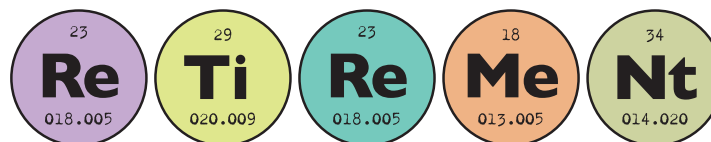


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PRESS RELEASE

Monday 3 November 2014

TOMORROW'S RETIREES PHYSICALLY REPULSED BY THE IDEA OF
'WAITING FOR GOD'

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- Groundbreaking 'lab rat' research reveals the unique 'DNA' of tomorrow's retired generation
 - Five retirement personas discovered - research pinpoints individuals' most and least dominant traits to give profound individual fingerprint
 - People physically rejected stereotypical ideas of retirement, while welcoming suggestions of exciting new beginnings
 - In 64% of participants there was, however, a telling difference between their conscious and sub-conscious visions of their retired selves
 - Encouragingly, most people are aspirational about their retirement and 51% are looking forward to it
 - But worryingly, 30% have no idea if they have sufficient provision to achieve their dreams
 - Two thirds of retirees lack confidence that they are financially prepared

In a first-of-its-kind experiment, Skipton Building Society has hooked up the nation's pre-retirees to scientific probes, revealing their conscious and sub-conscious reactions to images of life after work.

The most stark finding was their dramatic physical and emotional rejection of traditional views of retirement. This included increased perspiration and goosebumps when shown key words and images associated with it, ranging from it being 'the end of a chapter' to the start of their 'golden years'. The study also found that today's pre-retirees are bored by traditional 'pipe and slippers' images of life beyond work.

Dr Jack Lewis, a published neuroscience consultant and author of *Sort Your Brain Out*, said: "Skipton has broken new ground by using physiological and sensory research, together with traditional methods.

"By applying this cutting edge new technology, the Society has been able to dig deep into its respondents' true feelings and combine this with qualitative and quantitative findings, to give the most comprehensive insight yet into what really makes individual people tick when it comes to retirement.

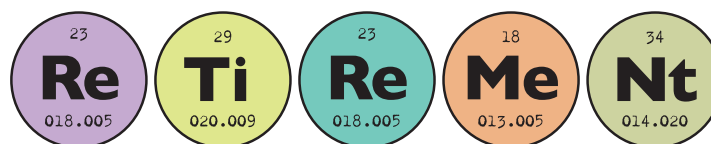
"For too long, retirement has been about clichéd images, but not anymore. Skipton has shown that, like the modern world, life-after-work is becoming hyper-personalised."

The key to these findings was combining conventional qualitative and quantitative fact-finding techniques with a scientific twist. Portable skin sensors provided by research technology firm Sensum were used in focus group and interview settings to track latent responses alongside people's mindful, verbal reactions. A 1,500 person online survey carried out by Carat Media then helped quantify and refine the retirement personas that emerged from the study.

Skipton, the UK's fourth largest building society, is keen to gain a true understanding of people's retirement wishes, in order to be able to help them realise their goals, in line with its new Retirement Service. Skipton is currently offering a free will for anyone who has a free Retirement Review in any of its branches.

In what is believed to be a first for UK financial services, the Society commissioned a three-stage research process, involving tried and tested methods with physiological and sensory responses bolted on, to give genuine 360 degree insight.

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This revealed five distinctive retirement 'personas': Activity Seeker, Adventurer, Comfort Seeker, Knowledge Seeker, and Worker.

However, no one conforms to just one persona. Further investigation showed that all of those taking part had a unique 'retirement DNA' profile, made up of elements of each, with areas of dominance. This showed that, as with a fingerprint, no two retirees are the same.

Armed with this research, Skipton, and its customers, can better understand their specific individual preferences and retirement ambitions.

The research also showed that people physically balked at suggestions of retirement being synonymous with old age, with a 23% uplift in sub-conscious responses observed (goosebumps and increased perspiration!). Their bodies also responded positively to the idea of retirement being the start of a new chapter, and wanting to remain productive despite giving up work (showing a 26% and 23% increase in physical reactions respectively). At the same time, the respondents' lack of reaction to images such as cosy pubs and nights at the dogs indicated they were bored by the idea of a laid-back retirement.

Most people described clear and inspired plans, from wing walking to starting new businesses. But in 64% of people, their physiological responses contradicted this to some extent - highlighting a degree of confusion about their vision of their futures.

A worrying 22% said they had no or incomplete plans in place for retirement. And of those who did, 30% said they have no idea how much money they have put by to achieve them.

Overall, anxiety was evident as nearly two thirds of retirees lacked the confidence that they are financially prepared for their retirement.

While over half (51%) of retirees have dreams for spending their retired years, 28% are indifferent about the whole idea of retirement, 12% don't want to retire and 9% really are not looking forward to it.

Following this research, Skipton is developing a new retirement DNA profiling tool to be available as an app in its branches, to help customers identify their own retirement persona and fingerprint.

