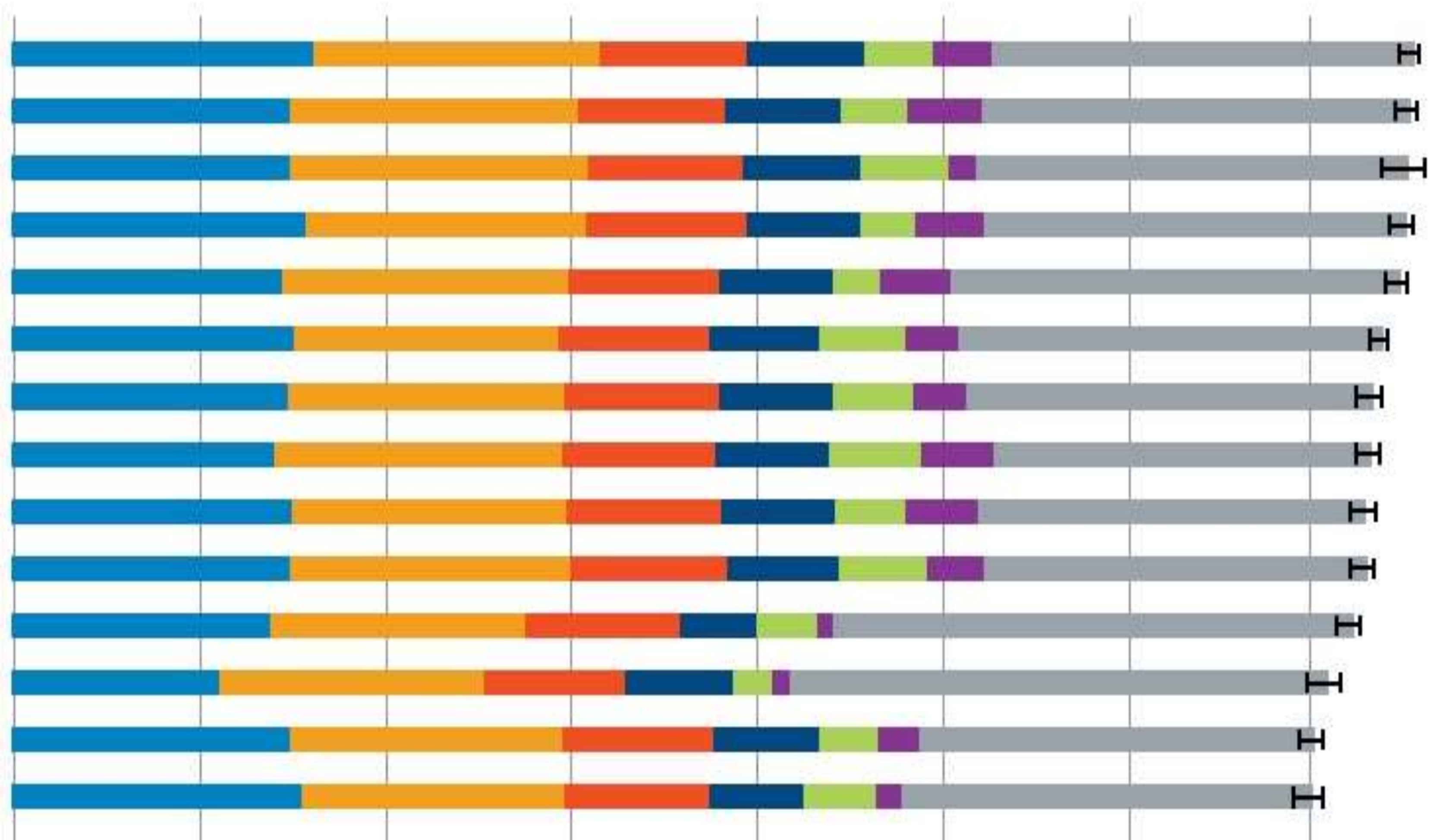
Country - 2016 Data	Total Wealth (US\$Billions)	Wealth % of Global Wealth	Wealth per Adult
United States	\$84,784	33.2	\$344,692
Japan	\$24,070	9.4	\$230,946
China	\$23,393	9.1	\$22,864
United Kingdom	\$14,150	5.5	\$288,808
Germany	\$12,419	4.9	\$185,175
France	\$11,891	4.7	\$244,365
Canada	\$7,564	3.0	\$270,179
Australia	\$6,428	2.5	\$375,573
Switzerland	\$3,478	1.4	\$561,854
India	\$3,099	1.2	\$3,835
Brazil	\$2,537	1.0	\$18,059
Israel	\$909	0.4	\$176,263
Singapore	\$1,138	0.4	\$276,885
Russia	\$1,126	0.4	\$10,344
Saudi Arabia	\$725	0.3	\$40,555
Total World	\$255,708		
% of Countries	77.3%		

- 33.2% of global wealth held in the USA.
- Average wealth per US person is \$344,692.
- Average wealth per Chinese person is \$22,864.
- Average wealth per Russian person is \$10,344.



