

TREASURIES | INCOME INVESTING

Where to Get the Best Yields. (Think Short-Term Treasuries.)

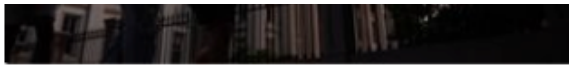


By [Al Root](#) [Follow](#) Aug. 16, 2023 11:57 am ET

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When looking for juicy yields, investors these days should stay short.



The U.S. Treasury building in Washington.
Nathan Howard/Bloomberg

lose money. Short-term Treasury bills, which yield more than 5.4%, still look like an investor's better income bet.

They're also low-risk. Because bills return principal in a matter of months, not years, their prices are less sensitive to changes in interest rates than other Treasuries. That makes any short-term, low-risk fixed-income security, such as a three-month T-bill, immune to the kind of selloff long-term bonds have experienced recently. The biggest concern is that rates start to fall and investors will see juicy yields evaporate when they go to reinvest. Still, they can always move money from T-bills into other areas of the yield curve as things change.