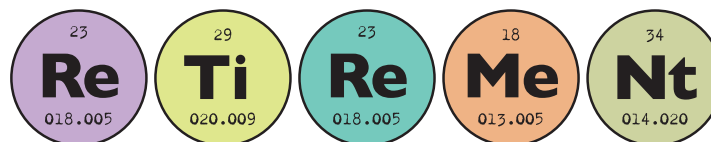
"Introducing the new Retirement Service in our branches is really helping our customers to understand their aspirations for the future and get them thinking about how they plan to achieve them," said Skipton's Group Chief Executive David Cutter.

"This innovative research demonstrates how committed we are to really understanding and meeting the needs of the UK's current and future retirees.

"But it has revealed some worrying trends - we cannot have a country of people bursting with aspiration, whose hopes are then struck down by apathy or aversion to financial planning.

"As a mutual, we were established 161 years ago to help tackle the prevalent social issue of the time - helping ordinary people to build their own homes. Through our new Retirement Service, we're bringing this ethos bang up to date by tackling THE financial issue of today."

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RESEARCH BACKGROUND

- Research conducted over three stages between July and September 2014
 - Stage 1: 4 x 8 person focus groups in Manchester & York
 - During the Manchester groups, respondents were monitored with Sensum Galvanic Skin Response (GSR) technology
 - Stage 2: An online survey of 1,500 nationally representative adults in the 50-70 age group
 - Stage 3: 30 x 15 minute individual GSR sessions, responding to video stimulus
- Galvanic Skin Response is a method of measuring the electrical conductance of the skin, which varies depending on the amount of sweat-induced moisture on the skin
- More specifically, in our experiment, GSR was used to measure variations in the physiological responses of the skin (type 2/sub-conscious responses alongside type 1/conscious responses). These were obtained through qualitative discussions about retirement (in stage 1) and stated agreement/disagreement that certain imagery was associated with the retirement respondents wanted (in stage 3).

PERSONAS SUMMARY DESCRIPTIONS

Activity Seeker - characterised by people valuing physical activity and fitness now and into their retirement. Those who are strongly active seeking display a desire to take part in pursuits and activities which are exercise based and beneficial for their health in retirement such as walking, yoga, swimming and dancing.

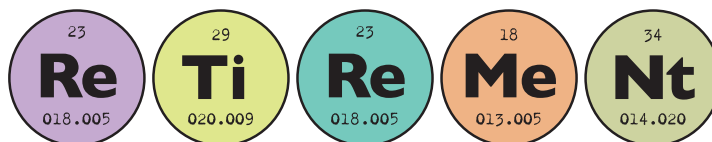
Adventurer - risk taking and the continuing need for thrills are key to this persona. Those who are strongly adventure seeking display a particular desire to take part in activities that have an acceptable level of risk and excitement in retirement such as sky diving, water sports, climbing and adventure holidays.

Comfort Seeker - the appreciation of home comforts and the simpler things in life are what define this persona. Those who are strongly comfort seeking see their retirement playing out with a slower pace, prioritising the family and the home and garden.

Knowledge Seeker - a desire for continual learning and enrichment from others and the environment is core to knowledge seekers. Those who are strongly knowledge seeking are likely to engage in activities that are informally and formally enriching, such as the pursuit of new hobbies, increased time with peers and acquiring new skills.

Worker - for work seekers, work is a passion and vocation, not a necessary evil, and there is therefore little appetite to stop working. Those who are strongly work seeking are more likely to want to either never stop working or take part in work replacing activities such as volunteering and charity work.

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For further information,
or to arrange interviews,
please contact the Skipton
Press Office on 03456 017247.

Email newsline@skipton.co.uk
or visit the press section
of our website at
www.skipton.co.uk.

STACEY STOTHARD, CORPORATE
COMMUNICATIONS MANAGER

If outside Press Office hours
(9am - 5pm, Monday to Friday),
please call 07793 699 878.

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EDITORS' NOTES

1. Skipton is the UK's fourth largest building society, with over 785,000 customers, £15.1bn of assets and a national presence represented by its network of branches and agencies. It heads the Skipton Building Society Group, whose subsidiary companies have significant interests in estate agency and related businesses (through the Connells group) and a number of financial advice providers, including Skipton Financial Services.
2. Skipton's mortgages and savings were independently endorsed with 586 independent media best buy table mentions during the course of 2013.
3. Skipton has been declared the Best National Building Society 2014 by What Mortgage, Best Buy to Let Mortgage Provider for 2014 at the Business Moneyfacts awards and Best Junior/Children's Savings Provider for 2013/2014 at The Personal Finance awards. In 2014 Skipton also scooped the Savings Innovation Award at the Savings Champion Awards 2014 and was highly commended in the Best Fixed Rate ISA Provider and Best Children's Account Provider. The Society was highly commended at the 2014 What Mortgage Awards in the Best Tracker Mortgage Provider award.
4. Strongly committed to Corporate Social Responsibility and community investment, the Society has won an International CSR award and has been shortlisted for three other national accolades for its pioneering Grassroots Giving programme. In keeping with its founding ethos of helping people to help themselves, 'GrG' sees it giving donations of £500 to small clubs and societies across the UK which are typically overlooked for funding, but make a real difference to people's lives in their localities. In 2014, 161 donations will be made, to organisations selected from a shortlist by public vote.

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