Men more optimistic on economy

GENDER, FROM PAGE 8

facturing — a core source of support for Mr. Trump, and an industry that has experienced a rebound since he took office.

But Ms. Shue-Willis, 49, is pessimistic about the economy. She lost her house to foreclosure during the last recession and now worries that banks are repeating the mistakes that led to the financial crisis. She worries about the cost of health insurance, and about the jobs available for her daughter, who didn't earn a high school diploma. She said that the construction industry, where she works, was slowing down, and that she didn't believe the rosy economic figures she heard on the news.

"I think the unemployment rate they talk about on TV is misleading," she said.

Ms. Shue-Willis said she wasn't sure whom she would vote for next week. She isn't impressed by her Republican congressman, Scott Taylor — or by almost anyone else in Congress, a group she called "a bunch of squabbling hypocrites."

It isn't clear what, beyond partisanship, is driving the gender divide on the economy. Men have not notably outperformed women in their economic fortunes since Mr. Trump took office. Women have, if anything, received a slightly disproportionate share of jobs, and the pay gap for full-time workers narrowed slightly last year.

But hiring has been especially strong in male-dominated sectors such as manufacturing, construction and mining, noted Jed Kolko, chief economist for the job-search site Indeed. That growth, Mr. Kolko said, may be making men more optimistic — particularly because those same sectors had been in a long slump.

"We are in this unexpected and perhaps temporary moment where job growth is faster on average in traditionally male-dominated jobs," he said.

Mr. Trump's policies, Mr. Kolko said, probably have little to do with the blue-collar rebound. But that may not matter. Amber Wichowsky, a political-science professor at Marquette University, said that during the Obama administration, white men — particularly those without a college degree — reported feeling that their social status was eroding. Now that might be reversing.

"Their guy's in office, the economy's doing well, it's an even bigger shot in the arm," Ms. Wichowsky said. "The psychology's really important."

Even with the unemployment rate under 4 percent, however, millions of Americans are stuck in part-time or low-paying jobs, and many families have barely begun to recover from the Great Recession.

"You have an economy that, although the stock market and unemployment rate look good, people's actual lived experience of making ends meet" is less good, said Corrine McConnaughy, a political scientist at George Washington University.

Ms. McConnaughy said the uneven nature of the recovery might affect men's and women's views of the economy differently. She said research had found that men, on average, gauged the economy based on their own financial situation. Women tend to weigh more heavily the experiences of the people they see around them.

For Addie Chase, the economy is working fine. The shopping center that she and her husband own in Stratford, Conn., is fully rented, and she has a strong stable of students for her business as a piano teacher. But Ms. Chase, 67, said Connecticut as a whole was struggling economically. She sees people leaving the state in search of better opportunities, and she worries about the future. She said her frustrations with the national political environment were hard to separate from her feelings about the economy.

"I just feel like I'm angry all the time, which isn't my personality," she said. "Because women are so upset about how things are going, it colors their whole outlook."

BENJAMIN RASMUSSEN FOR THE NEW YORK TIMES

Paul Weeldreyer said the economy was "probably the one area where I would say the president is doing a good job."

Apps for children come loaded with ads

Researchers find games aimed at age 5 and under with rewards for buying

BY NELLIE BOWLES

Many developers market apps for children as being educational. So Jenny Radesky, a pediatrician who wrote the American Academy of Pediatrics guidelines for children and media, wanted to check that out.

"One of my big concerns about why apps might not be educational was because of the presence of distracting features such as banner ads that sit along the top of the screen and which contain stimuli that are irrelevant to the learning objective," Dr. Radesky said. "And we were expecting to see those."

She was not expecting all the rest.

In apps marketed for children 5 and under in the Google Play store, there were pop-up ads with disturbing imagery. There were ads that no child could reasonably be expected to close out of, and which, when triggered, would send a player into more ads. Dancing treasure chests would give young players points for watching video ads, potentially endlessly. The vast majority of ads were not marked at all. Characters in children's games gently pressured the kids to make purchases, a practice known as host-selling, banned in children's TV programs in 1974 by the Federal Trade Commission. At other times an onscreen character would cry if the child did not buy something.

