



Office of the  
Illinois Attorney General  
**Kwame Raoul**



## ATTORNEY GENERAL RAOUL SUPPORTS FEDERAL TRADE COMMISSION'S PROPOSED RULE LIMITING NON-COMPETE CLAUSES IN EMPLOYMENT

April 19, 2023

**Chicago** – Attorney General Kwame Raoul today, as part of a coalition of 18 attorneys general, submitted [comments](#) in support of the Federal Trade Commission's (FTC) proposed rule that would eliminate non-compete clauses in employment contracts in most circumstances.

In January, the FTC proposed the Non-Compete Clause Rule, which would bar employers from preventing workers from working for or starting a competing business within a certain period after leaving a job. The proposed rule concludes that non-compete clauses are an unfair restriction that can depress worker wages, reduce racial and gender equality in workplaces, and create legal hurdles for employees looking to grow their careers. Currently, the legality of such non-compete agreements is left to the states, creating confusion for workers and distorting labor markets that cover more than one state.

"Non-compete clauses unfairly prevent millions of workers from getting higher-paying jobs that allow them to better provide for themselves and their families. They also prevent workers from being able to leave hostile or unsafe work environments," Raoul said. "That is why I support the proposal from the FTC to remove these career obstacles for workers in Illinois and across the nation."

The proposed rule comes after Raoul and a coalition of attorneys general, in 2019, [encouraged the FTC](#) to use its rulemaking authority to limit the use of non-compete clauses in employment contracts.

Low- and middle-wage workers would benefit the most from the proposed rule, with a high potential for increases in wages and job mobility. The proposed rule would also promote gender and racial equity, as studies have found that non-compete clauses cause women and non-white workers to see earnings reductions two times greater than those experienced by white male workers. Raoul and the attorneys general also note that the elimination of non-competes would benefit businesses and the economy as a whole, as non-competes restrict entrepreneurship and start-up activity.

In a letter sent today to Federal Trade Commission Chair Lina Khan, Raoul and the attorneys general note that the rule will particularly improve conditions in the health care industry, which is becoming increasingly concentrated with fewer employers in the United States. Non-competes are widely used in the health care industry and restrict health care workers' entry into the employment market, which inflates prices and decreases wages.

The coalition also urged the FTC to clarify that the proposed rule does not preempt similar laws at the state level that provide similar or greater protections.

This letter builds on Attorney General Raoul's efforts to fight unlawful employment practices. After becoming Attorney General, Raoul initiated legislation to formally establish a Worker Protection Unit within the Attorney General's office. In 2019, Raoul and a coalition of 13 attorneys general [secured a settlement](#) requiring four fast-food chains to stop using no-poach agreements, which prevented employees from leaving one fast-food franchise to work for another franchise in the same chain. Those restrictive agreements prevented low-wage workers from pursuing better paying jobs and denied franchisees the opportunity to hire skilled employees of their choice.

Attorney General Raoul was joined in filing the comment letter by the attorneys general of California, Colorado, the District of Columbia, Delaware, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, Nevada, New Mexico, New York, Oregon, Pennsylvania, Rhode Island and Washington.