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Keynote Speech of Chairman Andrew N. Ferguson

**The Attention Economy:
How Big Tech Firms Exploit Children and Hurt Families**

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Good morning, everyone. Thank you all for joining us today, both in person at the Constitution Center in Washington, D.C., and via livestream.

It's my privilege to welcome you to this critical workshop, "The Attention Economy: How Big Tech Firms Exploit Children and Hurt Families." Before I begin, I want to thank the Commission staff that have been working on this workshop for months. It has been a herculean task to put together. I want to thank in particular my policy advisor Jon Schweppe. Jon joined us from the American Principles Project, where he has been working on these issues for years. Jon has been a huge asset to the FTC's mission, and I am incredibly grateful for all his work on this and other projects. Today's workshop would not have been possible without Jon.

I'm also incredibly grateful to the First Lady for her leadership on the Take It Down Act. Getting legislation done in any circumstance is very difficult, and the Take It Down Act could not have gotten through Congress without the First Lady's intervention and leadership. I am grateful that she sent her representatives here today as well.

We're joined today by a remarkable group of people – policymakers, child safety experts, and most importantly, parents. Together, we're tackling one of the most pressing issues of our time: protecting our children online.

I'm a millennial. I grew up with computers and easy access to the Internet. I chatted on AOL Instant Messenger. A lot. I used a "Hotmail" e-mail address. I'm old enough to remember "Tom" from MySpace, and I needed a school email when I registered for Facebook for the first time. But obviously, things are a bit different nowadays. My family had a single desktop computer in the living room. My parents could easily hear and see what we were up to—even when I thought I was being sneaky. Kids today have smartphones in their bedrooms. My teachers forbade me from using Wikipedia as a primary source; kids today are relying on AI to do their homework for them. We had Pokémon; kids today have AI chatbots... and Pokémon. Okay, maybe some things don't change.

But policymakers, advocates, and parents would be foolish to think that the solutions of the past are sufficient for the problems of today. The Internet was a fundamentally different place 25 years ago, with a completely different set of challenges.

Today, Americans generate tremendous amounts of personal data online, including records of our browsing histories, political and religious views, hobbies, friends, conversations, medical conditions, credit history, and sexual preferences. Digital platforms and social-media firms then collect, aggregate, share, store, and ultimately monetize these data through targeted advertising.

To the platform, these data are pure digital gold, a perennial store of value for that company's bottom line. For the rest of us, this data is a digital snapshot of our life, revealing intimate details that we never expected to be exposed to public view, much less to be collated for the sake of targeted advertising. Because these "data" are often stored indefinitely, ordinary Americans remain at constant risk of fraud, blackmail, or reputational damage if their personal data were to fall into the hands of unscrupulous actors.

For companies, our data, and more significantly, our *children's data*,

is a perpetual source of profit; for us, and for our children, it is a perpetual source of potential fraud and reputational harm.

So when I constantly hear industry interests in Washington, D.C. talking about technological advancement as if it is always an indisputable good with no troubling secondary effects, I know it isn't true. Undoubtedly, technological innovation brings countless benefits to our lives, not the least of which is a more thriving economy. It is also our advantage in the perpetual contest against other nations for economic superiority. As President Trump has emphasized, it's to our benefit that the United States continue to be the global leader in this kind of innovation. And the President is correct.

But when there are tradeoffs to be made, the Trump Administration has made it clear that the health and flourishing of our children is not a bargaining chip. After all, the purpose of technological innovation isn't just progress for progress's sake. The purpose of innovation in a just society is to promote the flourishing and success of ordinary families in that society. We must keep this purpose in mind as we consider which tradeoffs we are willing to make for technological progress.

I believe we can support both American technological innovation and

American families. We therefore don't have to resign ourselves into believing "this is how it's always been"—meaning as we get older, we should look at social and technological change with resignation or indifference. It hasn't always been this way, and we have a God-given right and duty to question whether it *ought* to be this way. Rapid technological change generates many social benefits. But it can also raise new social problems. We must acknowledge that these problems require novel solutions.

