

Why do the banks need my money? (CD offerings)

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Apropos of banking, money, credit, the Fed, etc.

Local banks are advertising CD's at "high" interest rates — high compared to bank accounts and high compared to the Fed discount rate.

Why do the banks need this money? Is it just a marketing scheme to get new depositors? But if so, why do they need new depositors? Can't they make loans to create money and depositors?

(I know this has been answered by my memory ain't good.)

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