

NOTE U. STOCK-BASED COMPENSATION

The following table presents total stock-based compensation cost included in income from continuing operations.

(\$ in millions)			
For the year ended December 31:	2019	2018	2017
Cost	\$ 100	\$ 82	\$ 91
Selling, general and administrative	453	361	384
Research, development and engineering	126	67	59
Pre-tax stock-based compensation cost	679	510	534
Income tax benefits	(155)	(116)	(131)
Net stock-based compensation cost	\$ 524	\$ 393	\$ 403

Total unrecognized compensation cost related to non-vested awards at December 31, 2019 was \$1.2 billion and is expected to be recognized over a weighted-average period of approximately 2.5 years.

Capitalized stock-based compensation cost was not material at December 31, 2019, 2018 and 2017.

Incentive Awards

Stock-based incentive awards are provided to employees under the terms of the company's long-term performance plans (the Plans). The Plans are administered by the Executive Compensation and Management Resources Committee of the Board of Directors. Awards available under the Plans principally include restricted stock units, performance share units, stock options or any combination thereof.

There were 273 million shares originally authorized to be awarded under the company's existing Plans and 66 million shares granted under previous plans that, if and when those awards were cancelled, could be reissued under the existing Plans. At December 31, 2019, 94 million unused shares were available to be granted.

Stock Awards

Stock awards are made in the form of Restricted Stock Units (RSUs), including Retention Restricted Stock Units (RRSUs), or Performance Share Units (PSUs).

The following table summarizes RSU and PSU activity under the Plans during the years ended December 31, 2019, 2018 and 2017.

	RSUs		PSUs	
	Weighted-Average Grant Price	Number of Units	Weighted-Average Grant Price	Number of Units
Balance at January 1, 2017	\$147	8,899,092	\$155	2,874,758
Awards granted	137	3,540,949	137	824,875
Awards released	153	(3,032,531)	175	(293,236)
Awards canceled/forfeited/performance adjusted	147	(852,247)	170	(757,084)*
Balance at December 31, 2017	\$141	8,555,263	\$144	2,649,313**
Awards granted	121	4,806,790	130	909,140
Awards released	148	(2,579,962)	152	(666,244)
Awards canceled/forfeited/performance adjusted	139	(979,387)	147	(472,514)*
Balance at December 31, 2018	\$130	9,802,704	\$136	2,419,695**
Awards granted	119	5,650,861	117	1,395,534
Awards released	136	(3,145,016)	140	(846,672)
Awards canceled/forfeited/performance adjusted	128	(981,921)	131	(112,107)*
Balance at December 31, 2019	\$123	11,326,628	\$126	2,856,450**

* Includes adjustments of (8,544), (328,120) and (623,245) PSUs for 2019, 2018 and 2017, respectively, because final performance metrics were above or below specified targets.

**Represents the number of shares expected to be issued based on achievement of grant date performance targets. The actual number of shares issued will depend on final performance against specified targets over the vesting period.