"The first word that comes to mind is furious," said Dr. Radesky, an assistant professor of developmental behavioral pediatrics at the University of Michigan Medical School. "I'm a researcher. I want to stay objective. We started this study really just trying to look at distraction. My frustrated response is about all the surprising, potentially deceptive stuff we found."

Her team of researchers spent hundreds of hours playing 135 different games. Published in the Journal of Developmental & Behavioral Pediatrics, the study's findings are stark: 95 percent of commonly downloaded apps marketed to be played by children ages 5 and under contain at least one type of advertising. The researchers concluded many of these examples seemed to violate F.T.C. rules around unfair and deceptive advertising.

To accompany the publication of the study, called "Advertising in Young Children's Apps: A Content Analysis," over a dozen media and children's health advocacy organizations sent the F.T.C. a letter asking for an investigation.

"This is kind of a one-two punch," said Jeff Chester, the executive director of the nonprofit Center for Digital Democracy, which led the effort along with the Campaign for a Commercial-Free Childhood. "Usually these academic studies are published and there's no consequences," he said, "but here when we learned of her research it was clear from the beginning that there were public policy implications."

The letter brings up a few specific findings from Dr. Radesky's research: In Olaf's Adventures, published by Disney, clicking on a glowing cake that is not marked as an ad takes the player to a store; in Doctor Kids, published by Bubadu, a character cries if the player clicks away from the in-app store.

"We urge the commission to immediately launch an investigation of Android apps designed for, and marketed to, young children and hold developers accountable for their practices," the letter states.

The group argues that these advertising tactics violate Section 5 of the Federal Trade Commission Act, which bans unfair and deceptive business practices.

Mr. Chester said the Google app marketplace should not allow these apps to be directed to kids at all. "Google in fact knows and is a co-conspirator with the developers," he said.

In a statement, a Google representative said app developers can show ads so long as they agree to comply with privacy laws and the company's policies, such as barring advertisers from collecting information on users under 13.

A character cried when a child did not buy something.

"Apps primarily directed to children must participate in our Designed for Families Program and must follow more stringent requirements, including content and ad restrictions," the statement said. It added that Google Play "discloses whether an app has advertising or in-app purchases, so parents can make informed decisions."

Kathryn Montgomery, who helped lead the effort that resulted in the landmark Children's Online Privacy Protection Act of 1998, said she thinks now is the moment for another landmark action to protect children.

"The tide has turned," said Dr. Montgomery, a professor of communication at American University. "You can feel it. A few years ago to suggest limiting tech for kids would have sounded alarmist, and now that's changing."

"It's unfair to children and deceptive the way the ads are structured into the play," Dr. Montgomery said. "The F.T.C. is one of the only regulatory agencies able to do something about it."

While other studies of children and games usually focused on the top-rated or recommended apps, Dr. Radesky chose to study the ones with the most downloads. Many of those were free apps, and she found those had the most alarming advertising.

To Dr. Radesky, this bombardment of advertising undercuts most of the educational content an app may include.

"There's very limited research showing how children learn from interactive media," she said. "But the one thing that's consistent is if you have lots of distracting bells and whistles, children don't comprehend the underlying learning material as well."

Doris Burke contributed reporting.

A symbolic number could be a trade weapon

RENMINBI, FROM PAGE 8

ing money more available. That means even more renminbi sloshing around, weakening the currency's value.

While China hasn't raised interest rates, the Federal Reserve in Washington has. That makes it attractive for many people to sell their renminbi and buy dollars.

IS THE DROP DELIBERATE?

Not quite. If anything, Beijing is trying to keep the renminbi from falling too fast.

China has a number of ways to bolster the currency's value. One option is to follow the Fed's example and raise interest rates. That would give Chinese families and companies more incentive to keep their money in China. But that would raise the cost of borrowing in China, just as the economy is slowing.

