

THE Rational Optimist™



Our National Debt: A Milestone, Not a Crisis

BY JASON PRINT, CFP®
CO-PRESIDENT & CEO

As of March 31, 2026, the United States of America's publicly held debt was \$31.265 trillion. On the other hand, GDP over the preceding 12 months was \$31.216 trillion. That puts the ratio of national debt to GDP at 100.2%, compared with 99.5% when the last fiscal year ended September 30. The Wall Street Journal reporter Richard Rubin called this "crossing a once-unthinkable threshold".

Why be concerned?

What's the significance of this number? Should we be worried? Is this an immediate issue? Our national debt has ballooned over the last several decades. Rubin wrote, "There isn't a special level where debt goes from problematic to catastrophic," but it doesn't mean we shouldn't be concerned about our debt levels. There is certainly reason to be.

The higher our debt, the more interest we pay. Investors are understandably concerned. Federal deficits remain historically large, while rising interest rates have increased the cost of servicing that debt.

This also means the US administration may have less flexibility to combat a recession, finance a war, or handle an event like COVID, where federal expenses will likely soar and the revenue the government generates will be lower. There is also concern over what type of effect this will have on inflation, interest rates, and future taxes.

Is it always a crisis situation?

Why was 100% of GDP a once unthinkable number for national debt?

For most of modern history, debt equal to 100% of GDP sounded extreme because governments, economists, and investors used to think of national finances much more like household or business finances. If, as a household or a business, we owe more money than we earn, this can be problematic.

There are other factors making this number feel dangerous. Historically, countries threatened by economic collapse have often racked up significantly large debts and faced default or hyperinflation and political instability. None of those are in any way appealing, hence the concern with today's numbers. Past examples include the debt crises in parts of Latin America during the 1980s and Greece after the global financial crisis of 2008-2009.

For much of the 20th century, "very high debt" was associated with wartime emergencies, not normal government operations. The last time the debt-to-GDP ratio exceeded current levels was in 1946, when debt reached more than 106% of GDP following World War II. That burden eventually lightened, but not because the government aggressively paid down debt – the levels came down due to the post-war economic expansion.

Other reasons economists get worried is that this heavy borrowing may crowd out private investment, weaken the US currency, and trigger inflation.

While a national debt equal to 100% of GDP is an uncomfortable milestone, what we've seen is that it's not automatically a crisis. It

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UPCOMING

Offices Closed

Sept 7 - Labor Day

GR Savvy Seniors - Savvy Caregiving Options

Oct 6th, 2026
10 am to 11:30 am
Prince Conference Center
1800 E Beltline Ave SE,
Grand Rapids, MI 49546

Women & Wealth

Oct 22nd, 2026
4:30 to 6:30 PM
Noto's Old World
Italian Dining
6600 28th St SE,
Grand Rapids, MI 49546

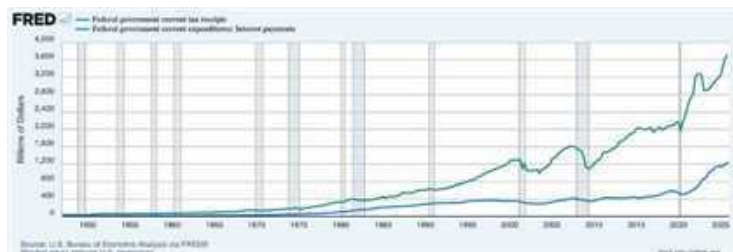
connect@mysummitwealth.com

means the government owes about as much as the country produces in a year. It's important to separate the symbolism of crossing 100% debt-to-GDP from the actual near-term implications for markets and the economy. It does not necessarily tell us whether a debt burden has become unmanageable.

So, the important question isn't necessarily what the number is; it's more important to focus on whether the government can keep paying the interest comfortably and how fast the debt is growing relative to the economy. Who owns the debt and is the country running significant debt every year just to cover deficits, or is there a productive reason for a temporarily high borrowing?

As the following chart shows, interest costs as a share of government revenues have risen meaningfully in recent years. However, they also remain below peaks reached during the 1980s and early 1990s, which were periods marked by elevated interest rates and fiscal concerns. At that time, the size of the US debt was a hotly debated topic and much more on voters' minds than today.

From this perspective, the problem appears more manageable. While getting federal spending back to levels seen just a few years ago would certainly prevent a deficit, not growing government spending



US equity markets have risen throughout this period of rapid debt accumulation, and importantly, the 10-year Treasury yield remains below its long-term historical average. Demand for US Treasuries is still strong globally, supported by the dollar's role as the world's reserve currency and the Treasury market's position at the center of the global financial system. I don't think we'd see this type of reaction from markets if the 100% debt-to-GDP ratio was an especially meaningful metric. While we aren't perfect, we remain the world's cleanest dirty shirt.

