

Equity Compensation Plan Participant Survey

February 2018

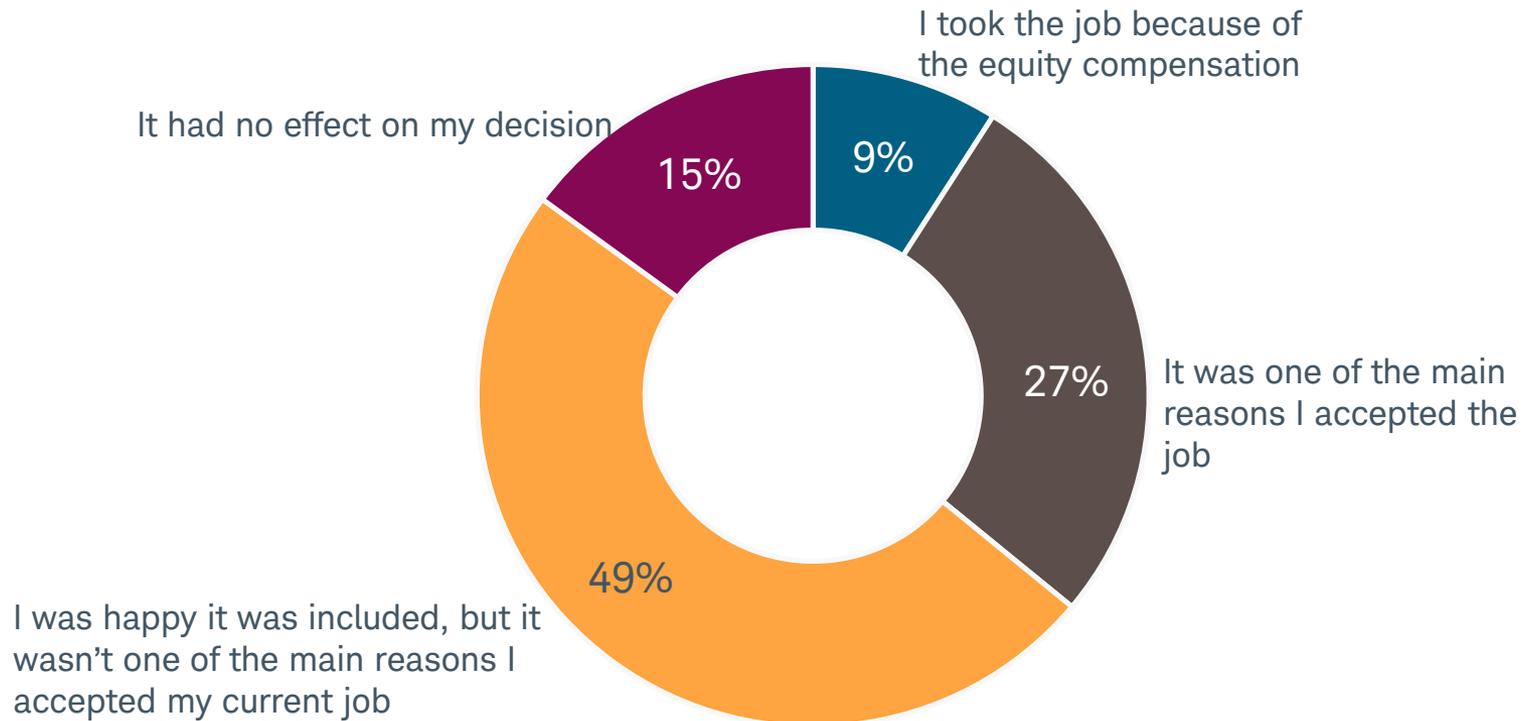
charles
SCHWAB

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For one-third of employees, equity compensation was the main reason, or one of the main reasons, they accepted their current job