And I certainly believe that the Federal Trade Commission has a role to play in providing those solutions. Here, our job is to stand up for consumers—especially those who are most vulnerable, including our nation's children. And that means using everything available in our toolbox to hold companies accountable when they violate the law.

One of these tools is the Children's Online Privacy Protection Act, which prohibits collection of children's data without parental notice and consent and which our agency is committed to enforcing aggressively. Since 2023, the FTC has secured large settlements for violations of COPPA, including \$20 million from Cognosphere, the maker of *Genshin Impact*, for collecting, using, and disclosing the data of children under the age of thirteen without parental consent.

We also passed a COPPA final rule last year, which I voted for, and which I'm tasked with implementing as Chairman. That new rule makes a couple changes relevant to this workshop, one of which I'd like to highlight today: The revised rule imposes an additional parental opt-in consent requirement before an operator can share children's personal information. To that end, operators must notify parents of the "identities and specific categories of any third parties to which the operator discloses personal information and the purposes for such disclosures." From now on, when an app or site wants to send a child's personal information to Big Tech, or to a service provider in China, parents will have the right to say no.

The Commission has also used its Section 5 authority under the FTC Act to protect children online. In one matter, for example, we banned NGL Labs from targeting children and teenagers with fake, anonymous, and distressing messages to minors specifically designed to make them doubt their social worth, as part of a fraudulent scheme to convince those minors to pay for the ability to see who sent the messages – all without parental knowledge.

And we're focused on combating online exploitation. I was proud to join the President and First Lady last month for the signing of the Take It Down Act, a landmark accomplishment for the Trump administration and

congressional Republicans. The First Lady's advocacy in particular was extremely valuable to get this bill across the finish line. This bill – now a law – criminalizes sharing non- consensual intimate images, including AI-generated deepfakes, and requires platforms to remove such content within 48 hours of a victim's request. This gives families a powerful new tool to help combat online exploitation and cyberbullying. And the FTC gets to play an important enforcer role on this front. We will talk about that a little more later. But we are very excited to take on this challenge, which we are approaching with great care and thoughtfulness.

For all the good work that has been done on this front, it is nonetheless true that the present law governing online privacy for children needs to be reformed. Passed almost thirty years ago, the Children's Online Privacy Protection Act forbade website operators from collecting, using, or disclosing the personal data of any user under the age of thirteen without the "verifiable parental consent" of the user's parent. However, operators are not required to obtain parental consent unless they possess "actual knowledge" that the user is under thirteen or if the website is specifically directed at children. The FTC took the view many years ago that most online services may determine a user's age by asking the user to provide a date of birth. Everyone in this room knows that this method of age verification

provides little to no barrier of access for children under the age of thirteen to online services. And *because* it provides little to no barrier of access, the law does not advance the principle of parental consent that Congress had in mind.

Our laws governing online privacy for children are not just aimed at protecting children. They are, or ought to be, aimed at *assisting* parents in the exercise of their right to exert meaningful control over their child's activities online and the *data* generated by those activities. Quite apart from parental concerns to protect their children from abuse or fraud at the hands of online actors, parents also have a sacred charge to protect their child's reputation and "good name," knowing how important these are for their future success in life. No parent wants their child "cancelled" or exposed to public humiliation for some youthful indiscretion online. Our privacy laws should enhance the capacity of parents to prevent such online indiscretions as well as to shield their children from downstream harm associated with any personal data generated by their use of the internet or social media.

Facing a world full of "abusers" and "accusers," our privacy laws should empower a child's greatest advocate: his or her parents.

To do so, we must go beyond the current legal regime, which conditions unfettered access to online services on nothing more than an

unverified, self-reported birthdate. Congress should pass privacy legislation requiring that smartphone and operating systems, as well as online services, give parents the tools they need to carry out their preferred approach to supervising and protecting their children online. Parents should be able to decide whether their children can have a personal account on a social media, online gaming, or streaming service platform. Parents should be able to see what messages their children are sending or receiving on a particular service. And most importantly, parents should be able to erase any trace left by their children on these platforms, at all levels of granularity, from individual messages to entire accounts.

Presently, our laws give far more power to Silicon Valley than it does to parents to determine what online content will be accessible to our nation's children. We can and should do better.

