

# Equity Compensation Plan Participant Survey

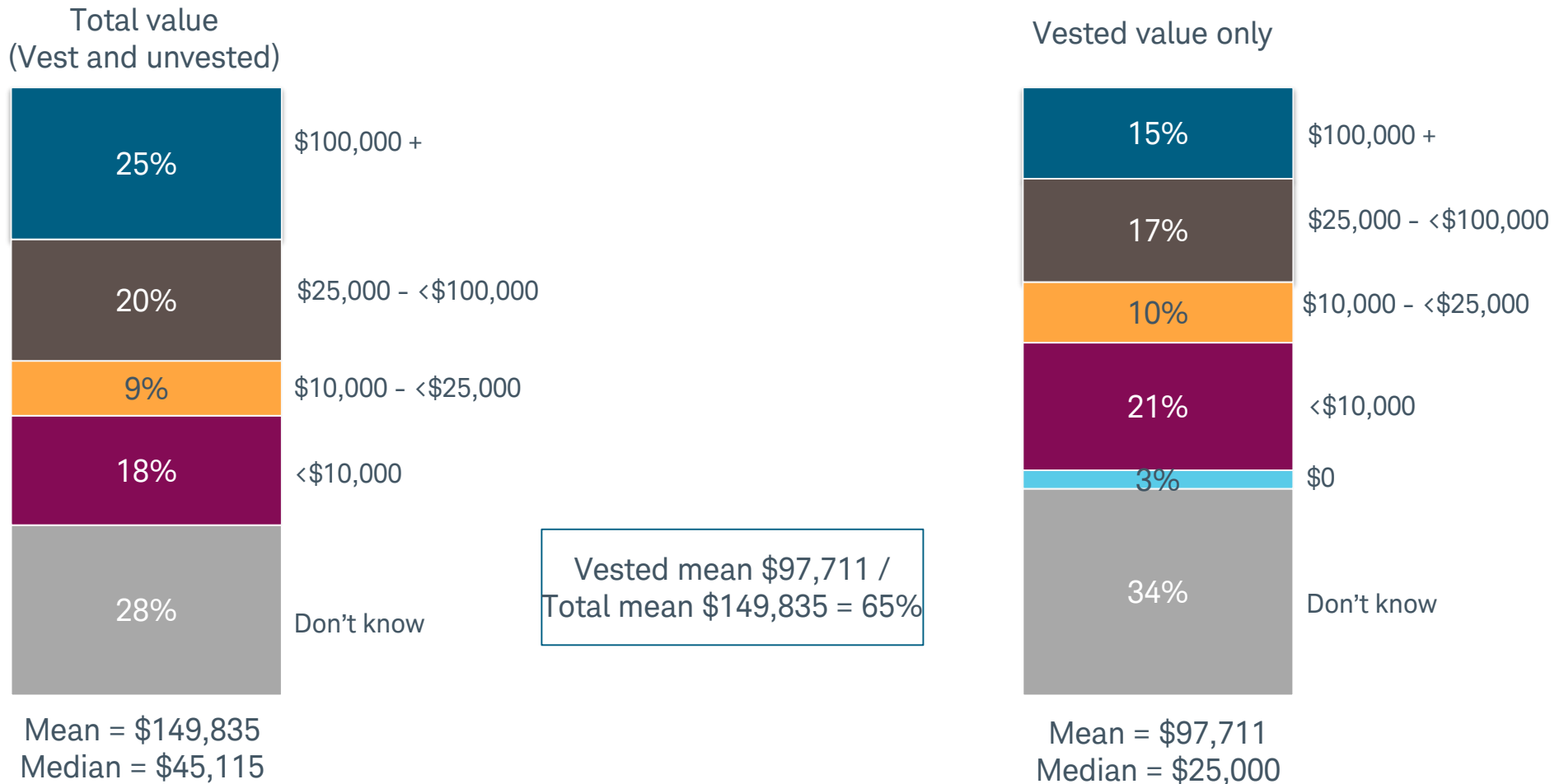
November 2019

*charles*  
SCHWAB

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# Employees are, on average, 65% vested in their equity compensation

