



Office of the Chair

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

**Remarks of Chair Lina M. Khan
As Prepared for Delivery
Protecting Kids from Stealth Advertising in Digital Media**

October 19, 2022

Good morning. Welcome everybody to today's event. We have a phenomenal lineup of experts here to discuss a critical topic, and I'm so looking forward to today's discussions

Advertising has changed a lot over the last few decades. It used to be, every kid watching a TV show would see the same commercial. It wasn't hard for parents to keep an eye on the ads their children were seeing. But the rise of social media and targeted advertising changed everything. Now, every child is an audience of one.

Most young people today are digital natives. They were not around for life before the internet and the proliferation of digital technologies. They interact with digital technologies almost intuitively. In some ways, this is great news. Kids today have the natural competency to take advantage of new digital tools in a way that grownups can only dream of. But it also carries serious risks. When kids interact with digital media, they're exposed to an array of marketing practices that blur the line between advertising and entertainment. That's an especially serious issue when we're talking about young people. As today's speakers and panelists will explain, developing brains are more susceptible to deceptive or harmful practices. Both the immediate and long-term effects can be significant.

As digital media becomes more embedded in our daily lives, kids are interacting more and more with commercial content. Research indicates that some older kids may see over a thousand ads per day.¹ What particularly concerns the FTC is the fact that kids often can't tell the difference between ads and organic content. Some forms of advertising are intentionally designed to exploit kids' insecurities for commercial gain. Children and teens can end up engaging in commercial transactions without realizing it. They may provide personal information without understanding the privacy risks. When stealth advertising is combined with concerning content like gambling or e-cigarettes, the risks can be even greater.

Today's event will examine these concerns and the possible paths forward. Our panelists will unpack the privacy, psychological, physical, economic, and other harm that can arise from predatory advertising directed at children. And they'll explore whether existing regulatory regimes are up to the task of protecting kids and families from those harms.

¹ GLOBAL ACTION PLAN, KIDS FOR SALE: ONLINE ADVERTISING & THE MANIPULATION OF CHILDREN 10 (2020), https://www.globalactionplan.org.uk/files/kids_for_sale.pdf.

First, there will be a presentation by Mamie Kresses of BBB National Programs. Mamie will discuss examples of ads that kids encounter online that blend into surrounding content. Her presentation will be followed by a question-and-answer session with Tawana Davis, an Assistant Director of our Division of Advertising Practices.

The remainder of the day will be filled with panel discussions on key issues surrounding kids and digital advertising. The first panel includes experts from a number of disciplines. They'll discuss children's cognitive abilities across different ages and developmental stages. And they'll connect that to key questions around how kids process and perceive advertising. In the second panel, researchers and practitioners will discuss how kids actually interact with the current advertising landscape. They'll also describe the harms caused by the increasingly blurred line between ads and organic content, and potential mitigating factors. The final panel will be more forward-looking. We will hear from a variety of stakeholders about potential interventions and remedies.

Given the complexities of these issues, there may not be one silver bullet to mitigate the risk and harms posed to children and teens. As today's discussions will demonstrate, we will need a combination of interventions to produce effective outcomes. The FTC is currently exploring whether to update its rule implementing the Children's Online Privacy Protection Act.² The last time we revised that rule was 2013, and a lot has changed since then. We're also soliciting comments for a proposed rulemaking on commercial surveillance more broadly.³ In the meantime, we will continue to aggressively pursue enforcement actions using existing FTC legal authorities. And we will support Congressional action that aims to bolster our efforts. We look forward to working with consumer groups and other key stakeholders to deepen our understanding of the issues and improve our efforts to protect children and raise awareness for parents and teachers.

Thank you all again for coming today, and thanks to our panelists for sharing their time with us. Now I'll hand it off to Tawana and Mamie.

² Press Release, Fed. Trade Comm'n, FTC Seeks Comments on Children's Online Privacy Protection Act Rule (July 25, 2019), <https://www.ftc.gov/news-events/news/press-releases/2019/07/ftc-seeks-comments-childrens-online-privacy-protection-act-rule>.

³ Trade Regulation Rule on Commercial Surveillance and Data Security, 87 Fed. Reg. 51,273 (Aug. 22, 2022).