Role of equity compensation in decision to accept current job

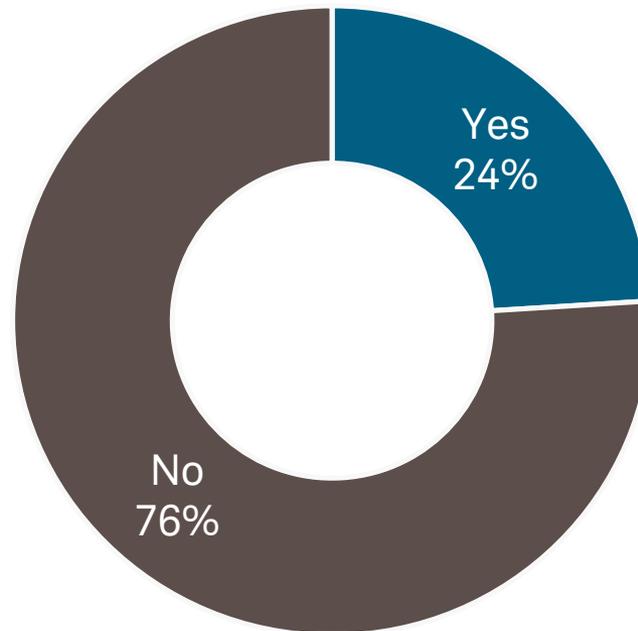
Total



Q. What role did equity compensation or an employee stock purchase plan (ESPP) play when deciding whether to accept your current job? (Base: Total = 1,000)

Just one-quarter of employees have exercised or sold any of their equity compensation/ESPP

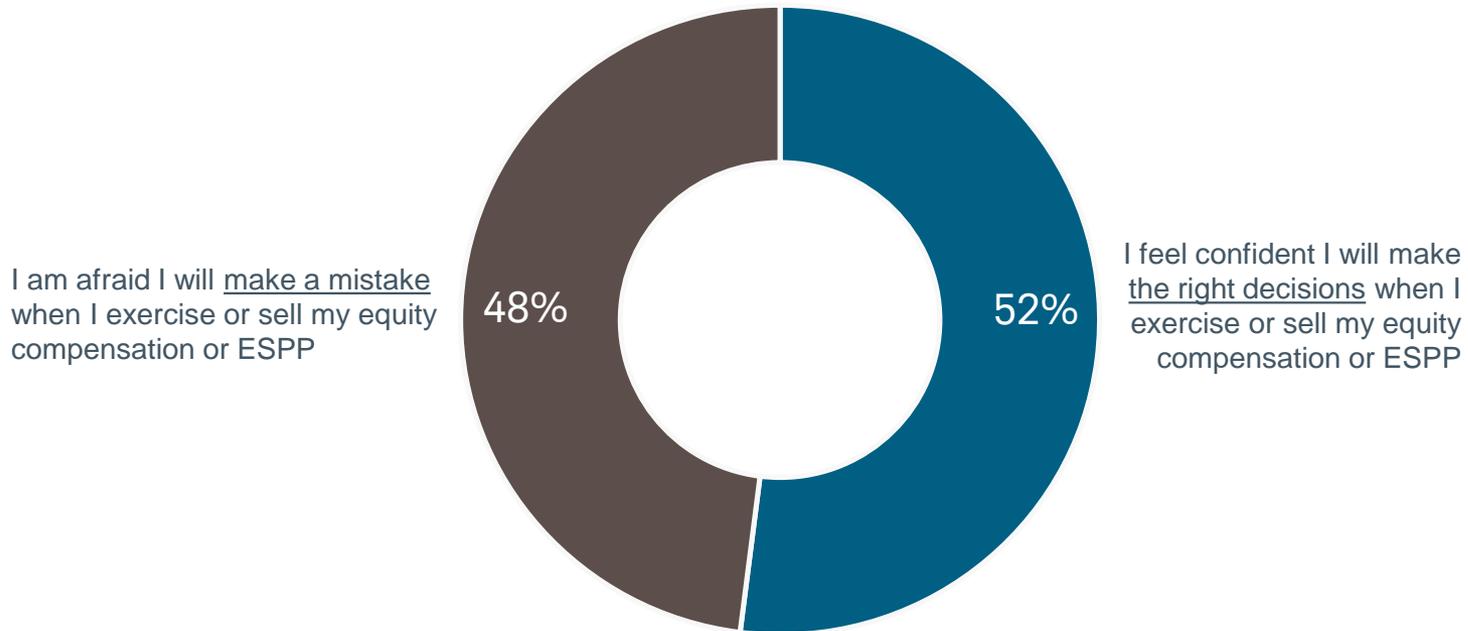
Ever exercised/sold any equity compensation
Total



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

Half of employees are concerned they will make a mistake when they decide to exercise or sell