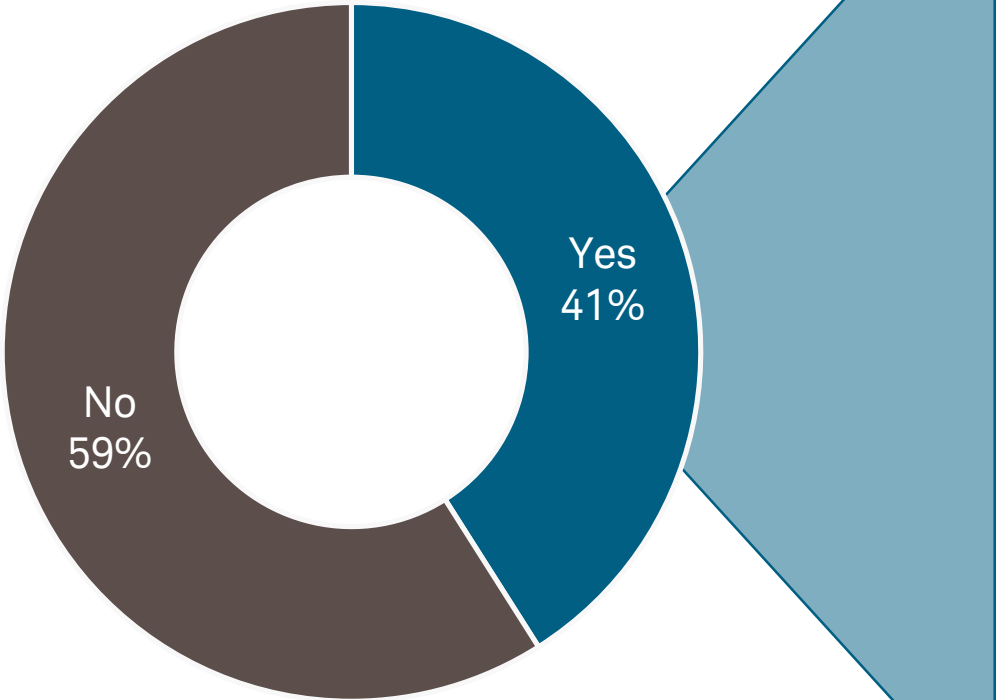
## Value of equity compensation Total



Q. What is the value of your equity compensation? Please do not include any ESPP in your calculation (Base: Participate in equity compensation or ESPP programs = 900)  
 Q. What is the vested value of your equity compensation? (Base: Participate in equity compensation or ESPP programs = 900)

# Two in five employees have exercised or sold any equity compensation

Ever exercised/sold any equity comp  
Total



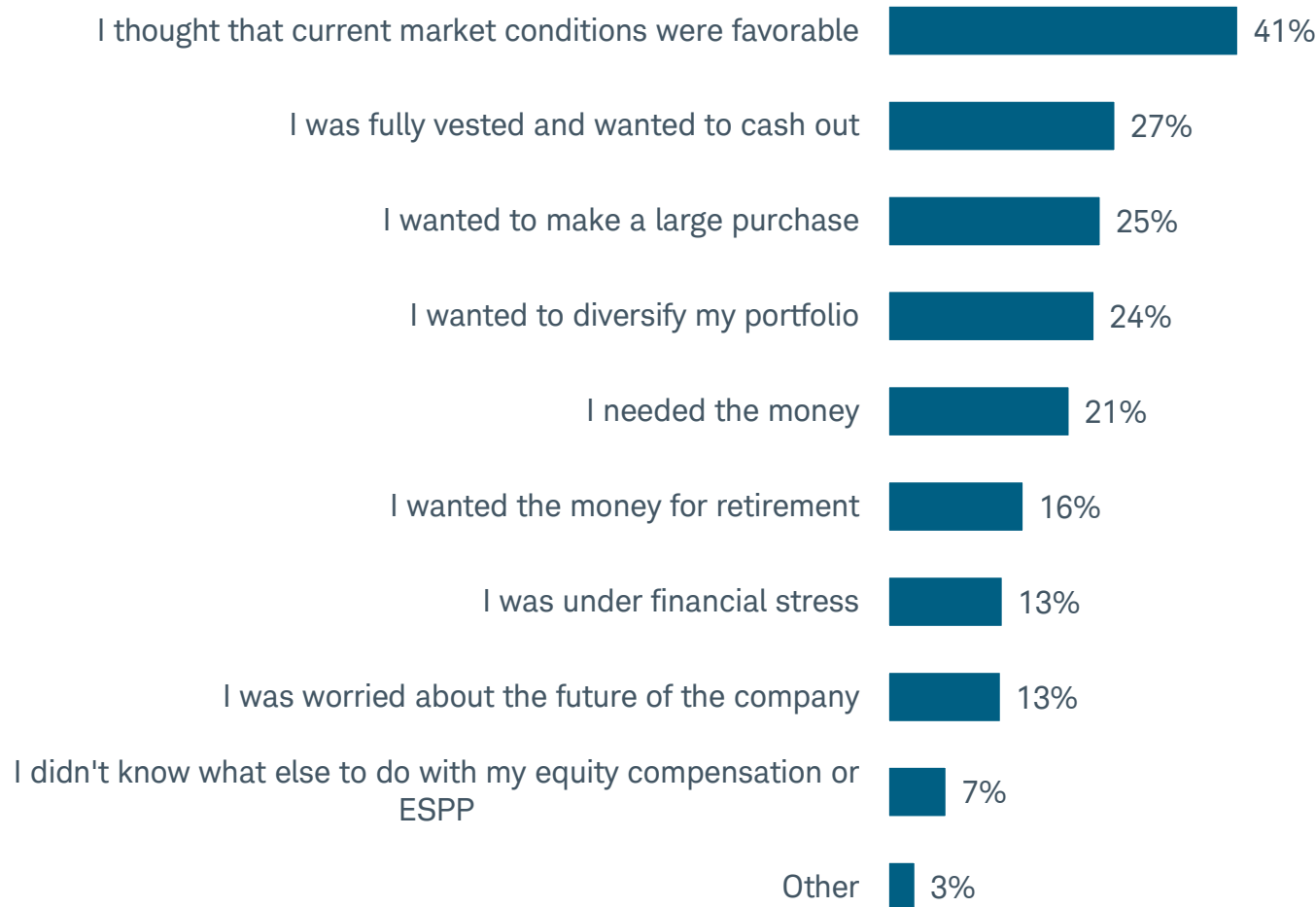
By Generation	
Millennials	48%
Gen X	35%
Boomers	41%

