



Mastering RSUs

Data-Driven Insights & Strategies for
Long-Term Financial Success

Insights by  **drive**research

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Background & Methodology

All figures in this report are drawn from an online survey conducted by [Drive Research](#), a global market research company located in New York. The area of interest was to understand potential behavior changes and attitudes towards restricted stock units (RSUs) at companies.

The survey took an average of 4 minutes to complete and included 22 questions. The survey received 800 responses from employees across industries with RSU compensation/offerings. Fieldwork for the survey began on October 16 and lasted until November 6, 2024.

With a probabilistic sample, a total of 800 responses at the 95% confidence level offers a 3.5% margin of error. If the survey were conducted with another random pool of 800 respondents, the results would yield within +3.5% or -3.5% of the stated totals in the reports.

The margin of error can be used as a guideline to understand the reliability of these results.

Introduction

Restricted Stock Units (RSUs) are a significant part of modern compensation packages, offering employees the potential for wealth accumulation. However, while RSUs provide financial opportunity, they also carry risks that many employees underestimate. Unlike traditional salary, RSUs are tied to company stock performance, meaning their value can fluctuate—sometimes dramatically. Holding too much company stock can lead to financial overexposure, leaving employees vulnerable if the stock price declines.

To better understand how employees navigate RSU compensation, [Resilient Wealth Planning](#) partnered with [Drive Research](#) to conduct a comprehensive survey across industries. This white paper explores employee behaviors, common misconceptions, and best practices for managing RSUs. By shedding light on both the advantages and risks, we aim to equip employees with the knowledge to make informed decisions—balancing financial growth with long-term security.



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RSUs: The Modern-Day Golden Handcuff

RSUs have become a defining feature of compensation packages in many high-performing industries, particularly in the tech sector. Within our survey, all respondents reported receiving RSUs, underscoring their significance in overall compensation. But beyond their financial appeal, RSUs also serve as a powerful retention tool, often **binding employees to their companies for years**.

RSUs are typically **granted upon hiring**, with additional grants awarded annually as part of performance reviews or when employees change roles within the company. Each grant comes with its own vesting schedule, meaning that **as employees accumulate more RSUs, they also face a continuous cycle of vesting timelines**. This structure creates a strong incentive to stay, as walking away from unvested stock can mean leaving behind a substantial portion of total compensation.

In Silicon Valley, it is not uncommon for tech employees to have between \$500,000 to \$1 million in unvested RSUs.

Leaving a job under these circumstances becomes a difficult decision, even for those experiencing burnout or dissatisfaction. The financial stakes of unvested RSUs act as both a **reward for tenure and a burden for mobility**.

For many, RSUs represent a significant portion of their earnings. While for some, RSUs make up a relatively small percentage—around 10% of total compensation—for others, they can exceed 50%. This variability highlights the evolving role of RSUs in compensation structures, reinforcing both financial growth and employee retention.



