



**2003 Survey  
Results Summary**

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## Background and Objectives

Del Webb, a brand of Pulte Homes, commissioned the annual *Baby Boomer Report* to examine opinions and preferences on retirement, health and fitness, financial preparedness and active adult living communities among members of the largest single demographic group ever to pass through American society, the baby boomer generation.

The target group was members of the baby boomer generation who were between the ages of 44 and 56 and who were either employed full time or seeking full time employment. This age and employment profile was selected as they have yet to retire but are actively planning for their retirement and can offer a great window into the future trends affecting the retirement industry.

Questions pertaining to the following topics were included in the survey:

- Health and Fitness
- Retirement Expectations (Finances, Employment, Activities)
- Home Relocation
- Active Adult Living Communities
- Current Affairs

The results of this survey are summarized on the following pages. Portions of the results have been reserved for internal research only and will remain proprietary to the Company.

## Who is Del Webb?

Del Webb is the nation's leading developer of active adult communities with more than 18 communities currently courting the 55+ buyers. Webb opened its first Sun City community outside of Phoenix, Arizona in 1960 and has been redesigning adult living ever since having sold nearly 100,000 homes. Del Webb's communities have evolved into a haven for those 55 and better where they can live the life they desire and pursue the interests, both physically and mentally, that they have had to put on the shelf most of their working life.

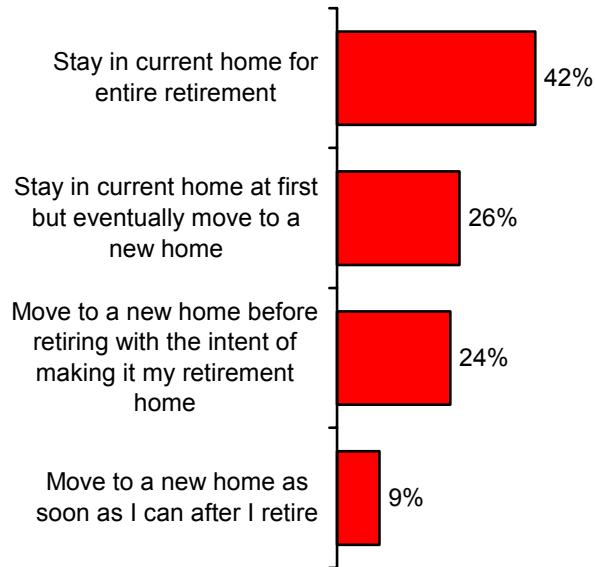
The Del Webb Corporation was acquired by Pulte Homes in July 2001 creating the largest homebuilder in the United States. Pulte's logistical expertise, vast land holdings and home building prowess teamed with Del Webb's superior community development skill and understanding of the 55+ market makes for an organization ready to provide for the needs of the baby boomer generation.

## Baby Boomers and Relocation

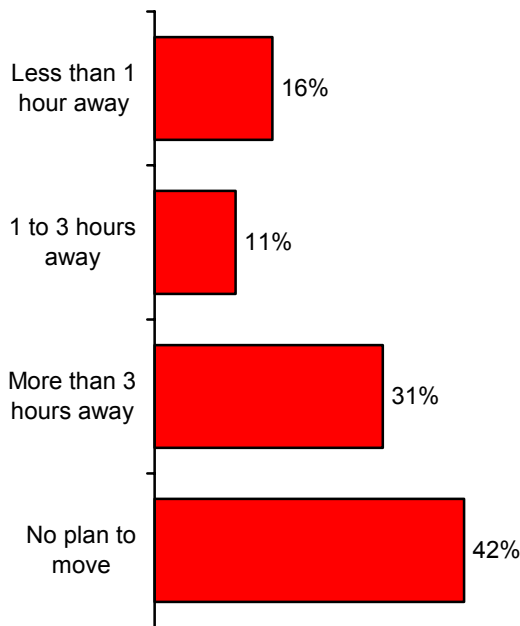
Relocation in retirement is on the horizon for many baby boomers with nearly 6 out of 10 likely to move to a new home for retirement. Compared to past boomer research, this demonstrates a rising interest in relocation among boomers looking to retire.

The 1999 Del Webb baby boomer survey of those age 48 to 52 indicated only 31% had plans to move during retirement.

Some of the difference may be attributable to the younger age group targeted for this survey who may have been more mobile during their career and are therefore more apt to be mobile in retirement.



Base: All qualified respondents (n=1361)

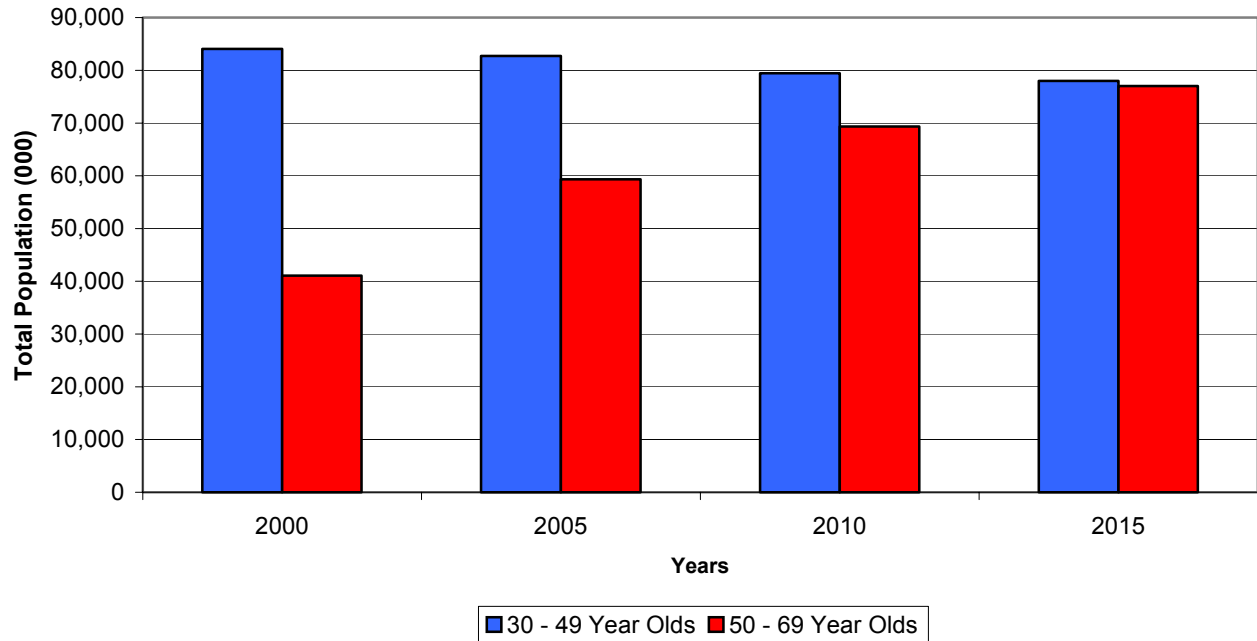


Base: All qualified respondents (n=1361)

Of those planning to move, 31% plan to move more than three hours away from their current location, measured in driving time. This offers Del Webb an expansive market for its active adult communities in destination locations like Las Vegas and Phoenix.

A sizable percentage, 27%, plans to move less than three hours from their current residence. In anticipation of this emerging market segment, Pulte plans to dramatically expand the Del Webb brand with more intimate communities located near major metropolitan areas where relocating baby boomers can remain close to family, friends and the support system to which they are accustomed.

