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# Rising Interest Rates Are a Danger for Markets—and a Reason to Own TIPS

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Real risk-free bond yields haven't been this high in years. Real [five](#)  
[↓ TMUBMUSD05Y -0.56%](#)-to- [10-year](#) [↑ TY00 +0.22%](#) yields hadn't reached current  
levels since 2023-24. As for [30-year](#) [↑ US00 +0.29%](#) maturities, you would have to go  
back to the 2008-09 financial crisis to encounter real yields of nearly 3%.

Real interest rates are what you earn after the bite taken by inflation. When you can  
earn a healthy real rate with little or no risk, a risky investment needs to offer a  
significantly higher return.