

BEYOND THE PORTFOLIO

How Halbert Hargrove has helped clients earn more on \$100MM+ with Flourish Cash

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Key takeaways

Halbert Hargrove is a leading \$2.7B RIA serving clients across the West Coast and beyond. The firm's relentless focus on helping their clients achieve their financial goals led them to bring Flourish Cash to their clients

The firm employed a highly-disciplined, strategic approach to rolling out Flourish Cash, starting with setting up internal processes and integrations before systematically presenting the solution to clients

The implementation of a cash solution has yielded incredible results:

- Approximately 1,000 households invited
- \$100M+ in cash on the platform
- Millions in interest earned by clients

Flourish Cash has helped Halbert Hargrove deliver better financial planning, give clients peace of mind, defend against competitors, and unearth new assets

Offering clients a solution for cash isn't an afterthought for Halbert Hargrove, a California-based RIA with \$2.7B in assets under management. It is an essential component of their commitment to providing holistic financial planning for their clients, as well as a strategy to protect against competitors. Halbert Hargrove signed up for Flourish Cash¹ in early 2019 and has become a leading firm within the program, with over \$100,000,000 in assets on the platform.

As we explored in The Cash Opportunity series, success with Flourish Cash starts with implementing a systematic rollout within a firm. From the moment Halbert Hargrove decided to partner with Flourish to offer clients a cash solution, the firm approached the rollout with the same strategic discipline that they bring to all parts of their business, enabling them to bring an integrated, scalable approach to cash management. In this case study, we pull back the curtain to see how Halbert Hargrove has been able to successfully implement a cash-management solution into its offerings across their entire client base helping deliver better financial outcomes and increased client peace of mind.

THE SETUP

Getting started with Flourish Cash

As clients came to Halbert Hargrove wondering what to do with their cash, the firm knew that they needed to have a solution – or someone else would. The Investment Committee reviewed the available options and landed on Flourish Cash as the best fit for the firm. Co-Chief Investment Officer Brian Spinelli described the role they wanted Flourish Cash to play: “With Flourish, we had the ability to offer a high-yield account – a vehicle for earning more than a traditional bank account – that gave us visibility into client cash holdings.”²

Halbert Hargrove appointed an internal team to roll Flourish Cash out to all advisors through internal training, educational sessions, integrations, and regular firmwide reviews. “It was an easy win for us as a firm and for clients,” said Tyler Gilley, Associate Wealth Advisor, who helped lead the rollout. “We set advisors up and disseminated information to the teams so they would be empowered to talk with clients about the product and the platform.”

During the initial adoption phase, the team encouraged advisors to sign up and experience the platform for themselves. Seeing firsthand that it only takes a few minutes to open an account showed advisors that it was an easy win for clients, which in turn led advisors to jump on board.

A key component to the operational setup was integrating Flourish with the firm's software. Shane Cummings, Director of Technology and Cybersecurity and a Wealth Advisor, described the process that started with Investnet | Tamarac as the initial integration point: “When the data pulled into the Tamarac ecosystem, it became available everywhere we needed it to be within our technology stack. We could easily get the data into MoneyGuidePro, then feed it into our CRM and our financial planning application.” Once Halbert Hargrove had internal consensus about how Flourish Cash fit into their offerings and an integration in place that could maximize the opportunity, they were ready to start rolling it out to clients.



THE ROLLOUT

Making the process repeatable

Flourish Cash was not a solution that Halbert Hargrove wanted to offer only select clients, believing it had the potential to benefit all clients. “We didn’t want Flourish Cash to just sit on a shelf and wait for people to find out about it years later,” said Spinelli. “We put it on every client agenda when we first rolled it out and talked with all our clients about it as a potential solution.” In addition to the initial introduction, the firm made it standard to formally review cash holdings and needs twice a year. The creation of a repeatable process has become central to Halbert Hargrove’s success in rolling Flourish Cash across their client base.

Halbert Hargrove also streamlined the process of sending invitations, which often takes place during client meetings or phone calls. “It’s not a to-do item that gets pushed out a week because you know it takes a while or requires some long paperwork process,” explained Gilley. “It allows advisors to help clients get started quickly and effectively, which has been a powerful thing.” Halbert Hargrove heavily prioritizes streamlined, tech-enabled client experiences, and Flourish Cash fit squarely in their wheelhouse.

The ability to pre-fill applications has made Flourish Cash even easier for advisors to implement and more seamless for clients. Advisors are not only able to give clients access to the program, but can also kickstart the process for them. The advisor can take part of the account-opening process off the client’s plate, highlighting their central role in bringing the solution to their clients.

As one of the platform administrators, Gilley leads the charge to communicate information about Flourish Cash on a regular basis. “We have a weekly all-hands meeting and, when there are rate updates or new features, I’ll put Flourish Cash on the agenda to make sure that everyone is aware of the change.” The current rate environment has put a spotlight on Flourish Cash and consistent communication has further helped to keep it top of mind across the firm and emphasizes it as a solution for all clients.

Delivering premium customer service is a cornerstone of the Halbert Hargrove experience and needed to be central to the cash solution they offered clients. “On an operational level, we’re focused on delivering a good client experience whenever we implement something. Flourish has been key to this,” said Gilley. “There are other solutions we could have worked with, but you can’t necessarily do those on the clients’ behalf. Maybe they offer slightly higher rates, but it’s going to take the client five times more effort to open an account. Partnering with Flourish was critical because we can help clients with the process and have visibility into what they’re doing.” The streamlined process ensured that advisors knew how to best bring Flourish Cash to clients. Honing in on how to present it in client conversations became the next part of the process.

