SERIES

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The Cash Opportunity for Advisors

Flourish™

Welcome to The Cash Opportunity for Advisors, which takes a deep-dive into the cash sitting in your clients' bank accounts.

With interest rates near historical lows for the past decade, investors and advisors alike could afford to ignore cash. But when rates started to climb to their highest point since 2008, cash entered the conversation again. Additionally, upheaval in the banking industry in spring 2023 dramatically underscored the importance of advisors being aware of clients' held-away bank exposure and FDIC coverage limits, bringing the subject of cash to the forefront. Cash presents a significant opportunity for advisors to better serve clients and grow their business. The timing has never been more right.

Even for those advisors who wanted to help clients with held-away cash, they have historically lacked the tools that would allow them to do more than just recommend outside products that clients may or may not ever take action on. Enter Flourish Cash.[†]

With the ability to offer clients a competitive rate and expanded FDIC insurance coverage through FDIC-member Program Banks[Ω] within an advisor-centric solution, as well as gain visibility into held-away assets, advisors no longer need to be in the dark.

Overview

In this book, we'll explore how focusing on cash can enhance the advisor-client relationship, and help advisors build their business. We'll then take a look at how to successfully introduce Flourish Cash within the firm and to clients. We'll start by taking a look at:

- **What held-away cash is and why clients hold it**
- **Exactly how much money clients have**
- **The opportunity that held-away cash presents for advisors**

We'll then peel back the layers to understand client motivations and the driving forces behind holding cash, including:

- **Where cash comes from**
- **Why clients hold more than their advisors realize**
- **How cash elevates much more than just their account balance**

Then, we'll dive into the benefits available to advisors and clients when they bring cash into focus:

- **Adding client value**
- **Gaining visibility of cash assets**
- **Defending against competitors**

Next, we'll look at how to start the cash conversation with:

- **Existing clients**
- **New clients**
- **Prospective clients**

Finally, we outline a seven-step process to successfully introduce a cash-management program into your firm that helps to:

- **Create internal alignment**
- **Lay the foundation for success**
- **Drive results**

CHAPTER 1

Why advisors are blind to held-away cash

Understanding held-away cash

Held-away cash is simply the cash that sits outside a client's portfolio, beyond the purview of advisors. "While it's often mentioned during the client onboarding process, advisors typically don't revisit held-away cash in any level of detail with existing clients," said Flourish President Ben Cruikshank. "Advisors intuitively know that clients keep some amount of cash in a bank account, but rarely take it into consideration when giving advice."

Many advisors have been comfortable disregarding held-away cash because it wasn't thought to be a major part of the client's overall net worth. However, research has shown that cash reserves tend to be significant and that advisors are often in the dark about the scale.

"When we ask advisors how much cash their clients hold, the most frequent answer we hear is 1-2%, by which advisors mean the 1-2% of the portfolio held in cash for purely operational reasons," said Cruikshank. "However, when you look at the data, it's clear that high net worth individuals hold significant amounts of cash away from their advisors."

How much cash do clients actually hold?

According to a 2022 Capgemini World Wealth report, people with at least $1 million in investable assets keep 20% of their net worth in cash.[1]