And that's part of the reason for this workshop today: we want to partner with you all to see what more can be done, not only to protect our nation's children from online fraud and abuse, but also to support parents in their sacred duty to protect their child's good-name and promote his or her flourishing. I believe the FTC can play an important role in identifying the tools to accomplish this task that are missing from our toolbox, whether it's at the FTC or elsewhere in government. At the FTC we talk to Congress

and other agencies within the government every day, and we can play an important role in gathering the policy recommendations raised today and helping to make them a reality, not only within our own government, but across the globe as well.

I've had several conversations with my counterparts at foreign regulatory agencies, and while we don't necessarily agree on much, we have found a great deal of common ground on protecting kids online. In fact, today, the European Commission is also hosting a workshop on their proposed guidelines for protecting kids, and just last week that commission announced investigations into major pornography operators. Recently, I discussed this very topic with EC Executive Vice President Henna Virkkunen. I'm glad to see that we both have a strong focus on protecting kids, and I hope we can find ways to work together on this issue going forward.

Of course, we must be prudent in the steps we take to protect children online. As I've said in other contexts, our tradition of light regulation compared to Europe is a huge part of what makes America the world's leader in technological innovation—especially in the artificial-intelligence race against China. We cannot let our zeal to assist parents in protecting their children online lead us to regulate too heavily and too broadly. We must

carefully limit regulation and enforcement to the noble goal of protecting children, and ensure that we do not squelch the entrepreneurial spirit that makes America great.

But we cannot stand idly by and invoke innovation as a reason not to take steps to protect children. The whole point of innovation in a well-ordered society is to promote the flourishing of ordinary families in that society. We therefore cannot make our children's futures just another tradeoff for technological innovation. That would defeat the purpose of promoting innovation in the first place.

I'm very excited about the panels you're going to hear today. I think you'll find them very valuable. The first panel, which will be moderated by the FTC's Bureau of Consumer Protection Director, Chris Mufarrige, will focus on the harms and discuss the question: are kids in danger online? The second panel, moderated by the FTC's Deputy Director over at the Bureau of Consumer Protection and longtime Commission veteran, Kate White, will dive into the specific tools we have in our toolbox at the FTC, and we'll hear suggestions from panelists about further investigations or enforcement actions our agency could potentially take. The third panel, moderated by Jon Schwappe, will focus on the age verification efforts that have taken the country by storm. My home state, Virginia, was one of the first to pass one

of those laws. Now, 23 states in total have implemented these protections for kids. And finally, the fourth and final panel, moderated by my attorney advisor, Annie Chiang, will seek to answer: what can be done outside of Washington, D.C.? On that panel, we have Clare Morell, one of my favorite thinkers on this issue and the author of a recent and extremely important book on the topic. You will want to stick around to hear from her.

We will also hear from each of my fellow Commissioners today. Commissioner Melissa Holyoak has been a wonderful and brilliant colleague both at the Commission and when we served as solicitors general for our home States. She's also a mom, and I can tell you, is very passionate about the issues we'll hear about today. And our newly confirmed Commissioner Mark Meador is the father of seven kids, with another on the way, and I know he's got a lot to say about this topic as well. And we'll hear from Senator Marsha Blackburn, who notably sponsored the Kids Online Safety Act, and Senator Katie Britt, who has sponsored important legislation on social media use by children. We are deeply honored to have two of the country's most outspoken and effective legislators join us today.

I think as we move forward, we need to be aspirational. We don't have to accept the Internet as a dangerous place for kids. We don't have to accept that parents lack any meaningful control over their child's online

activities. We don't have to accept the permanent storage of our child's online data for the sake of some company's bottom line. We don't have to accept the weaponization of our child's online data by agents of the "cancel culture" or child predators. We can change these things. We can make the Internet a safe place for kids, and we can do so, in the first place, by giving parents effective control over their child's online activities and the use of their personal data. And we can do so while ensuring that America remains the world's beacon of innovation, and that we win the AI race against our foreign rivals.

The FTC is fully committed—through enforcement, through rulemaking, through partnerships, through working with Congress and other federal agencies—to doing everything we can to turn this aspirational vision that we all share—into reality.