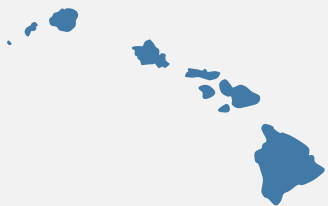


Constituent Support for the FTC's Noncompete Rule



Hawaii | Statewide Impact

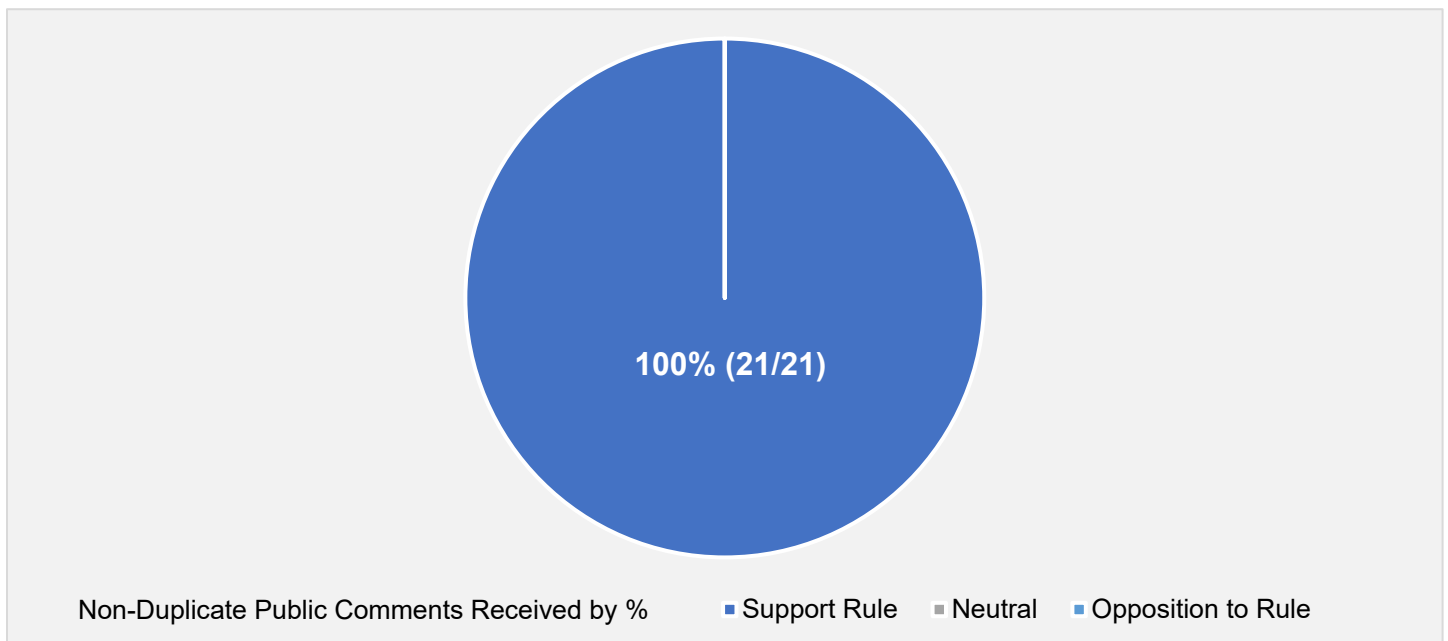


On April 23, 2024, the Federal Trade Commission issued a **final rule** to promote competition by **banning noncompetes** nationwide, protecting the fundamental **freedom of workers** to change jobs, **increasing innovation**, and fostering new **business formation**. The FTC estimates that the final rule will result in **8,500 more new businesses** each year, and **\$400-488 billion in increased wages** over the next decade, including for **Hawaii**:

Hawaii Covered Workers	Increase in Total Annual HI Worker Earnings	Increase in Average Annual HI Worker Earnings
495,988	\$270.1 million	\$545


[Estimated Increases in Total Annual and Average Worker Earnings by State \(ftc.gov\)](https://www.ftc.gov)

Notice of Proposed Rulemaking: 21 of 21 HI Commenters Support



Support Across Sectors of Hawaii's Economy

*Some comments condensed due to length.