Attitude toward selling equity compensation
Total



Q. Please select which of the following statements best describes you. (Base: Total = 1,000)

Employees cite unfavorable market conditions and potential tax implications as the main reasons why they have not exercised or sold any equity compensation/ESPP

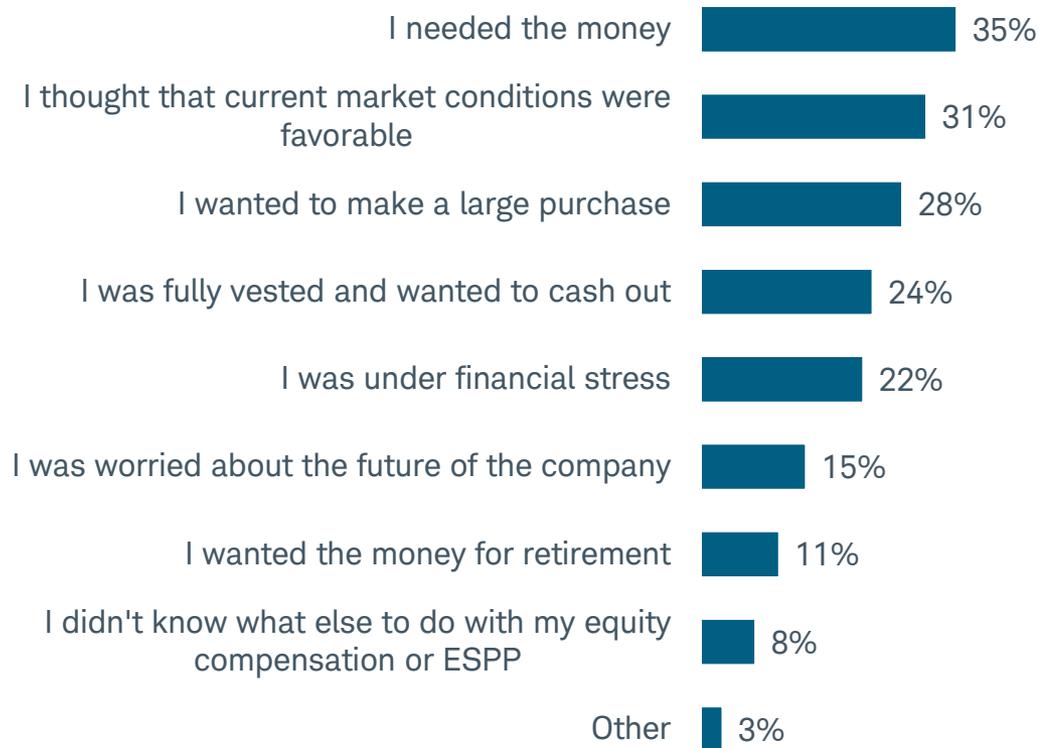
Reasons never exercised or sold any equity comp or ESPP
If never exercised or sold



Q. If you have not exercised or sold any of your equity compensation or ESPP, why not? (Base: Never exercised or sold equity comp or ESPP = 759)

Those who decided to sell needed the money, saw an opportunity in the market or wanted to make a major purchase

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



Q. Which of the below 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 = 241)

Employees are, on average, 63% vested in their equity compensation

Value of equity compensation Total

Total value
(Vest and unvested)



