Critical advice

Employees seek more guidance on equity awards during crises

A few months before COVID-19 struck in early 2020, we conducted a survey across industries, plan providers and companies of all sizes for our report, *UBS Participant Voice: Unlocking value*. This study shows an increase in the percentage of employees who highly value their equity awards (42% highly valued their awards vs. 26% in 2013), yet one in three still see minimal value in them. The study also finds that employees who receive personalized advice and education value their awards more. Though, more than half of employees say they receive neither.

With employees in the midst of market uncertainty due to COVID-19, UBS decided to conduct a follow-up study to see how the perceived value of their equity awards has changed. While COVID-19 is having an impact on employees’ attitudes, it is relatively minor. The biggest impact on personal finances from the pandemic is the increased importance of financial advice across all demographics. (When equity plan participants establish a full service relationship with a UBS Financial Advisor, they are eligible to receive personalized advice.)

Perceived value in equity awards declines during the pandemic…

<table>
<thead>
<tr>
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<th>Minimal value (0 – 40)</th>
<th>Moderate value (41 – 60)</th>
<th>High value (61 – 100)</th>
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</thead>
<tbody>
<tr>
<td>Since COVID-19</td>
<td>41%</td>
<td>25%</td>
<td>34%</td>
</tr>
<tr>
<td>Before COVID-19</td>
<td>36%</td>
<td>22%</td>
<td>42%</td>
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…but long-term optimism stays strong

“I’m optimistic about my company’s future.” 76%

“I’m optimistic about my industry’s future.” 75%

COVID-19 impact >
Half have sold company stock as a result of COVID-19-related volatility…

54% sold company stock
Men, younger generations and wealthier employees are more likely to sell

…and most sellers regret it

59% regret selling company stock
Men, younger generations and wealthier employees are more likely to regret their actions

The importance of advice
Employees are looking for more financial guidance during the crisis, regardless of age, gender or assets

86% are looking for more guidance

By gender
- Men: 86%
- Women: 83%

By age
- 18 – 34: 94%
- 35 – 50: 91%
- 51+: 76%

By assets
- <$250k: 82%
- $250k – $1m: 85%
- $1m+: 91%

Working with an advisor boosts financial confidence

60% are more interested in working with an advisor

“I’m very confident about achieving my goals.”

- 74% Those with an advisor
- 44% Those without an advisor

“I’m very confident in my equity award decisions.”

- 67% Those with an advisor
- 47% Those without an advisor
Communication in times of crises is key…

93% say communication is very effective at helping them understand how COVID-19 impacts equity compensation

…but not widely available

51% receive frequent e-mails and reminders
45% have access to a financial professional

42% are invited to webinars
42% get check-in calls from plan administrator

Read the full report, as well as the entire UBS Participant Voice series, at ubs.com/participantvoice.

About the survey
UBS conducted an online survey among 319 plan participants from May 11 – May 12, 2020 to better understand the impact of COVID-19 on participants’ views of their equity awards during the pandemic.

For the pre-COVID-19 figures, we surveyed 1,046 US equity award plan participants with at least $5k in investable assets between September 12 – 14, 2019. The report is designed to generate insights employers can use to help participants maximize the value they receive from the equity. The responses represent a cross-section of companies, industries and service providers.

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