

March 4, 2025

Ohio Senate Judiciary Committee
1 Capitol Square
Columbus, Ohio 43215

Dear Chair Manning, Vice Chair Reynolds, Ranking Member Hicks-Hudson, and Members of the Committee,

My name is Morgan Harper, and I write in support of SB 11, a bill to prohibit non-compete agreements. Eliminating non-competes is a key step toward ensuring that workers are able to access good, high-paying jobs, and that corporations are not able to use their power to unfairly lower wages or working conditions for Ohio employees.

Non-compete conditions limit or eliminate workers' ability to accept a job within their chosen field, usually within some geographic distance or for a set period of time.¹ In Ohio, more than 4.3 million Ohio workers are bound by non-compete agreements.² Non-compete agreements are thought to only affect highly-paid executives or partners in a business. However, they expand across industries, pay grades, and titles, affecting workers in industries such as fast-food, health care, and media. According to estimates from the Federal Trade Commission, one in five workers are bound by non-compete agreements.

Workers often sign these agreements unknowingly or without the time or legal expertise to review the conditions, as they are often imposed while the worker is under economic duress. These contracts can make it very difficult, if not functionally impossible, for workers to find a new job within the same field or to leverage better pay or working conditions at their current place of employment. Many workers are bound to a place, such as those with family and child-care obligations, which prevents them from finding a new position outside of the range of their non-compete clause.

Combined with increasing labor market concentration, this gives employers a powerful ability to restrict wage growth, degrade conditions, and prevent workers from starting their own, potentially competing firms. Under non-compete clauses, workers have no recourse, other than uprooting their lives, changing fields, or going without work for an extended period of time.

Extensive research has shown that non-compete agreements stifle wage growth, innovation, and job creation, and raise prices for consumers.³ The FTC estimates that banning non-competes would increase wages for Ohio workers by more than \$2.3 billion annually, or about \$540 dollars annually per worker.⁴

As one Ohio employee said of their non-compete:

¹ Federal Trade Commission, 16 CFR Part 910, RIN 3084-AB74, Non-Compete Clause Rule.

https://www.ftc.gov/system/files/ftc_gov/pdf/noncompete-rule.pdf

² Federal Trade Commission, Estimated Increases in Total Annual and Average Worker Earnings by State.

https://www.ftc.gov/system/files/ftc_gov/pdf/Estimated-Increase-in-Total-Annual-Average-Worker-Earnings.pdf

³ "FACT SHEET: FTC Proposes Rule to Ban Noncompete Clauses, Which Hurt Workers and Harm Competition,"

https://www.ftc.gov/system/files/ftc_gov/pdf/noncompete_nprm_fact_sheet.pdf

⁴ Federal Trade Commission, 16 CFR Part 910, RIN 3084-AB74, Non-Compete Clause Rule.

https://www.ftc.gov/system/files/ftc_gov/pdf/noncompete-rule.pdf

“I am a commissioned employee in the mortgage world, and I had a non-compete with my former company in Ohio. Near the end of my time at this company, they merged with another company and put the new company in charge of the sales staff. It was miserable. We started having issues, even with having basic supplies, and it went from just harming me to harming my ability to get business complete, which harms the consumer. I left and I was sued for a three year period. ... I really do not feel that [non-competes] should be allowed. You are stuck at employers and they can treat you in any manner that they please because they know that they can make your life a living hell if you leave them.”⁵

Ohio is currently one of just 10 states that have no regulations protecting workers from non-competes.⁶ Four states – Oklahoma, Minnesota, North Dakota, and California – functionally ban all non-competes, while most other states have some limits to their use, such as an income cap or bans in certain, select industries.

Opponents have cited the need to protect trade secrets or other proprietary information as a reason to continue to allow the use of non-compete agreements. But this is a false choice. Other contracts, including nondisclosure agreements, can be used to protect that information without resorting to the blunt instrument of a non-compete. In fact, the FTC has said that it is “not aware of any evidence non-compete clauses reduce trade secret misappropriation or the loss of other types of confidential information.”⁷

I therefore urge the Ohio legislature to pass SB 11 and ensure Ohio workers are able to determine their own economic futures for themselves.

⁵ Ibid.

⁶ State Noncompete Law Tracker, Economic Innovation Group. <https://eig.org/state-noncompete-map/>

⁷ Federal Trade Commission, 16 CFR Part 910, RIN 3084-AB74, Non-Compete Clause Rule https://www.ftc.gov/system/files/ftc_gov/pdf/p201000noncompetenprm.pdf