By Equity Comp Program:	
RSUs	62%
RSAs	54%
SARs	50%
NSOs	56%
ISOs	42%
Performance	37%
ESPP	43%

Q. Have you ever exercised or sold any of your equity compensation or ESPP? (Base: Total = 1,000)

# Main reasons for selling any equity comp are favorable market conditions, being fully vested, or wanting to make a major purchase

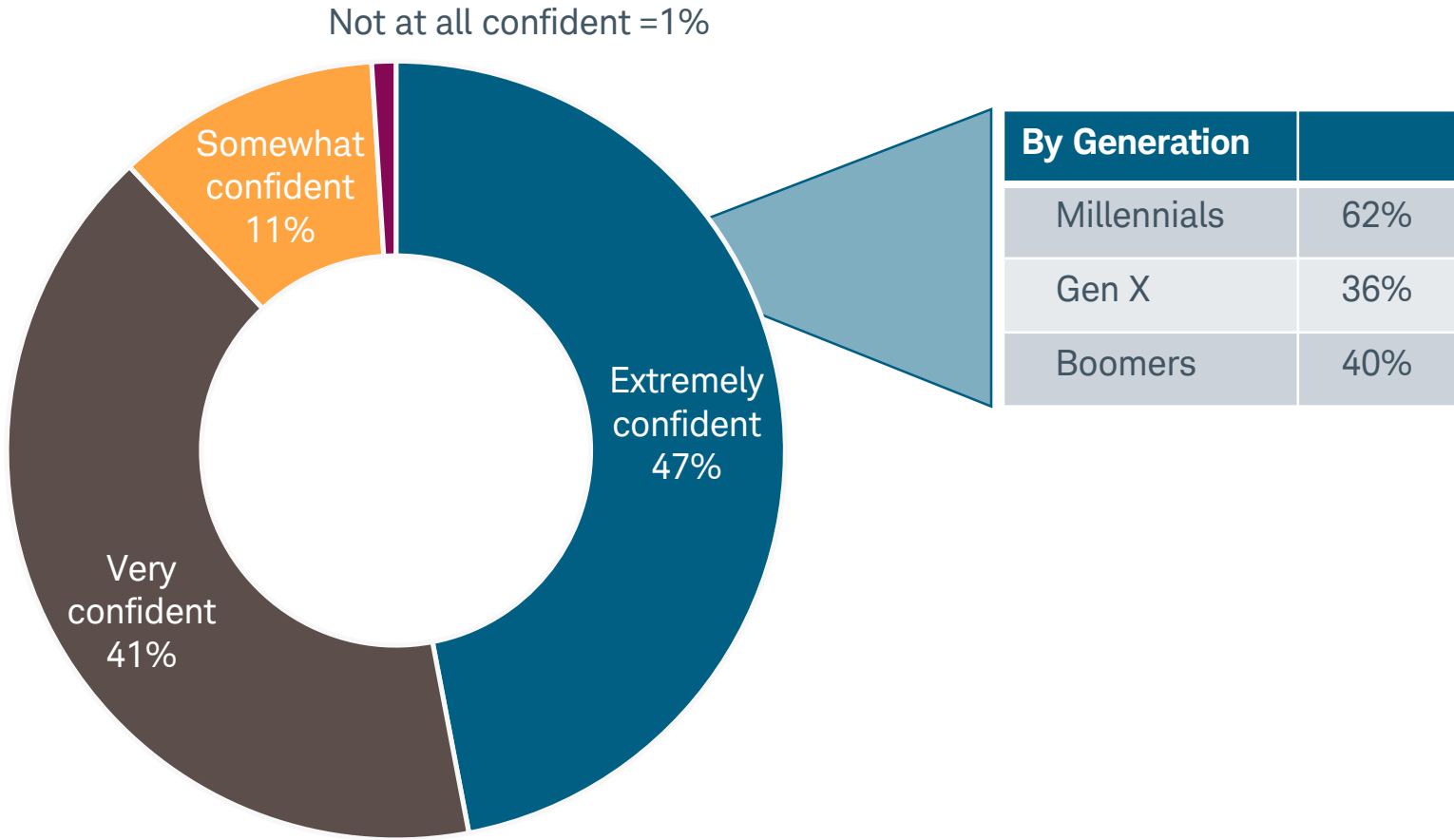
Reasons ever exercised or sold any equity comp or ESPP  
If ever exercised or sold