**U.S. Census Bureau - Aging U.S. Population**



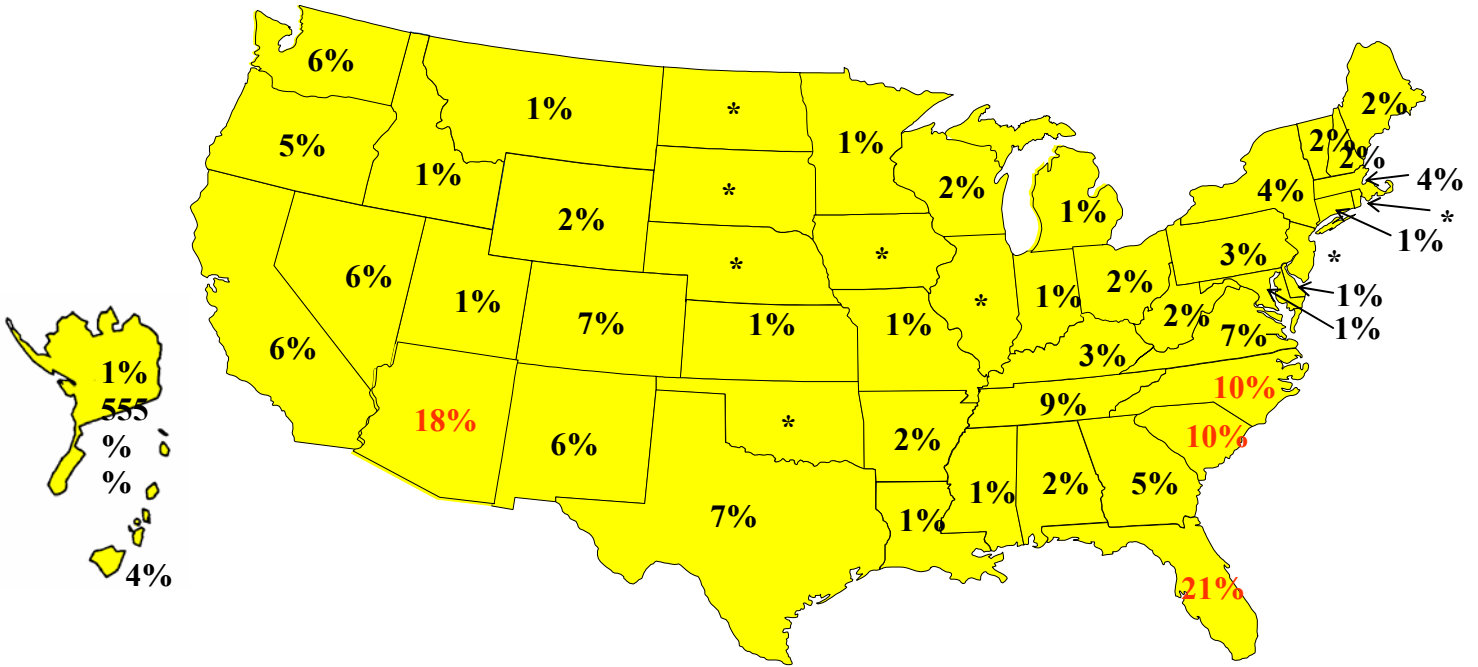
According to the U.S. Census Bureau, the number of individuals between the ages of 50 and 69 will increase by approximately 87% over the next 15 years. Combine these numbers with the increasing percentage of aging baby boomers who are likely to relocate in retirement and you have encouraging signs of a continuation of the housing boom enjoyed for the past decade.

Year	30 - 49 yrs*	50 - 69 yrs*
2000	84	41
2005	82	59
2010	79	69
2015	78	77

*\* in millions*

Pulte Homes is poised to benefit from this growing trend by expanding the Del Webb brand nationwide while continuing to focus on the traditional southwest for destination active adult communities.

### State Boomers Most Likely to Consider Moving to

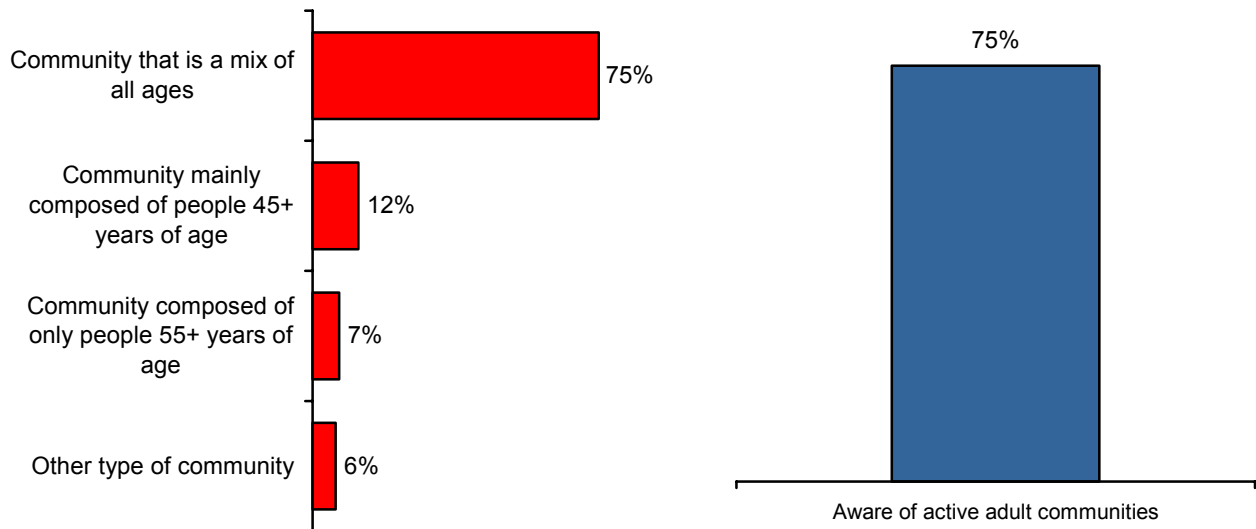


Base: Respondents who are likely to move to another state (n=424)  
\* less than 1%

The traditional warm climates of Florida and Arizona still top the list of states boomers say they are mostly likely to relocate to in retirement. The Carolinas were also favored as relocation destinations. The top ten relocation states for those boomers surveyed were:

Florida	21%
Arizona	18%
South Carolina	10%
North Carolina	10%
Tennessee	9%
Colorado	7%
Virginia	7%
Texas	7%
New Mexico	6%
California	6%

75% of those surveyed were aware of active adult communities. Among those likely to relocate in retirement, 7% chose an age-qualified community as a possibility for their new home.



Base: Respondents who are planning to move when retire (n=831)

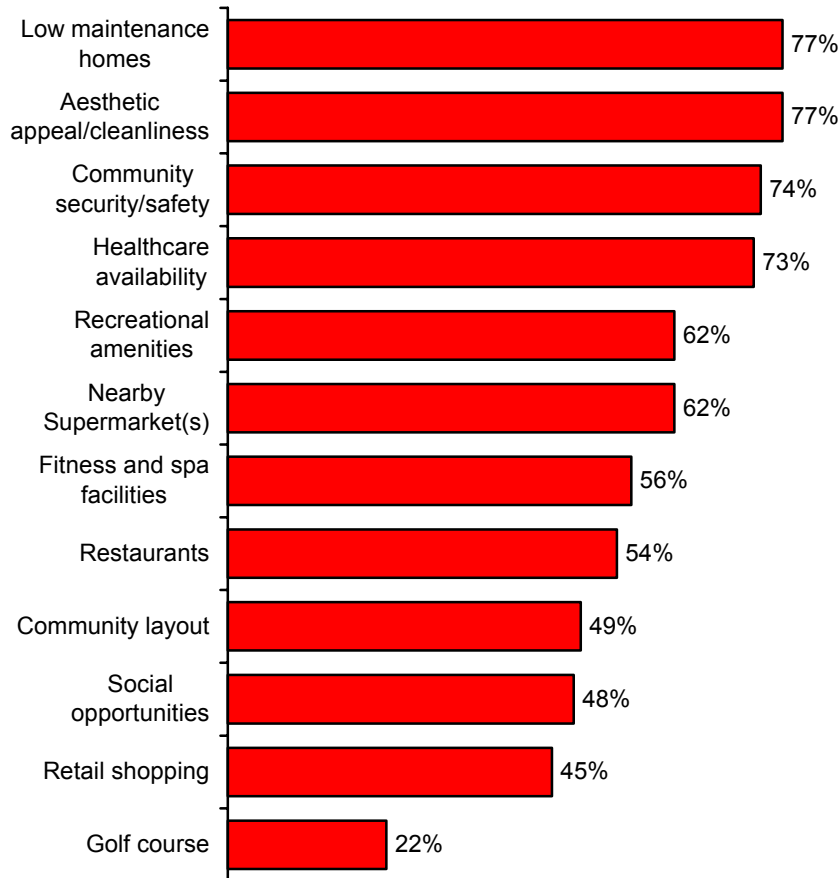
When this percentage is examined in relation to the number of baby boomers in the general population and the high percentage likely to relocate for retirement, the future looks extremely bright for active adult communities.

