Agenda

Introduction
Executive Summary
Research Methodology
Key Findings
Stock Plan Findings
Participant Experience
Next Steps
Introduction

Stock Plan Benefits Can Be a Competitive Advantage

With the ever-evolving labor market of recent years, people and companies have been scrambling to adjust. From the Great-Resignation to the Great Re-hire, 2023 could be the year of the “Great Retention”, as focus shifts to creating and maintaining employee loyalty.

Morgan Stanley at Work fielded a twenty-question annual Voice of the Participant (VOP) Survey with 86,000 U.S. stock plan participants - a 205% increase in response year-over-year (YoY) – to gather insights and feedback about stock plan experiences, and to explore the value of stock plan benefits in driving employee retention.

What remains clear is that stock plan benefits are a valuable—and valued—workplace offering, even in times of market volatility, and that maintaining employee loyalty requires some employer-led actions. Workplace financial benefits continue to be an important consideration when determining whether to accept – or stay at – a job, together with an expectation that companies will help employees get the most out of these benefits through education and other resources.

Organizations that successfully leverage equity to engage their workforce may inspire more satisfied and financially-empowered employees – and that engagement may help retain talent.
Executive Summary

Core Findings

**Stock Plan perceived value is higher and so is the need for answers.**

When asked what financial wellness benefits they were most interested in, employees mentioned access to financial professionals for help with investing-related questions (67%) and comprehensive financial planning with a Financial Advisor (65%) as their top two.

**Stock Plan understanding has increased but gaps remain.**

Overall knowledge about stock plan benefits had a 3-5% point increase over the past year. Yet there is still a lack of comprehension when it comes to some of the more nuanced aspects of the offering—62% of employees do not understand how to potentially maximize financial benefits from their stock plan benefits.

**Educational content demand is strong and key to empowering employees.**

The results of our survey show that the perceived value of stock plan benefits has increased, and employers are recognizing this. The next step is to arm employees with the information they need, to help them make more confident decisions and get the most out of their stock plan benefits.

- Less than half, 46%, know how to reach someone to ask questions about their stock plan.
- Only 39% of respondents said they understand how taxes might impact their stock plan benefits.
- 60%+ said they are likely to attend an education session on investing, stock plan benefits, or retirement.
Annual Stock Plan Participant Survey

Research Methodology
Morgan Stanley at Work Voice of the Participant
Annual Survey Results

20+ question survey emailed to active, domestic stock plan participants (1)

Fielded: 9/22 – 10/4/2022
86K surveys completed
5.6% participation rate
Completed surveys earned a chance to win one of ten sets of Apple Airpods2

1. Excluded Officers/BOD/Sec 16
2. Survey included opportunity to opt-out of incentive due to employer gifting policy
Annual Stock Plan Participant Survey

Key Findings
Participants Value their Company Stock Plan Benefits

- 79% of participants were satisfied with their stock plan benefits
- 45% of participants said stock plan benefits were a reason they joined their companies
- 60% said stock plan benefits were a reason they have stayed at their companies
- 71% say stock plan benefits were a way for their company to recognize their accomplishments

Compared to:

- 77% in 2021
- 41% in 2021
- 58% in 2021
- 69% in 2021
Not All Participants Have the Knowledge They Need

39% understood how taxes impact their stock plan benefits

38% understood how to maximize the financial benefit from their stock plans

46% knew how to reach someone to ask questions about their stock plan

COMPARSED TO:
• 34% in 2021
• 33% in 2021
• 41% in 2021
Participant Satisfaction with Morgan Stanley at Work

83% of participants reported they were somewhat or very satisfied with our website and services.

Compared to 79% in 2021

WEBSITE CUSTOMER SATISFACTION
79%
Compared to 77% in 2021

MOBILE CUSTOMER SATISFACTION
79%
Compared to 78% in 2021

CALL CENTER CUSTOMER SATISFACTION
83%
Compared to 81% in 2021

The participants’ experience may not be representative of the experience of other customers. The testimonial is no guarantee of future performance or success. Morgan Stanley Smith Barney LLC has not paid a fee in exchange for the survey participation. The participants are current clients of Morgan Stanley at the time of the publication.
Participant Profile Overview

How long have you been participating in your company’s stock plan benefit program?

- More than 3 years: 46%
- Between 1-3 years: 38%
- Less than 1 year: 16%
Participant Satisfaction with Company Stock Plan Benefits Remains High

Overall, how satisfied are you with your company’s stock plan benefit offering?

Compared to 2021

77% indicated they were very or somewhat satisfied with their company’s stock plan benefit offering.