Q. Which of the following best describe why you chose to exercise or sell any of your equity compensation or ESPP most recently? (Base: Ever exercised or sold equity comp or ESPP = 410)

# Nearly nine in ten who exercised their equity compensation say they felt extremely or very confident in their decision

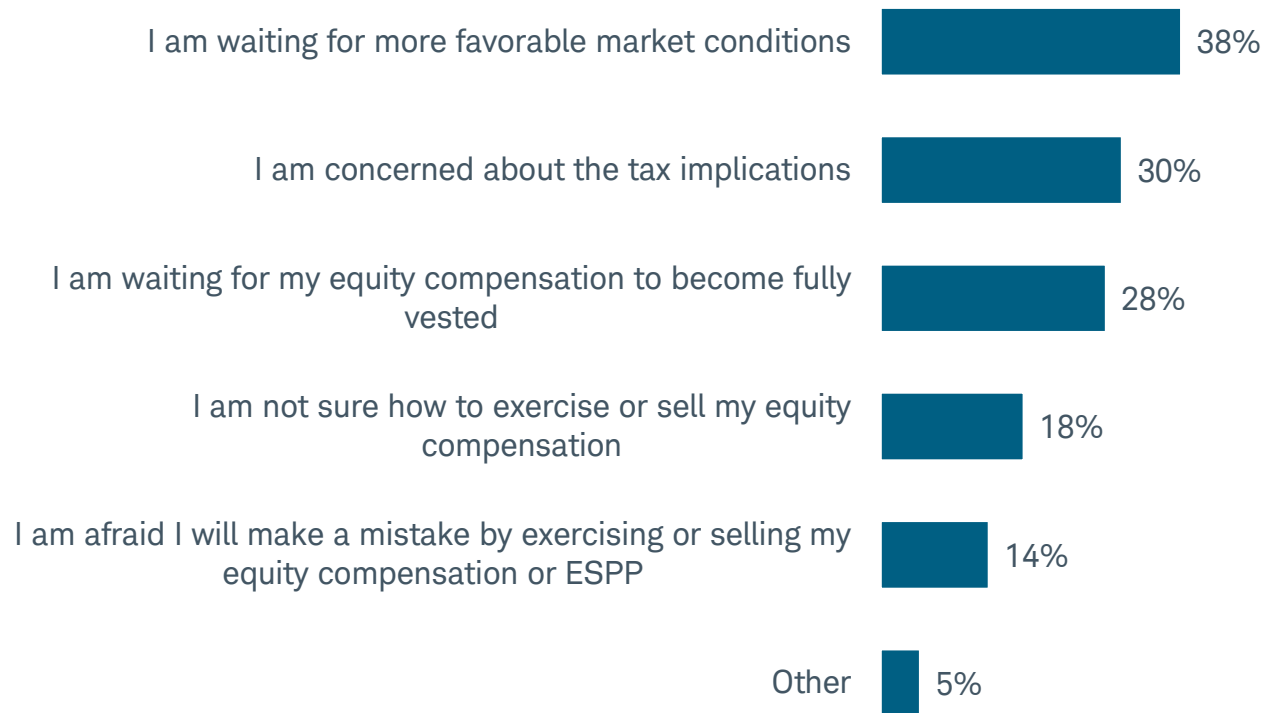
Confidence in decision to exercise equity compensation  
If ever exercised or sold



Q. How confident did you feel in your decision to exercise your equity compensation? (Base: Ever exercised or sold equity comp or ESPP = 410)

# Reasons for not exercising or selling any equity comp are desire for more favorable market conditions, concern about tax implications, and wanting to be fully vested