Mean = \$72,245
Median = \$21,000

Vested mean (\$45,646) /
Total mean (**\$72,245**) =
63%

Vested value only

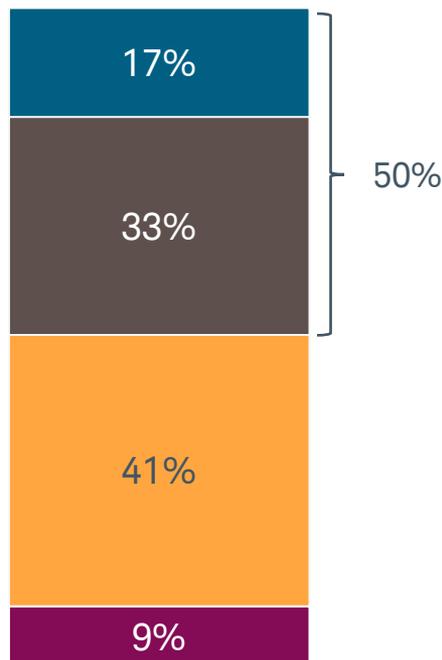


Mean = \$45,646
Median = \$11,700

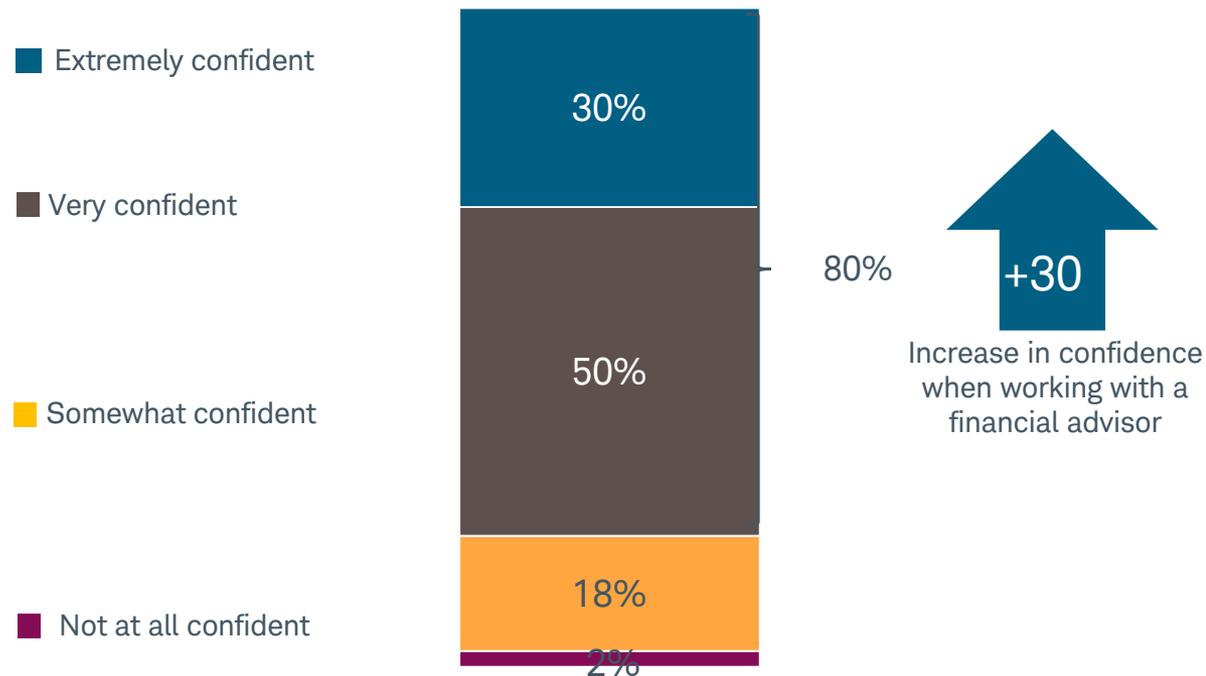
Q. What is the value of your equity compensation (not including ESPP)? (Base: Total = 1,000)

Employees would be much more confident in their ability to make decisions about their equity compensation/ESPP with the help of a financial advisor

Confidence in ability to make decisions about equity comp on your own
Total



Confidence in ability to make decisions about equity comp with help of advisor
Total



Q. How confident are you in your ability to make the right decisions about your equity compensation or ESPP on your own?
Q. How confident would you be in your ability to make the right decisions about your equity compensation or ESPP if you had the help of a financial advisor? (Base: Total = 1,000)