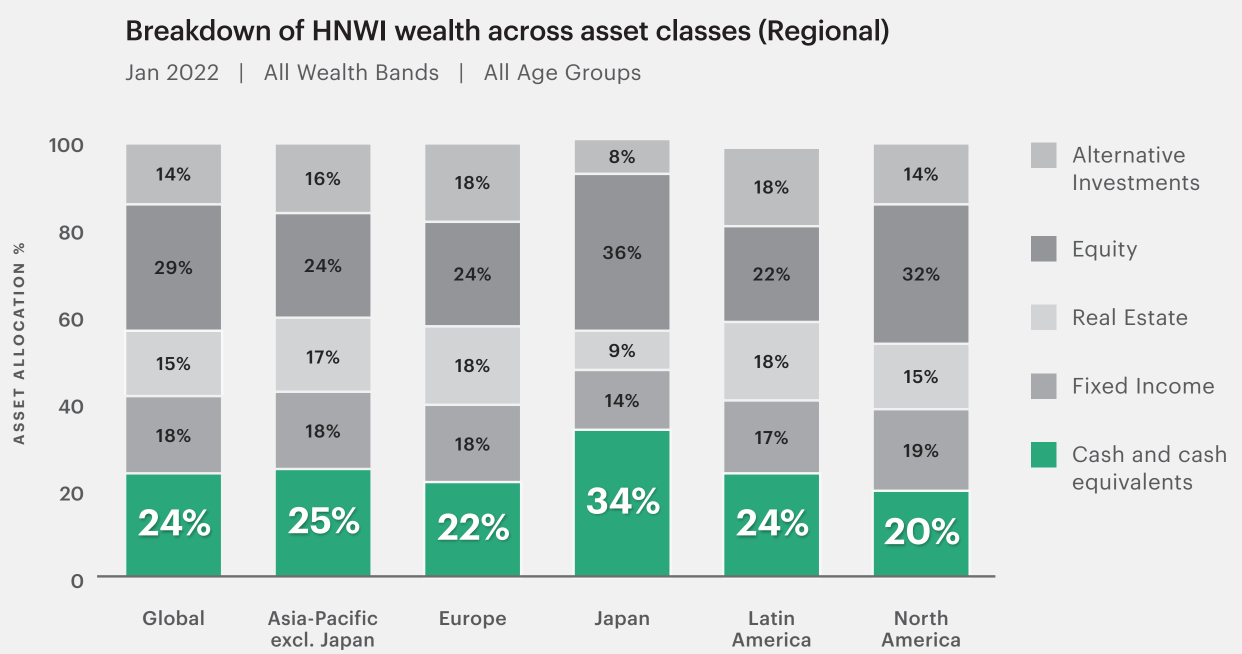
"When hearing this data for the first time, many advisors say 'that may be true of other people's clients, but certainly not for my clients'" said Cruikshank. "Ironically, many advisors have told us that while simultaneously admitting that they personally hold far too much in cash."

> When you look at the data, it's clear that high net worth individuals hold significant amounts of cash away from their advisors.

To further understand how much cash the clients of RIAs actually hold, we took a look at data from Flourish Cash customers.

Across 850+ RIAs that represent $1.5T in total end-client AUM and thousands of clients, we can see that households truly do have significant amounts of cash — and balances scale as net worth increases. Clients with a self-reported net worth of $1-2M hold an average of $194,716 in Flourish Cash accounts, while clients with a self-reported net worth of $5-10M hold an average of $390,631 in cash.[ii] And that's just the money sitting in Flourish Cash.

So why are advisors blind to held-away cash? Cruikshank explained, "Advisors are great at managing things that sit inside the portfolio, under their visibility and control. Cash is different. Advisors often don't even start the conversation about held-away cash because they can't easily see it, manage it, or bill on it, and don't have access to advisor-centric cash-management solutions."



Source: Capgemini; data as of January 2022.

Recognizing the opportunity

Advisors who recognize that clients often hold significant amounts of held-away cash can turn this missed opportunity into an advantage.

Increased visibility into cash can help advisors provide more holistic advice to their clients, from better financial planning to ensuring that clients are taking appropriate risk in their portfolio, to helping clients earn a more competitive rate on their cash. After all, with an average household Flourish Cash account balance of $194,716 for clients with a self-reported net worth of $1-2M, a client that earns our rate of 4.50% APY[§] as of 09/19/2024 (check Flourish.com/rates for the latest rate) on their cash for a year would earn over $8,700 in interest. For a household with $1.5M in the portfolio, that would offset almost 60% of average advisory fees.

While future rates are uncertain and there is no guarantee that clients will continue to earn those rates, now could be an optimal time to help clients think strategically about their held-away cash — particularly in a time of economic volatility when clients are looking to their advisor for solutions. And if advisors don't start the conversation, they should be aware that other firms — from wealth managers at private banks to robo-advisors — may attempt to build a relationship with their clients by presenting them with opportunities for their cash.

The held-away cash that clients have outside the orbit of the advisor deserves a second look. Next, we explore the reasons why clients hold cash and how to take this understanding into conversations with your clients about opportunities to maximize the potential of cash.

CHAPTER 2

Understanding why clients hold cash

The source of held-away cash

Advisors know that having a complete overview of your clients' financial lives is essential to giving advice. As we've seen, however, it's easy for advisors to lose sight of the cash that sits outside the portfolio. These funds usually sit in checking and savings accounts at banks, often earning little to no interest. Advisors don't regularly discuss these funds with clients, integrate data about them into their tech stack, or look for opportunities to help their clients earn more.

Held-away cash can come from a sudden influx of funds, such as the sale of a business or property, an inheritance, or bonus. In other cases, the cash can be the result of a steady accumulation of funds over time.

The last few years have taken cash for a ride. The height of the pandemic saw a massive increase in savings, with the personal savings rate reaching 34% in April 2020, resulting in an abundance of cash in the bank. Although inflation has caused savings to take a backseat, with the personal savings rate at 2.3% in October 2022,[2] HNW individuals now have unprecedented amounts of cash sitting in the bank. Whether from a windfall or slowly-accumulated savings, these funds are often set aside for a rainy day and forgotten — a lost opportunity for clients and advisors.