Year	# age 50 - 69 yrs	# Likely to move*	# interested in active adult communities**
2005	59,000,000	34,810,000	2,436,700
2010	69,000,000	40,710,000	2,849,700
2015	77,000,000	45,430,000	3,180,100

\* Based on 59% likely to relocate in retirement

\*\* Based on 7% of those likely to consider an active adult community

When asked to rank a variety of factors they considered appealing in a new community on a scale of 1 – 5, the factors topping the list are common to Del Webb communities.



\* Rated a 5 or 4 on a 5-point scale where 5= Very appealing and 1= Not at all appealing

### How did Del Webb do?

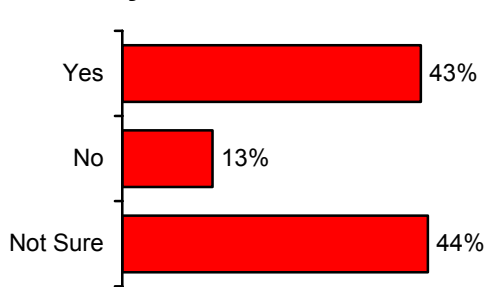
- 19% of those who plan to move in retirement said they were familiar or very familiar with Del Webb and their opinions were overwhelming favorable.
- 90% of those planning to move more than three hours and 83% of those planning to move less than three hours had a favorable opinion of Del Webb.
- Of those familiar with Del Webb, 50% planning to move more than three hours and 60% planning to move less than three hours said they would probably or definitely consider moving to a Del Webb community.

The future for Pulte Homes' Del Webb brand looks bright with high familiarity and favorable opinions among the burgeoning baby boomer population.

## Financial Planning for Retirement

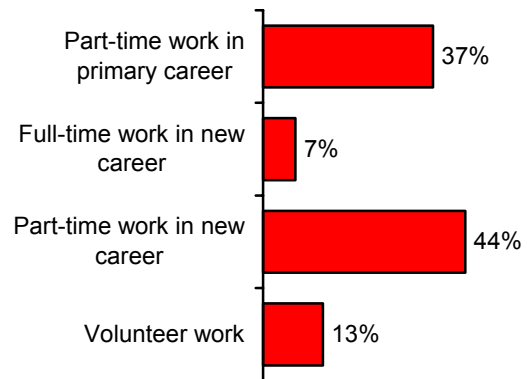
The average age those surveyed expected to retire from their primary career was 63. Yet, a large number of respondents expect to continue working in some capacity. Further, 6% said they never expected to retire from their primary career.

### Will you work in retirement?



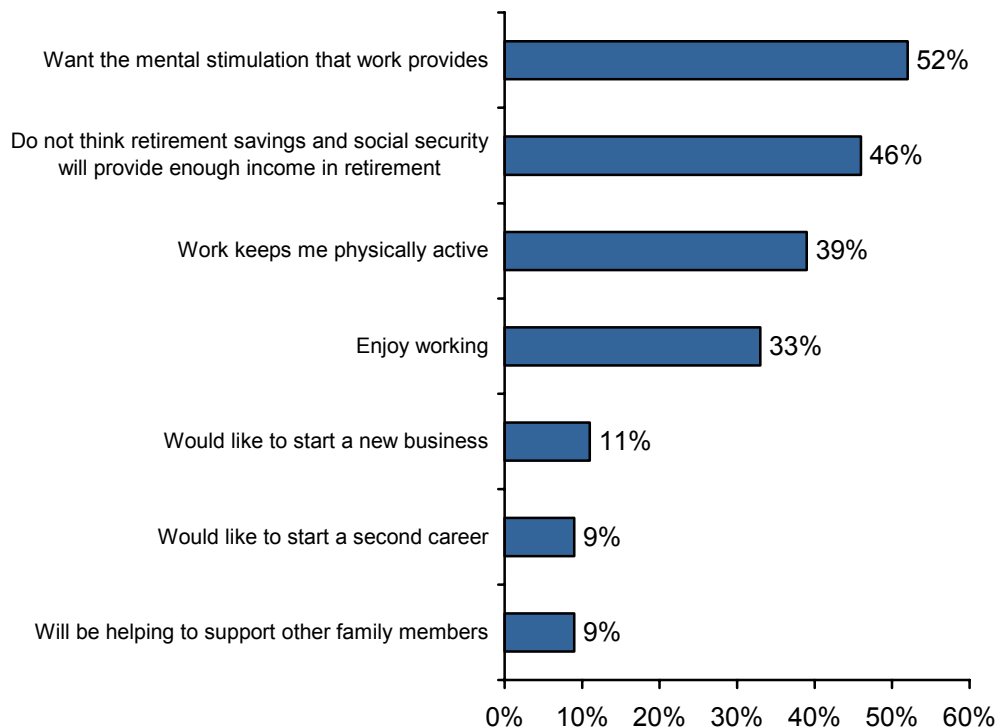
Base: Respondents who plan to retire (n=1250)

### Where will you work?



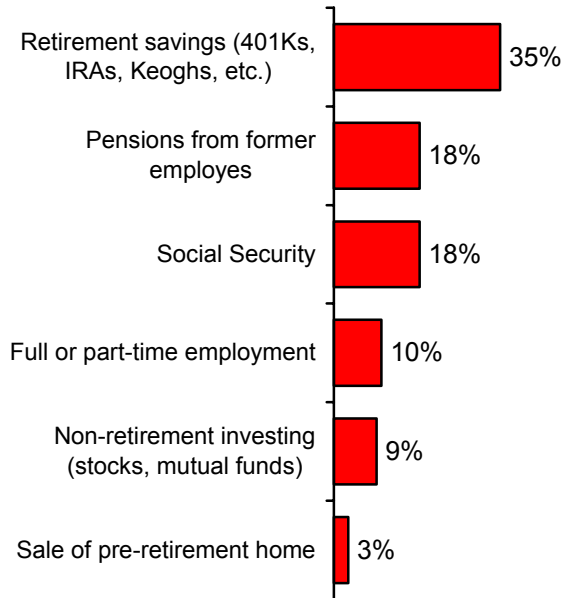
Base: Respondents who plan to continue working after (n=461)

### But why will they keep working?



Base: Respondents who plan to continue working after retirement (n=461)

### Most Important Source of Income in Retirement



Base: All qualified respondents (n=1361)

