



## 4% for a 9-month US Treasury?

By Jon Sevenker

The Federal Reserve is fighting inflation, and they're raising interest rates to do so. There are pros and cons to higher rates, as you can imagine. But we're going to focus on one pro today...you can earn interest on your cash again.

Savings accounts and money markets have been slow to recognize the higher rates available in the market. This means if you're sitting on a pile of cash in the bank, you might consider directing some of this into short-term US Treasuries.

As of this writing (2:41pm on 9/22/22), here are the posted rates on Schwab's fixed income trading site:

- A [3-month Treasury bill](#) maturing 1/3/2023 has a yield to maturity of 3.26%
- A [6-month Treasury bill](#) maturing 3/23/2023 has a yield to maturity of 3.89%
- A 9-month Treasury bill maturing 6/30/2023 has a yield to maturity of 4.02%
- A [1-year Treasury](#) maturing 12/31/2023 has a yield to maturity of 4.18%

From there rates tick lower. The [5-year maturity](#) yields 3.97% and the [10-year yields](#) 3.71%.

With short-term Treasuries, we can invest money for short-term cash needs. These often include quarterly tax estimates, income tax due in April, and funding monthly living expenses in retirement.

If we have piqued your interest (pun intended), [contact your Lead Advisor](#) to discuss.

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