Beijing could buy up its own currency instead. Like anything else, the renminbi's value rises when it is scarcer.

Thanks to the way it has managed its currency over the years, China has amassed the world's largest foreign exchange reserves — a $3 trillion stash that it keeps in dollars, euros, pounds, yen and other currencies. It has begun to tap that stash. When China's central bank released its monthly balance sheet a week ago, it showed a drop of almost $20 billion in foreign currency just during September.

WHAT ARE THE BROADER RISKS?

Three years ago, as its economy slowed, China devalued the renminbi, in part to give its factories a helping hand. The financial world was shocked. Markets plunged.

As Chinese officials hurried to explain themselves, people and companies began shifting their money — money that China's economy needed — outside the country.

A year later, China had spent more than $500 billion from its reserves in an effort to shore up the renminbi. It later tightened controls on the financial system to shut off many ways people used to get money out of the country.

Should the trade war intensify, China may look to make more aggressive moves with its currency. But as history shows, there can be a price to pay.

7 is unlucky number for China

Note: Month-end exchange rate data except for this month, which is as of Oct. 30. Scale has been inverted to show the recently declining value of the renminbi.

Sources: People's Bank of China, via CEIC Data

THE NEW YORK TIMES

Job 1 for G.E. chief: Fix power business

Sharp market downturn and self-inflicted wounds leave a division reeling

BY STEVE LOHR

In March 2017, Stephen R. Bolze, the president of General Electric's power-generation business, led an upbeat presentation to analysts. "We have got an exciting story for you," he said.

But by the end of the year, the power business was in a tailspin — profit fell 88 percent in the fourth quarter. Mr. Bolze had left. Jeffrey R. Immelt, the chief executive, had been pushed out. And early last month, Mr. Immelt's replacement, John L. Flannery, was ousted as well — largely a casualty of the troubled power unit.

The depth of the challenge created by the embattled power business was underlined this week when the company reported its third-quarter results.

Recognizing the financial drag, G.E. announced that it would slash its quarterly dividend to 1 cent a share from 12 cents a share, starting next year. The move will save $3.9 billion in cash a year.

G.E. also said that it would cut its power business in two — one division with its gas turbine generators, and the other home to the rest of the business, including electric grids and steam generators.

In a morning conference call, H. Lawrence Culp Jr., the new chief executive, emphasized that the struggling industrial giant still possessed fundamental strengths. "The talent here is real, the technology is special," Mr. Culp said. "But G.E. needs to change."

The biggest changes would have to be made in the power business, said Mr. Culp, a former chief executive of Danaher, an industrial company that thrived during his 14-year tenure. Working to turn that business around, he said, would be his priority.

The two power units will report directly to Mr. Culp. One message, he said, will be to "wring out some of the undue optimism" that had been part of the mind-set there.

At the start of last month, when Mr. Culp was named chief executive, he said G.E. would sharply write down the value of its power business. The write-down of $22 billion, formally announced on Tuesday, is virtually all of the good will in that business — everything other than hard assets like factories and equipment.

On the conference call, Jamie Miller, the chief financial officer, told analysts that a previously disclosed Securities and Exchange Commission investigation, which included the accounting for service contracts in the power business, was being expanded to include the big write-down. Ms. Miller also said the Justice Department had an investigation underway.

In the third quarter, G.E. reported results somewhat below Wall Street's expectations, including those for its operating earnings. Revenue of $29.6 billion — a 4 percent decline — was below the $29.9 billion average estimate of analysts compiled by Thomson Reuters. In the quarter, the ailing power unit's revenue fell by 33 percent from a year earlier.

Shares in the company fell nearly 10 percent on Tuesday.

The precipitous fall of G.E.'s power business is particularly remarkable because it does not seem to be a fall-off-a-cliff kind of business. G.E. has long been the market leader. Its power generators, the company says, supply 30 percent of the world's electricity.