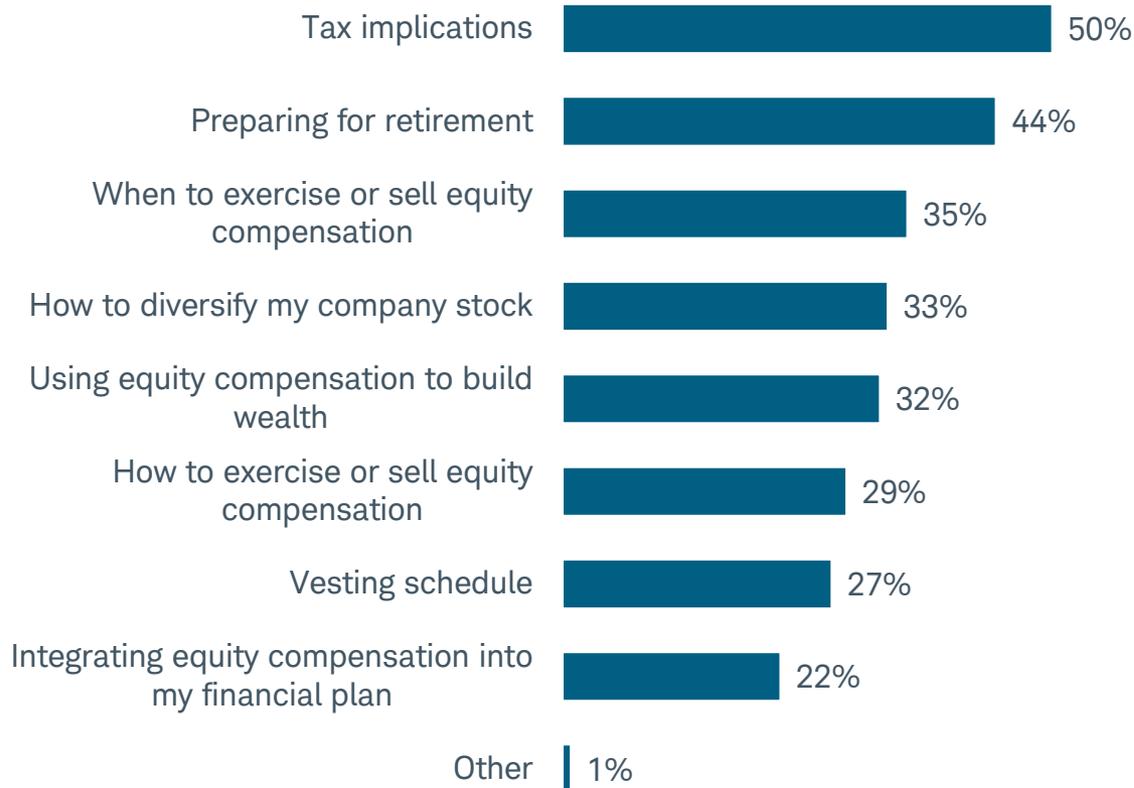
Millennials are most confident in making decisions about their equity comp/ESPP, but are less likely than other generations to see it as part of their long-term financial plan

	Age		
	Millennials (n=450)	Gen X (n=387)	Boomers (n=163)
Confidence in ability to make the right decisions about equity comp/ESPP on my own			
Extremely/Very Confident	58%	44%	39%
Confidence in ability to make the right decisions about equity comp/ESPP with the help of a financial advisor			
Extremely/Very Confident	82%	80%	75%

	Age		
	Millennials (n=450)	Gen X (n=387)	Boomers (n=163)
Describes me best:			
My equity comp/ESPP is part of a long-term financial plan	69%	81%	84%
I expect to use my equity comp/ESPP in the short-term	31%	19%	16%

Employees would like more information on preparing for retirement and tax implications of selling their equity comp

Areas where participants would like more advice on equity comp or ESPP
Total

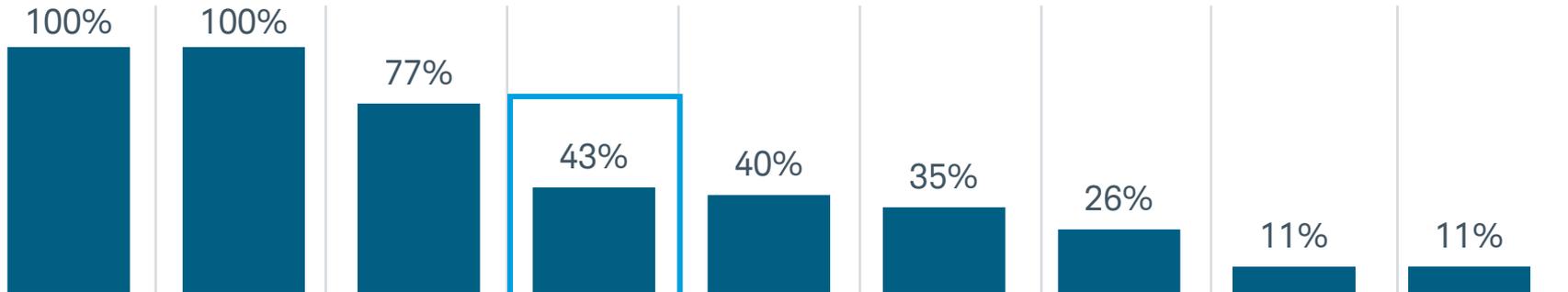


Q. On which of the following areas would you like more advice regarding your equity compensation or ESPP? (Base: Total = 1,000)