> Client insight is really important. People care about how much cash they have and money will always have an emotional component.

Digging into the Why

While many advisors are initially in disbelief that their clients hold 10-20% of their wealth in cash, those numbers become understandable as soon as advisors look at the 'why' behind the statistics.

Speaking with clients every day, our Client Support Team frequently hears reasons why people hold cash, including:

- **Household liquidity**: cash on hand offers flexibility and convenience
- **Emergency fund**: typically 6-12 months' living expenses
- **"Sleep at Night" money**: provides an additional sense of security beyond an emergency fund
- **Dry powder**: waiting for an opportunity to invest
- **Fear of entering the market**: the opposite of dry powder, more comfortable on the sideline
- **Short-term liabilities**: saving for down payment for home purchase, tax bills, or major purchase

- **Inheritance or windfall**: common advice is to wait 6-12 months in cash before making changes
- **Reduced overall volatility**: while advisors carefully manage risk in the portfolio, many clients – particularly new retirees – are fearful of volatility and keep extra on the side

Each client comes with their own unique story. “Client insight is really important,” said Flourish President Ben Cruikshank. “People care about how much cash they have and money will always have an emotional component. Advisors should make room for that in their client planning, understanding where the cash comes from and what it means to the client.”

The mindset a person has towards money is shaped by past experiences and influenced by external factors. These can range from a parent’s spending habits or the culture in which they were raised, to living through a significant financial event such as the subprime mortgage crisis, graduating in a recession, or losing a job during the pandemic. Advisors who take the time to consider emotions, motivations, and money mindset will better understand a client’s goals and the financial advice needed to help reach them.

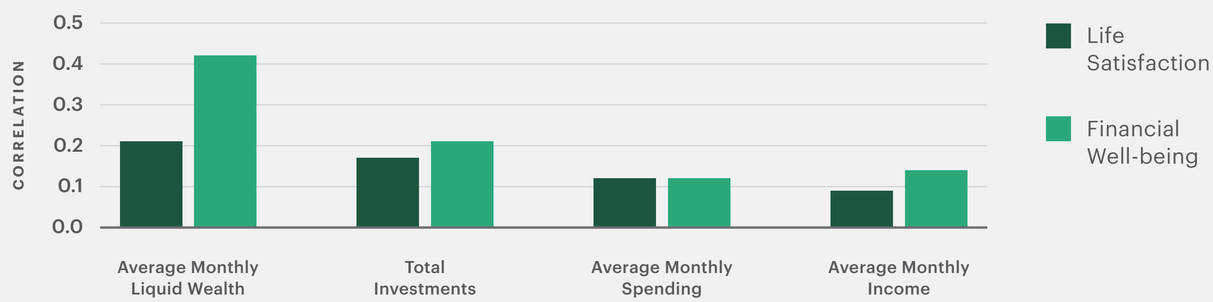
Cash increases happiness

Researchers at the National Science Foundation have explored the link between wealth and well-being.[3] They found that individuals who have more cash on hand feel more confident about their finances and ultimately more satisfied with their lives. Instead of net worth, income, or investments, the driving force is cash in the bank.

Even HNW individuals with no debt and significant investments see their happiness increase when a portion of their wealth is easily accessible. As discussed in Michael Kitces’ Nerd’s Eye View, the research concludes that cash in the bank increases a sense of well-being regardless of how much a person earns, invests, or owes.[4] Advisors have an opportunity to add value by helping their clients earn more on their cash and increase their happiness, while taking into account the reasons that they hold cash.

For clients who hold smaller amounts of cash, building a cushion through automated savings can put them on the path to increased happiness. Flourish Cash offers recurring transfers and SmartBalance, tools that automatically transfer money and enable clients to automate their savings with flexibility and control, while helping RIAs support them in the continued accumulation of cash. “Whether clients have a significant cash reserve, or are in the process of building one, advisors have an opportunity to expand the conversation, helping deliver more value — and maybe even happiness — to their clients. Bringing more assets into the advisor’s orbit allows for better advice,” explained Cruikshank.

Factors that Correlate with Life Satisfaction & Financial Well-being



© Michael Kitces, www.kitces.com. Source: How your bank balance buys happiness: The importance of ‘cash on hand’ to life satisfaction (Ruberton, Gladstone, & Lyubomirsky, 2016).