Gas-fired turbines, equipment that lasts 20 or 30 years, are its core product. There are more than 7,500 G.E. gas turbines in power plants worldwide, which should be the platform for a large, lucrative service business for maintenance and repairs.

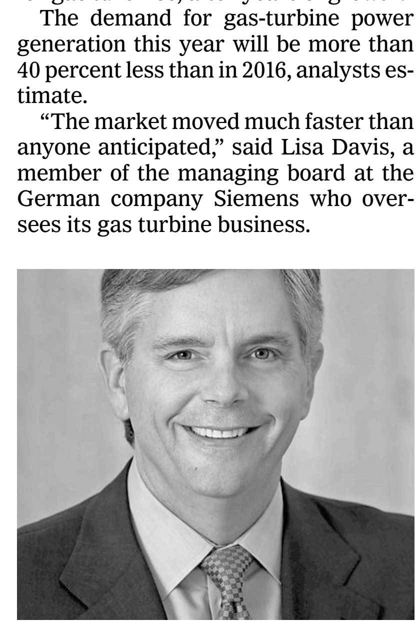
So what happened?

The answer, according to former G.E. managers and industry analysts, is a combination of a sharp market turn, a wayward acquisition and self-inflicted wounds.

Energy efficiency programs and renewable sources like solar and wind have both expanded and dropped in price faster than anticipated. And further advances in battery technology could make renewables consistently reliable rather than dependent on the weather. Those forces have prompted utility executives to hold off new orders for gas turbines, after years of growth.

The demand for gas-turbine power generation this year will be more than 40 percent less than in 2016, analysts estimate.

"The market moved much faster than anyone anticipated," said Lisa Davis, a member of the managing board at the German company Siemens who oversees its gas turbine business.



T. ROWE PRICE, VIA ASSOCIATED PRESS

H. Lawrence Culp Jr., the new chief executive of General Electric, said his company "needs to change."

But while the other major producers of large gas turbines, mainly Siemens and Mitsubishi Hitachi Power Systems, have suffered, they have moved more quickly to adapt than G.E., analysts say.

At Siemens, Ms. Davis said, the market weakness became evident in 2015, and the company began tightening its belt.

Yet Siemens may have also been a lucky loser. It bid, in competition with G.E., for the electricity generation and distribution operations of France's Alstom. G.E. prevailed in the long-running negotiations in June 2014, and the acquisition did not close until late 2015.

At first, the deal looked like a good one for G.E. A top appeal was Alstom's base of installed gas turbines — a source of service business — and its combined steam-and-gas generation technology.

But absorbing Alstom proved to be more difficult than expected, and the acquisition increased G.E.'s stake in the power business on the cusp of the market's downturn.

The largest part of the $22 billion write-down was related to the Alstom acquisition. It amounts to a declaration by G.E.'s new management team that it will never generate the earnings the earlier management team had projected.

"Alstom was the biggest bet, but it was symptomatic," said Deane Dray, an analyst for RBC Capital Markets.

There is a debate among former G.E. managers over whether the company was slow to respond to the market turn or, as the largest producer in the market, was destined to be hit hardest.

But the G.E. power unit still has outstanding technology and a long roster of customers, analysts say. The key to a comeback, they say, is quickly addressing the basics of the business. Cutting costs will be part of the formula. But, they say, so will more closely catering to customers, and retaining experienced midlevel managers and skilled engineers.

All of G.E.'s industrial businesses have been through severe setbacks in the past, including industry cycles and quality issues. But each time, the company has stayed the course and emerged.

In the longer term, natural gas is predicted to be one of the winners in the energy market, plentiful and relatively clean, unlike coal or nuclear.

"Right now, G.E. is in a real trough, and it looks like the business is collapsing," said Richard Keck, president of the Keck Group International, a power plant consultant. "But if they don't panic, it will come back."

"By 2022," he added, "whoever is leading the G.E. power business might well be a hero."