Two-thirds of employees who are offered a workplace financial wellness program take advantage of it

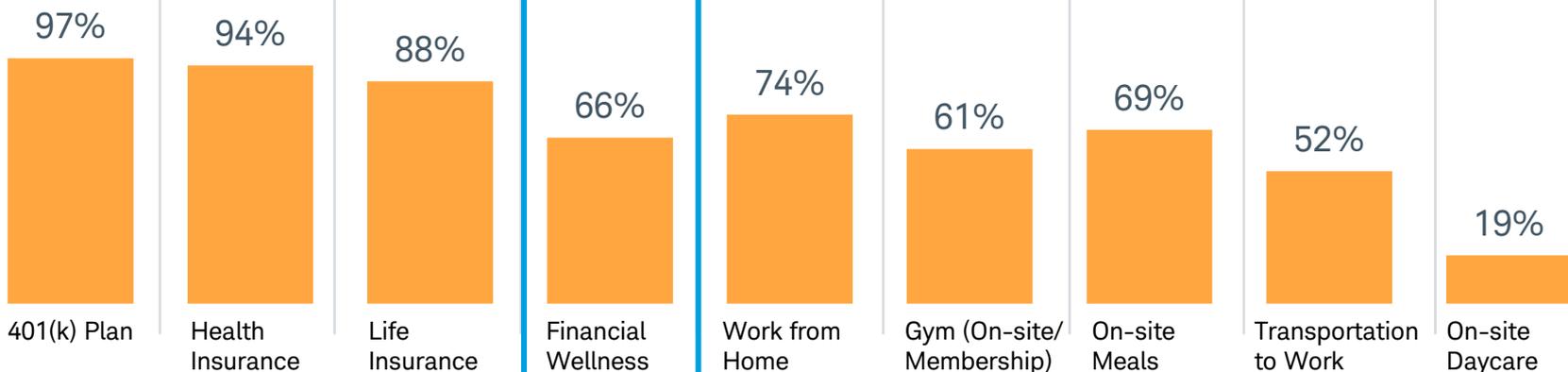
Benefits offered

Total



Benefits used

If benefit offered

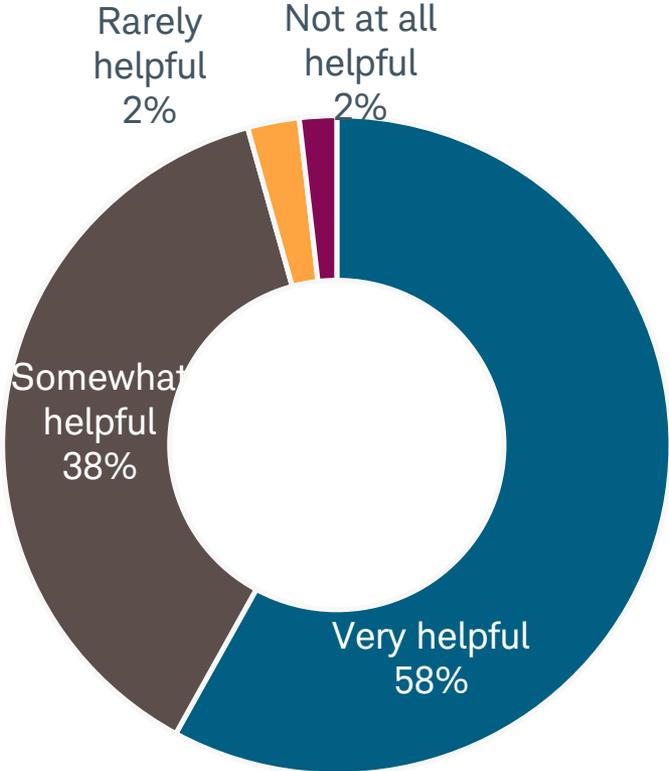


Q. Which of the following benefits does your employer offer, and which of those benefits do you personally use? (Base: Total = 1,000, Benefit offered = varied)