So, this issue may not become pressing today or tomorrow, but it's not something to be dismissive about. The long-term fiscal trajectory of the United States is an issue policymakers will eventually need to address, particularly as an aging population places additional pressure on programs like Social Security and Medicare. This comes at a time when political problems have become increasingly difficult to solve. The 10-year Treasury is likely where warning signs will appear. If, at some point, demand for it softens beyond the supply, interest rates will rise. If that happens, the cost of servicing the debt will increase, and like in the 1980s and 1990s, we'll have to make tough decisions as a country.

Jason





The Value of Financial Advice: It Goes Beyond Investment Returns

BY SHARI HOOPER, CSA®, BFA™
SENIOR WEALTH ADVISOR

When people think about working with a financial advisor, they usually assume the relationship is all about investment performance. While managing investments is certainly important, it's only one piece of what a good advisor provides.

Recent research from Russell Investments suggests that much of an advisor's value comes from something far more meaningful: helping clients make better financial decisions throughout their life. At Summit Wealth Partners, we believe that's exactly what comprehensive financial planning should be: helping you stay focused when markets aren't.

One of the greatest benefits an advisor can provide isn't choosing the next investment; it's helping you avoid emotional decisions in uncertain times. History has shown that investors who react to headlines, market swings, or fear often miss the opportunity to participate in the recovery that follows. Having a trusted advisor to put things into perspective in those moments can make a meaningful difference over time.

Planning for life, not just portfolios

Life is a string of changes.

- Retiring
- Losing a spouse
- Welcoming grandchildren
- Selling a business
- Changing jobs
- Receiving an inheritance
- Helping aging parents
- Leaving a legacy

“We help people fight fear with a plan.”

SHARI HOOPER

These moments don't come with instruction manuals – they're the conversations we have every day with the families we serve. Our role extends far beyond managing investments. We help clients organize important financial decisions, understand available options, and build a plan that supports the life they want to live. Our greatest responsibility is helping them make decisions with confidence when they face important choices.

Looking beyond investments

Taxes often become one of the largest expenses people face in retirement. Thoughtful planning – including withdrawal strategies, Roth conversions when appropriate, charitable giving techniques, and coordinating distributions across different accounts – can help you keep more of what you've worked so hard to earn. Good planning isn't just about growing wealth but also about preserving it.

Perhaps the greatest benefit of working with a trusted advisor can't be measured in percentages. It's having someone who knows your family, understands your goals, and remembers the names of your children and grandchildren. It's someone you can call when life changes unexpectedly.

The true value of financial advice isn't found on a quarterly statement. It's the confidence that comes from knowing someone is beside you when you make your biggest financial decisions.

At Summit Wealth Partners, we believe financial planning is ultimately about people, not just portfolios. Our goal is simple: to make every client feel heard, cared for, understood, and confident in the knowledge that they have a team by, and on, their side at all times. As we often say, we help people fight fear with a plan.

**This article was inspired by Russell Investments' 2026 Value of an Advisor research report. We appreciate their ongoing work in highlighting the many ways comprehensive financial advice can positively impact investors beyond investment performance.*





RSUs, Stock Options, and ESPPs: Don't Let Taxes Eat Your Hard Work

BY ANDREW DICKENS, AIF®, CEXP™, CBVS™
DIRECTOR OF PENSION SERVICES & WEALTH ADVISOR

More employers are using company stock to reward and retain staff. If you receive restricted stock units (RSUs) or stock options or participate in an employee stock purchase plan (ESPP), you may have a powerful wealth-building tool in your hands. You may also have a tax headache in the making if you're not careful.

The goal is simple: understand what you have, avoid unpleasant surprises, and turn these rewards into long-term benefits instead of stress triggers.

How these work

RSUs are promises from your employer to give you company stock if you stay employed for a certain period. When they "vest," you typically owe ordinary income tax on the value of the shares, much like a bonus. Often, the company withholds some shares to cover estimated taxes and deposits the rest into your account.

Stock options give you the right to buy company shares at a specific price over a certain period. If the market price goes above that "strike" price, your option has value. Deciding when to exercise and whether to hold or sell the shares involves both tax considerations and your view of the company's prospects.

ESPPs let you buy shares (usually at a discount) through payroll deductions. The tax treatment depends on how long you hold the shares and the specific design of the plan, but in many cases, you're getting value simply by participating.

Each of these has its own rules, deadlines, and trade-offs, which is why it's so important to look at them as part of your broader financial life, not as isolated perks.