While the source of cash and the reasons individuals hold it are varied and layered, gaining visibility into held-away cash and considering it alongside the portfolio can have tangible benefits. Once advisors get clear on where held-away cash comes from and recognize that many clients may want to keep that cash in an accessible account, they then can deliver more value to clients by offering them the opportunity to optimize their held-away cash: increasing both the yield and their happiness.

Next, we’ll take a closer look at how putting cash to work can be advantageous for clients, while making it easier to move cash into the portfolio for advisors.

CHAPTER 3

The benefits of bringing cash into focus

Once advisors recognize the importance of cash and understand client motivations, then they can make the most of the advantages it offers. As we've discussed, there is a lot more cash out there than advisors realize and clients have significant reasons for keeping it close. Advisors might be wondering what the incentive is to bring cash into their practice if — so far — business has been fine without it. From conversations with hundreds of RIAs, we've identified three key reasons why bringing cash into focus can have substantial benefits for advisors and their clients.

1. Add client value

As we showed in the last chapter, clients have real reasons for holding cash, including for an emergency fund, for short-term liabilities, and to enhance their sense of security. While these cash reserves have typically been outside the advisor's realm, that no longer needs to be the case.

Advisors who offer clients access to a cash management solution with a competitive rate open the door to a variety of benefits:

Higher yield: Traditional bank accounts offer clients a low interest rate on their cash. According to the FDIC, a standard account earned 0.46% APY as of September 2024, while competitive yield accounts such as Flourish Cash often provide more than 9x the returns.[#] On a tactical level, we've seen how this plays out in terms of dollars and cents. Recall that clients with a self-reported net worth of $1-2M hold an average of $194,716 in Flourish Cash accounts.[||] At our rate of 4.50% APY[§] as of 09/19/2024, (visit flourish.com for the latest rate) they are earning more than $8,700 annually. In a standard account, that same cash balance would earn less than $900. At current rates, the extra yield earned could pay for an entire vacation or offset half of the typical client's advisory fees.

A Tale of Two Rates:

Comparison	Account balance	APY	Annual yield
Flourish Cash	$150,000	4.50%	**$6,750**
Average money center bank	$150,000	Avg. national savings rate 0.46%	$690
		Earnings clients miss out on:	**$6,060**

Maintain liquidity: Unlike CDs and certain fixed income investments, cash remains accessible to clients. Advisors who can recognize a client's internal motivations for wanting to retain liquidity will be in a stronger position to advise on the opportunities.

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Particularly when faced with challenging market conditions, enabling clients to earn more on their cash gives advisors a new opportunity to help clients reach their goals.

Increased happiness: Research has shown that people with larger cash reserves experience a greater sense of well-being.[5] Advisors have the opportunity to deliver more value to clients by helping them optimize their held-away cash: increasing both the yield and their happiness.

Help clients with their businesses: Many clients are deeply engaged with businesses and nonprofits, which typically sit outside the advisory relationship. Through support for corporations, LLCs, nonprofits and partnerships, advisors can offer a value-add solution for another critical part of their clients' financial lives.

Particularly when faced with challenging market conditions, enabling clients to earn more on their cash gives advisors a new opportunity to help clients reach their goals. “Telling clients to do nothing and stay the course can be some of the hardest advice to give,” said Flourish President Ben Cruikshank. “Now the story can be: ‘We're not making any changes to the portfolio, but we've identified a major opportunity for you to reach your goals.’” Giving clients concrete steps to take can help them stay on track, while demonstrating that you're working hard on their behalf.

2. Bring assets into your orbit

Gaining visibility of held-away cash can lead to **better financial planning**. Visibility can result in better advice, particularly when it comes to understanding clients' needs outside the portfolio and helping them reach both their short- and long-term financial goals. Many independent advisors aim to offer clients holistic planning and taking held-away cash into consideration is an essential part of the picture.

In addition, bringing assets into your orbit can lead to **better investing**. Understanding how much cash your clients hold, and the reasons why, can help advisors gauge the right amount of risk to take in the portfolio, potentially increasing equity exposure when faced with larger than expected cash balances.

In the situation where a client is holding more cash than anticipated, advisors can open a conversation about client goals, fears, and needs. If, working together, advisors and clients determine that the client is holding more in cash than is needed, it can open up a conversation about **bringing excess cash into a fee-earning account within the portfolio**. Visibility is key to starting the conversation.

3. Defend against competitors

In a time of increasing competition, advisors need to deliver more to ensure client – and asset – retention. As Flourish CEO Max Lane said in his year-end letter to advisors, “Critically important parts of your clients’ financial lives sit outside the portfolio, held away from you… Banks, startup trading firms, robo-advisors, lending platforms, crypto exchanges, and more are all attempting to win a portion of your client’s financial lives for themselves by focusing on these gaps.”