Most believe their company's financial wellness program is very helpful when making equity comp decisions

Helpfulness of company's financial wellness program when making decisions on equity comp or ESPP

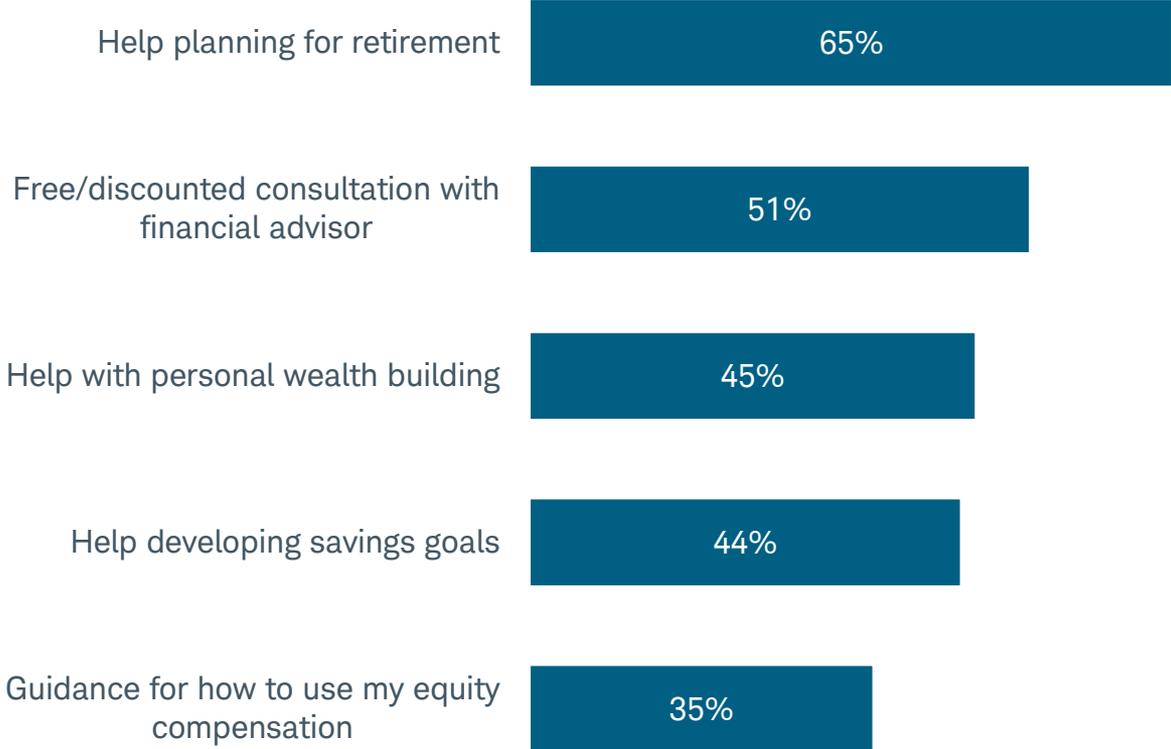
If financial wellness program offered and used



Q. How helpful is your company's financial wellness program when making decisions regarding your equity compensation or ESPP?
(Base: If financial wellness offered and used = 281)

In addition to help with equity comp, employees are looking for help with retirement planning and wealth-building

Financial wellness program components employees would use if offered
Total



Q. Which of the following components of a financial wellness program would you use if they were offered by your employer?
(Base: Total = 1,000)

Most say equity comp is part of their long-term financial plan and it makes them feel less stressed about their finances and more prepared for retirement

Phrase best describing your situation

Total

My equity compensation or ESPP is part of my long-term financial plan

76%

or

24%

I expect to use my equity compensation or ESPP in the short-term

My equity compensation or ESPP makes me feel less stressed about my finances

76%

or

24%

My equity compensation or ESPP makes me feel more stressed about my finances

I feel more prepared for retirement because of my equity compensation or ESPP

63%

or

37%

My equity compensation or ESPP does not affect how prepared I feel for retirement

Q Please select which of the following statements best describes you. (Base: Total = 1,000)

Wealth-building and participation in company growth are top reasons employees say equity comp is important to them