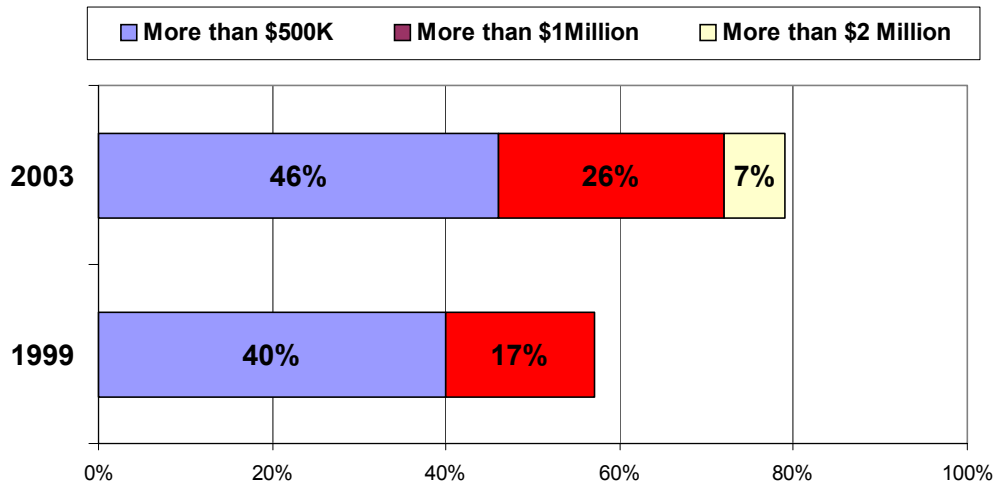
**Base: All qualified respondents (n=**

**11 qualified respondents (n=1361)**

The surveyed boomers see their own savings as the primary source of their post-retirement income. They also feel they need to accumulate, on average, \$800,000 and have it last approximately 19 years.

Compared to findings in previous Del Webb baby boomer studies, the size of the needed nest egg is on the rise. In 1999, 40% of the “leading edge” boomers indicated they would need \$500,000 or more and 17% said they would need more than \$1 million. In the present survey, 46% said they would need more than \$500,000 and 26% said they would need more than \$1 million. In fact, 7% of the boomers surveyed said they would need a nest egg larger than \$2 million.

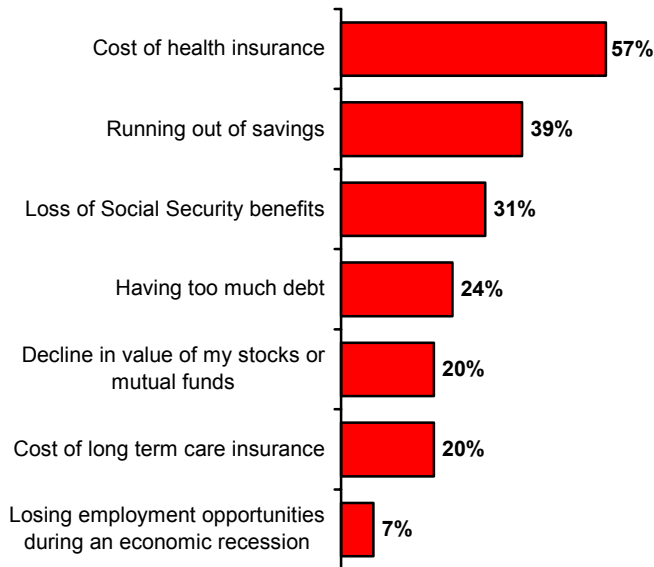
### Estimated Nest Egg Needed During Retirement



Many of the financial concerns of the boomers surveyed tied back to the size of their nest egg and whether it would be sufficient. Running out of savings, loss of social security (the #3 most important source of income) and having too much debt were listed as among the most pressing financial concerns. Additional financial concerns stemmed from worries about being able to cover health care costs and the cost of long term care.

### Most Pressing Financial Concerns

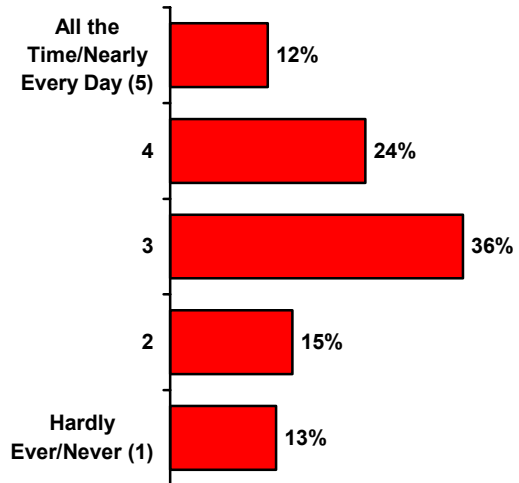
(Ranked 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> in concern)



Base: All qualified respondents (n=1361)

Base: All qualified respondents (n=1361)

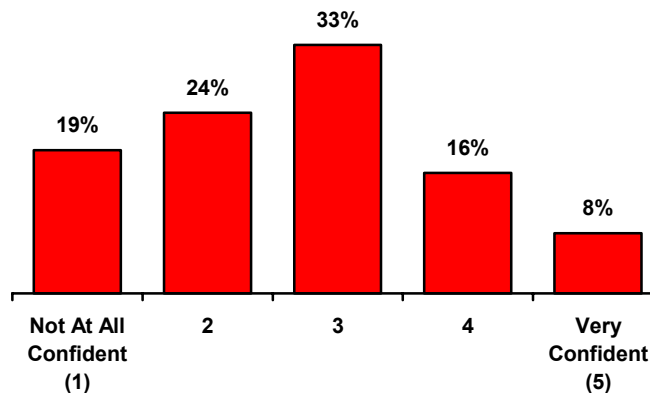
### Frequency of Thinking About Retirement Finances



Base: All qualified respondents (n=1361)

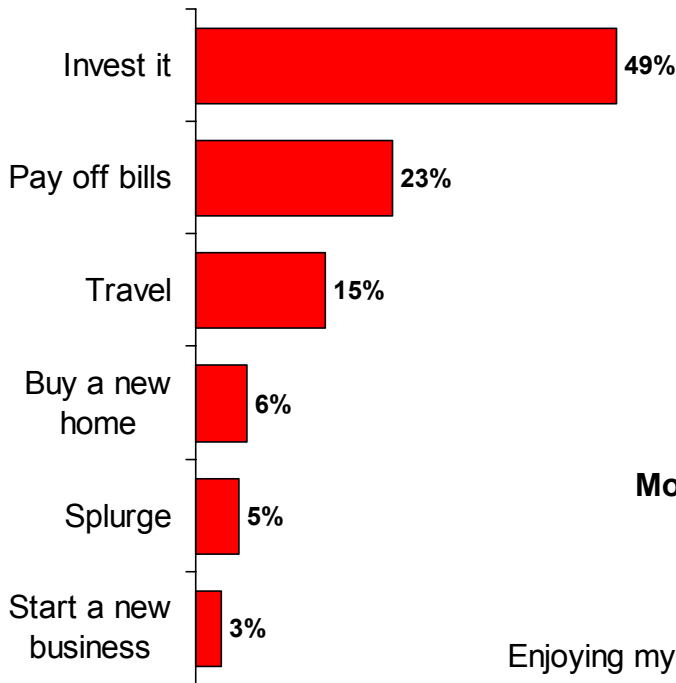
Base: All qualified respondents (n=1361)

### Confidence in Having Enough Income During Retirement



Base: All qualified respondents (n=1361)