THE BENEFITS

Understanding the value for clients

One of the keys to Halbert Hargrove’s widespread adoption of Flourish has been getting advisors to understand how the solution benefits clients of all sizes. While rates and liquidity are often the driving factor for client adoption, additional FDIC coverage through its Program Banks – beyond what clients can get at a standard bank – has recently increased in importance.³ Spinelli said, “Flourish is an incredibly safe, highly liquid option. Where we’re at today, clients are often seeing Flourish Cash pay higher rates than short-term bonds, all with increased FDIC insurance protection.”

As part of the process, advisors at Halbert Hargrove encourage clients to test out Flourish Cash and see if they like it. “Being able to tell clients from experience that it only takes five minutes and that we can start the process for them is really helpful,” explained Gilley. “It’s very important to be able to offer a frictionless solution to a process that they’re used to being very painful.” The simplicity of the platform, compared to other client-led solutions, is central to conversation with clients.

The integration with Halbert Hargrove’s tech stack has enabled increased visibility and has saved the advisor’s time because they can access data more easily and a further boost to the client experience. “It’s been extremely beneficial for clients,” said Cummings. “Flourish is tightly integrated with what we do and we haven’t had any technical issues: it works, is reliable, and the platform has been constantly improving.” Flourish Cash has given Halbert Hargrove more visibility of client cash and more insight of the financial lives of their clients.

The visibility that advisors have gained of client cash holdings has helped with the development of financial plans. “Flourish gave us a good excuse to start talking about cash. One of the benefits was that we unearthed assets that we didn’t know about,” said Cummings. In addition, being able to offer Flourish Cash as a solution helped bolster the advisor-client relationship. “From a fiduciary perspective, our clients knew we weren’t making the pitch just to increase our fees because we don’t charge on what’s at Flourish Cash. We view it as a value add to the Halbert Hargrove relationship,” said Cummings.

In addition to strengthening the relationship, providing clients with a solution to manage their cash also helps protect against competitors, “To maintain competitiveness, we sometimes have to do things without a direct fee attached. If a client comes to us, we want to be that solution provider, we don’t want to tell them to go somewhere else,” said Spinelli. “It’s a cultural component of our firm. We just want to do right by the client.”

The advisor’s firsthand experience with the platform comes back into play when making the pitch to clients. “The only way you can represent something accurately to clients is to have experienced it yourself. In the case of Flourish, it was solid from the get-go and seemed a total no-brainer,” said Cummings. “It makes it that much easier when introducing it to a client, to explain how it works, explain the user experience, and make the client comfortable with your recommendation.”





THE RESULTS

Increased returns and greater peace of mind

Halbert Hargrove's highly disciplined, systematic rollout has resulted in incredible adoption across the client base. The firm has invited almost 1,000 households to Flourish Cash who have collectively deposited over \$100MM into the program.

The financial benefit for Halbert Hargrove's clients is clear. In the first half of 2023 alone, accounts have collectively earned over \$1.75MM in interest on funds held in Flourish Cash. "The vast majority of clients put their money in and are very impressed 12 months later when they get their tax statement and realize how much they made," said Cummings.

In addition to the benefit of a competitive rate and increased FDIC protection, Flourish Cash has helped Halbert Hargrove provide better financial planning, incentivize better client behavior, and deliver better peace of mind. "For clients, it's difficult if they're earning nothing on their cash. Now there is an incentive for them to save more for their near or immediate future," said Gilley. "It takes their mind off the markets so there's less stress and anxiety overall. When you provide incentive by having a great interest rate on that cash that they're setting aside, it makes people a lot more willing and able to take those financially appropriate steps."

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About Halbert Hargrove

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¹ A Flourish Cash account is a brokerage account offered by Flourish Financial LLC. **Flourish Financial LLC is not a bank.** 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.

² Flourish Cash currently has a tiered interest rate structure, as set forth in the [rate tier summary](#). We deposit your cash first with one or more of the Program Banks in the tier with the highest interest rate, up to the maximum amount of deposits for that tier, and then continue depositing cash at Program Bank(s) in each successive tier until all cash has been deposited, subject to any Program Bank opt out elections you have made. The rates of interest paid by the Program Bank(s) to Flourish Cash customers may be lower than the rate that could be earned by you opening a deposit account directly with such bank(s).

³ 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 FDIC aggregate insurance coverage limits. FDIC insurance will not be provided until the funds arrive at the Program Bank. There are currently at least 6 Program Banks available to accept deposits for institutional Flourish Cash accounts (accounts for corporations, partnerships and other legal entities) and at least 6 Program Banks available to accept deposits for personal Flourish Cash accounts (individual, joint and revocable trust 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, institutional customers are eligible for up to \$1,500,000 of FDIC insurance and personal customers are eligible for (i) up to \$1,500,000 of FDIC insurance for either (A) an individual account or (B) an account for a revocable living trust in which one person is the only grantor, trustee and beneficiary of the trust ("Individual Revocable Trust Account") and (ii) up to \$3,000,000 of FDIC insurance for either (A) a joint account with two owners or (B) an account for a revocable living trust in which the same two persons are each the only grantors, trustees and beneficiaries of the trust ("Joint Revocable Trust Account"). 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 (either because a Program Bank is no longer participating in Flourish Cash, because a customer's cash is not eligible to be swept to a Program Bank based on criteria set by the Program Bank (which will be disclosed at account opening), or because a customer opts out of having their cash swept to a particular Program Bank), the amount of FDIC insurance for which the customer would be eligible through Flourish Cash would 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 opting out of having their cash swept to any such Program Bank 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 for cash held in their Flourish Cash account. Further, SIPC protection is not available for any cash held at the Program Banks. Our current Program Banks can be found [here](#). For additional information regarding FDIC coverage, visit <https://fdic.gov/>.