Bringing cash into focus helps advisors fill in the gap and protect their clients’ assets from the hands of their competitors. As Cruikshank explained: “In FinTech, companies such as Betterment, Robinhood, Personal Capital and SoFi are all racing to become the all-in-one shop and have introduced cash solutions in recent years. Banks such as Ally and Marcus have hired teams of CFPs and integrated cash with their advisory teams to cross-sell affluent investors with their advisory services. Cash is either inside your orbit, or it’s not. And if it’s not, it’s some other competitors’ opportunity to pick off.” Advisors need to deliver more for their clients — or someone else will.

In addition to client retention, defending against competitors requires client acquisition. “Most RIAs have high retention rates and don’t think they need to worry about competitive pressures,” said Cruikshank. “But the same RIAs often have low, single-digit organic growth rates. While you may not lose a client due to cash today, in ten years it could be the difference between being a firm that is acquiring and a firm that is being acquired.” Growth-minded firms are not only interested in serving the clients of today, but also bringing in the clients of tomorrow.

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Building your business through cash

With the greatest generational wealth transfer on the horizon,[6] advisors have an opportunity to secure their position by focusing on their clients’ holistic financial lives. Offering a suite of additional, exclusive products to clients can bolster your firm’s brand in a competitive market. Taking cash into consideration is low-hanging fruit. Access to a RIA-centric cash management solution offers clients tangible benefits while enabling advisors to gain essential visibility into their clients’ financial lives, offer more holistic planning, increase their level of service, and defend against competitors.

CHAPTER 4

How to start the cash conversation with clients

Why every client needs a cash solution

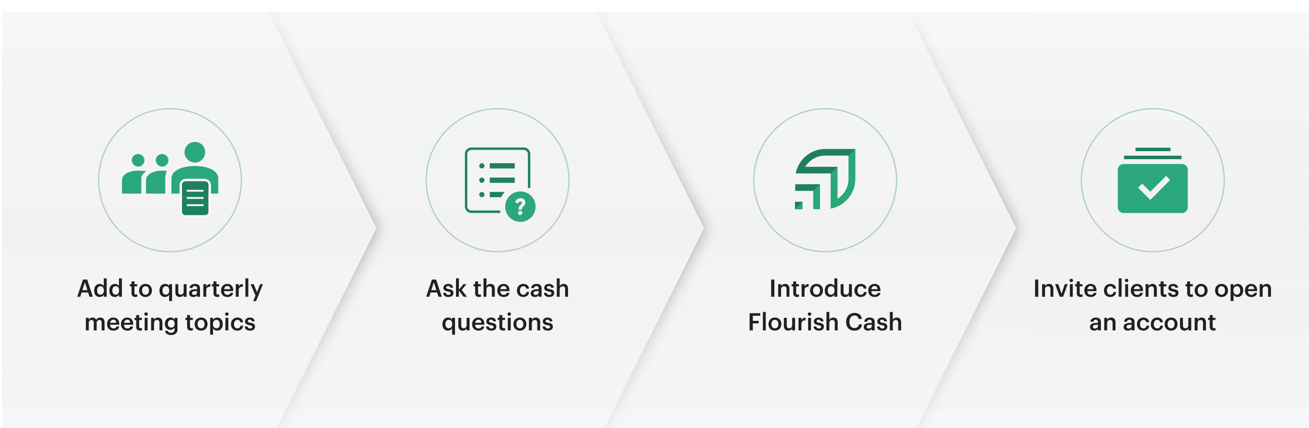
Industry research has shown that clients hold a significant portion of their assets in cash – often much more than advisors recommend, or even know about. Advisors who embrace this fact can offer their clients actionable steps to improve their financial well-being while bringing new assets into their orbit.

However, cash solutions are not just for the exceptional client holding an exceptional amount of cash in their checking account. “Often, when we tell advisors about Flourish Cash,[†] they respond, ‘This will be perfect for my clients who hold a lot of cash’”, said Flourish President Ben Cruikshank. “But it’s not just for one client. Every single client has cash in a checking or savings account and might be excited to earn more, whether they have $100 or $100,000.” With the national savings account average interest rate at 0.46% as of September 2024,[#] every single client may benefit from a more profitable place to put cash reserves that they want to remain liquid.

The most successful advisors bring up cash with every client on a regular basis – all it takes is a few simple questions. Based on success stories from advisors, here is a plan for how to get started.