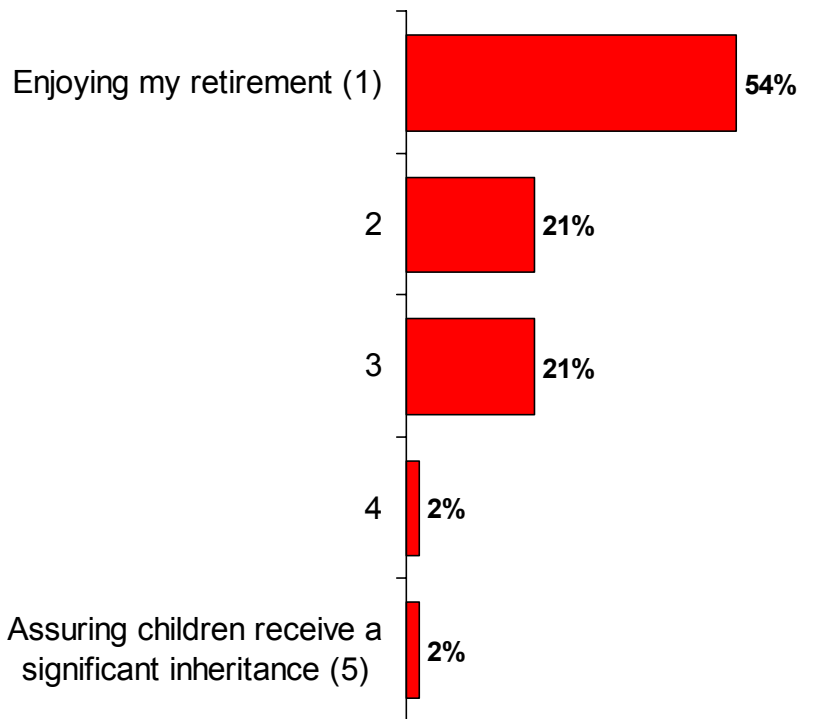
**What Would Do With Winnings if Won Million Dollars in Lottery While Retired**



Base: All qualified respondents (n=1361)

**If they were to win \$1 million they wouldn't splurge, but they will enjoy their retirement and not worry about leaving a financial legacy.**

**More Important: Enjoying Retirement vs. Children's Inheritance**

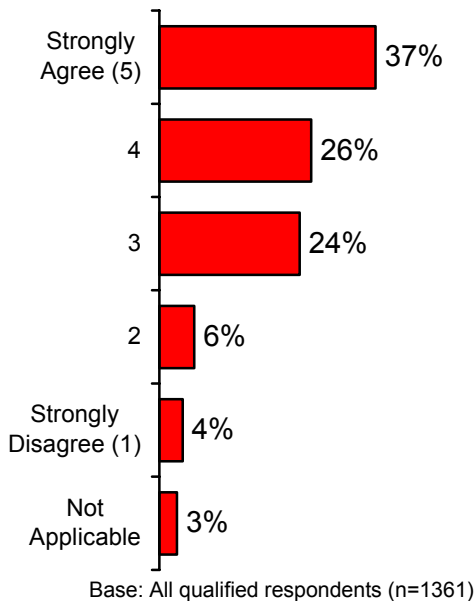


Base: All qualified respondents (n=1361)

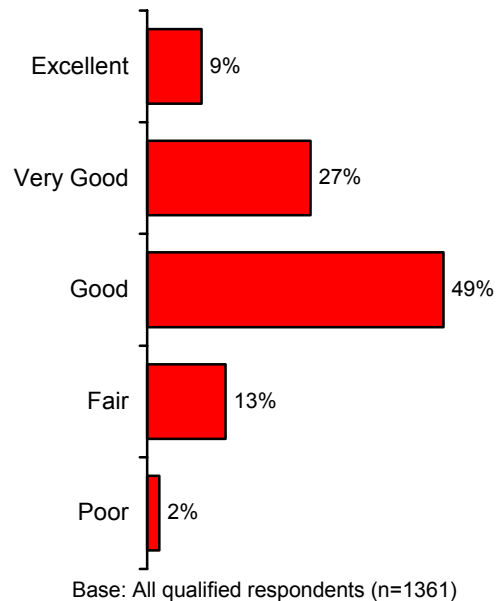
## Health and Fitness

Today's baby boomer is more active than ever with a regular wellness routine as a major part of their lives. Many boomers feel they are in good health and believe they will live longer and be happier if they continue to be active. They exercise at least once a week and expect to increase the amount they exercise as retirement approaches. Fitness is the fountain of youth for the baby boomers.

### Expect to be Healthier During Retirement Than Parents



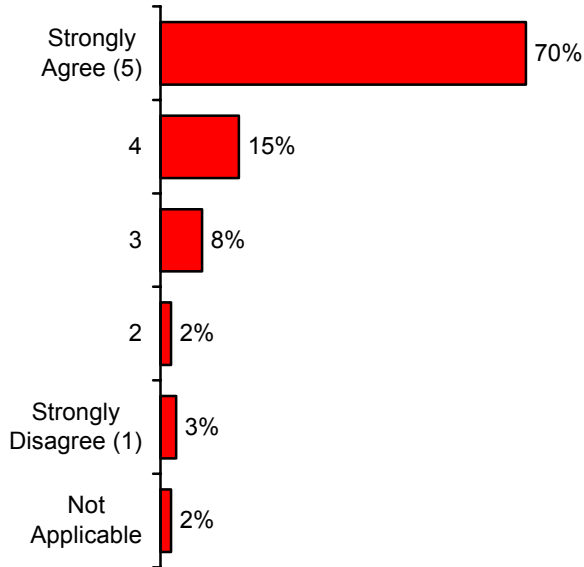
### Current Health



And they believe you are only as old as you feel. In fact, 25.2% reported feeling an average of 15 years younger and 9.7% feel 21 years younger than their physical age.

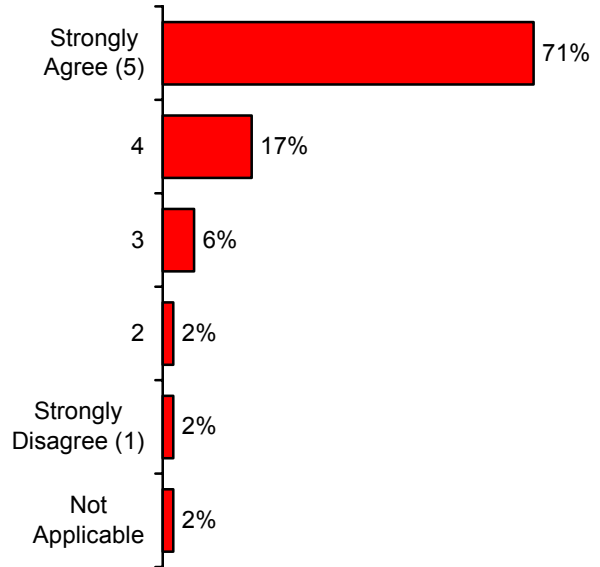
<p><b>Average Age.....49 years</b>  <b>Average Age Feel Like.....42 years</b></p>
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**Believe Will Live Longer if Remain Physically Active During Retirement**



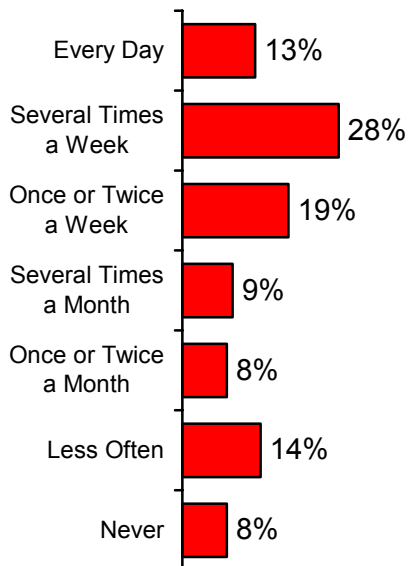
Base: All qualified respondents (n=1361)

**Believe Will be Happier if Remain Physically Active During Retirement**



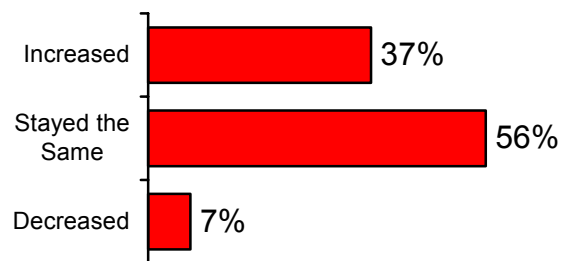
Base: All qualified respondents (n=1361)

