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Press Release

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NEW PHOENIX CENTER STUDY FINDS THAT EMPLOYEE DISSATISFACTION AT THE FEDERAL TRADE COMMISSION CONTINUES TO PRECIPITOUSLY DECLINE

Erosion of employee morale continues to be driven by a decline in respect for FTC senior leadership based on a diminished view of Chair Lina Khan's honesty and integrity

WASHINGTON, D.C. — Prior to the beginning of Lina Kahn's chairmanship, the Federal Trade Commission ("FTC") was the highest-rated federal agency in employee satisfaction. Largely due to Chair Kahn's mismanagement and politicization of the once highly-respected agency, surveys conducted by both the Office of Management and Budget and *Best Places to Work in the Federal Government Rankings* revealed that employee satisfaction at the Agency sharply declined in the year following her confirmation (2021).

In October 2022, the Phoenix Center <u>released a detailed analysis of these data</u>. Using the summary level satisfaction measures from these surveys, our analysis found that the FTC fell from the highest-ranking federal agency in 2020 to the bottom quartile of agencies in 2021—the largest decline of all agencies in 2021, and nearly the largest decline in satisfaction across agencies in the past twelve years. The surveys revealed the reduction in employee satisfaction at the FTC is driven by a lack of respect for senior leadership due to a perceived lack of honesty and integrity among the agency's senior leadership. That said, small increases in satisfaction were observed for direct supervisors, suggesting staff supervisors were trying to shield FTC line-staff from the mismanagement of senior leadership.

In a new analysis released today entitled *An Agency in Crisis: Employee Satisfaction at the FTC Continues to Decline,* Phoenix Center Chief Economist Dr. George S. Ford once again looks at these data in detail with an additional year of data (2022). Dr. Ford finds that after the stunning decline in the FTC staff's views of senior leadership in 2021—nearly the largest decline of any agency in a decade—satisfaction with senior leadership fell again in 2022, while views of FTC supervisory leadership once again improved. This precipitous decline put the agency in last place on these attributes among its peers—an unprecedented decline.

"Some say, 'it gets worse before it gets worse,' and this cynical view appears to hold true at the FTC," says study author Phoenix Center Chief Economist Dr. George S. Ford. "The surveys continue to offer strong evidence that under the leadership of Chair Khan, the FTC is the worst run agency in the Federal Government, at least among those for which data are available. The U.S. economy deserves better, though there appears to be little sign that the Biden Administration or Congressional Democrats have any interest in righting the sinking ship."

PHOENIX CENTER PRESS RELEASE Page 2 of 2

A full copy of PHOENIX CENTER POLICY PERSPECTIVE No. 23-01, *An Agency in Crisis: Employee Satisfaction at the FTC Continues to Decline,* may be downloaded free from the Phoenix Center's web page at: https://www.phoenix-center.org/perspectives/Perspective23-01Final.pdf.

The Phoenix Center is a non-profit 501(c)(3) organization that studies broad public-policy issues related to governance, social and economic conditions, with a particular emphasis on the law and economics of the digital age.