# US #14 in Global Happiness Ranking out of 155 Countries

1. Norway (7.537)
2. Denmark (7.522)
3. Iceland (7.504)
4. Switzerland (7.494)
5. Finland (7.469)
6. Netherlands (7.377)
7. Canada (7.316)
8. New Zealand (7.314)
9. Australia (7.284)
10. Sweden (7.284)
11. Israel (7.213)
12. Costa Rica (7.079)
13. Austria (7.006)
14. United States (6.993)



- Explained by: GDP per capita
- Explained by: generosity
- Explained by: social support
- Explained by: perceptions of corruption
- Explained by: healthy life expectancy
- Dystopia (1.85) + residual
- Explained by: freedom to make life choices
- 95% confidence interval

- US ranks #14 out of 155 countries in happiness.
- GDP per capita not necessary for happiness.
- Social support and life expectancy are required.

## 42% of Global Shares Traded Through the US

Country	% of Global Shares Traded	Cyclically Adjusted Price/Earnings Ratio
Russia	0.8%	4.9
Singapore	0.9%	12.8
China	1.1%	15.4
Italy	1.1%	14.6
Sweden	1.1%	22.0
Brazil	1.2%	10.4
Netherlands	1.2%	22.0
Taiwan	1.3%	21.4
Spain	1.4%	13.5
Korea (South)	1.9%	15.3
Australia	2.1%	17.2
India	2.8%	20.6
Switzerland	2.8%	23.7
Canada	3.1%	20.4
Germany	3.5%	19.4
Hong Kong	4.0%	16.8
France	4.1%	19.8
United Kingdom	5.4%	15.4
BRIC	5.9%	13.3
Japan	9.1%	26.2
United States	42.0%	28.0
Total Global	96.8%	

- 42% of stock transactions are in the US.
- US transactions are the most profitable.

# New Canaan Is the Top-Ranking Place Where to Live

Country Rank	Country	Average Income per Person
0	New Canaan Connecticut	\$98,693
1	Luxembourg	\$92,400
2	Liechtenstein	\$89,400
3	Macau	\$88,700
4	Bermuda	\$86,000
5	Isle of Man	\$83,100
6	Singapore	\$81,300
7	Monaco	\$78,700
8	Brunei	\$77,700
9	Kuwait	\$71,000
10	Sint Maarten	\$66,800
11	Norway	\$65,900
12	United Arab Emirates	\$65,000
13	Jersey	\$57,000
14	Falkland Islands	\$55,400
15	Switzerland	\$55,200
16	Hong Kong	\$55,200
17	San Marino	\$55,000
18	United States	\$54,800
19	Saudi Arabia	\$52,800
20	Bahrain	\$51,400

- Living in New Canaan is on top of global places.
- New Canaan average income tops rich cities.