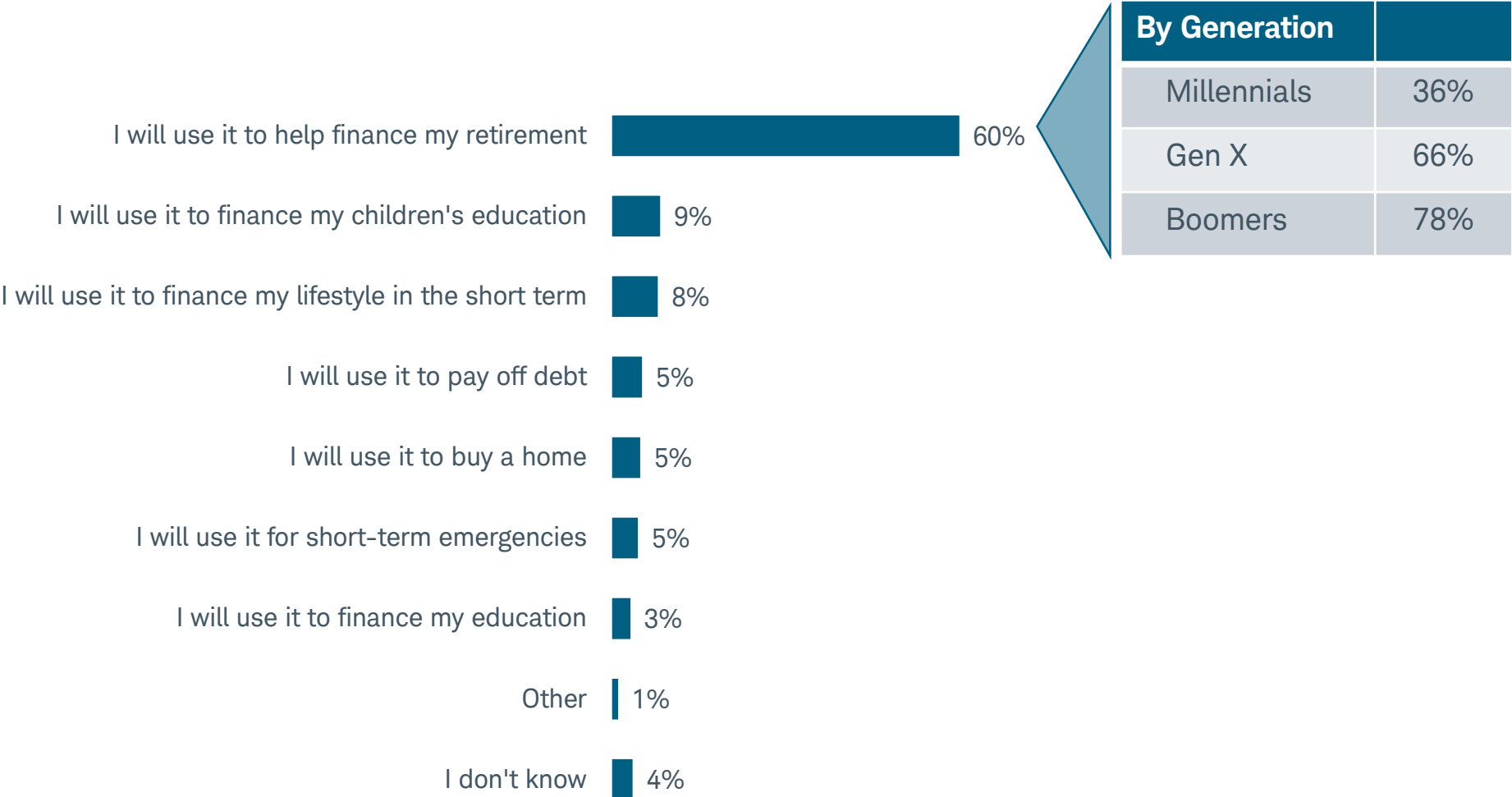
Reasons never exercised or sold any equity comp or ESPP  
If never exercised or sold



Q. Why have you not exercised or sold any of your equity compensation or ESPP? (Base: Never exercised or sold equity comp or ESPP = 590)

# Six in ten employees will use equity compensation to help finance their retirement

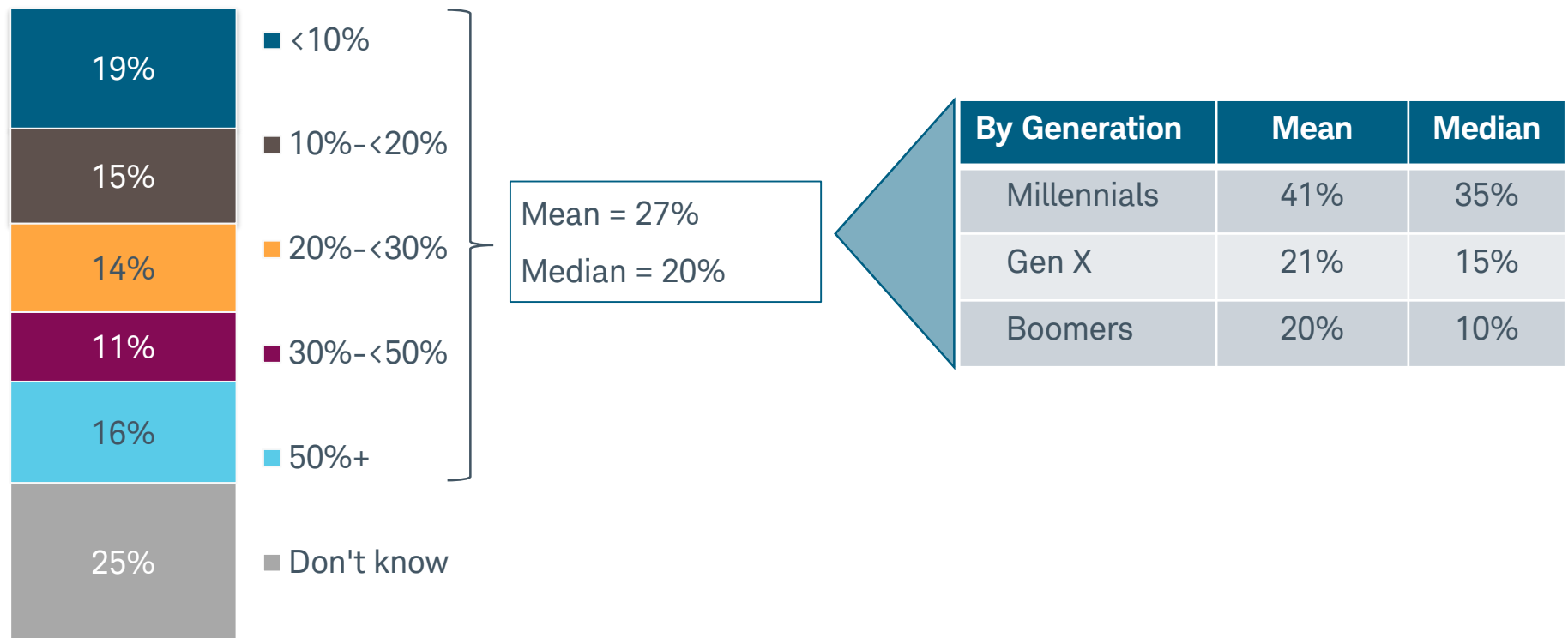
How they think of equity compensation relative to financial goals  
Total



