



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

February 26, 2025

MEMORANDUM

FROM: Chairman Andrew N. Ferguson
Daniel Guarnera, Director, Bureau of Competition

TO: Christopher Mufarrige, Director, Bureau of Consumer Protection
Ted Rosenbaum, Acting Director, Bureau of Economics
Clarke Edwards, Acting Director, Office of Policy Planning

SUBJECT: Directive Regarding Labor Markets Task Force

The Federal Trade Commission has a dual mandate to protect the American people from unfair or deceptive practices and unfair methods of competition. Historically, the large majority of the FTC’s consumer protection and competition enforcement efforts have focused on protecting Americans in their role as *consumers*. Protecting consumers will always be central to the FTC’s mission and statutory mandate, but it is important to remember that the FTC’s authority includes protecting the same American consumers in their roles as *workers*.

A healthy labor market is critical to the country’s success. Many Americans enter the economy not only as buyers of goods, but also as sellers of labor. In January 2025, the U.S. civilian labor force numbered over 170 million Americans, while millions of others are out of work.¹ Indeed, for most workers—from nurses to plumbers to lawyers to servers—the ability to command a reasonable wage on the labor market is an individual’s single most valuable commodity. And yet, while all Americans are harmed by unfair business activities that raise the prices they pay when they shop, their ability to earn a living is equally—if not more—harmed by deceptive, unfair, and anticompetitive employer labor practices that drive down what they earn for their labor.

Sadly, deceptive, unfair, and anticompetitive labor practices are widespread. They are as varied as they are unscrupulous. They affect workers in all types of industries. And as far as the FTC is concerned, they trigger our mandates to fight unfair or deceptive practices and unfair methods of competition. Some notable examples of conduct that falls under the FTC’s jurisdiction include:

- ***No-poach, non-solicitation, or no-hire agreements***, where employers agree to refrain from hiring each other’s employees. Courts have found these agreements can be so pernicious as to be a *per se* violation of the competition laws.
- ***Wage-fixing agreements***, where employers agree to fix the level of wages they offer to employees. These agreements represent a hardcore violation of the competition laws subject to the *per se* standard.

¹ Bureau of Labor Stats., *Table A-1, Employment status of the civilian population by sex and age*, <https://www.bls.gov/news.release/empstat.t01.htm> (last accessed Feb. 20, 2025).

- ***Noncompete agreements***, which employers can use to impose unnecessary, onerous, and often lengthy restrictions on former employees’ ability to take new jobs in the same industry after they leave their employment.
- ***Labor-contract termination penalties***, through which an employer can impede its workers from switching to a competing employer by imposing unjustified fees when workers want to end their contracts.
- ***Labor market monopsonies***, where a business uses anticompetitive methods to create or maintain significant buyer power in a market for labor. This can be a particular problem in rural areas, where employment opportunities are already limited.
- ***Collusion or unlawful coordination on DEI metrics***, which may have the effect of diminishing labor competition by excluding certain workers from markets, or students from professional-training schools, on the basis of race, sex, or sexual orientation.
- ***Harming gig economy workers***, through unfair or deceptive trade practices.
- ***Deceptive job advertising***, including job postings that lure potential employees with false promises regarding important issues like rates of pay or benefits.
- ***Deceptive business opportunities***, which lure Americans into buying a business on the basis of false or misleading representations about the value and potential earnings of the business.
- ***Misleading franchise offerings***, which can lead workers or potential employers to invest savings in ways that never ultimately bring benefits anticipated to the American worker.
- ***Harmful occupational licensing requirements***, where employers or professional associations advance or promote needless occupational licensing restrictions that can serve as an unwarranted barrier to entry and reduce labor mobility.
- ***Job scams***, including fraudulent job placement scams and online “task scams,” that lure job seekers to complete small online tasks but instead trick consumers into paying money that is never recovered.