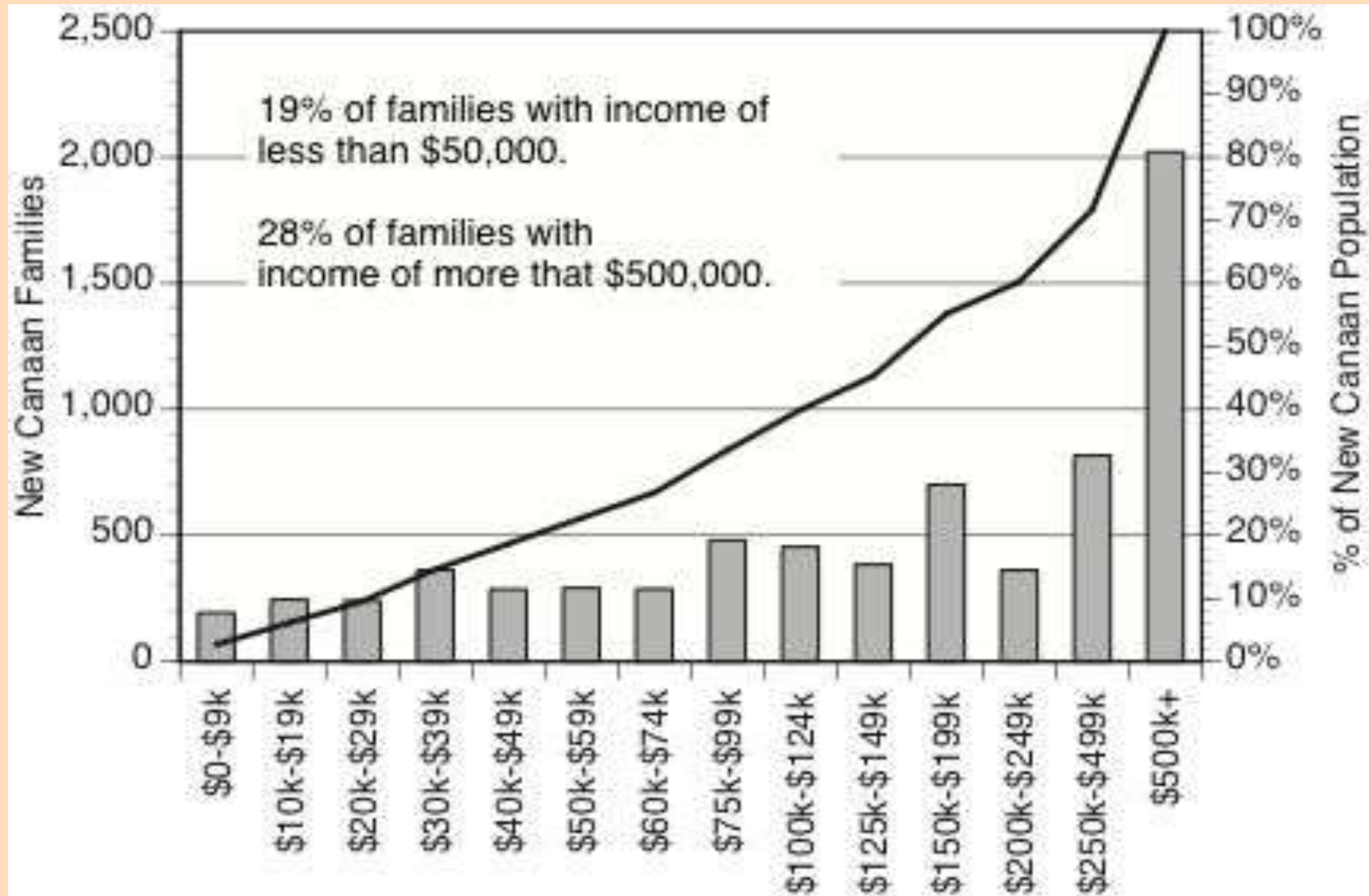
*New Canaan Per Capita Income Tops US and Connecticut Incomes*

Geography	Per Capita Income
United States	\$27,334
Connecticut	\$67,740
New Canaan	\$105,846
Darien	\$105,846
Westport	\$97,395
Weston	\$92,794
Greenwich	\$90,087

- New Canaan income tops US and Connecticut.
- New Canaan income tops Darien and Greenwich.



## *Distribution of New Canaan Family Incomes*



- 19% in New Canaan have income under \$50,000.
- 28% in New Canaan have income over \$200,000.

## *New Canaan Has a High Level of Home Ownership*

Town - in April 2015	Home Value	Negative Equity - %
Darien	\$1,370,900	2.3
New Canaan	\$1,335,500	3.6
Greenwich	\$1,321,300	4.3
Westport	\$1,060,300	4.1
Wilton	\$759,100	7.3
Ridgefield	\$600,400	10.0
Fairfield	\$493,900	8.0
Stamford	\$455,600	15.3
Norwalk	\$368,300	16.0
Newtown	\$360,900	14.8
Trumbull	\$348,400	11.4
Monroe	\$347,400	12.8
Brookfield	\$329,300	14.4
New Fairfield	\$316,800	14.1
Shelton	\$293,700	13.9
Danbury	\$243,800	28.1
Stratford	\$227,800	22.7
Bridgeport	\$156,200	37.9

- New Canaan average home value is \$1,335,500.
- New Canaan homes possess 96.4% equity.