**Current Frequency of Exercise or Fitness Activities**



Base: All qualified respondents (n=1361)

**Expected Change in Frequency of Exercise Routine in Retirement**

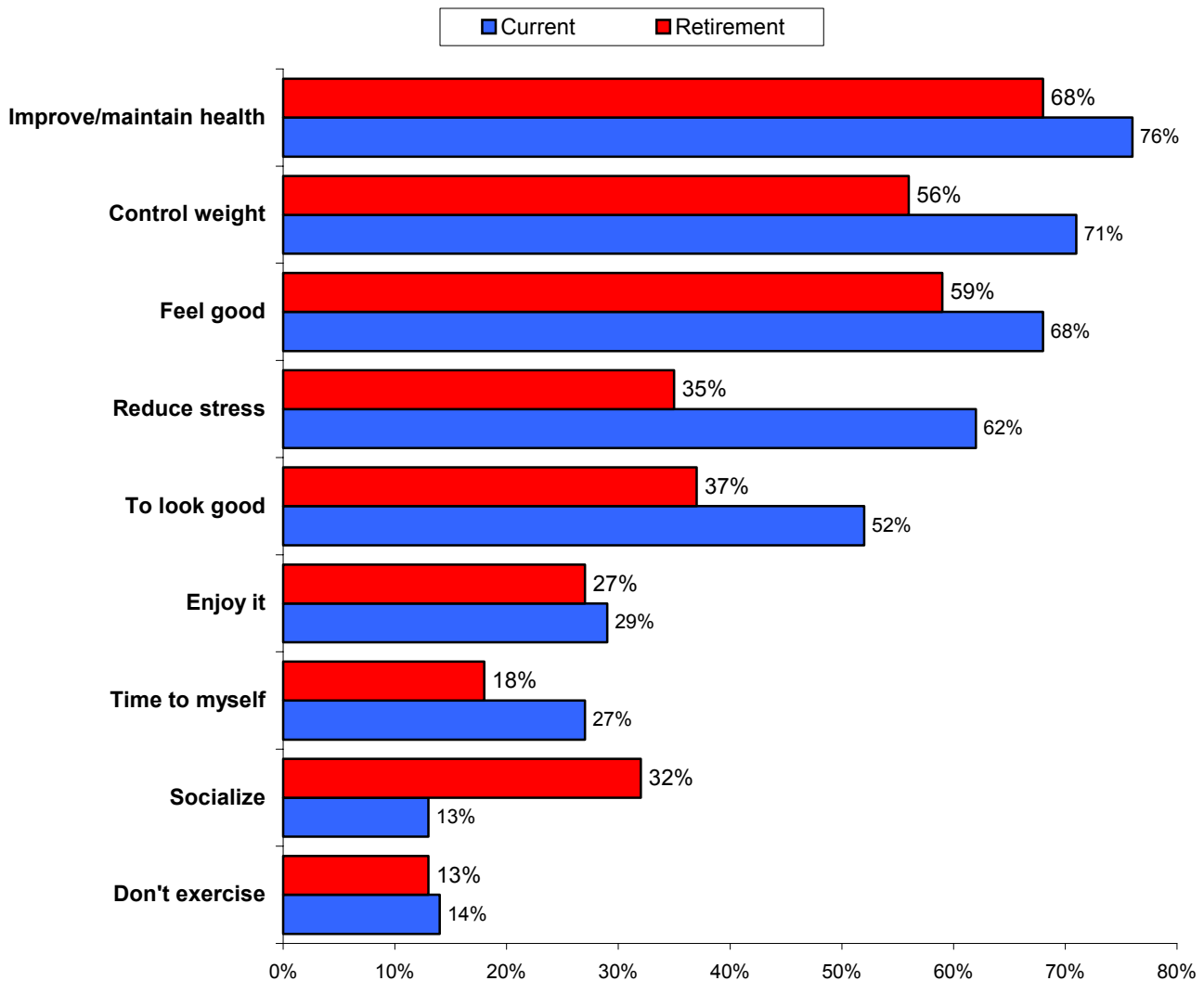


Base: All qualified respondents (n=1361)

The reasons these baby boomers exercise today differ from reasons they give for exercising during retirement. Although improving or maintaining good health is still most important, exercising to reduce stress, control weight and look good are expected to decline in importance while exercising to meet and socialize will increase.

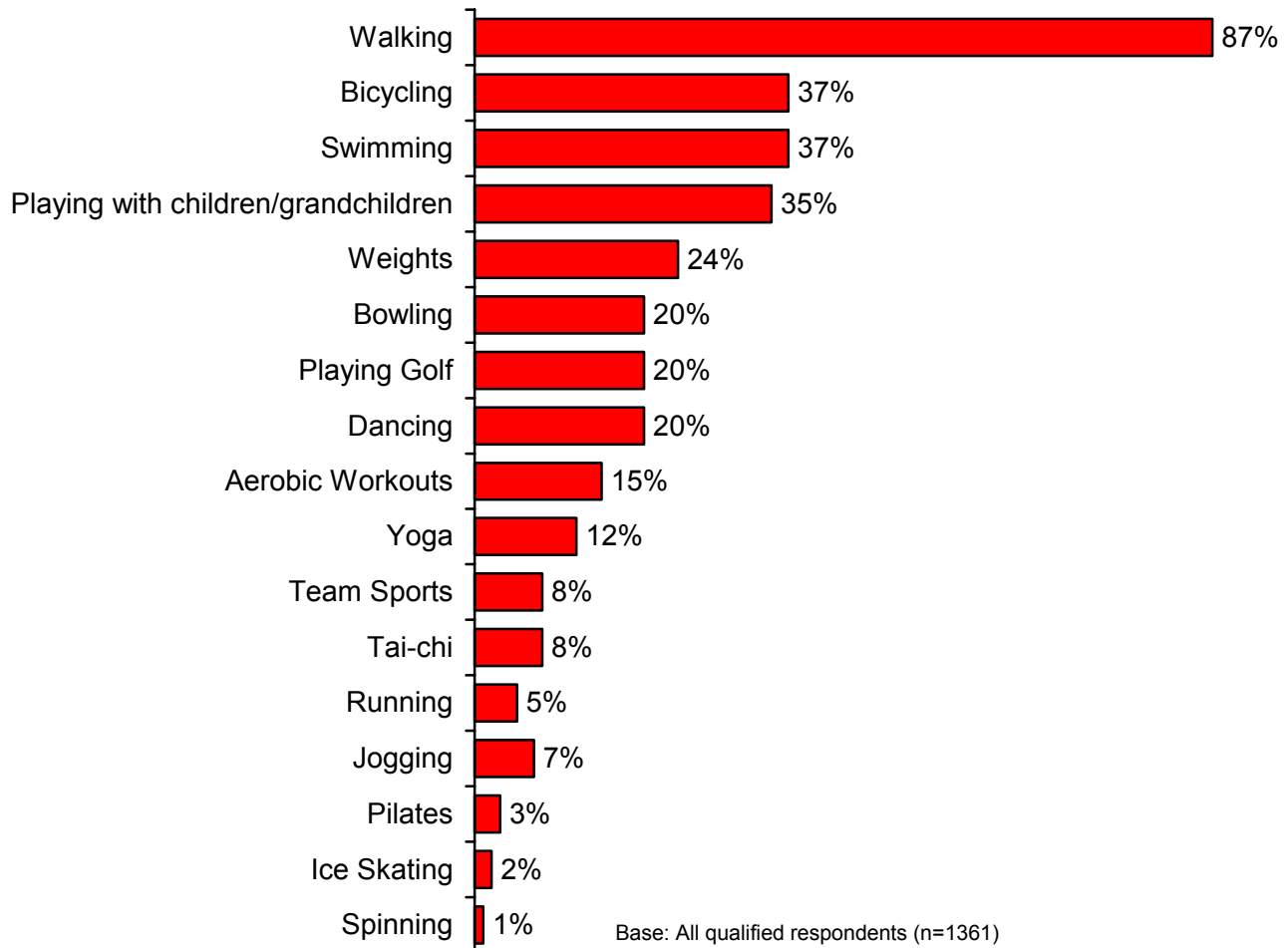
No matter the reason, exercise will always be a part of their lives.