Starting the conversation: Existing clients

Many advisors haven’t checked in on client cash holdings since the initial planning conversation at the start of the advisory relationship. Go beyond the clients that you assume hold a lot of cash. Even clients with small amounts of cash are often excited to have a high-interest option, while other clients may have far more cash than you think.



> It's not just for one client. Every single client has cash in a checking or savings account and might be excited to earn more, whether they have $100 or $100,000.

Instead of an ad hoc approach, successful advisors typically make a plan of bringing up cash with every client during regularly scheduled quarterly meetings. It's easy to start the conversation with a few basic questions:

- How much cash are you holding?
- Why are you holding cash?
- Where are you holding cash?
- Do you know the rate you are earning?

"RIAs that use Flourish Cash typically present it as a solution that's exclusively available to the clients of independent advisors," said Cruikshank. They describe the benefits: it allows clients to earn a competitive rate, retain liquidity, and benefit from increased FDIC insurance through our Program Banks.[Ω] Additionally, it's an option that's integrated with the firm, allowing advisors to offer more holistic advice.

Finally, most advisors share a branded factsheet and let them know that they will be receiving an invitation soon. "It's something that we bring up with every client to make them aware. It's a standing agenda item and it shows that we're on top of things," said Erica Bouchard, Wealth Advisor at Buckingham Strategic Wealth. "It's nice to be able to offer something new when you're meeting with a client. We're always striving to show clients the value that we're adding."

Starting the conversation: New and prospective clients

For clients who are new to your firm, advisors have the opportunity to add more value at the start of the relationship. "Working with a new advisory firm starts out with inspirational, fun conversations. Then it's a month of paperwork, questionnaires, and process before clients really start to benefit," said Cruikshank. Presenting clients with a new tool that shows returns quickly can help ease clients through the introductory phase. Flourish Cash makes it simple to set up standing instructions with your custodian, yielding operational efficiencies.

For prospects, it's a rare opportunity to deliver value before an advisory agreement has been signed. Flourish Cash gives advisors a reason to call down the list of prospects they may have been courting for years. Advisors can ask prospective clients similar questions to what they'd ask current and new clients, diving deeper into the emotional side to understand if they are fearful, if they are hesitant to enter the market, or if there are other considerations preventing them from taking action.

Even better, when a prospective client signs up with Flourish, your firm will stay top of mind as they see your firm's name and logo across the website, emails, and print materials.

Making it actionable and recurring

Finances are emotionally charged and cash is no exception. Recognize that some clients might be embarrassed about the amount of cash that they're holding. Conveying excitement about an exclusive new solution can be an effective way to open the conversation without putting clients on the spot.

Firms that are successful with offering clients a cash solution make it an actionable and recurring topic of conversation with each and every client. These advisors welcome the opportunity to support clients in even more aspects of their financial life. "Go beyond the clients you know hold cash. Planning and growth-oriented firms ensure that every client is in a good place, whether at Flourish or somewhere else," said Cruikshank. "Particularly given recent events in the banking industry, this is an opportunity to bring cash into the conversation and make sure every client is happy."

> Go beyond the clients you *know* hold cash...ensure that every client is in a good place, whether at Flourish or somewhere else. Make sure every client is happy.

CHAPTER 5

Seven steps to a successful rollout

Laying the foundation to drive results

Although it's easy to get started with Flourish Cash, firms need to take a structured approach to be truly successful. "Advisors are great at doing things within the portfolio," explained Flourish President Ben Cruikshank. "However, when it comes to one-off, advisor-led initiatives, even simple projects can fail to gain momentum when firms don't approach them systematically."

Over the years, we've seen firms who have successfully implemented Flourish Cash into daily operations and have invited thousands of clients, with hundreds of millions of dollars in the program and millions in interest earned by clients. And then there are firms who are initially excited to offer the solution to clients, but fail to move past internal testing due to a lack of coordination.

Unsuccessful rollouts are often due to three key missteps:

- **Lack of ownership:** When firms don't intentionally select an owner who can navigate both the client experience and technology, or worse, when firms don't select an owner at all.
- **Insufficient alignment on use-cases:** When firms don't align on client use cases, how Flourish Cash differs from options at their custodian, and how to talk to clients about Flourish.
- **Not engaging client services, support, and operations:** The disconnect that takes place when advisors are trained, but support functions haven't been brought up to speed on Flourish.

"If you show advisors the next new thing and never follow up, you'll wind up with uneven adoption across advisors and will only reach a handful of clients," said Cruikshank. "It's about building internal consensus. The best firms put in place a simple rollout plan and then execute, allowing them to easily reach clients and drive real results for the firm."