The harm to the American labor market is not just hypothetical. During the Biden-Harris administration, wages stagnated while job opportunities dwindled, even as prices continued to rise.² Exit polls from the last election consistently showed that voters ranked “the economy” as among their top concerns.³ The American people elected President Trump in no small part to fix the economic pain they are feeling under the current labor market. Under President Trump’s leadership, during his first term, real median household incomes reached an all-time record high, including the largest one-year increase in

² See FRED Econ. Data, St. Louis Fed. Rsrv., Employed full time: Median usual weekly real earnings: Wage and salary workers: 16 years and over (last accessed Feb. 21, 2025), <https://fred.stlouisfed.org/series/LEU0252881600A> (showing that inflation-adjusted wages have never recovered to the high levels seen under the first Trump administration); see also The Wage Crisis of 2025: 73% of Workers Struggling, Forbes (Jan. 24, 2025), <https://www.forbes.com/sites/bryanrobinson/2025/01/24/the-wage-crisis-of-2025-73-of-workers-struggling/>; US salaries are falling. Employers say compensation is just ‘resetting,’ BBC (Mar. 7, 2024), <https://www.bbc.com/worklife/article/20240306-slowing-us-wage-growth-lower-salaries>.

³ See, e.g., AP VoteCast: How America voted in 2024, Associated Press, <https://apnews.com/projects/election-results-2024/votecast/> (last accessed Feb. 20, 2025); Election 2024: Exit Polls, CNN, <https://www.cnn.com/election/2024/exit-polls/national-results/general/president/0> (last accessed Feb. 20, 2025).

median income record of 6.8 percent in 2019.⁴ The poverty rate plummeted to the lowest in history, in large part thanks to higher incomes among the working class.⁵

The FTC feels workers' pain. The threats to American workers from unfair and deceptive practices, as well as anticompetitive conduct, are often overlapping and mutually reinforcing. The FTC's dual consumer-protection and competition mandate therefore makes this agency uniquely well-suited to address these worker harms—if we break down siloes and bring the best experience, knowledge, and resources of all three of our Bureaus and other offices to bear on behalf of workers. Accordingly, I am directing the FTC's Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, and Office of Policy Planning to work together to prioritize rooting out and prosecuting unfair labor-market practices that harm American workers.

As a first step, the Directors of the Bureaus of Competition, Consumer Protection, and Economics, and the Office of Policy Planning shall form a Joint Labor Task Force with the following responsibilities:

- To prioritize investigation and prosecution of deceptive, unfair, or anticompetitive labor market conduct in both the Bureau of Competition and the Bureau of Consumer Protection with support from the Bureau of Economics;
- To harmonize the Bureaus' methods and procedures for uncovering and investigating deceptive, unfair, or anticompetitive labor market conduct across the Bureaus;
- To create an information-sharing protocol across the Bureaus to exchange best practices for uncovering and investigating deceptive, unfair, or anticompetitive labor market conduct, to ensure that the Bureaus are acting as effectively as possible in relying on the full, combined knowledge of the entire FTC;
- To promote research on deceptive, unfair, or anticompetitive labor market conduct and disseminate those findings throughout the FTC and to the public;
- To identify opportunities for advocacy on legislative or regulatory changes that would remove barriers to labor market participation, mobility, and competition;
- To engage in public outreach informing workers of the state of the law and to encourage workers to report deceptive, unfair, or anticompetitive labor market conduct to the FTC; and
- To coordinate, to the fullest extent possible, all conduct investigations and enforcement actions brought by either the Bureau of Competition or the Bureau of Consumer Protection, with support from the Bureau of Economics, such that deceptive, unfair, or anticompetitive labor market conduct is fully prosecuted as a matter of consumer protection and competition law.

The Task Force shall be made up of at least three members from each Bureau and one member from the Office of Policy Planning. It shall be co-chaired by one representative from each Bureau, each of whom shall be designated by their respective Bureau Directors. The full Task Force shall meet at least monthly to assess the status of all ongoing labor matters and shall report on the status of those matters to the Chairman on a quarterly basis.

⁴ Press Release, Council of Econ. Advisors, Incomes Hit a Record High and Poverty Reached a Record Low in 2019 (Sept. 15, 2020), <https://trumpwhitehouse.archives.gov/articles/incomes-hit-record-high-poverty-reached-record-low-2019/>.

⁵ *Ibid.*

With this Directive, I intend to harmonize the FTC's law-enforcement efforts on behalf of workers and ensure that the FTC prioritizes labor issues in both its consumer-protection and competition matters. We will make our economy great again for all American workers.

Sincerely,

A handwritten signature in black ink, appearing to read "A. N. Ferguson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrew N. Ferguson
Chairman, Federal Trade Commission