

## The Double-Dip Recession is Here - Top 10 Ways It Will Affect You

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**You read it here first: we are now in a double-dip recession.** Economists declared that the Great Recession started in 2007 and ended in June 2009. But no one who sees an empty strip mall, a foreclosed house or an unemployed friend believes it. The legal effects will spread through all levels of your daily life. Here's the evidence:

- **Jobs:** the US unemployment rate has averaged over 9% for more than two years. Fewer jobs mean less consumer spending, which means the recession continues.
- **Debt:** 721,000 consumer bankruptcies were filed from January to June and now the numbers are climbing, according to the American Bankruptcy Institute.
- **Real estate:** 1 in every 611 homes received a foreclosure filing in July 2011. The situation is the worst in California, followed by Florida, Georgia, Michigan and Illinois, according to [Realtytrac.com](#)

"If it feels like a recession, it *is* a recession," according to Michael D. Siegel of Siegel & Siegel PC in New York, who is the moderator of the [New York Bankruptcy law forum](#) at Lawyers.com. The President's newly-proposed American Jobs Act has already hit partisan opposition. So as the economy worsens here's what it means to you personally:



1. **Divorce.** More arguments about money and the lack of it mean more trouble in marriages. Lack of a job brings stress and depression, which leads to marital breakups. Yet many couples [stay together unhappily](#), only because they can't afford a divorce.
2. **Credit Cards.** JP Morgan Chase and other major banks have [stopped lawsuits](#) to collect delinquent credit card balances. Judges have rejected many cases because of sloppy paperwork by the banks.
3. **Bankruptcy.** Odds are good you can keep your house and eliminate your credit card debt in a Chapter 7 bankruptcy, according to Siegel. Florida and Texas always exempt your entire residence, and some states have increased exemptions for your house. The recession has lowered home values so much that exemptions cover the value of many residences.
4. **Real Estate.** Siegel says homeowners with unsellable houses are choosing a "[strategic default](#)" on their mortgages – giving the keys to the lender and walking away. Some experts believe that as many as 20% of homes currently in

foreclosure are the result of walkaways. Of course this will ruin your credit rating, so be sure to talk to a lawyer first.

5. **Traffic tickets.** Have you noticed that a [speeding ticket](#) that used to cost \$50 now costs \$250? That's because cities are facing a drop in tax revenue because of the recession. They're mounting [red light cameras and traffic cameras](#) to turn errant drivers into a source of income.
6. **Job discrimination.** Employees have filed a [record-breaking number of discrimination charges](#) against their employers. The most common are retaliation claims (where an employer took a negative action against the employee who filed a charge) followed by race and sex discrimination claims.
7. **Litigation.** Individuals are more likely to start a lawsuit in bad economic times. For example, contracts become harder to perform and businesses fold, more people are inclined to pursue litigation to resolve their disputes. In personal injury cases, some lawyers say that in Wisconsin the chances of getting a favorable jury verdict are as good as they have ever been.
8. **Immigration.** Legal immigration to the U.S. has [slowed considerably](#) since the Great Recession began. The U.S. now has fewer opportunities for immigrants who had worked in construction, hotels and other blue-collar jobs that were hit hard by the bad economy.
9. **Wills and probate.** For 10 years Siegel handled estates where the primary inheritance was a valuable house. "Those estates are gone now," he said, because often the house is worth less than the mortgage balance and financially-struggling beneficiaries don't want the debt.
10. **Crime.** Here's the bright spot: the lack of lawful jobs is not increasing illegal jobs. Amazingly the [crime rate](#) has dropped for violent crime, property crime, robberies and auto theft during the recession. Perhaps if what we own is worth less, and we have less of it, there's less motivation to steal it.

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