



Are CDs keeping up with the times?

Over the last two decades, FDIC-insured certificate of deposit (CD) rates have often hovered below inflation. And even when rates appear solid, taxes can chip away at your purchasing power in many interest rate environments. Of course, inflation and taxes can have a significant impact on returns of most investments. When both taxes and inflation are considered, the real inflation and tax-adjusted return, what you truly keep, has been negative in most years.

Year	12-Month CD yield (%) ¹	Taxes (%) ²	Inflation (%)	Real return after taxes and inflation (%)
2005	4.22	25	3.34	-0.18
2006	4.91	25	2.52	1.16
2007	4.43	25	4.11	-0.79
2008	2.65	25	-0.02	2.01
2009	1.44	25	2.81	-1.73
2010	0.96	25	1.44	-0.72
2011	0.77	25	3.06	-2.48
2012	0.69	25	1.76	-1.24
2013	0.67	25	1.51	-1.01
2014	0.70	25	0.65	-0.13
2015	0.62	25	0.64	-0.18
2016	0.59	25	2.05	-1.61
2017	0.80	25	2.10	-1.50
2018	1.29	22	1.92	-0.91
2019	1.14	22	2.26	-1.37
2020	0.39	22	1.28	-0.98
2021	0.28	22	7.10	-6.88
2022	2.35	22	6.42	-4.59
2023	5.32	22	3.40	0.75
2024	4.42	22	2.90	0.55

Past performance does not guarantee future results.

Investments and insurance products are: Not FDIC/NCUA Insured • Not Insured by Any Federal Government Agency
• Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any of Its Affiliates • May Lose Value

Ask your financial professional how New York Life Annuities can play a role in your clients' retirement strategies.

1. CD rates are proxied by Bankrate's 12-month CD national average.
2. Tax Policy Center, 12/23.

CDs are short-term investments that pay fixed principal and interest, are insured by the FDIC up to \$250,000, and are subject to changing renewal rates and early withdrawal penalties. The chart uses the highest marginal federal income tax rate based on \$100,000 of taxable income for a married couple filing jointly for each calendar year. The tax rate is not representative of the experience of every investor. A lower tax rate would have a favorable effect on the real return.

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