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AG Henry Offers Support of New Rule That Would Prevent Companies from Demanding Non-Compete Agreements with

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HARRISBURG— Attorney General Michelle Henry joined a coalition of seventeen other Attorneys General submitting a [letter](#) in support of the Federal Trade Commission's proposal to prevent businesses from having employees sign non-compete agreements as a condition of employment.

"Non-compete agreements are unfair, overly restrictive, and ultimately hinder an employee's ability to move from one job to another," said Attorney General Henry. "This proposed rule will significantly benefit workers of all kinds, especially low- and middle-wage workers, by allowing them flexibility and opportunities for advancement and higher wages as their skills and experience grow."

Currently, each state has differing laws on non-compete agreements. In states that have banned non-competes, research has shown that workers across all income levels experience higher wages and job mobility. In states where non-competes are more likely to be enforced, all workers, even those that are not themselves subject to a non-compete agreement, experience relatively reduced job mobility and lower wages compared to states where such agreements were less enforceable.

Non-competes can be particularly troubling for low and middle-wage workers, such as fast food workers, who lack bargaining power and the legal resources to challenge non-compete agreements. The prevalence of non-competes in the health care industry has resulted in a further consolidation of that industry, inflating prices of care and decreasing wages.

A national ban on non-competes will provide uniformity across states that doesn't currently exist, and provide greater predictability and security to employees who are currently subject to unreasonable non-compete agreements that they will not have to test their case in court before changing employment. A uniform ban will also remove confusion over which state's law applies for those workers, like many in Pennsylvania, who live here and work out-of-state, or vice versa. Overall, prohibiting non-competes will have a positive effect on job mobility, employee wages, and entrepreneurship across Pennsylvania and beyond.

The letter was signed by Attorney General Henry, who was joined by the Attorneys General of California, Colorado, Delaware, the District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, Oregon, Rhode Island, and Washington.

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