The pitfalls

The first pitfall is concentration risk. It's easy to wake up one day and realize that a sizable portion of your net worth is tied to the same company that pays your salary. If that company stumbles, you could face both job uncertainty and a drop in your investments at the same time.

The second pitfall is tax surprises. RSUs can vest in a year when you're already in a high tax bracket. Exercising options at the wrong time can push you into higher brackets or trigger alternative tax

calculations. ESPP shares sold without a plan can generate more tax than necessary.

The importance of a strategic approach

When you don't have a strategy, it's tempting to default to doing nothing: letting shares accumulate, ignoring vesting schedules, and hoping it all works out. That usually increases both risk and tax.

A better approach is to start by getting the lay of the land. How many shares or options do you have? When do they vest or expire? How much of your total investment portfolio is already in your employer's stock? With that information, we can begin to make informed decisions.

From there, it often makes sense to align equity events with your tax situation. If you know a large batch of RSUs will vest in a given year, you can plan around that, perhaps adjusting withholding or estimated payments and thinking about whether it's a good year to realize other income. If you hold options, you might choose to exercise some in lower-income years or spread exercises over several years rather than all at once.

Diversification is another key piece. Together, we can decide what level of company stock exposure you're comfortable with. That might lead to a plan where you regularly sell a portion of shares as they vest or a schedule for trimming your position over time, reinvesting the proceeds into a more diversified mix aligned with your goals.

Stock compensation isn't just about charts and tax forms; it's about what this extra wealth can do for you. Maybe it helps you pay off student loans or a mortgage sooner. Maybe it accelerates your retirement timeline or funds a child's education. Maybe it gives you the security to change careers or start your own business.

When we tie specific stock decisions to specific goals, the choices become clearer. Instead of debating whether to hold or sell in the abstract, we can ask, "Does this move bring you closer to the life you want?"

If you have RSUs, options, or ESPP shares and you're not sure what to do next, you're not alone. This is exactly the kind of area where a planning conversation can add real value by helping you turn a complicated benefit into a clear, thoughtful strategy.



How Short Squeezes and Gamma Squeezes Push Stocks Higher

BY RYAN GAVIN, CFA
PORTFOLIO MANAGER

Most investors want to buy low and sell high. Short sellers try to profit from a price decline by doing the steps in reverse: They sell first and buy later. To short a stock, an investor borrows shares from someone else, sells them at the current market price, and eventually buys them back to return to the lender. If the stock price falls, the short seller can buy the shares back at a lower price and make money. If the stock price rises, the short seller loses money.

Short squeeze

Since a short seller has borrowed shares and could face losses if the price goes up, they usually have to post collateral (sometimes called margin) with their broker. If the stock rises too much, the short seller may be required to put up more collateral or close the position by buying back the shares. When many investors are short the same stock, this can create a feedback loop where climbing prices cause some short sellers to buy shares, that buying pushes the price up further, and the higher price causes more short sellers to buy. This is called a short squeeze. A well-known example occurred in 2021 with GameStop.

Hedging

While many people have heard of a short squeeze, a lesser-known phenomenon is a gamma squeeze. It is related to options and the way option sellers hedge their risk.

A call option gives the buyer the right, but not the obligation, to buy a stock at a specific price (called the strike price) on or before a certain date. For example, suppose ABC stock is trading at \$95 per share, and an investor buys a call option with a strike price of \$100 that expires in one month. If ABC rises above \$100, the call option becomes valuable because it gives the investor the right to buy the stock for less than its market price. If ABC never rises above \$100, the option will expire worthless.

The person or firm that sold the call option has the opposite exposure. If the stock rises, the option becomes more valuable, which is good for the option buyer but bad for the option seller. Many option sellers, especially market makers, do not want to make

large directional bets on whether a stock will rise or fall. Their business is usually to buy and sell options and earn small spreads. So, rather than simply accepting the risk from every option they sell, they often try to hedge their exposure.

Delta, gamma, and gamma squeeze

One common way to hedge a short call position is by buying shares of the underlying stock.

The amount of stock they need to buy depends on how sensitive the option is to changes in the stock price. In options terminology, this sensitivity is called delta. For example, if a call option has a delta of 0.50, then the option's price will change by roughly \$0.50 for a \$1 move in the stock. Since one standard option contract represents 100 shares, an option seller who sold one call option with a 0.50 delta could hedge by buying about 50 shares of the stock.

However, delta does not stay fixed. As the stock price rises, especially when the option is near the strike price or close to expiration, the option's delta can increase. If the delta rises from 0.50 to 0.70, the option seller may need to buy another 20 shares to remain hedged. The rate at which delta changes is called gamma.