Life Expectancy in Connecticut Above US Average

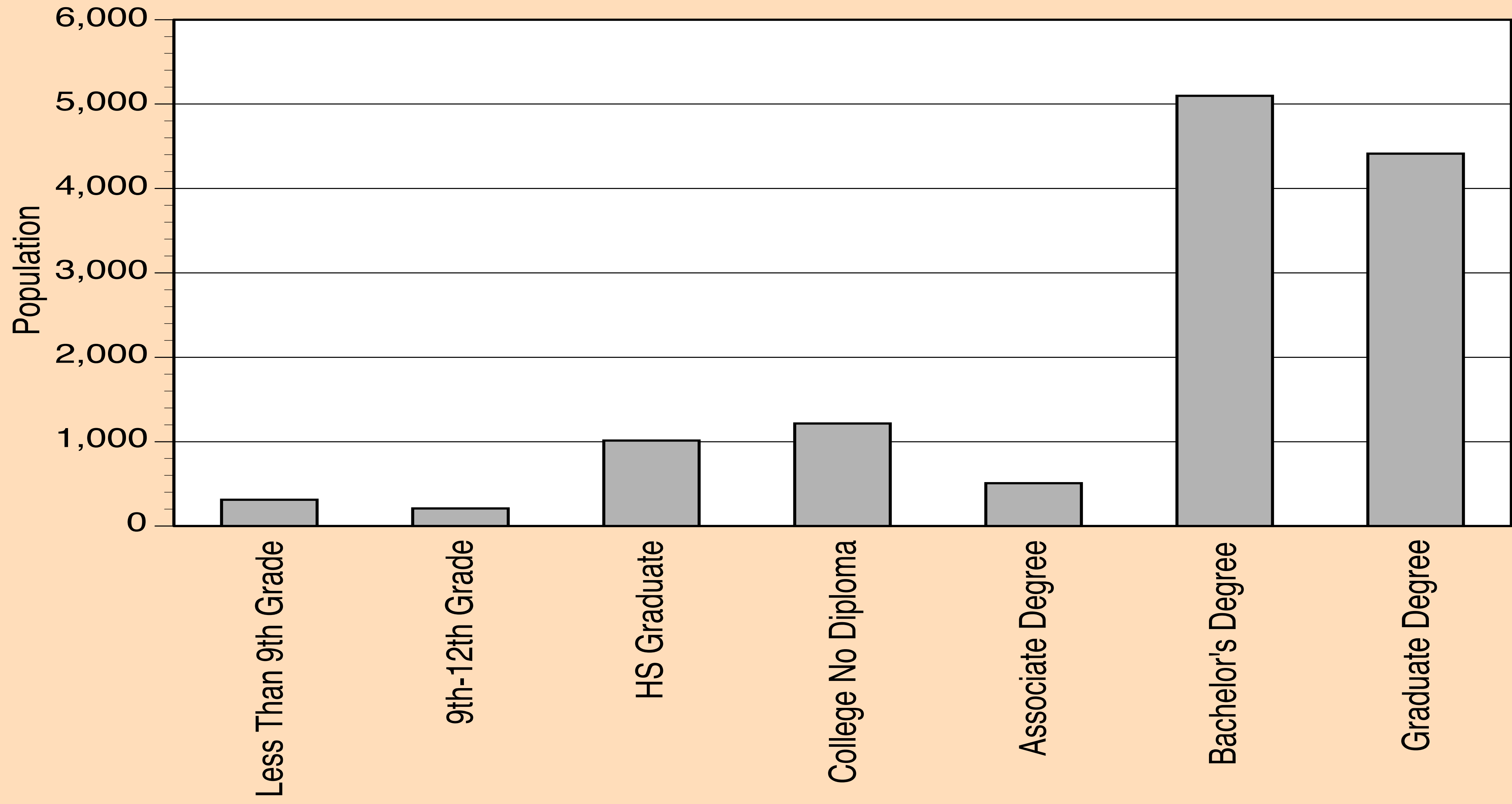
Age	Male Population	% of Total	Female Population	% of Total
65 to 74 years	10,096,519	6.7%	11,616,910	7.4%
75 to 84 years	5,476,762	3.6%	7,584,360	4.8%
85 to 94 years	1,698,254	1.1%	3,370,571	2.1%
over 95 years	91,425	0.1%	333,183	0.2%

**Seniors 11.5% 14.5%**

## *Connecticut Life Expectancy*

- Female senior citizens exceed male seniors.
- There are 424,608 people over the age of 95.

