Most Children's Websites Not Following Spirit of Privacy Laws

Although Privacy Policies Exist on Many Sites, They Often Prove Very Difficult to Read and are Missing Key Elements

One year after the Federal Trade Commission Rule implementing the Children's Online Privacy Protection Act (COPPA) took effect, most children's websites are not following all of the FTC requirements, according to a careful new study released today by the Annenberg Public Policy Center of the University of Pennsylvania.

The Annenberg researchers examined 162 sites with the highest percentage of child visitors and which appeared to have particular appeal to children under age 13. The websites were selected in consultation with Federal Trade Commission staff. One in ten (17) sites collected personal information from visitors but did not have a privacy policy link on the home page—-a clear violation of the COPPA regulations. 14 of those had no privacy policies at all.

84% (90) of the 107 children's sites that collected personal information did have a link from their home page to their privacy policy, but almost half (47%) of those skirted the regulations by not prominently displaying them on the page.

Congress enacted COPPA in 1998 to regulate the collection, use and disclosure of personal identifiable information (e.g., name, address, email address) from children on the Internet. COPPA requires operators of websites directed to children under age 13, and operators who knowingly collect personal information from children under age 13, to have a privacy policy that is accessible to parents and follows specific content and formatting guidelines.

"When it comes to their privacy policies, websites targeting children seem not to be taking the FTC rules implementing the Children's Online Privacy Protection Act very seriously," said Joseph Turow, author of the study and Professor at Penn's Annenberg School for Communication. "One year after the passage of COPPA we found more sites skirting the COPPA requirements than following them carefully."

The FTC COPPA Rule encourages sites to include certain visual elements to make links to their privacy notices stand out. The Annenberg researchers found that only 44% of the children's sites with links follow the FTC suggestion that the privacy link's font style should be different from the style of the adjacent words. Only 6% of the sites with links had one in a different color from adjacent words, another COPPA suggestion. Fully 60% of the sites disregarded the FTC's specific caution not to place links at the bottom of the home page in small letters.

The websites are doing a mixed job of following FTC rules regarding content of the privacy policy itself. The majority of sites (91%) revealed the type of personal information they collect in the privacy policy and how the information may be used (96%). Far fewer told parents of their right to review their children's personal information (62%), of their right to ask that no further information be collected (51%), and of the law's provision that the site may only collect information "reasonably necessary" for the child to use the site (55%).

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But even when this information existed in the privacy policies, it proved difficult to find. On average, it took researchers over nine minutes to read and understand how the information included in the privacy statements related to COPPA. Researchers found the policies either too short and vague or too long and confusing to be read in a brief period of time, with the long policies often mixing legal jargon into a succession of disconnected paragraphs.

"The complexity of the statements raises the question of whether companies expect or even want parents to read their policies," added Turow. "A few privacy policies, like those of Hasbrointeractive.com and Mamamedia.com, present all the required information clearly. If most sites were serious about helping parents make informed decisions about their rights, they would create notices that are easier to read and understand, and they would highlight the information mandated by the FTC."

The Annenberg researchers offer two suggestions for helping parents with Web privacy issues..

- The FTC should require all sites that need or want to abide by COPPA to place the same prominent "K"—for kids—on the home page in a specified place (for example, the top right corner). That way a parent could tell a child to interact only with sites that have "the fancy K" on them;

- The FTC should encourage children's websites to work together to create a standard presentation of the required privacy information. That would provide parents with a reasonably quick and reliable way to evaluate and compare sites. It would also be an important step toward engaging parents with policies related to their children that at this point seem designed to push parents away.

"The difficulties that we found with these privacy policies underscore the importance of strong government restrictions on the collection and use of personal information without permission, for adults as well as for kids. But even when information collection does require permission, as COPPA does, people still need to be able to make decisions based on privacy policies that they can understand before their eyes glaze over," said Turow.

Turow emphasizes out that one surefire way for websites to have no difficulties with COPPA is to not collect any information at all from children. Short of that goal, though, he suggests that websites that appear to have particular appeal to children should be held to the highest level of COPPA requirements.

Nielsen//NetRatings provided the Annenberg researchers with a list of the 500 websites that had the highest percentage of 2 to 12 year-old visitors. With guidance from the Federal Trade Commission and using FTC criteria to evaluate the 500 for sites that appeared to have particular appeal to children, the researchers culled the list to 162 sites. Please see the report for more information.

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