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7 Steps to a Successful Rollout

Success in rolling out Flourish Cash comes when firms take a tactical, professional approach to rolling out a cash-management offering to their clients. While every firm is structured differently, we've identified seven key steps taken by firms who get it right:

1 **Appoint an owner internally:** Ensure that you have a single person who is responsible for overseeing the adoption of Flourish Cash. This is often a CIO, although we increasingly see roles like Head of Financial Planning, Head of Advisor Experience, or Head of Growth. The internal owner will lead the rollout and measure the impact. We also recommend that every firm selects a day-to-day point of contact, often in client services or operations, given Flourish is in part a technology solution that will require some management.

2 **Determine the use cases:** Understand where advisors should use Flourish Cash and where they shouldn't use it. We typically see advisors using Flourish Cash for:

- Clients with held-away cash
  - » Typically money that's sitting in checking and savings accounts
  - » Emergency funds, "sleep at night money," short-term liabilities, etc.
- Clients with $0-20M in cash
  - » While there's not a hard cut-off, Flourish Cash works extremely well for individuals with balances from $1-5M and households with balances from $1-20M. If someone has $25M in cash, other options are very competitive
- Client profiles:
  - » Typically households between $0-100M net worth
  - » Clients that are comfortable opening accounts online
- Secondary use case: accommodated cash positions that you're holding for a client at no cost that you want to get off the books

Conversely, advisors typically do not use Flourish Cash for the following cases:

- Extremely large cash balances
  - » For a $30M cash endowment, for example, there are other portfolio solutions
- Clients who aren't comfortable with online accounts
- Cash you are charging on that's at the custodian

3 **Align on a rollout plan:** The internal Flourish owner should create a rollout strategy, which typically covers:

- Existing clients: Will advisors discuss held-away cash with every existing client in the next quarterly meeting?
- Adding Flourish Cash to the "new client" onboarding process
- Reaching prospects
- Engaging centers of influence
- Determining if Flourish Cash will be added to a newsletter, the website, or other marketing initiatives

Rollout strategies can be as simple as committing to discussing cash with every client during the next quarterly meeting, but it's critical to align and then set the plan down on paper.

4 **Train advisors and support staff:** Once you've appointed an owner, determined use cases and aligned on a rollout strategy, it's now time to train your advisors. Schedule an advisor training session with the Flourish team to get advisors up to speed. Ensure that your client services and operations teams are looped in, potentially scheduling a separate training so that they know how to support advisors by prefilling applications, enabling integrations, and setting up standing instructions with existing brokerage accounts.

Immediately prior to or following training, your internal owners should invite all advisors and support staff to create advisor accounts with Flourish, encouraging them to invite themselves and test out the experience firsthand.

5 **Enable integrations:** Ensure that Flourish Cash fits into your existing workflows by enabling direct integrations with our reporting, planning, and CMS partners. See the full list of partners at info.flourish.com/integration-partners.

"" Ultimately, this should be a lightweight and fast initiative, but taking the time to do it right could be a meaningful step towards helping your clients reach their goals.

6 **Engage marketing:** Consider creating a plan to share the news with clients. This could include highlighting cash as a topic – including opportunities to earn more – in your quarterly newsletter, sharing on social media, or highlighting on your website. While marketing will not replace one-on-one conversations, it helps to build excitement and familiarity. Flourish provides advisors with marketing templates in the Advisor Resource Center and our team is happy to engage with you to help spread the word.

7 **Periodically review results:** Like all initiatives, top firms review results on a periodic basis. On a monthly or quarterly basis, review which advisors are using Flourish Cash and which ones haven't gotten started, how much cash clients have deposited, and whether integrations are functioning properly. Over time, assess if you've accomplished your goals, and discuss how and where Flourish fits into your financial planning process going forward.

Making it a reality

Over the years, we've seen both large and small advisory firms succeed with Flourish Cash, helping clients collectively earn millions in interest and discovering millions of dollars in cash held away from the firm. We've also seen firms go wrong, struggling to even get started. The difference is often the very act of coming up with a plan, contrasted with firms that do not plan at all.

Our business representatives would be happy to work with your firm to craft a rollout strategy that works for you and your clients.

"We'd love it if more firms came to us and asked for help in creating a plan to bring Flourish Cash to clients," said Cruikshank. "Ultimately, this should be a lightweight and fast initiative, but taking the time to do it right could be a meaningful step towards helping your clients reach their goals." Reach out to your Flourish representative if you'd like to learn more.