Q. Which one of the following best describes how you think of your equity compensation relative to your financial goals? (Base: Total = 1,000)

# On average, equity compensation makes up more than one-quarter of employees' net worth – highest among Millennials

Percent of net worth made up of equity comp  
Total

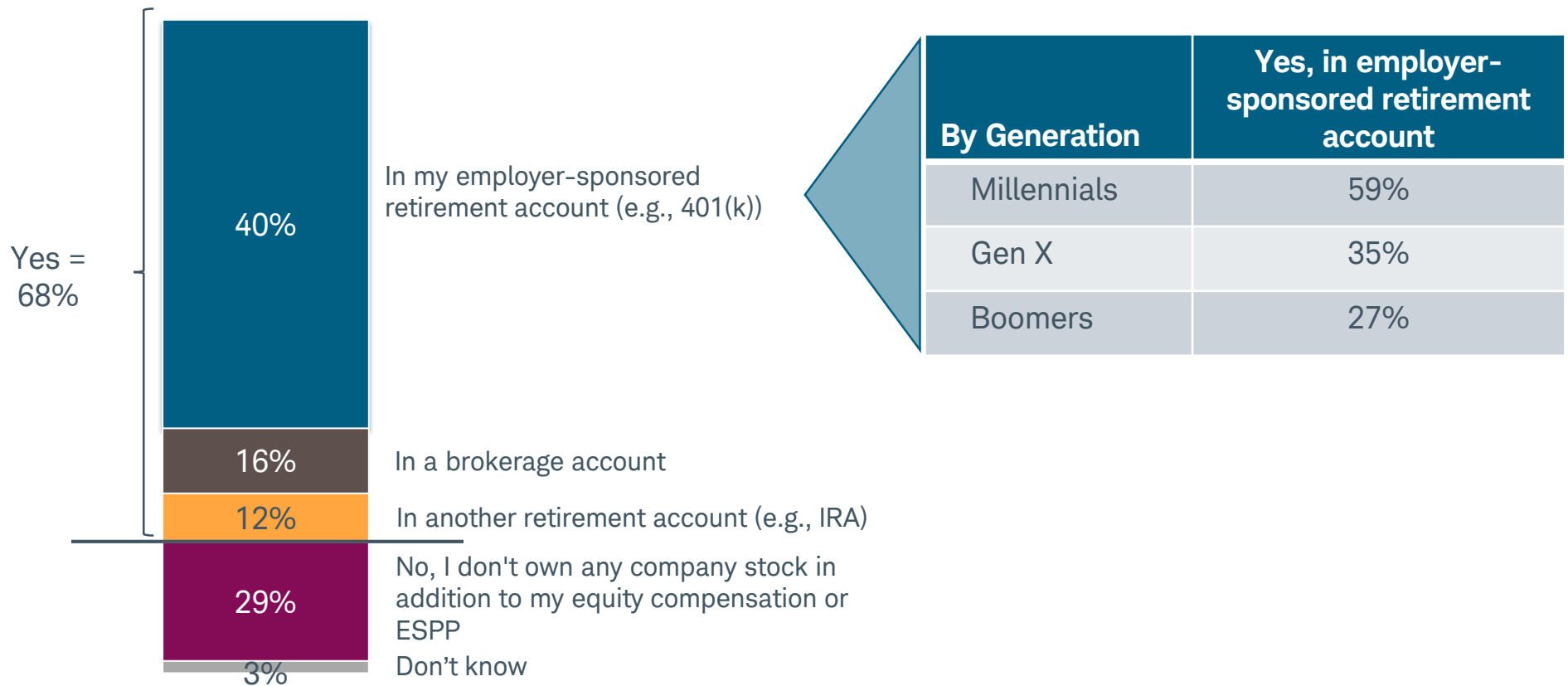


Q. What percent of your net worth is made up of your equity compensation? Your best estimate is fine. (Base: Total = 1,000)