Profession	Comment
	<p>“Television uses "non-competes" in there contracts with employee ALL THE TIME! Once employed, certain positions have no choice but to sign a non compete as terms of employment and because the entire industry does it! New and old time employees are forced to stay until their contract is expired, then offered only a measly increase. They are not permitted to look for other related work until the contract is over. Then its too late because they're unemployed. The worst part is that you cannot get another job in the same industry for up to six month to a year or whatever your non compete says. Nexstar Television hires young people out of college and says they train them in exchange for low wages. The problem is, they stay at the low wages (often about \$20 an hour) and they remain at that pay for years with less than a 3% annual raise. You may be stuck with a low paying job for decades because you are not permitted to look for another job!”</p> <p style="text-align: right;">— Terry S</p>
	<p>“Non competes are unfair and unfairly limit competition by limiting where good workers can work. They should be illegal on all levels from hourly workers to salaried professionals. I am a veterinarian and have had to limit where and how I work due to unfair non-competes in contracts.”</p> <p style="text-align: right;">— Bonnie N</p>
	<p>“I am a pediatrician in a small rural town. With the current non-compete clause, if I have an issue with my employer, my options are to either concede to their demands or bend in the community that I'm trying to serve. It makes it hard to buy a home and serve a rural community what's the retaining autonomy and choice. If they're not compete was eliminated, it would be greatly beneficial to me and the rural community said I'm trying to serve.”</p> <p style="text-align: right;">— Azriel</p>
	<p>“I am a massage therapist. After a year of working at my current job my employer required us all to sign a non-compete agreement. They never directly said "sign this or lose your job" but it felt implied. I would not have taken the job if the agreement had been presented when hiring, but now I rely on the work and have built a client base there. The agreement states that I cannot do massage outside of the spa, at all, ever. Now or in future. I signed out of fear for my work and with the hope that the wording was so broad that it would not hold up in court. But I now fear the agreement will come back to haunt me, and I don't see in the first place how it's fair or even legal for an employer to in effect claim ownership of my career, in a profession where it is rare for a massage therapist to work only in one location, as every therapist I know pursues as many private clients as they can acquire. I hope non- competes are banned, thus freeing me from die fear of lawsuits that will hang over me for the rest of my career if they aren't.”</p> <p style="text-align: right;">— Nile C.</p>

Additional Support from Hawaii

*Some comments condensed due to length.

Constituent First Name	Comment Highlights
Dylan	<p>“Non-competes go against the grain of the industrious opportunities that inspired the development of this nation. I work in an industry stifled by non-compete agreements which SIGNIFICANTLY hinder the US DOD flexibility through large contractors (which are the backbone of research, development, manufacturing, operations and maintenance services) make it very very challenging for knowledgeable people like myself to pursue opportunities that would provide small business profits to communities (instead of corporations), taxes (which large corporations are geared to avoid more easily), and put more \$\$\$ spent on contract in getting procurements streamlined and actual work out the door (anyone who's worked at a small business knows how easy it is to get work done, anyone who's worked at a larger corporation knows how much process and waste exists). non compete agreements hurt our country and have personally made my life challenging.”</p>
Shannon	<p>“I support a ban on non-compete clauses. Thank you!”</p>
Esther	<p>“Non-compete clauses restrict die practice of medicine. Now is the time to allow providers to find the work that suits them best -because many are leaving healthcare behind altogether.”</p>
Bonnie	<p>“Dear FTC, I am a young Family Med Physician, recently graduated from residency. I am against noncompetes because they force physicians to stay at bad jobs, or force them to uproot their families for better opportunities. This is the antithesis of the American Dream. Because I'm a millennial, I'll let this 90 second YouTube video further explain my position on NDAs.”</p>
Janay	<p>“When "non-compete" clauses were first implemented, their purpose was clear: to protect proprietary information that gave an employer an advantage in the marketplace. Such clauses (of 6-to- 12- months duration) prevented other entities from stealing away high-level skill sets and product knowledge. As the Federal Trade Commission is aware, such clauses are now routinely inserted into all kinds of employer-employee contracts--I know people who flip burgers, sweep floors, and serve cocktails who have felt forced to sign such contracts, which would limit their ability to work in an industry for any other employer for a year to two years if they leave their current employer. It is obvious that, in most cases, the non-compete clause is no longer being used for what seemed to be a legitimate purpose and is now being used to trap low-paid, limited-skill workers, especially young workers with few options, in a job by denying them a realistic way out. I have no quarrel with die original purpose of such agreements, but it is clear that their misuse and abuse need to be stopped.”</p>