### Why Exercise?



Base: All qualified respondents (n=1361)

### Expected Favorite Forms of Exercise in Retirement

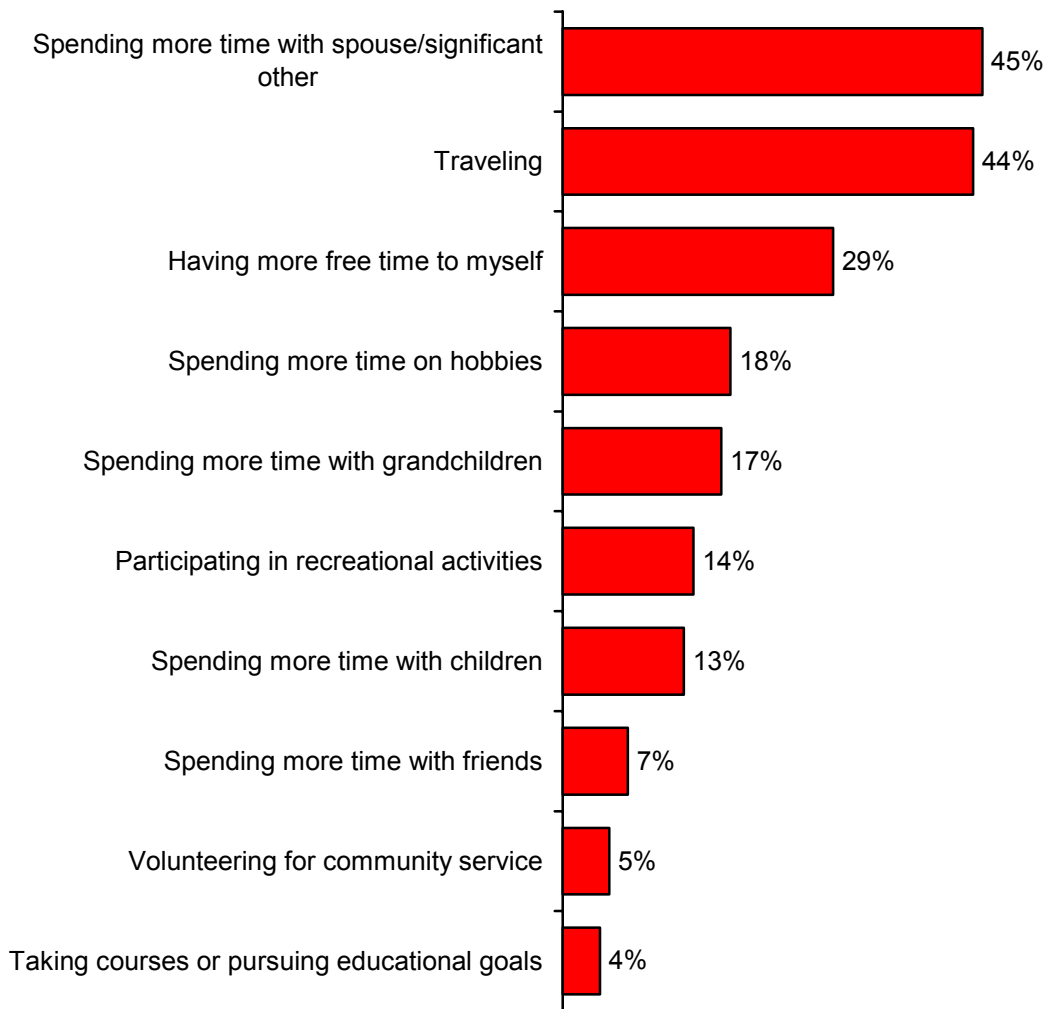


When asked to pick their favorite form of exercise, those activities that are low impact and can easily be done with a spouse or friend came out on top.

While Tai-Chi, Pilates, Spinning and Yoga failed to top the list separately, when lumped together, 17% of respondents indicated they expected to participate in one of these new and trendy types of activities. Also, 24% chose “weights” as the activity they expect to participate in. This shows that today’s baby boomers are definitely leaving the traditional “senior-oriented” exercises behind.

This healthy lifestyle will allow these baby boomers to do more of what they are looking forward to in retirement.

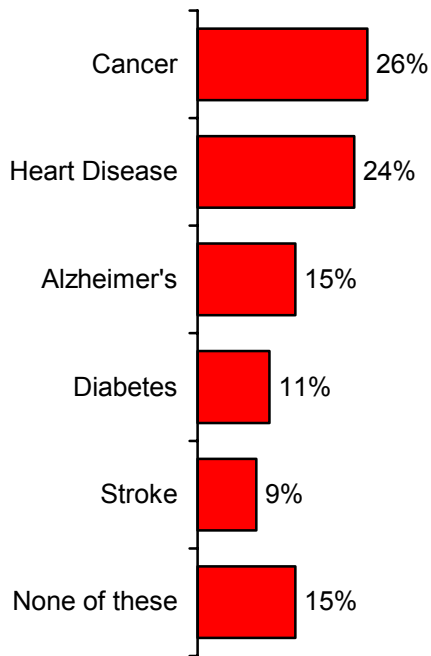
**Activities Most Look Forward to Doing in Retirement**  
(Ranked 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> most important)



Base: All qualified respondents (n=1361)

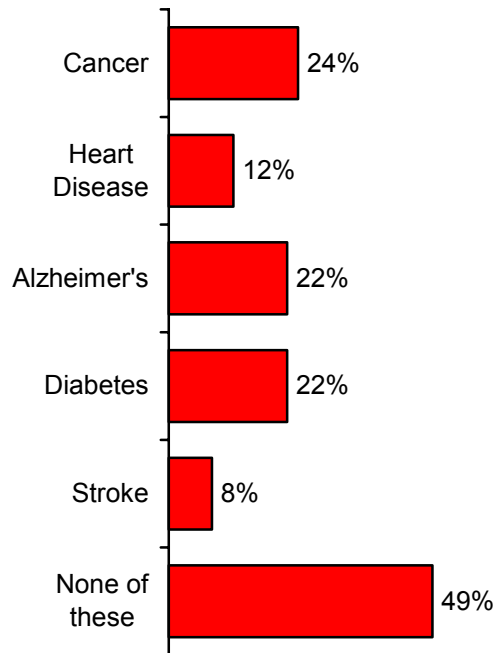
But these healthy boomers are not without concerns. Heart disease is a high retirement health concern among Boomers and offers little hope of a cure before their retirement. Cancer also is reported to be a high health risk concerns in retirement, but the belief in a cure before retirement is much higher.