# More than two-thirds of employees own company stock outside of their equity comp or ESPP – most often in a 401(k)-type account

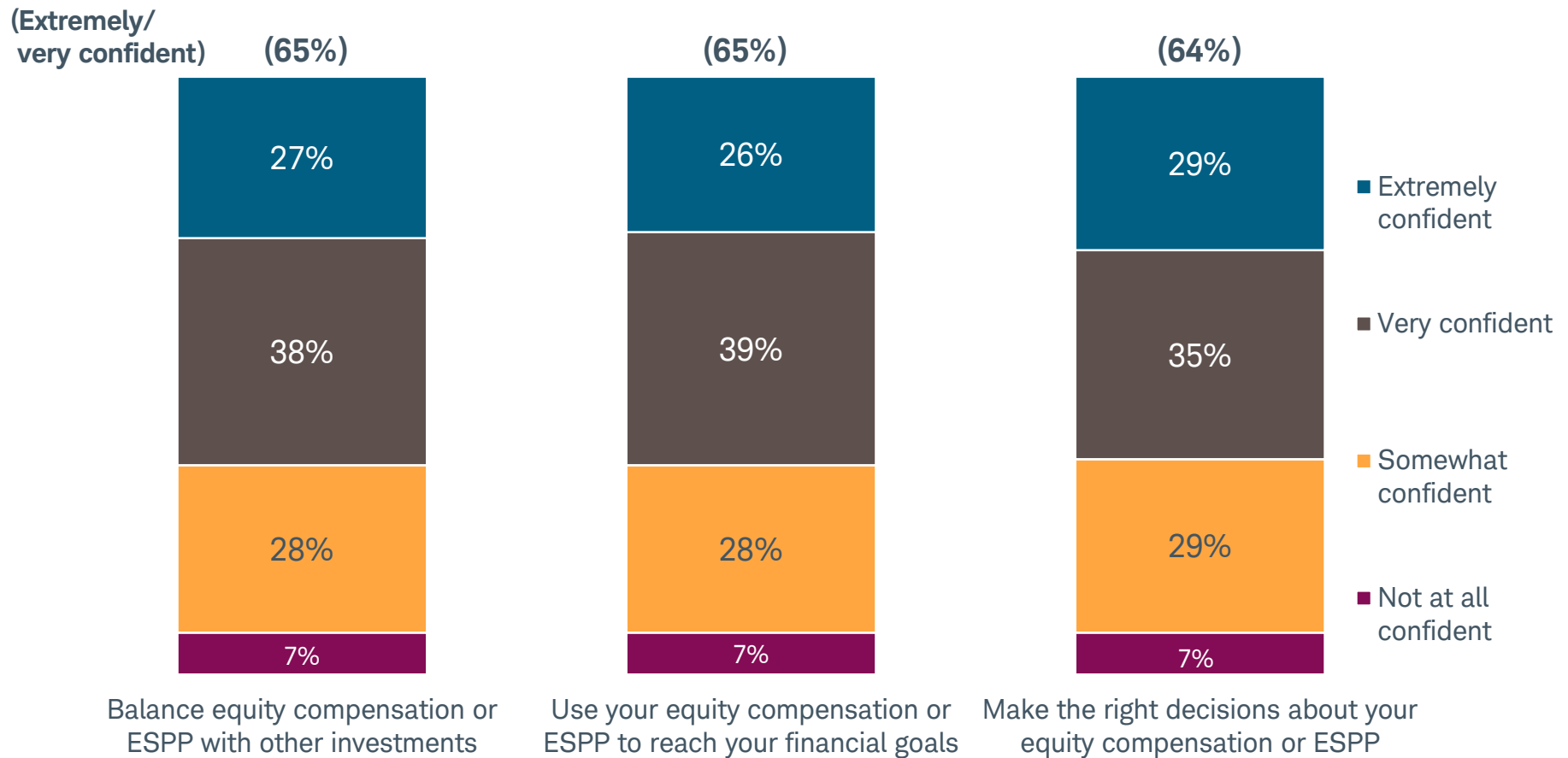
Own company stock outside of equity comp or ESPP  
Total



Q. Do you own any company stock outside of your equity compensation or ESPP? If so, where is it held? (Base: Total = 1,000)

