ECONOMISTS HOPEFUL BUT SEE TRADE RISK

WASHINGTON — A group of business economists foresees U.S. economic growth remaining solid next year, with unemployment falling further and only a slight chance of a recession. But they express concern about potential risks, notably from trade conflicts.

In its latest forecast released Monday, the National Association for Business Economics predicts that the economy will grow 2.7 percent next year, only slightly below the 2.9 percent that they expect for 2018 as measured by the gross domestic product.

The 2.9 percent predicted growth for this year would be up significantly from meager gains of 1.6 percent in 2016 and 2.2 percent in 2017. But it would still fall shy of the pace that President Donald Trump has pledged to achieve with his program of tax cuts and deregulation.

During the 2016 presidential campaign, Trump vowed to double the lackluster 2 percent average annual growth that has prevailed since the Great Recession ended. The current expansion, in its 10th year, is the second-longest on record but is also the weakest in the post-World War II period.

The NABE forecasting panel of 53 economists foresees only a small risk that the expansion will end next year, putting the risk of a recession in the second half of 2019 at 20 percent. The economists see the risk reaching 30 percent in the second half of 2020, a presidential election year, and 50 percent in 2021 and later.

Among the threats to the economy, 40 percent of the NABE panel ranked trade policy as the greatest risk, followed by interest rates (21 percent) and political or geopolitical events (13 percent).

The new NABE outlook projects job growth will remain strong in 2019. The economists foresee monthly employment gains averaging 166,000, down slightly from an expected average of 207,000 for this year. They predict the unemployment rate, already at a 49-year low of 3.7 percent, will dip to an average 3.6 percent in 2019. *— AP*

Docs: For toys, keep it simple

The Associated Press

Pediatricians say the best choices for tots are not techy but old-fashioned, like blocks and puzzles.

AP / DAVID J. PHILLIP

Skip the costly electronic games and flashy digital gizmos. Pediatricians say the best toys for tots are old-fashioned hands-on playthings that young children can enjoy with parents — things like blocks, puzzles — even throwaway cardboard boxes — that spark imagination and creativity.

"A cardboard box can be used to draw on, or made into a house," said Dr. Alan Mendelsohn, co-author of a new report on selecting toys for young children, up to around age 5.

Many parents feel pressured by ads promoting tablet-based toys and games as educational and brain-stimulating, but there's not much science to back up those claims, Mendelsohn said. Their main misconception: "The toy that is best is the one that is the most expensive or has the most bells and whistles or is the most technologically sophisticated."

Simpler hands-on toys that parents and young children can play with together are preferable for healthy development, said Mendelsohn, a pediatrician at NYU Langone Health in New York.

The report published Monday by the American Academy of Pediatrics cites studies suggesting that heavy use of electronic media may interfere with children's speech and language development, replace important playtime with parents and lead to obesity.

Studies also have found more than 90 percent of U.S. kids have used mobile devices, most starting before age 1.

The pediatricians' group recommends no screen time for children up to age 2 and total time with TV and computers should be less than one hour daily for ages 2 and older.

"A little bit of screen time here and there is unlikely to have much harm if a child otherwise has other activity," Mendelsohn said. But he added that screen time can overwhelm young children and is difficult to limit and control.

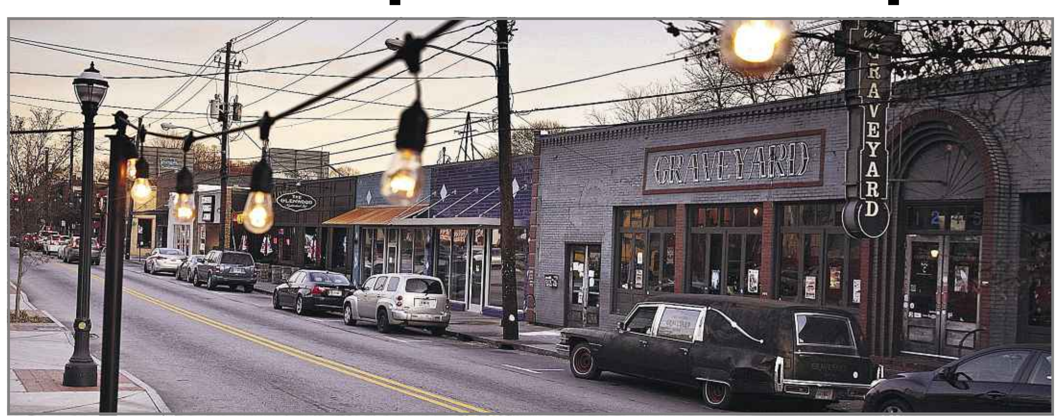
The academy's website offers suggestions on ideal toys for young children, including balls, puzzles, coloring books and card games.

Shopping recently at Dancing Bear Toys in Asheville, N.C., which doesn't sell electronic toys, Leah Graham Stewart said she supports the academy's advice even if avoiding digital toys and games is tough. She said she's noticed her two young boys tend to misbehave after playing on an iPad she typically reserves for long airplane rides. "I just tell them to go outside and play."

Erika Evers, Dancing Bear's co-owner, said video games and electronic toys have their place in moderation. "But we feel like kids really need opportunities to socialize and interact with their environment in a way that is hands-on and tangible."

Small business owners upbeat, look to expand

The Associated Press



Small firms on Main Streets across the U.S. are optimistic about the short and long term, a survey shows.

AP / DAVID GOLDMAN

Small business owners are upbeat, looking to expand and worrying less about financial concerns like health costs.

That's the finding of a survey of 1,067 owners released last week by Bank of America. The survey shows owners are optimistic about the short and long term. Fifty-seven percent said they expect revenue to increase in the next 12 months, 56 percent plan to increase business over the next five years, and two-thirds plan to expand in the coming year.

The survey also shows owners are less worried about health care costs than they were a year ago even as insurance costs are still an issue for many. Sixty-three percent called health care a concern, compared to 72 percent a year ago. Owners were also less concerned about consumer spending, commodities prices, the strength of the dollar and minimum wage increases. But they were slightly more concerned about interest rates; the Federal Reserve has raised rates three times this year.

The survey was conducted late August to mid-September.

A separate survey of 878 business owners in October by Pepperdine University's business school showed small business demand for outside financing was down just over 11 percent from three months earlier. Fifty-five percent said they didn't seek financing because their cash flow is sufficient; 29 percent said they had enough financing in place.

Looking ahead, only 28 percent of small businesses said they're planning to raise financing in the next six months, a sign that owners expect to keep doing well.

The companies surveyed had revenue up to $100 million and considered a small business to be one with no more than $5 million in revenue.