Written by [Raven Clabough](#) on August 12, 2011

Gas Price Drop of 30 to 50 Cents Per Gallon Expected in Next Few Weeks

Crude oil for September delivery dropped to $81.03 a barrel in New York futures trading, but later closed at $85.72 a barrel. Earlier in the week, oil was as low as $79.30 a barrel.

In California, gas prices dropped from $3.81 to $3.76 in just a week, according to the AAA Fuel Gauge Report. Nationally, gas prices stand at $3.62, down from $3.70 a week earlier.

Patrick DeHaan, senior energy analyst for GasBuddy.com, observes, "If oil remains low, the national average for gasoline will fall to $3.25 … in the next two to three weeks as retailers slowly lower their prices to reflect their drop in cost."

Unfortunately, the cause of the falling gas prices is not quite so positive. The *Los Angeles Times* explains,

> Oil prices have fallen on expectations that the world's economies are headed for a rough patch, which would reduce demand not only for oil and gasoline but also for employees and for things that businesses make and sell.

According to energy analyst Fadel Gheit of Oppenheimer & Co., Inc., "Oil is crashing because there is less demand for it. There haven't been any really good economic signs that we can attribute to this."

James Williams of WTRG Economics notes, "Weak economies engender low oil prices. Stock market volatility illustrates the lack of confidence in recovery and an increase in expectations of another recession."

Some financial experts have warned of an impending recession. Just last week, following Standard & Poor's downgrade of the U.S. credit rating, Peter Schiff, an economic advisor to Representative Ron Paul in his 2008 presidential campaign, [explained](#):

> The fiscal situation is going to deteriorate because we are either in or on [the] cusp of a brand new recession. And remember, contrary to previous recessions, this one is starting with unemployment above 9 percent, starting with interest rates already at 0, so imagine what's going to happen when we get to the next round of fiscal stimulus. They're going to blow the deficit off the charts. And of course, the Fed[eral Reserve] can't do anything on the rate front, all they can do it print more money, which destroys the value of U.S. bonds.

Still, it will be a welcome change for motorists to save some money at the gas pump. Unfortunately, however, some analysts predict that, given the current state of the economy, those consumers will be more apt to save the extra money for the proverbial rainy day.

For example, 51-year-old California teacher Henry Chen told the *LA Times*, “We don’t want to spend money that we might need.”