1. Satisfaction calculated as Very satisfied + Somewhat satisfied or Top 2 boxes
Participant Stock Plan Perceived Value is Higher This Year

*My current stock plan benefits are:*

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Strongly agree</th>
<th>Somewhat agree</th>
<th>Neither agree nor disagree</th>
<th>Somewhat disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A reason I joined my company.</td>
<td>26%</td>
<td>45%</td>
<td>32%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>A reason I have stayed.</td>
<td>33%</td>
<td>60%</td>
<td>25%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>A way for the company to recognize my accomplishments.</td>
<td>33%</td>
<td>71%</td>
<td>18%</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Compared to 2021**

- 40% ... a reason I joined my company
- 58% ... a reason I've stayed
- 69% ... a way for the company to recognize my accomplishments
Participant Preferred Learning Channels Are Fairly Evenly Split This Year

What is your preferred way of learning more about your stock plan benefits?

- Periodic emails: 17%
- Information on your company's intranet: 17%
- Information on our stock plan platform and/or other Morgan Stanley websites: 17%
- Webinars (Live/recorded): 16%
- Complimentary 1x1 meeting with a financial advisor: 16%
- Internet search: 9%
- In-person education session at their office: 7%
- I don't rely on other sources to learn more: 2%

Compared to 2021

- 21% indicated that their preferred way to learn more about stock plan benefits was to rely on information on our stock plan platform or other website
- All other statistics about the same
How well do you understand each of the following about your company’s stock plan benefits?

<table>
<thead>
<tr>
<th>Understanding</th>
<th>44%</th>
<th>78%</th>
<th>34%</th>
<th>14%</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to access your stock plan account</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How taxes may impact your stock plan benefits</td>
<td>15%</td>
<td>39%</td>
<td>24%</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>How to potentially maximize the financial benefit from your stock plan benefits</td>
<td>15%</td>
<td>38%</td>
<td>23%</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>How to get in touch with someone to address questions about your stock plan</td>
<td>19%</td>
<td>46%</td>
<td>27%</td>
<td>26%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Compared to 2021

- Overall knowledge was 3-5% pts. higher this year.
- However, trends were similar: most respondents indicated they knew how to access their stock plan account (75%), but many struggled to make sense of how taxes impact stock plan benefits (34%), how to maximize their financial benefits (33%), and how to get their questions answered (41%).
If your company offered the following benefits, how likely are you to use each of the benefits listed?

### Key Findings

- Participants were more interested in investing help from financial professionals (65%) than financial coaching on financial topics (53%).
- Interest in employer-funded 529 contributions (48%) and automatic payroll deductions for Emergency Savings (47%) was higher than for employer-funded student loan paydown (32%) and donor-advised funds (35%).

#### Participant Interest in Financial Wellness Benefits

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Highly Likely</th>
<th>Somewhat Likely</th>
<th>Neutral</th>
<th>Somewhat Unlikely</th>
<th>Highly Unlikely</th>
<th>I already use this benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive financial planning with a Financial Advisor</td>
<td>32%</td>
<td>65%</td>
<td>33%</td>
<td>17%</td>
<td>8%</td>
<td>9% 1%</td>
</tr>
<tr>
<td>Access to financial professionals to help with investing-related questions</td>
<td>30%</td>
<td>67%</td>
<td>37%</td>
<td>17%</td>
<td>8%</td>
<td>8% 1%</td>
</tr>
<tr>
<td>Access to financial coaching on topics such as budgeting, credit and debt</td>
<td>23%</td>
<td>53%</td>
<td>30%</td>
<td>19%</td>
<td>11%</td>
<td>15% 1%</td>
</tr>
<tr>
<td>Employer-funded student loan paydown contribution to assist in the payment of your student loans</td>
<td>19%</td>
<td>32%</td>
<td>13%</td>
<td>18%</td>
<td>6%</td>
<td>42% 2%</td>
</tr>
<tr>
<td>Employer-funded contribution for 529 college savings plan</td>
<td>27%</td>
<td>48%</td>
<td>21%</td>
<td>17%</td>
<td>8%</td>
<td>26% 1%</td>
</tr>
<tr>
<td>Automated payroll deduction for an emergency savings account</td>
<td>19%</td>
<td>47%</td>
<td>28%</td>
<td>20%</td>
<td>11%</td>
<td>20% 2%</td>
</tr>
<tr>
<td>Ability to create a tax-efficient charitable giving account (e.g., Donor-Advised Fund)</td>
<td>12%</td>
<td>35%</td>
<td>23%</td>
<td>28%</td>
<td>14%</td>
<td>22% 1%</td>
</tr>
</tbody>
</table>
Website Activity and Satisfaction

91% of respondents reported logging into their stock plan platform in the past year. Of those that did...