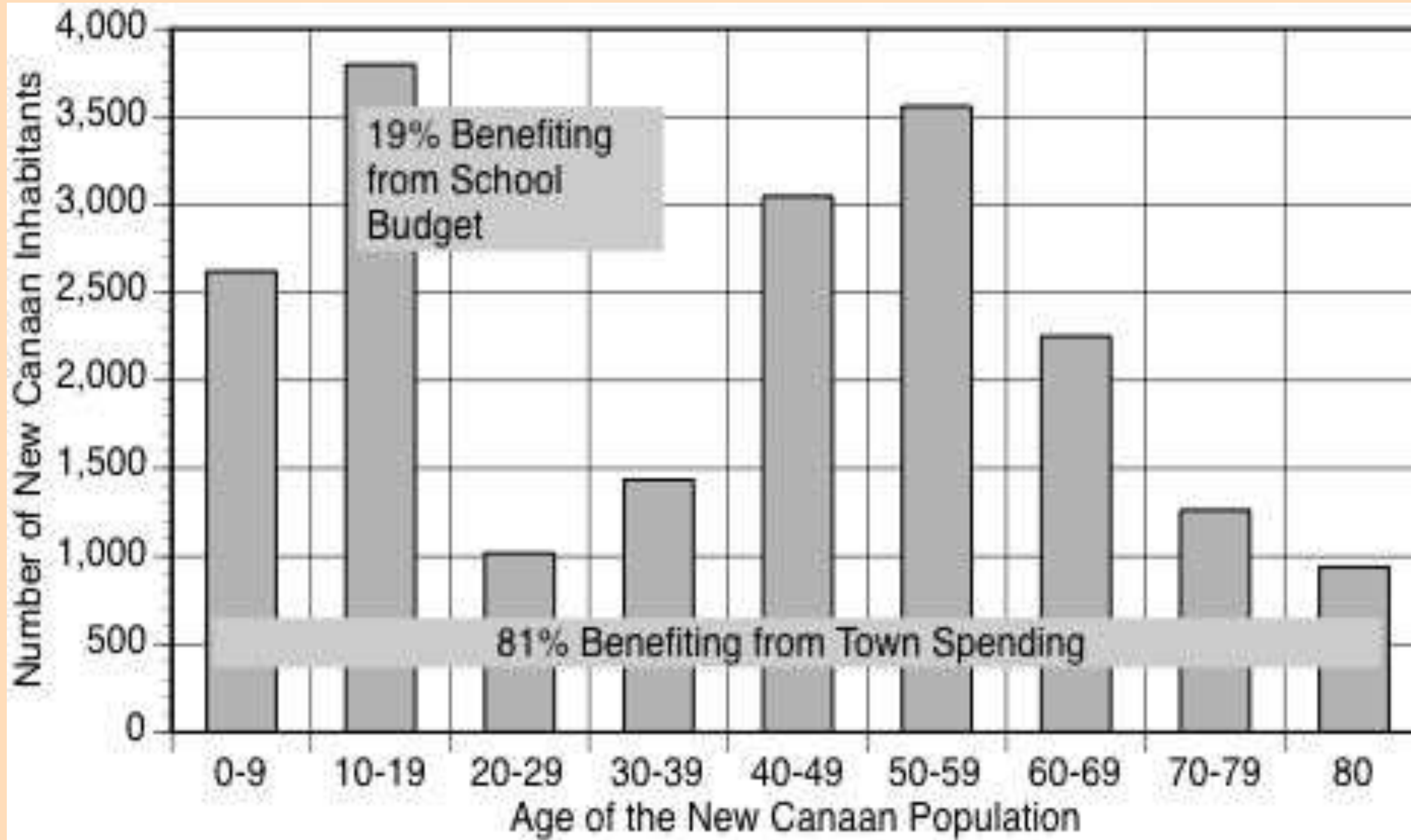
## *New Canaan Has a Highly Educated Population*



- 5,017 (43.6%) of adults have bachelor degrees.
- 4,003 (34.8%) of adults have graduate degrees.



## *School Budget Dominates New Canaan Spending*



- Students (19% of population) get over half of the town budget.
- Remaining population (81%) get less than half of the town budget.

