Fears of Double-Dip Recession Heighten

AP Images/Richard Drew

Asian stocks dropped Friday over growing concerns of a possible U.S. recession and the growing debt crisis in Europe.

This news followed Thursday’s rough tumble on Wall Street where new jobs numbers spurred another sell-off.

Nearly 408,000 people applied for unemployment benefits last week, up 9,000 from the week before.

It’s just one more sign of weakness in the economy.

“You got kids. You got bills. You’ve got to stay somewhere,” said Derrick Clayton, an unemployed worker.

Clayton was just one of the 4,000 job hunters who waited for hours in the Atlanta’s hot weather Thursday hoping to score one of only 2,000 openings at this job fair.

“No callbacks?,” job hunter Daisy Kennard asked as she shook her head. “Not one.”

Home sales also fell in July for the third time in four months—even as mortgage rates hit their lowest levels since the 1950s.

U.S. manufacturing is also said to be contracting—adding fuel to the growing talk of a double-dip recession.

However, a recent Rasmussen poll found that many Americans feel like the recession never ended.

“The psyche of the American investor has been damaged. No question about it,” said Tom Keene, economist and the editor-at-large of *Bloomberg News*.

“We don’t think we’re out of the woods or even close to being out of the woods, and quite honestly, we think that the problems are going to continue to unfold over the next 18 to 24 months,” predicted Wayne Atwell of investment bank Rodman & Renshaw.

One of the bright spots in the bleak economic outlook is oil. Prices continue to drop, which leads to lower gas prices—something everyone can benefit from.

But for now, the weak economy and the possibility of another recession is dominating the news.

It is certain to be high on the agenda when President Obama and the Congress come back to Washington in a few weeks.

Meanwhile, the price of gold continues to climb as investors look for safety. It rose more than $50 dollars Friday, edging close to $1,900 an ounce.

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