This can become self-reinforcing. If many investors buy call options on a stock, and it starts rising, option sellers may need to buy more shares to hedge their positions. That buying can push the stock price higher, which can increase delta again, requiring more hedging purchases, and so on. This process is called a gamma squeeze.

In tandem

Oftentimes, short squeezes and gamma squeezes happen together because they both have the effect of pushing prices higher. In a short squeeze, short sellers buy shares to close losing positions; in a gamma squeeze, option market makers buy shares to hedge their exposure. When both groups are buying into a rising stock, the demand can feed on itself, creating a sharp upward spiral that may go well beyond what the company's fundamentals would seem to support.

Ryan



Price ticks up



BUY

Shorts cover



BUY

Market makers hedge



Price climbs faster

Beyond the Internship



Growing Talent: Meet Grace Kennedy

| NAPLES OFFICE SUMMER INTERN



Hi, my name is Grace Kennedy, and I am the intern at the Naples location for Summit Wealth Partners. I am a finance undergraduate at Florida Gulf Coast University with a concentration in analysis and management.

I was really looking forward to this internship because I wanted to learn new skills and gain hands-on experience in a professional setting. So far, I have done just that by applying what I have learned in school to the day-to-day realities of this business.

My favorite project is diversifying a portfolio. I am responsible for researching and learning about different securities in order to create a portfolio better adjusted for risk. This project, along with conversations with team members, has expanded my understanding of investing. I have also learned how to use Orion and other

platforms commonly employed in daily operations.

Throughout this internship, I have strengthened my communication, problem-solving, teamwork, and critical thinking skills. In addition, I have gained more confidence in presenting my ideas, developed a better understanding of wealth and investment management, and learned the importance of looking at the big picture. One of the most important lessons I have learned is that successful investing and wealth management are about much more than just selecting a few good securities; rather, they are about evaluating all factors that contribute to long-term financial growth.

Overall, this internship is a very rewarding experience that has strengthened my confidence and better prepared me for my future career. I have grown both professionally and personally, and I am so grateful for the opportunity to learn from such a supportive team.

Fly Fishing: Hunting Trophy Trout at Night

| BY JOSHUA HOOPER, GRAND RAPIDS OFFICE SUMMER INTERN

Many fly-fishing anglers pack up and leave just after sunset, without realizing they could be missing out on the biggest fish of the night. Mousing after dark imitates a mouse crossing the river, which offers a delicious high-protein meal for large trout.

Occasionally mice fall into the water while roaming the banks of woodland rivers at night and are then swept away by the strong current. Brown trout are opportunistic predators and see these mice as a high-protein meal and a change of diet from the usual insects. The darkness of the forest and the water provide security for large trout to hunt and plan their stealthy attack. This predatory event is what led to the creation of mousing, one of the most effective fly-fishing techniques to land a trophy trout.

For this to work, a large fly that represents a mouse is needed. These flies come in all shapes and sizes, but the main goal is something that looks big and fuzzy. For the highest chance at success, the angler should cast this mouse near log jams or grassy banks. Slowly retrieve the mouse and allow the fly to create a realistic wake on the water



but only cast in the same spot about 3-4 times, because likely the fish will strike in the first few casts. Repeat this process enough times, and a large brown trout will eventually pay attention.

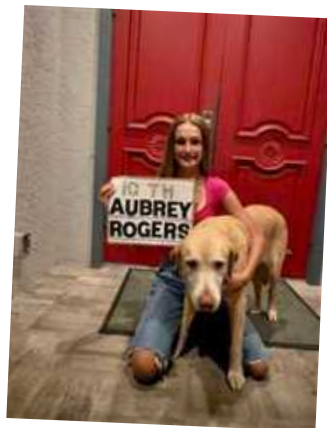
Although mousing usually produces fewer strikes than fishing during the day, the fish that commit to a mouse are usually some of the largest trout in that river. For anglers willing to lose sleep and endure the darkness, there are not many fly fishing experiences that compare to the loud explosion of a brown trout on your mouse in the middle of the night.

Back to School 2026

As summer winds down and a new school year begins, we're sharing a few back-to-school moments from our Summit families. From first-day smiles to fresh starts and new adventures, we hope you enjoy these snapshots as our students head into another exciting year of learning and growth!

Jason & Jamie Print

Sydney is starting 10th grade and Joey 8th grade.



Amanda Pate

Carter started Kindergarten this year.



Shari de Ron

James started Pre-K3 at big school this year!



As a value-added service to you, please feel free to tell your family, friends and colleagues that they may use us as a sounding board for their financial concerns free of charge and without obligation.

charles SCHWAB
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Back to School

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