*Most of the Town Budget is Allocated to School Attending Population*

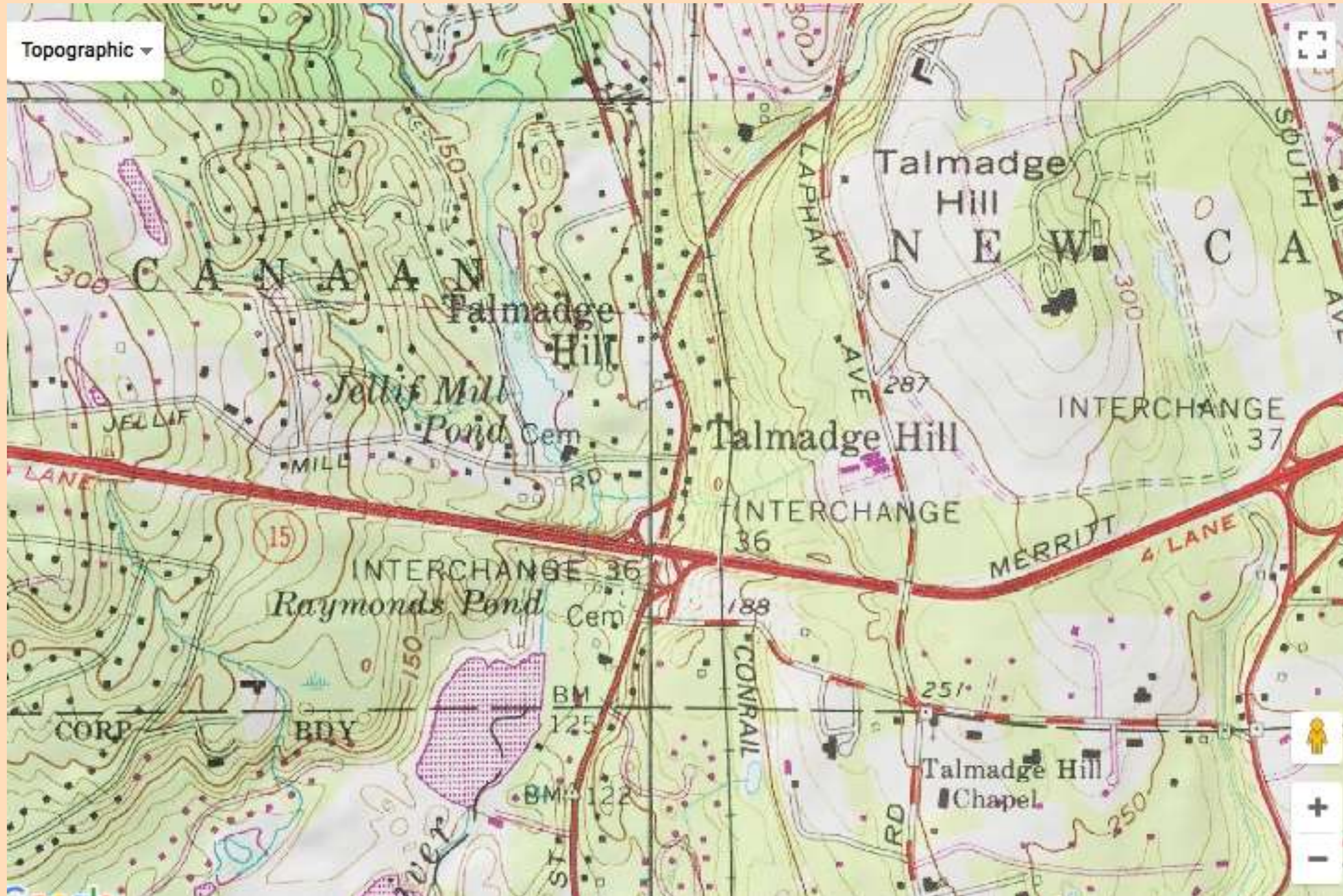
New Canaan Population	Consumers of Town Services	% of Town Expenditures	Town Expenditures (000s)
School Attending	37%	62%	\$79,172
Residents	63%	38%	\$49,325

- Students are allocated most of the town budget.
- Students benefit from school and public services.

# Talmadge Hill Information

**Coordinates:** 41.1187076°N, -73.499011°W

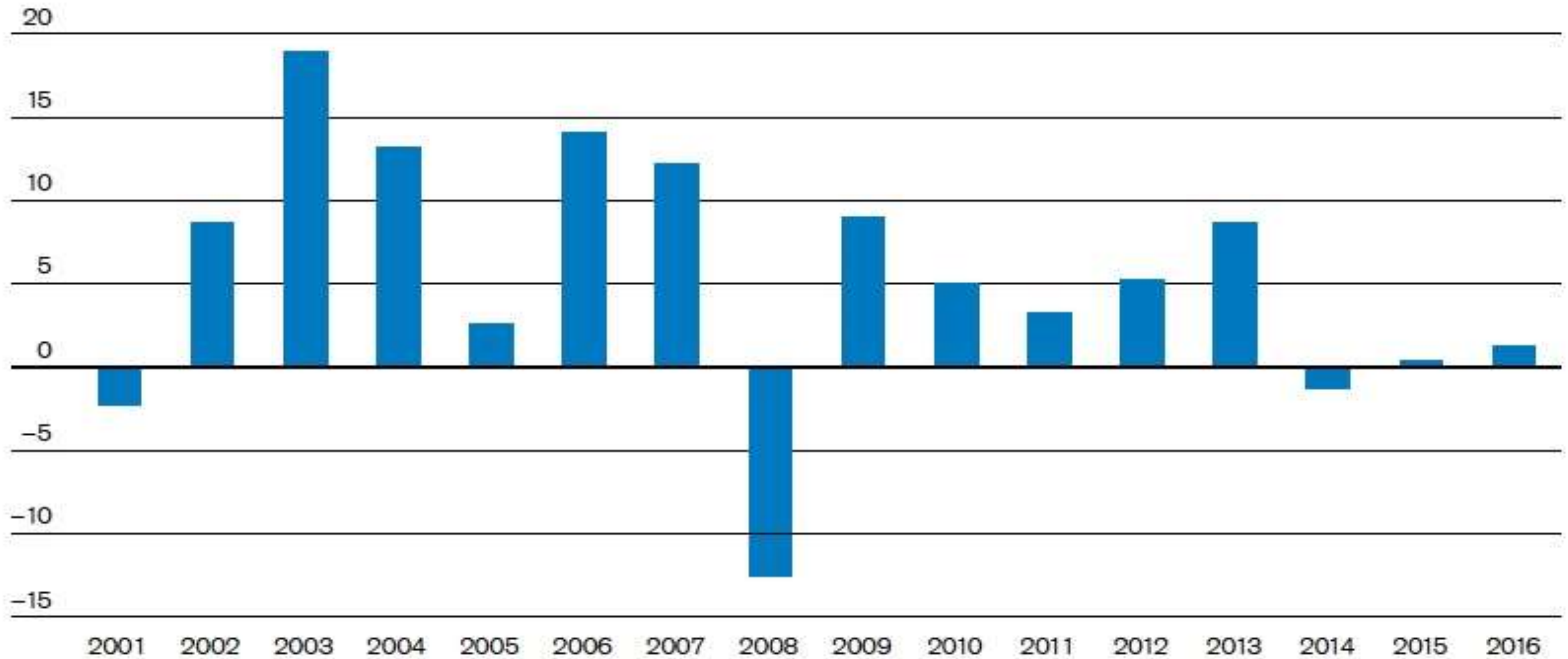
**Approx. Elevation:** 141 feet (43 meters)



