

Certificates of Deposit in a Rising Interest-Rate Environment



With inflation at a 40-year high and the prospect of economic uncertainty, safely protecting savings and earning an adequate return are top priorities for many consumers. Certificates of deposit, or CDs, are a classic way to keep cash safe and earn a higher rate of interest than other forms of saving. Rates have increased significantly over the last few months, making CDs a viable savings product for most consumers.

- **Your investment is secure.**

Sound Community Bank is an FDIC-insured bank. Getting CDs from an FDIC-insured bank protects that money up to \$250,000 per depositor, per ownership category. It's important to always confirm that the total of all your deposit accounts does not exceed \$250,000 to make sure your CDs are protected by the FDIC. A Sound Community Bank banker can assist in ensuring your investment is FDIC-insured.

- **Interest rates are typically higher on CDs than on other savings options.**

Banks typically pay bigger rates of interest on CDs than on other savings options like savings and money market accounts. Putting your funds to a better use and earning more money than alternative deposit products.

- **The interest rate is locked for the life of the CD.**

This means the rate is guaranteed during the term of the CD regardless of what happens in the economy. This is a significant benefit when interest rates are falling. Sound Community Bank also offers CD products that can protect you when interest rates rise in the form of products called Bump. These products allow for the interest rate to be increased once or multiple times during the term of the CD.

- **Unlike other investment accounts, CDs can be easily opened.**

CDs are great investment accounts without voluminous paperwork. If an account is already held at Sound Community Bank, then there's likely nothing else needed to open the account. A banker would be glad to assist in ensuring the account is best set up to protect you.

- **CDs can assist in helping you reach your savings goals.**

Placing money in a CD account can help with the mental aspect of saving. Funds that are easily accessible can sometimes be used for non-essential spending. The extra motivation to keep money intended for savings in a separate account away from money to be spent helps to ensure the money will be used for its intended purpose.



CDs are one of the safest investments available.



The interest is typically fixed.



CDs are easy to open.



CDs can assist in savings.

View our rates:
soundcb.com/rates

Estimate earnings with our CD Calculator:
soundcb.com/calculators

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