The Growing Impact of RSUs on Employee Retention

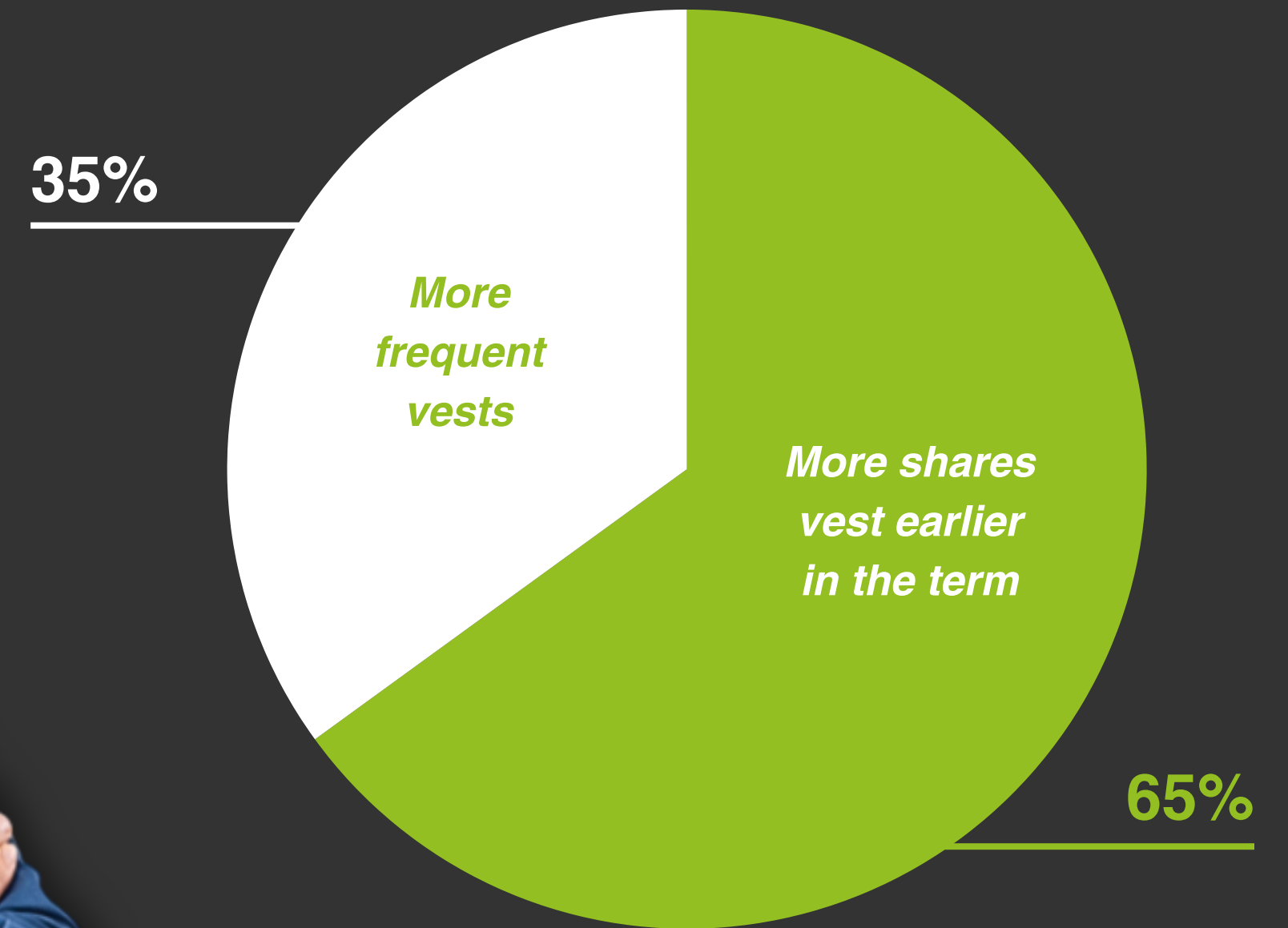
89% of employees were granted additional RSUs in the past year

This is a strong indication of the continued value placed on this form of compensation. Interestingly, 80% of these grants came with changes to the vesting schedule, often designed to benefit employees sooner.

These adjustments—such as more shares vesting earlier in the term (65%) and more frequent vesting (35%)—reflect companies' efforts to enhance retention and incentivize performance in a competitive job market. However, as employees accumulate more stock, both vested and unvested, their financial ties to their employer deepen, effectively lengthening their commitment to the firm. The growing stock balance serves as both an incentive and a potential obstacle to career mobility, reinforcing the long-term retention strategy inherent in RSU compensation packages.



For the new RSU grants that you received, how has the vesting schedule changed compared to prior grants?



The RSU Dilemma: Balancing Hope and Uncertainty in Equity Compensation

Nearly 3 in 5 employees believe RSU refresher grants will grow in 2025

While the value of RSUs increased for 58% of employees, a good portion (39%) saw no change. Despite optimism, RSUs remain a highly uncertain and volatile form of compensation.

Many employees rely on these grants to finance a portion of their living expenses, but the risk is significant. Economic shifts, corporate benefit changes, evolving employment demands (such as the rise of AI), and a company's financial health all have a direct impact on RSU compensation.

As RSUs make up a larger share of total earnings, **employees become increasingly vulnerable to these external factors.**

Among those whose RSUs increased in value, satisfaction levels soared, with 86% expressing positive feelings.

The primary reasons cited for these increases were company growth or profitability (78%), promotions or changes in responsibilities (71%), and strong individual performance (63%).

RSU value increases drive satisfaction, with 7 in 8 expressing positive sentiment

What was the reason(s) given behind this increase in the number of RSUs granted to you?





Conversely, stagnant or decreased RSUs often stemmed from company-wide challenges, such as strategic pivots (51%), company layoffs or lack of promotions (44%), and company financial difficulties (43%).