Reasons equity comp is an essential/very important benefit
Total

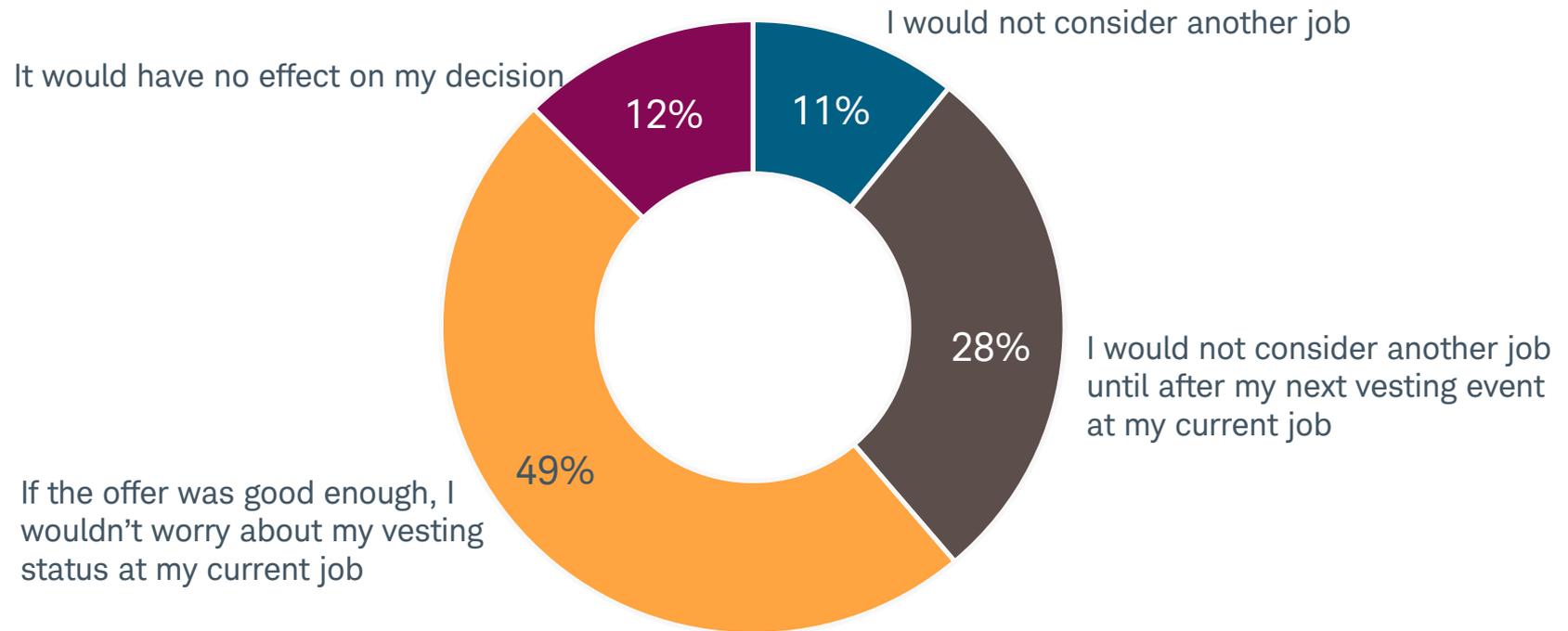


Q. Why do you say that your equity compensation or ESPP is an essential or very important benefit to you? (Base: Those saying equity comp is an essential or very important benefit = 771)

For many, equity compensation plays a significant role in company loyalty

Role of equity comp in decision to accept a different job

Total



Q. If you were to consider a job offer at a different company, how would your current equity compensation or ESPP affect your decision?
(Base: Total = 1,000)

Study Scope and Method

What	<ul style="list-style-type: none">• This study of equity compensation participants is an online study conducted for Charles Schwab by Koski Research.• Koski Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc.• The sampling error is +/- 3 percentage points at the 95% confidence level.
When	<ul style="list-style-type: none">• The study was conducted online from September 18th through September 29th, 2017. The survey took participants 12 minutes to complete on average.
Who	<ul style="list-style-type: none">• 1,000 equity compensation participants who met the following criteria:<ul style="list-style-type: none">• Ages 25-70• Work for companies that offer equity compensation plans• Currently participating in equity compensation plan

Disclosures

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