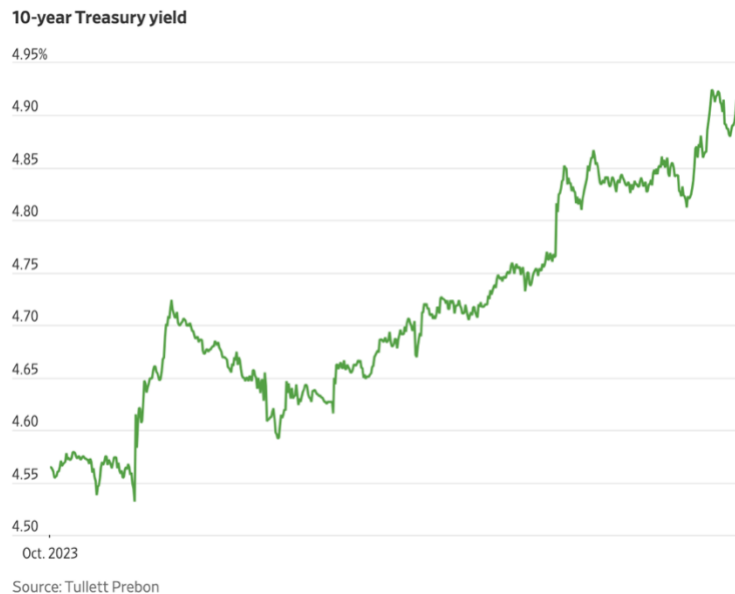




SOUNDING THE ALARM

Treasury Bond Yields on the Rise: What it Means for American Families

A decline in confidence in America's fiscal trajectory has driven ten-year Treasury yields to a 16-year high this week, weighing on markets, mortgage rates, and more.



WORD ON THE STREET



Via the [Wall Street Journal](#):

- “The 10-year U.S. Treasury yield rose to 4.902%, the highest closing level since July 2007.”
- “Higher yields make borrowing more expensive for companies and households. Elevated rates also make stocks look less attractive because they represent an essentially risk-free return, raising the bar for riskier assets such as equities.”
- “The market is walking this tightrope,” said George Cipolloni, portfolio manager at Penn Mutual Asset Management. “There’s a lot of risk in front of it.”



? WHY IT MATTERS !

U.S. Treasury bonds present the lowest risk to buyers and thus set the floor for interest rates across the economy, **meaning this increase in yields just raised interest rates on every purchase in the economy to the highest level since 2007.** American families will feel this through higher mortgage rates, car loans, and all other products financed in the economy.

The increase in Treasury bond yields reflects a decline in the confidence of America's ability to get our fiscal house in order. As seen in recent [Wall Street Journal](#) reporting – “the U.S. has long been the lender of last resort to the world...Now, the Treasury itself is a source of risk.” Our global allies and Americans alike are growing reluctant to lend to America over ever-growing perceived risk.

THE BOTTOM LINE

Our nation's inability to address our unsustainable debt is scaring both lenders and borrowers alike. The result is making everything from big life purchases to borrowing of all kinds less affordable for American families.

House Budget Republicans have a plan to ***reverse the curse*** of out-of-control spending, get our debt under control, reduce interest costs, and preserve the nation we know and love for future generations.