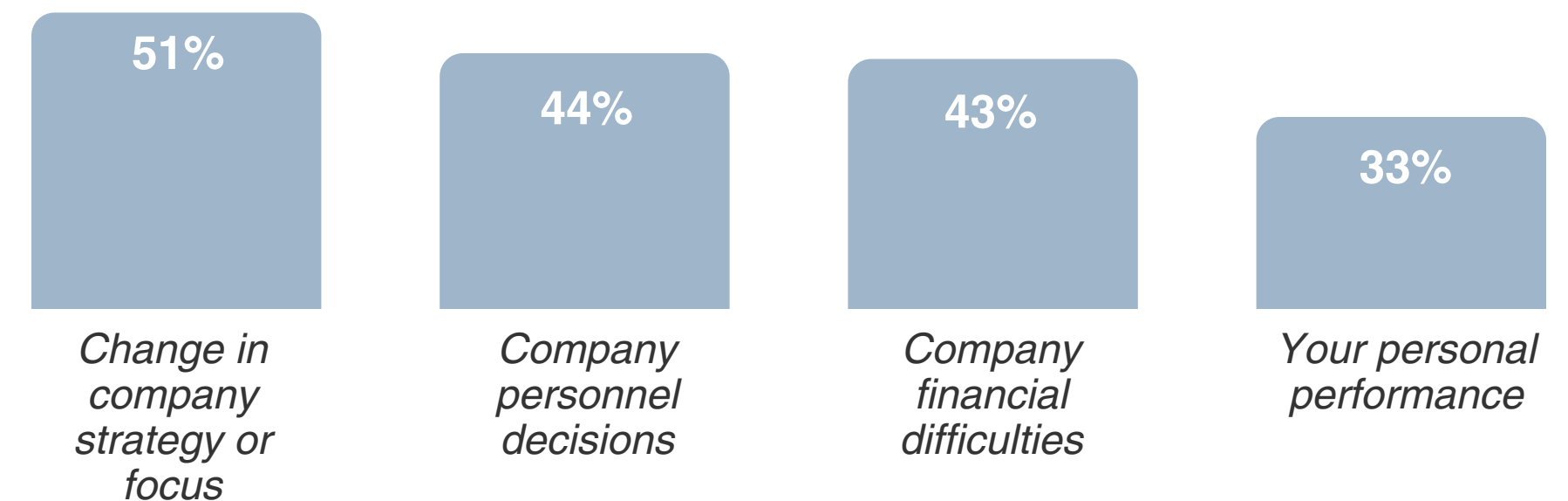
This highlights the fundamental uncertainty tied to RSUs—**what seems like a lucrative compensation tool today may be significantly diminished tomorrow.**

A key psychological factor at play is confirmation bias—employees often overestimate the stability of their employer’s stock simply because they are familiar with the company.

However, working at a company does not mean having a full understanding of its financial position or external competitive pressures. Overconfidence in RSUs can create blind spots, leaving employees unprepared for potential downturns.

A well-diversified financial strategy is critical to mitigating this risk and ensuring long-term financial stability.

What was the reason(s) given behind this decrease or no additional RSUs being granted to you?



The Psychological Effects of RSU Grants

Beyond the financial benefits, RSUs have a profound impact on how employees feel about their employers. Two in three employees (65%) shared that receiving new RSU grants increased their likelihood of staying with their company.

This sense of loyalty underscores the emotional connection tied to RSU offerings. For many, **these grants are not just numbers on a statement—they symbolize recognition, trust, and potential.**

When employees receive RSU grants, it sends a powerful message: their contributions matter, and their company is invested in their future. This symbolic gesture often translates into higher morale and increased engagement, creating a win-win scenario for both employees and employers.

However, there is also a downside. While RSUs can create loyalty, they can also lead to employees feeling trapped in their roles.

Many employees remain at companies not out of satisfaction, but out of fear of walking away from significant unvested stock. This financial tethering can result in disengaged or even resentful employees who feel obligated to stay rather than motivated to contribute.

The emotional weight of being "locked in" can lead to burnout, dissatisfaction, and a diminished workplace culture, as employees may prioritize financial security over career growth and fulfillment.

How did the new RSU grants that you received impact your likelihood of staying with your current company?

More likely to stay

65%

No impact

19%

Less likely to stay





16%



How to Unlock the Full Potential of Your RSUs

Managing RSUs can feel complex, but with the right strategies, you can turn potential uncertainty into long-term financial security.

Consider these actionable steps:

-  **Sell strategically and diversify for stability**
-  **Proactive tax planning**
-  **Diversify your portfolio and reduce dependence on your employer**
-  **Stay informed and seek guidance**

Let's further explore each strategy starting with selling strategically and diversifying for stability.



Sell Strategically and Diversify for Stability

One of the biggest mistakes employees make with RSUs is holding too much of their employer's stock. While it may feel natural to stay invested in a company you believe in, history has shown that even the most promising stocks can experience drastic downturns.