# Two-thirds of employees are confident in their ability to use equity comp to reach financial goals

Confidence in ability to make decisions regarding equity comp or ESPP  
Total

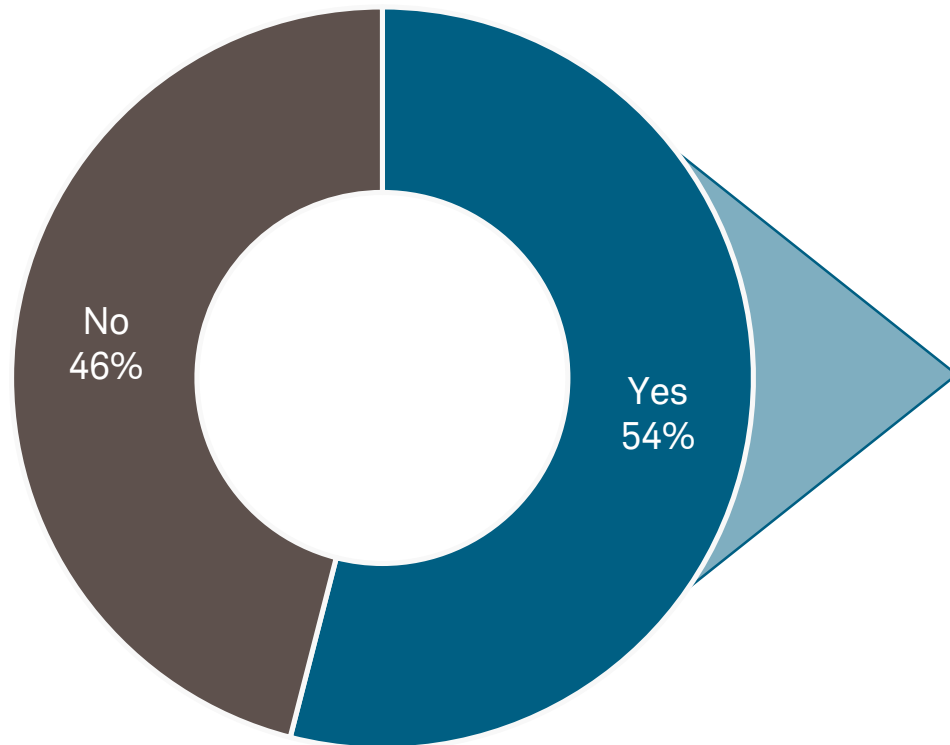


Q. How confident are you in your ability to ...? (Base: Total = 1,000)

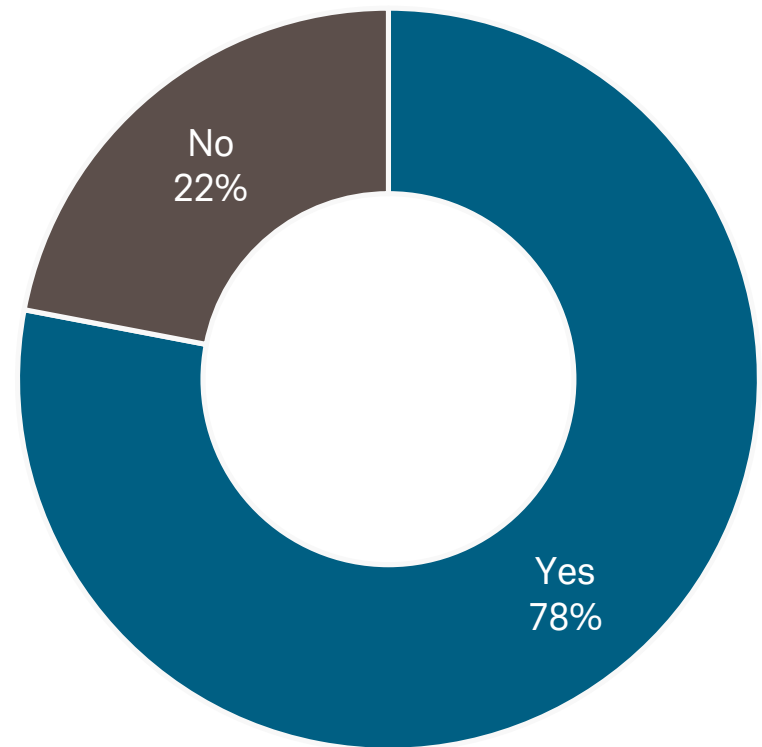
# More than half of employees are already working with a financial advisor

Most of those say their advisor provides advice for their equity comp

Currently working with a financial advisor  
Total



Financial advisor provides advice for equity comp  
If working with advisor



Q. Do you currently work with a financial advisor? (Base: Total = 1,000)

Q. Does your financial advisor provide you with advice for your equity compensation or ESPP? (Base: Currently work with a financial advisor = 535)

# Study Scope and Method

<b>What</b>	<ul style="list-style-type: none"><li>• This study of equity compensation participants is an online study conducted for Charles Schwab by Logica Research</li><li>• Logica Research is neither affiliated with, nor employed by, Charles Schwab &amp; Co., Inc.</li><li>• The sampling error is +/- 3 percentage points at the 95% confidence level assuming random distribution</li></ul>
<b>When</b>	<ul style="list-style-type: none"><li>• The study was conducted online from July 1<sup>st</sup> through July 16<sup>th</sup>, 2019</li><li>• The survey took participants 12 minutes to complete on average</li></ul>
<b>Who</b>	<ul style="list-style-type: none"><li>• 1,000 equity compensation participants who met the following criteria:<ul style="list-style-type: none"><li>• Ages 18-75</li><li>• Work for companies that offer equity compensation plans</li><li>• Currently participating in equity compensation plan</li></ul></li></ul>

# Disclosures

## Brokerage Products: Not FDIC-Insured · No Bank Guarantee · May Lose Value

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