History of Inflation vs. Long-Term Interest Rates

A Comparison of Inflation and Long-Term Interest Rates from 1940 – 1999

Long-term interest rate figures represent long-term (greater than 10 years) U.S. Government bond yields or investment grade corporate bond yields when appropriate. Sources: “A History of Interest Rates” by Sidney Homer. Copyright 1977 by Rutgers, The State University of New Jersey; 1970-2000, Board of Governors of the Federal Reserve System “Annual Statistical Digests”. Inflation figures represent the Consumer Price Index, 1940-2000, from the United States Department of Labor, Bureau of Labor Statistics. The information contained herein is based on sources we believe are reliable; however, we cannot guarantee its accuracy. The information contained herein is prepared for your use by Essex National Securities, Inc. member NASD SIPC.
Long-term interest rates have risen above 7% only 21 of the last 201 years or 10% of the time.

Long-term interest rates have risen above 8% only 13 of the last 201 years or 7% of the time.

Long-term interest rates have risen above 9% only 6 of the last 201 years or 3% of the time.

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