# Clouds Above the Promised Land

# US Global Wealth is Declining

Annual percentage change in total global wealth, 2000–2016



Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2016

- US dominance in global wealth is declining.
- Profitability of US firms is declining to 1%.



## North America Growth in Net Worth is Lagging Others

Region - Net Worth at Constant Rates/Adult	2000	2005	2010	2015	2016	2000-2016 Growth - %
Africa	\$2,028	\$3,189	\$4,207	\$5,017	\$5,356	164%
China	\$7,445	\$12,504	\$20,229	\$23,357	\$24,090	224%
Europe	\$76,076	\$100,837	\$118,151	\$136,091	\$139,224	83%
India	\$1,559	\$2,460	\$3,740	\$4,116	\$4,240	172%
Latin America	\$7,157	\$10,865	\$16,349	\$21,943	\$23,088	223%
North America	\$199,653	\$264,664	\$256,860	\$336,419	\$340,611	71%

- North America growth is lagging.
- China and India gaining but still way behind.

# [New Canaan Cost of Living Keeps Exceeds the US](#)

## Cost of Living in New Canaan (zip 06840), Connecticut

[Overview](#), [People](#), [Health](#), [Economy](#), [Housing](#), [Rankings](#), [Climate](#)  
[Crime](#), [Comments](#), [Transportation](#), **Cost of Living**, [Religion](#), [Voting](#)

Cost of Living	New Canaan, CT	United States
<a href="#">Overall</a>	292	100
<a href="#">Grocery</a>	116.8	100
<a href="#">Health</a>	115	100
<a href="#">Housing</a>	650	100
<a href="#">Utilities</a>	138	100
<a href="#">Transportation</a>	123	100
<a href="#">Miscellaneous</a>	129	100

- New Canaan has high costs of living.
- Costs of housing are exceptionally high.

# Price of New Canaan Homes Not Increasing



- New Canaan housing costs staying below 2008.
- New Canaan economics dictated by real estate.

## *Dollar Worth of New Canaan Homes Declining*

Year	2012	2013	2014	2015	2016	2012-2016 Cost Impacts
Increase in New Canaan Mill rate	-18.0%	-1.6%	-3.6%	-6.6%	-2.9%	-32.6%
Global Dollar Devaluation	-2.7%	-1.1%	-3.0%	-11.2%	-4.5%	-19.8%
National Inflation	-1.8%	-1.4%	-1.5%	-0.3%	-1.5%	-6.4%

NC Tax: <http://ncadvertiser.com/57312/tax-rates-and-increases-town-in-middle-of-pack/>

Inflation: <https://fred.stlouisfed.org/series/CUUS0000SA0>

Dollar Devaluation: <https://fred.stlouisfed.org/series/CUUS0000SA0>

- New Canaan taxes are quintuple of the inflation.
- Dollar devaluation has depreciated homes 20%.
- National inflation is depreciating homes 6%.



