

Macro Roundup Article

Headline: [Stock-Based Compensation](#)

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| Publication | Morgan Stanley |
| Publication Date | April 18, 2023 |

Tweet: Stock-based compensation was around 6-8% of total compensation for public American firms, up 5x from 2006. At approximately 1.2% sales, stock-based compensation was up 6X since 2000. @mjmauboussin

Summary: In 2006, the year that companies had to reflect SBC as an expense on the income statement, total SBC expense for companies in the Russell 3000 was about \$25 billion. The Russell 3000 is an index that tracks the largest stocks by market capitalization in the United States. We estimate that SBC was about \$270 billion in 2022, or 6- 8 percent of total compensation for public companies in the U.S. Sales over the same period went from \$11.5 to \$21.1 trillion. Stock-based compensation (SBC) in 2022 was nearly 5 times what it was in 2006, measured as a percentage of sales, although total SBC remains less than 10 percent of total employee pay.

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