Implementing Financial Wellness to increase how participants view their equity

UBS Equity Plan Advisory Services
How do equity plan participants value their awards?

**Our Equity Award Value Index** measures participants perceived value of their equity awards based on:

- **View** of equity compensation
- Importance in **taking** current job
- Importance in **staying** at current job
- Importance in accumulating **wealth**
- Incorporating equity awards into long-term **financial planning**

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**UBS Equity Award Value Index**

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>81 – 100</td>
<td>High value</td>
</tr>
<tr>
<td>61 – 80</td>
<td>Considerable value</td>
</tr>
<tr>
<td>41 – 60</td>
<td>Moderate value</td>
</tr>
<tr>
<td>21 – 40</td>
<td>Minimal value</td>
</tr>
<tr>
<td>0 – 20</td>
<td>No value</td>
</tr>
</tbody>
</table>

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1 UBS Participant Voice: The UBS Equity Award Value Index, Industry-wide online survey of over 1k equity plan participants.
How do your equity plan participants value their awards?

- **High value** on their awards
- **Considerable value** on their awards
- **Moderate value** on their awards
- **Low or no value** on their awards

UBS Employee Award Value Index

| 81 – 100 | High value |
| 61 – 80 | Considerable value |
| 41 – 60 | Moderate value |
| 21 – 40 | Minimal value |
| 0 – 20 | No value |

1 UBS Participant Voice: The UBS Equity Award Value Index.
How do employees view and value their awards?

- **45%** of the participants surveyed across industries and service providers see their awards as having **little or no value**

- **1 in 2** people find their equity plans complex

### Employee perceived value

<table>
<thead>
<tr>
<th>Value Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (81 – 100)</td>
<td>9%</td>
</tr>
<tr>
<td>Considerable (61 – 80)</td>
<td>23%</td>
</tr>
<tr>
<td>Moderate (41 – 60)</td>
<td>24%</td>
</tr>
<tr>
<td>Low (21 – 40)</td>
<td>14%</td>
</tr>
<tr>
<td>None (0 – 20)</td>
<td>31%</td>
</tr>
</tbody>
</table>

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1. UBS Participant Voice: The UBS Equity Award Value Index.
2. UBS Participant Voice: Show me the value.
Reflection questions

- How do you **effectively engage** your employees in taking advantage of equity awards?

- What are some of the tactics you use to **educate your employees** about their equity awards plan?
Strategies to improve perceived equity award value

- Equity plan *simplification* and *education*
- Effective employee *engagement tactics*
- Incorporating equity awards into overall *Financial Wellness*
Plan simplification and education

Effective equity compensation plan education increases valuable considerably\(^1\)

<table>
<thead>
<tr>
<th>Employee education satisfaction level</th>
<th>Not at all satisfied</th>
<th>Not very satisfied</th>
<th>Somewhat satisfied</th>
<th>Very satisfied</th>
<th>Extremely satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerable value</td>
<td>36</td>
<td>39</td>
<td>47</td>
<td>53</td>
<td>65</td>
</tr>
<tr>
<td>Moderate value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimal value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) UBS Participant Voice: Show me the value “How satisfied are you with education provided about equity compensation from the firm?”. 
Incorporating equity awards in overall Financial Wellness

When employees engage in all three, Value Index Scores double\(^1\)

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\(^1\) UBS Participant Voice: The Multiplier Effect.
Offering equity awards and Financial Wellness as benefit

Viewing equity as part of long-term plan improves value perception and overall satisfaction\(^2\).

<table>
<thead>
<tr>
<th>Primary use for Company Equity Accounts(^1)</th>
<th>Spending money</th>
<th>Saving for large purchases</th>
<th>Retirement/long-term savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate value</td>
<td>32</td>
<td>49</td>
<td>54</td>
</tr>
<tr>
<td>Minimal value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No value</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) UBS Participant Voice: Show me the value “What do you primarily use your company equity accounts for?”.

\(^2\) UBS Wellness Infographic: Less worry, more satisfaction.

Financial Wellness + equity awards = greater employee satisfaction\(^2\)

- \(58\%\) increase in satisfaction with compensation
- \(63\%\) increase in likelihood to recommend the company
An approach to workplace Financial Wellness

**Workplace employees**
- Living paycheck to paycheck
- Recently promoted and juggling multiple needs
- Near or in retirement age but not retiring
- Executives

**Employee solutions**

**Planning for now**
- Budgeting and saving
- Debt management
- Mortgage help
- Emergency Checking

**Planning for emergencies**
- Emergency checking
- Pre-paid checking
- Insurance

**Planning for future**
- Financial planning
- Investment guidance
- Retirement planning
- Incorporate Equity Awards
- Estate planning

**Robust digital experience**

**Onsite Seminars and 1:1**

**Phone FAs**

**Local FAs**
Thank you

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Appendix
Impact of financial advice

Advice is critical to confidence...¹

“I feel excellent or very good about my overall financial situation.”

62% 38%

“I feel highly confident in achieving my financial goals.”

65% 44%

“I feel highly confident in retiring how and when I’d like.”

61% 44%

Participants who receive advice on their awards
Participants who have not discussed their awards with an advisor

¹ UBS Participant Voice: The Multiplier Effect.
### Effective engagement tactics: Gamification

#### The why...

<table>
<thead>
<tr>
<th>89%</th>
<th>62%</th>
</tr>
</thead>
<tbody>
<tr>
<td>...of employees surveyed stated a point system would boost their engagement&lt;sup&gt;2&lt;/sup&gt;</td>
<td>...of employees stated that they would be motivated to learn if leaderboards were involved and they had the opportunity to compete&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Constant connectivity</th>
<th>The rise of millennials</th>
<th>Popularity of gaming</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Americans spend an average of two hours each day on their mobile device&lt;sup&gt;3&lt;/sup&gt;</td>
<td>• Desire for “instant gratification”&lt;sup&gt;6&lt;/sup&gt;</td>
<td>• Globally, the online gamer community counts over 800 million people around the world&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td>• Average attention span down from 12 seconds (2000) to about 8 seconds today&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. Fiserv 2014.