## *New Canaan Homes Burdened by State and Local Debts*

State Rank	State	State and Local Debt per Capita
1	Wyoming	\$2,571
2	Idaho	\$3,889
3	Montana	\$4,351
4	West Virginia	\$4,413
50	Connecticut	\$14,676
51	New York	\$18,046
52	District of Columbia	\$21,724

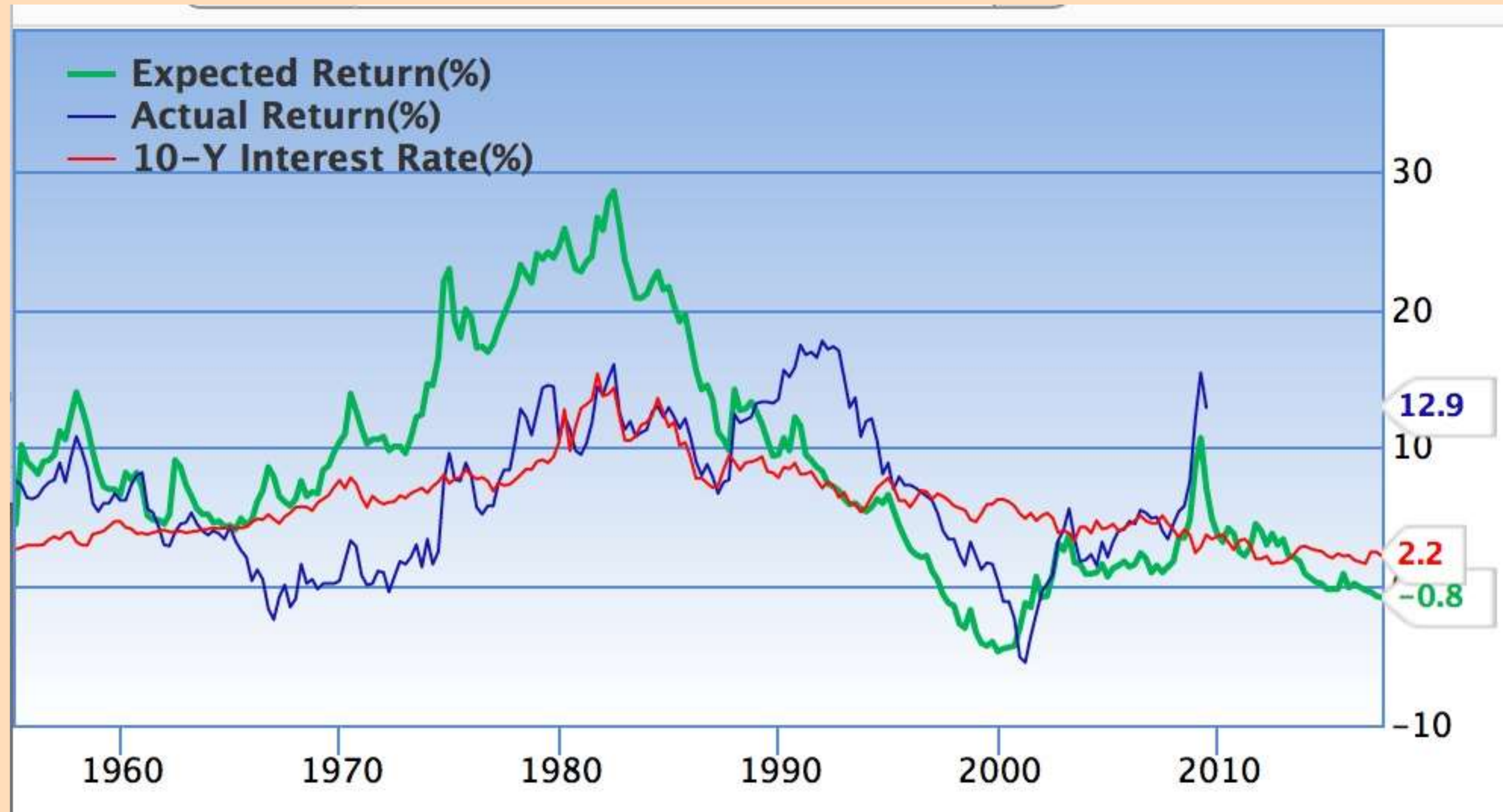
- New Canaan ranked #50 out of #52 in other debt.
- For an average family other debt is \$33,000.

# *Character of Communities is Changing With Rise in Rentals*



- Lower home ownership comes to New Canaan.
- The economics of owning a home shifts to rental.

# Meanwhile Expected Returns on Investments Decline to -0.8%



- Stock market investment returns peaked in 1980.
- Stock market investments now negative.

# **Summary about New Canaan:**

It is a great place where to live but

it is not as good as it used to be.

Still remains the “next station to heaven”.