Summer and Your Cash Flow

What High Net Worth Families Should Be Thinking About

Summer has a way of arriving with both excitement and expense. Travel, family gatherings, second homes, tuition deposits, and charitable commitments all tend to cluster into the same three months. For high-net-worth families, that seasonal pressure is real. And it deserves the same intentional planning as any other part of your financial life.

Liquidity, meaning your access to cash when you need it without disrupting your long-term investment strategy, is one of the most underplanned elements of wealth management. It is not a glamorous conversation. But getting it wrong is costly. Here is what to think about this summer, depending on where you are in your financial life.

If Your Summer Is Defined by How You Live It

For families whose summers are built around meaningful experiences, extended travel, home renovations, or generous family spending, the risk is rarely that you cannot afford it. The risk is funding it the wrong way.

Selling appreciated investments to cover a summer expense triggers a taxable event. That is a cost most families do not consciously choose to pay. The smarter move is to plan your liquidity needs in advance, maintain a dedicated cash reserve sized to your near-term spending, and let your investment portfolio stay invested and working. Your long-term strategy should never be interrupted by a predictable short-term need.

If Your Income Has a Seasonal Rhythm

Business owners, entrepreneurs, and professionals in cyclical industries know this tension well. Revenue peaks in certain months and slows considerably in others. For many, summer is the slow season, which means cash outflows can quietly outpace inflows at exactly the wrong time.

The discipline here is straightforward: build your summer reserve during your peak months, before the slowdown arrives. Holding that reserve in short-duration instruments or high-yield cash vehicles keeps it productive without locking it away. The goal is not to earn a significant return on your cash reserve. The goal is to preserve your long-term investment strategy from being disrupted by a gap you could see coming.

If Your Wealth Is Illiquid

Real estate, private equity, a family business, or a concentrated stock position all share one important characteristic: they take time to convert to cash. If a significant portion of your wealth sits in assets you cannot quickly access, your liquidity plan needs to account for that reality explicitly, before a need arises, not during one.

One tool worth understanding is a securities-backed line of credit, sometimes called an SBLOC. According to FINRA, an SBLOC might allow you to avoid potential capital gains taxes because you do not have to sell securities for access to cash, while you may also continue to receive the benefits of your holdings, like dividends, interest, and appreciation. That said, FINRA also cautions that these instruments carry real risk. If your portfolio value declines, a maintenance call can require you to post additional collateral or repay the loan quickly. This is a tool that requires careful thought and the right circumstances. It is worth discussing with your advisor team well before you need it.

If Legacy and Family Giving Are Part of Your Summer Plans

Summer is often when families come together, which makes it a natural time for conversations about gifting, family governance, and generational planning. Annual gift exclusions, education account contributions, and charitable commitments all have timing considerations that affect your cash flow in real ways.

In 2026, the annual gift exclusion allows individuals to give $19,000 per person, or $38,000 per child as a couple, without touching the lifetime exemption. If summer family gatherings surface those conversations, having your liquidity picture organized in advance means generosity does not become a source of financial stress.

The Organizing Principle

Across all of these situations, the thread is the same. An organized financial life, one where your income, your spending, your investments, and your liquidity needs are mapped and working together, gives you the freedom to enjoy summer the way it was meant to be enjoyed. Without second-guessing every decision or quietly pulling from the wrong account.

Liquidity is not just a financial concept. It is the breathing room that makes everything else in your plan possible.

Wealth is personal.
The best financial relationships are built on trust, not transactions. If you know a friend or family member who is ready to organize their financial life and plan for the future with confidence, **we would be honored by the introduction.**

www.Clartiy-Wealth.com

Sources
- FINRA, Securities-Backed Lines of Credit. https://www.finra.org/investors/insights/securities-backed-lines-credit
- IRS, Revenue Procedure 2025-28, Annual Gift Tax Exclusion for 2026. https://www.irs.gov