



# Stock Market Down as Fear of Recession Hits Wall Street

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WASHINGTON (TND) — Concerns over the state of the U.S. economy are growing as fears of a recession continue to take a toll on Wall Street.

The stock market ended the week in the red with the Dow Jones falling nearly 350 points. The S&P was down roughly 70 points and the tech-heavy NASDAQ dropped more than 300 points.

Investors are spooked over the May jobs report and the Federal Reserve's looming interest rate hike.

The report, which was released Friday, surpassed expectations on the jobs front but many still have recession top of mind as the Federal Reserve tries to bring down inflation.

U.S. employers added 390,000 jobs in May, according to the Bureau of Labor Statistics but despite the growth, inflation remains a top concern.

The unemployment rate stayed at 3.6% which is slightly higher than the 50-year low recorded in February 2020.

"So even with inflationary pressures that we're seeing out there, people still need jobs and good-paying jobs, so we need to continue to create those pathways into good-paying jobs. On the other side of the coin, we have to make sure that we continue to battle down inflation," Labor Secretary Marty Walsh said.

Republicans fired back this week, pointing to rampant inflation but an economist with the Cato Institute says the Fed's actions to tighten funds and increase interest rates could hold off a recession.

"We shouldn't look at those two things as being intimately connected. It doesn't have to happen and I think if the Fed starts to tighten sooner rather than later, then it probably lowers the chances that you're going to have that recession," said Norbert Michel, vice president and director of the Cato Institute's Center for Monetary and Financial Alternatives.

Also announced Friday, the average hourly wage is up 5% compared to last year, although paychecks are increasing, it is likely not enough to keep up with inflation.