

# Majority of Investors Anticipate Gradually Rising Interest Rates

Last month's **Asset Allocation Survey** special question asked AAI members how the Federal Reserve's decision to unwind its balance sheet is affecting their expectations for interest rates. Nearly 70% anticipate interest rates will rise, though the majority of these respondents believe the rise will be slow and gradual. An additional 20% of respondents think the unwinding of the Fed's balance sheet will either have gradual or no impact.

Here's a sampling of the responses:

- "I expect interest rates to gradually and moderately increase over the next few years."
- "I'm expecting them to gradually rise."
- "None. A wise decision to unwind as long as it is done on a gradual basis."
- "[Interest rates] should rise. Although easy money from foreign governments should keep them from rising too quickly."
- "Interest rates will rise at a slow, but steady rate and will not cause significant market disruptions."

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