Conclusion

Rising interest rates and heightened awareness of FDIC limits has created a unique moment, offering advisors the opportunity to expand client trust, enhance relationships, and build their business. We believe that the solution is simple: to understand, to implement, and to integrate held-away cash into conversations with each and every client.

Our research shows that a significant majority of clients have extra cash that could be put to work, enabling advisors to add value to other areas of their clients' financial lives. Whether a client starts off with $100 or $100,000, bringing cash into the orbit of their advisor is a winning game for all.

Advisors who embrace the opportunity to welcome a new tool to their financial toolkit will discover an easy way to bring more value to their clients and improve their financial lives. As increased visibility gives the advisor expanded understanding of a client's financial situation and opportunities to potentially bring excess cash over to the portfolio, financial planning improves.

The opportunity for a firm to differentiate itself from competitors in a simple, tangible way has the potential to be a boon to business and create returns for years to come.

Interested in learning more?

Reach out to us at (883) 808-5700 or support@flourish.com to start the conversation.

Flourish™

About Flourish

Flourish builds technology that empowers financial advisors, improves financial lives and retirement outcomes, and delivers new and innovative investment options to advisors. Today, the Flourish platform is used by more than 850 wealth management firms representing more than $1.5 trillion in assets under management. Flourish is wholly-owned by MassMutual. For more information, visit www.flourish.com.

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† A Flourish Cash account is a brokerage account offered by Flourish Financial LLC, a registered broker-dealer and FINRA member. **Flourish Financial LLC is not a bank.** Check the background of Flourish Financial LLC and its personnel on FINRA's BrokerCheck (https://brokercheck.finra.org/). The cash balance in a Flourish Cash account will be swept from the brokerage account to deposit account(s) at one or more third-party Program Banks that have agreed to accept deposits from customers of Flourish Financial LLC. The accounts at Program Banks will pay a variable rate of interest.

Ω The cash balance in a Flourish Cash account that is swept to one or more Program Banks is eligible for FDIC insurance, subject to FDIC rules, including aggregate insurance coverage limits. FDIC insurance will not be provided until funds arrive at the Program Bank. There are currently at least 20 Program Banks available to accept deposits for business Flourish Cash accounts and personal Flourish Cash accounts, and we are not obligated to allocate customer funds across more than this number of Program Banks if there is a greater number of banks in the program. Customers are generally eligible for FDIC insurance coverage of $250,000 per customer, per Program Bank, for each account ownership category. Thus, business customers are eligible for up to $5,000,000 of FDIC insurance and personal customers are eligible for (i) up to $5,000,000 of FDIC insurance for an individual account or revocable living trust account and (ii) up to $10,000,000 of FDIC insurance for a joint account with two owners or joint revocable living trust(s). The total FDIC coverage for a two-person household is calculated assuming that each household member has an individual account and that both household members share a joint account. If the number of Program Banks decreases for a customer (for instance, because a customer chooses to exclude Program Banks from receiving their deposits), the amount of FDIC insurance through Flourish Cash could be lower. Typically, all of a customer's deposits at a Program Bank in the same ownership category (including deposits held outside Flourish Cash or held through multiple Flourish Cash accounts with the same ownership category) count toward the FDIC insurance limit for deposits at that Program Bank. Customers are responsible for monitoring whether they maintain deposits at a Program Bank outside of Flourish Cash and should consider choosing to exclude that Program Bank from receiving their deposits to avoid exceeding FDIC insurance limits. Although Flourish Cash is offered through a brokerage account and cash held in brokerage accounts often has the benefit of SIPC protection, until such time as we offer securities products, customers likely will not have the benefit of SIPC protection. SIPC protection is not available for cash held at the Program Banks. Our current Program Banks can be found here (https://info.flourish.com/program-banks). For additional information regarding FDIC coverage, visit https://fdic.gov/.

|| Source: Flourish Financial LLC; data as of 01/01/2024, average balances calculated with respect to each household's non-zero Flourish account balances across all household accounts.

§ Flourish Cash currently has a tiered interest rate structure and currently has one tier in effect. Rate and FDIC insurance coverage details can be found in the program summary (https://www.flourish.com/rates). We deposit your cash with one or more of the Program Banks, subject to any Program Bank(s) you have excluded. You will earn the highest rate offered by Flourish up to the maximum deposit amount for each tier. Each annual percentage yield (APY) displayed here is effective as of 09/19/2024 and may change at any time. Your advisor may charge fees which impact the effective rate you receive on your cash; you should speak with your advisor for more information. The Flourish Cash interest rate(s) could be lower than the rate that could be earned by opening a deposit account directly with a Program Bank.

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