**Health Risks Most Concerned About in Retirement**



Base: All qualified respondents (n=1361)

**Health Risks that Believe Cure Will be Found Before Retirement**

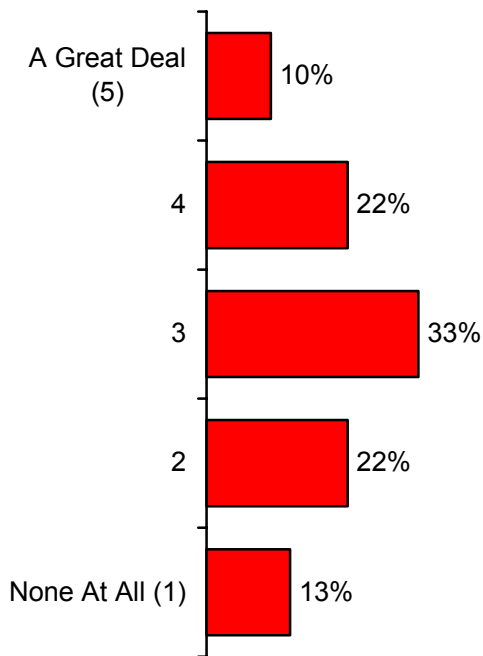


Base: All qualified respondents (n=1361)

## Current Affairs

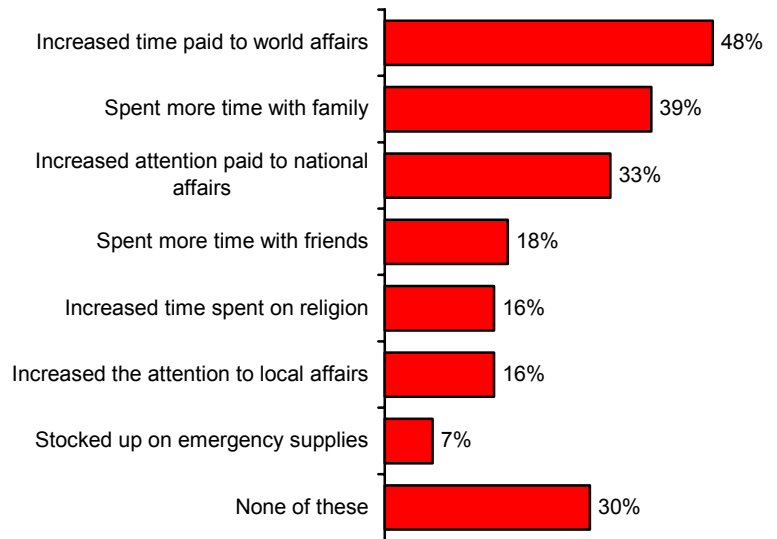
The effect of September 11th on the personal lives of those surveyed appears to be varied although more than a third report that their attention paid to world and national affairs and to their family have increased.

### Level of Impact September 11<sup>th</sup> had on Personal Life



Base: All qualified respondents (n=1361)

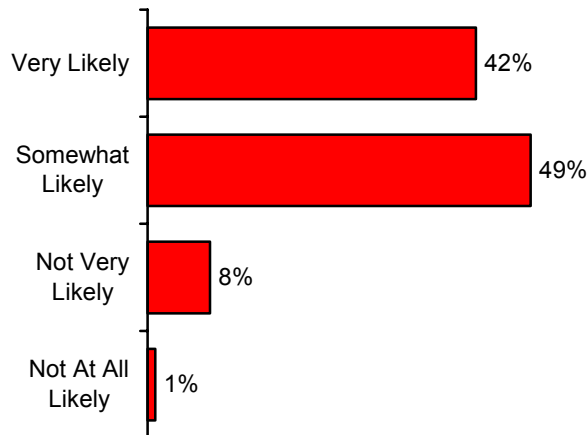
### Behaviors Post September 11th



Base: All qualified respondents (n=1361)

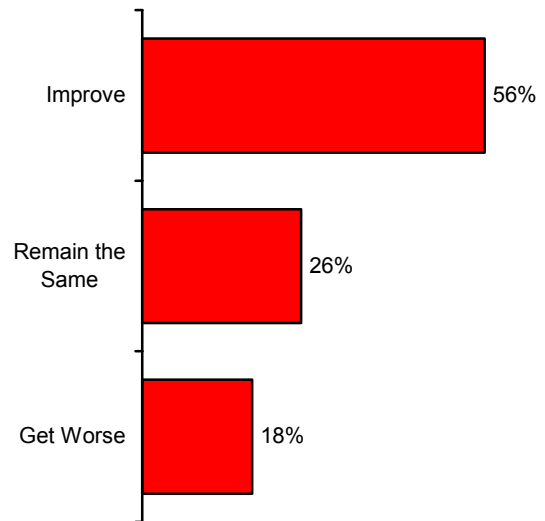
The U.S. fight against terrorism is not expected to subside any time soon as most boomers feel the war will continue into their retirement. September 11th's impact on the U.S. economy is seen as lasting, with only about half of Boomers expecting the economy to improve as they move towards their retirement years.

### Expect U.S. to Still be Dealing with Terrorism When Retire



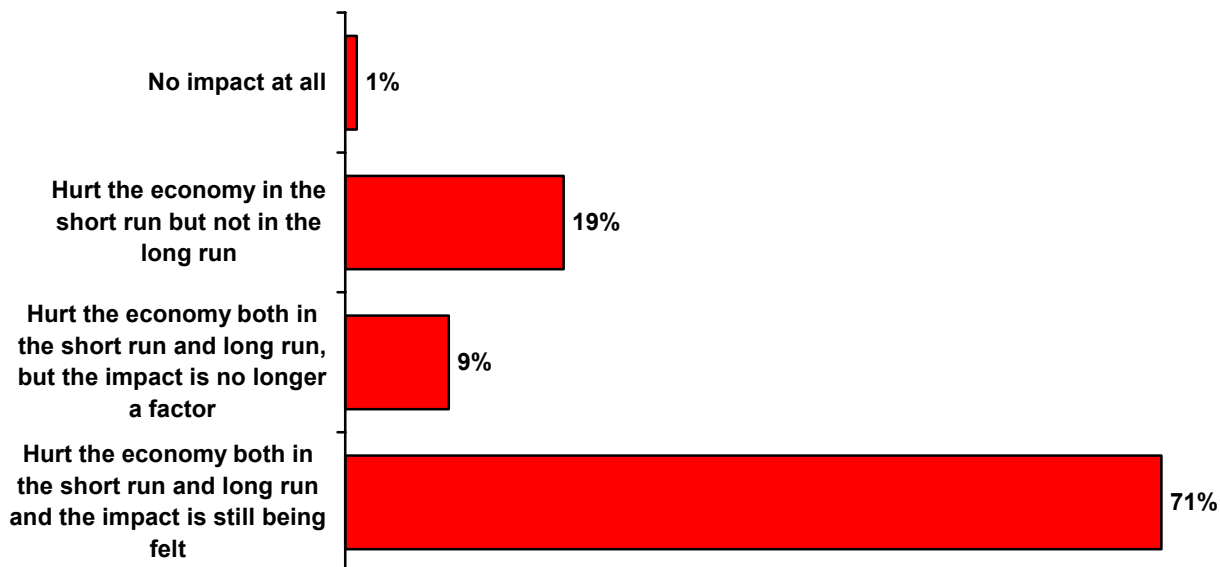
Base: All qualified respondents (n=1361)

### Expectations of U.S. Economy Towards Retirement Years



Base: All qualified respondents (n=1361)

### Impact of September 11<sup>th</sup> and After on the U.S. Economy



Base: All qualified respondents (n=1361)

## Survey Methodology

Harris Interactive, utilizing internet-based surveys, conducted this research within the United States among a nationwide cross section of qualified respondents in April 2003.

Harris Interactive sent email invitations to a national sample of 44-56 year olds, inviting them to participate in the online survey. The sample was drawn from the Harris Poll Online (HPOL) panel.

Qualified respondents consisted of 44-56 year old (baby boomers) U.S. residents who are either employed full-time, seeking full-time employment or self-employed themselves or their spouse/significant other is employed or seeking full-time employment. This age and employment segment was selected as they are not yet retired, but are planning for that phase of their life and can provide a window into the opinions and preferences that will shape the future of the retirement industry.

A total 1,361 respondents were fully qualified and participated in the study, completing the survey.

The results are weighted to assure accurate representation of the population surveyed. "Propensity score" weighting was also used to adjust for respondents' propensity to be online.

In theory, with probability samples of this size, one could say with 95 percent certainty that the results of this survey have a statistical precision of plus or minus 5.1 percentage points if the entire population had been polled with complete accuracy.