

ALERT

FTC Announces New Labor Market Task Force and Prioritizes Worker Protections

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On February 26, 2025, Federal Trade Commission (FTC) Chairman Andrew Ferguson issued a memorandum directing the FTC to form a Joint Labor Task Force to prioritize efforts to combat deceptive, unfair, and anti-competitive practices that adversely affect American workers. The directive identifies a range of employment-related practices that the FTC Task Force will scrutinize in the new Administration.

The public nature of this memorandum demonstrates that investigating conduct impacting workers will be a high priority for the FTC during President Trump's second term.

The announcement continues a recent shift at the FTC to focus on worker protections, though the new Administration has signaled that it will act through enforcement and other initiatives rather than broad rules. In the last Administration, the FTC issued a high-profile regulation barring non-compete agreements for most employees, deeming them to be anti-competitive, but a U.S. District Court enjoined the final rule in August 2024 before it could go into effect. Chairman Ferguson has criticized this rule, but the new directive makes clear that the FTC will continue to focus on individual companies' employment-related practices, including scrutinizing specific non-compete agreements, no-poach and non-solicitation agreements, the impact of mergers on labor markets, and practices related to "gig economy" workers.

Below we analyze the Joint Labor Task Force and the FTC's labor-related priorities in more detail.

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Overview of the Directive and the Joint Task Force

The memorandum outlines 12 categories of conduct that the Chairman believes impact labor markets and fall under the purview of the FTC. These are:

- (1) Deceptive job advertising about pay and benefits;
- (2) Harming gig economy workers through unfair or deceptive practices;
- (3) Labor-contract termination penalties;
- (4) Labor market monopsonies;
- (5) Business opportunities that misrepresent earnings;
- (6) Misleading franchise offerings;
- (7) Job postings like fraudulent job placements and online “task scams”;
- (8) Harmful occupational licensing requirements;
- (9) No-poach, non-solicitation, or no-hire agreements;
- (10) Wage-fixing agreements;
- (11) Non-compete agreements; and
- (12) Collusion on employment metrics such as diversity, equity, and inclusivity (DEI).

Chairman Ferguson emphasized that these practices span across industries and reaffirmed the FTC’s commitment to protecting workers.

The memorandum instructs the Directors of the FTC’s Bureau of Competition, Bureau of Consumer Protection, Bureau of Economics, and Office of Policy Planning to form a Joint Labor Task Force. A key element will be **enhancing enforcement efforts** by prioritizing investigating and prosecuting deceptive, unfair, or anti-competitive labor practices. Additional Task Force objectives include:

- **Standardize investigative procedures** across the Bureaus to ensure a unified approach in detecting and addressing labor market misconduct.
- **Establish an information-sharing framework** to facilitate the exchange of best practices, leveraging the combined expertise of the FTC to enhance investigative effectiveness.
- **Support research initiatives** on deceptive, unfair, and anti-competitive labor market practices and share findings with the public and internal stakeholders.
- **Advocate for policy reforms** that promote labor market participation, mobility, and competition by identifying necessary legislative or regulatory changes.

- **Increase public awareness** by educating workers about their rights and encouraging them to report deceptive, unfair, or anti-competitive labor practices to the FTC.
- **Ensure coordinated enforcement** by aligning all investigations and legal actions between the Bureau of Competition and the Bureau of Consumer Protection, with economic analysis support, to comprehensively address labor market violations under consumer protection and competition laws.

Implications for Businesses

In the short term, any public notice of enforcement actions is unlikely, because investigations can take many months, if not years. However, based on this memorandum, FTC staff are very likely beginning to look for investigative targets and can issue civil investigative demands. In addition, the FTC may issue a request for information seeking public comment, undertake industry studies to see if these labor practices are common in certain industries, or hold public workshops to further explore these issues.

Companies are advised to review and, if necessary, revise their employment practices to ensure compliance with antitrust and consumer protection laws. This includes examining non-compete clauses, avoiding participation in wage-fixing or no-poach agreements, and ensuring transparency and accuracy in job postings and business opportunity marketing.

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