According to our survey, employees, on average, plan to sell 46% of their vested RSUs and hold 54%. While this indicates a general awareness of diversification, it also suggests that many **employees may still be overly concentrated in their employer's stock.**

Employees who successfully manage their RSUs consistently sell a portion (typically 25-50%) upon vesting and reinvest those funds into a broader portfolio. This approach reduces concentration risk, ensuring that your financial future isn't tied to a single stock.

Over time, as you transition from holding one stock to a well-diversified portfolio of 30-50 stocks or more, **you decrease volatility and build a more resilient financial foundation.** Think of your RSUs as an annual bonus—a tool to grow long-term wealth—while relying on your salary for day-to-day expenses.

That said, there's always an opportunity cost to selling. Holding onto a single stock can lead to significant gains, but it also exposes you to higher risk.

As Warren Buffett wisely put it: "While diversification helps protect your investments, concentration can potentially create greater wealth."

The key is finding the right balance—one that aligns with your financial goals while safeguarding against uncertainty.





Proactive Tax Planning

Many employees hesitate to sell their RSUs because of tax implications. However, the biggest tax burden occurs at the time of vesting—similar to a cash bonus—making it unavoidable. The key to **effective RSU management isn't avoiding taxes but planning for them.**

Selling RSUs the day they vest can often be the best way to mitigate market risk. Imagine your RSUs vest at a value of \$50,000 in March, but by December, the stock drops to \$30,000.

You'll still owe taxes on the original \$50,000, even though the shares are now worth significantly less. This scenario often leads employees to hold onto shares, hoping they recover—when in reality, diversification would have provided better stability.

Instead, consider this approach:

- ✓ Accept that **vesting day = taxable income day** and set aside funds accordingly.
- ✓ If you sell after vesting, waiting a year allows you to qualify for **long-term capital gains tax rates (15-25%)**, which are significantly lower than ordinary income tax rates.
- ✓ Fear of taxes shouldn't drive your decisions. Paying a 15-25% capital gains tax on profits is often far better than watching your stock lose 25% of its value.

***Avoid letting tax concerns lead to inaction—
thoughtful planning helps you stay ahead***





Diversify Your Portfolio and Reduce Dependence on Your Employer

Holding too much company stock creates unnecessary risk. It's easy to feel emotionally tied to your employer's success, but overconfidence can cloud judgment. **The dot-com bust of the early 2000s serves as a stark reminder: many employees saw their paper wealth disappear overnight.**

A disciplined sell-and-diversify strategy reduces dependency on your employer and the fate of the company stock.

Reallocating RSU proceeds into an actively managed portfolio of individual stocks and ETFs helps develop a more diversified portfolio, seeking to **lower the impact of market swings** while still benefiting from long-term growth.

Want to know more ways to diversify your portfolio? [Read our blog post.](#)



Stay Informed and Seek Guidance

RSUs are an incredible wealth-building tool, but managing them correctly requires expertise. The Resilient Wealth Planning team **specializes in helping employees navigate RSU strategies** with a focus on long-term financial success.

The team, led by Gen X advisors, vividly remember the financial fallout of the dot-com era—and know firsthand the risks of relying too heavily on employer stock. They help individuals build a plan that balances risk and opportunity, so they can **maximize the benefits of their RSUs while securing lasting financial independence.**

Final Thoughts: A Smarter Path to Financial Wellness

RSUs continue to play a vital role in attracting and retaining top talent. Our survey findings reveal that despite some economic uncertainty, employees remain largely satisfied with their RSU compensation and optimistic about its future value.

However, this confidence can be misleading—**RSUs are inherently volatile, and their value can decline unexpectedly.** Many employees become overly reliant on their company stock, overlooking the risks associated with market fluctuations and economic downturns.

Emotional attachment to one's employer often creates confirmation bias, leading employees to overestimate the stability of their RSU compensation. Resilient Wealth Planning is **committed to empowering employees to make informed decisions**, helping them navigate these uncertainties and mitigate risks.

The Resilient Wealth Planning team vividly remembers the dot-com bust of the late 90s and early 2000s. At that time, many employees believed their stock-based wealth was secure—only to watch it disappear almost instantly. Millionaires, on paper, walked away with little to nothing from company stock benefits. Given current market trends, history may be poised to repeat itself.



Does Thinking About RSUs Overwhelm You? We Can Help.

RSUs can be a powerful wealth-building tool—if managed wisely. We create strategies that help you maximize gains while protecting your financial future.

[Contact Our Certified Financial Planners](#)

