



Case Study: What Do I Do with My Stock Awards?

The Challenge

Many equity-compensated employees find themselves in the same situation: They've been granted stock through their company's equity compensation plan, but they're not sure how to manage it.

- Should they hold, sell, or diversify?
- What are the tax implications?
- How can they manage their stock awards to support short- and long-term goals?

Without a strategy, these valuable assets often go underutilized—or worse, lead to unexpected tax bills.

Client Profile

- Occupation: Head of Life Sciences Digital Consulting
- Client Goal: Buy a house
- Objective: Understanding compensation

Our Approach

Before our semi-annual strategy meetings, we ask clients to send over their latest financial statements. Yes, it takes a little effort—but trust me, it's worth it.

In this case, when reviewing a client's holdings, I spotted two key stocks:

- 1) Stock A with a substantial gain (huge win!)
- 2) Stock B that had dropped significantly (not so great)

This created a perfect opportunity for tax loss harvesting, a key tax planning strategy that reduces tax liabilities and maximizes deductions.

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The Outcome

By using this tax loss harvesting strategy:

- ✓ The client netted \$80,000—tax-free.
- ✓ Avoided a significant capital gains tax hit.
- ✓ Used the extra cash to buy a move-in-ready home instead of a fixer-upper.

And, most importantly, they finally felt in control of their equity compensation.

The Strategy

Normally, selling Stock A would have resulted in a large capital gains tax bill. However, by strategically selling the underperforming Stock B at a loss, we were able to offset the gains and eliminate their taxable liability.

The Power of a Plan

If this client hadn't shared their statements, or if we hadn't had this meeting, they would have paid thousands in avoidable taxes.

**Without a strategy, equity compensation can feel overwhelming.
With the right guidance, it becomes
a powerful tool to pursue financial freedom.**

**Sitting on stock awards and unsure what to do next?
Let's chat about how to make them work for you.
Schedule time with us!**



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