**What do you typically do when you log-on to your account?**

- **View/download tax documents**: 38%
- **View my stock plan benefit details, such as vesting dates**: 28%
- **View my stock plan benefit account balance**: 18%
- **Sell my shares, exercise options, or place a trade**: 14%

**COMPARED TO:**
- In 2021, 39% of respondents logging in to their stock plan accounts, did so to check account balances.
- The 2022 transition to instead checking tax documents makes sense in light of depressed equity valuations.

**Please rate your level of agreement with the following statements about the website:**

- I am satisfied with the overall website experience: 35% (Strongly agree), 78% (Somewhat agree), 43% (Neither agree nor disagree), 14% (Somewhat disagree), 6% (Strongly disagree)
- It is easy to locate the information I need on the website: 32% (Strongly agree), 75% (Somewhat agree), 43% (Neither agree nor disagree), 14% (Somewhat disagree), 9% (Strongly disagree)
- The information on the website is easy to understand: 33% (Strongly agree), 77% (Somewhat agree), 44% (Neither agree nor disagree), 14% (Somewhat disagree), 7% (Strongly disagree)
- It is easy to accomplish what I want on the website: 34% (Strongly agree), 77% (Somewhat agree), 43% (Neither agree nor disagree), 14% (Somewhat disagree), 7% (Strongly disagree)

**COMPARED TO:**
- In 2021 77% were satisfied with their overall website experiences.
- Ease of understanding and ease of accomplishment both increased this year (from 73% and 75%, respectively).
Mobile App Usage and Satisfaction Improved in 2022
41% have used the mobile app in the past year (77% E*TRADE, 23% Morgan Stanley). Of those that did…

Please rate your level of agreement with the following statements:

- I am satisfied with the mobile app experience.
  - Strongly agree: 40%
  - Somewhat agree: 39%
  - Neither agree nor disagree: 13%
  - Somewhat disagree: 6%
  - Strongly disagree: 2%

- It is easy to locate the information I need on the mobile app.
  - Strongly agree: 37%
  - Somewhat agree: 39%
  - Neither agree nor disagree: 13%
  - Somewhat disagree: 8%
  - Strongly disagree: 3%

- The information on the mobile app is easy to understand.
  - Strongly agree: 39%
  - Somewhat agree: 40%
  - Neither agree nor disagree: 13%
  - Somewhat disagree: 6%
  - Strongly disagree: 2%

- It is easy to accomplish what I want on the mobile app.
  - Strongly agree: 38%
  - Somewhat agree: 39%
  - Neither agree nor disagree: 13%
  - Somewhat disagree: 7%
  - Strongly disagree: 3%

Compared to 2021
- Overall satisfaction was higher this year, likely driven by improvements in MS mobile satisfaction and more E*TRADE respondents
- 78% were satisfied with the mobile app experience
- 73% agreed it is easy to locate info on the app
- 75% agreed that information on the mobile app is easy to understand
- 71% agreed it was easy to accomplish what they want on the mobile app
13% of respondents reported calling our Service Center in the past year. Of those that did...

Service Center Experience Perceptions Improved This Year

Please rate your level of agreement with the following statements:

- I am satisfied with my service center experience(s).
  - Strongly agree: 84%
  - Somewhat agree: 25%
  - Neither agree nor disagree: 8%
  - Somewhat disagree: 5%
  - Strongly disagree: 5%

- The service professional(s) were knowledgeable.
  - Strongly agree: 86%
  - Somewhat agree: 25%
  - Neither agree nor disagree: 7%
  - Somewhat disagree: 33%

- My inquiries were resolved in a timely manner.
  - Strongly agree: 83%
  - Somewhat agree: 23%
  - Neither agree nor disagree: 7%
  - Somewhat disagree: 5%
  - Strongly disagree: 5%
Demand for Educational Content is Strong with Equity, Retirement and Investing Leading the Way

Respondents said they are likely or very likely to attend an education session from Morgan Stanley at Work on each of the following topics:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Plan Benefits 101</td>
<td>70%</td>
</tr>
<tr>
<td>Retirement</td>
<td>68%</td>
</tr>
<tr>
<td>Advanced Investing</td>
<td>67%</td>
</tr>
<tr>
<td>Investing</td>
<td>60%</td>
</tr>
<tr>
<td>General Financial Wellness</td>
<td>57%</td>
</tr>
<tr>
<td>Saving for Education</td>
<td>40%</td>
</tr>
<tr>
<td>Diverse Education</td>
<td>28%</td>
</tr>
<tr>
<td>Debt Management</td>
<td>26%</td>
</tr>
</tbody>
</table>
Annual Stock Plan Participant Survey

Next Steps
Next Steps

We are happy to answer any questions or schedule a follow-up meeting to further discuss how we can help your business.
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