<p>Anna</p>	<p>"I am a psychotherapist. I support this rule. I have witnessed non-compete clauses to be negatively impactful to the community as it limits mental health care when there is already a crisis shortage of providers. I have also seen non-completes abused by employers as it creates a monopoly over service areas. I believe non-competes go against the basic American ideals of economic freedom."</p>
<p>Vernon</p>	<p>"I don't support the Non-Compete Clause because every service or company should be competitive this what america is about to be compete."</p>
<p>Patrick</p>	<p>"I am in support of the Non-Compete Clause Rule (NPRM) proposed by the Federal Trade Commission. I am a physician working in Hawaii and local hospitals, medical groups, and private practices apply broad non compete clauses to the contracts to accept employment in the state of Hawaii. Choosing to leave a given employer often requires the physician to seek employment on another island or leave the state entirely. Knowing this, employers are less inclined to provide market appropriate raises in pay, high value employee benefits, enhanced time off, or re-negotiate fair contracts. Many legislature's in our state are aware of the shortage of medical professionals. The high cost of living and remoteness of this location are factors leading many physicians to return to the Mainland US in search of other opportunities. Further, the AMA Code of Ethics does discourage non-compete clauses, commenting, "Covenants-not-to-compete . . . disrupt continuity of care, and potentially deprive the public of medical services. . . . Restrictive covenants are unethical if they are excessive in geographic scope or duration in the circumstances presented, or if they fail to make reasonable accommodation of patients' choice of physician." Each of these factors highlighted by the AMA are relevant to physicians practicing in I Hawaii."</p>
<p>Chihui</p>	<p>"I am in full support of banning non compete. I work as a physician and having a non compete ban would allow me to taker care of patients in my community better."</p>
<p>Brian</p>	<p>"A rule invalidating non compete agreements would be exactly the kind of thing we need to spur innovation and drive up the conditions of the workforce, and to have a more open marketplace for knowledge work. Non competes take up way too much time in the court system as they are essentially unentirceable on unconstitutional grounds. If they were ever really challenged they wouldn't stand up to actual scrutiny."</p>
<p>Shane</p>	<p>"Non-compete clauses are unfair bus's practices that limit economic growth and personal choice. I feel that non-compete clauses should be legally prohibited."</p>
<p>Kristen</p>	<p>"Non-compete clauses should be removed. They give unfair advantages to large hospital corporations compared to individual physician practitioners."</p>
<p>Gail</p>	<p>"I am a registered nurse. I support the FTC's ban on non-compete clauses. These clauses hold workers' wages down, stifle innovation, and hann working people. This policy will make it easier for workers to earn what they're worth!</p>

	Everyone needs a fair opportunity to challenge positions with lower than standard pay, benefits & working conditions!"
Reed	"I am strongly in support of the banning of non compete clauses throughout the country. Non compete clauses heavily restrict my options to change jobs in my region as a healthcare professional and as such cause high quality providers to either completely leave my region to find better work or stay employed but underpaid or poorly treated. This absolutely compromises the quality of healthcare. Banning non compete agreements is a positive move for workers but also healthcare as a whole."
Robert	"Non-compete clauses are absolutely ridiculous and need to be outlawed. It is absolutely absurd that it's basically impossible to take advantage of your own knowledge and skills that you've learned from working in an industry at one company and take it to a different company if you've signed one of these. The time limits are arbitrary and unnecessary and the idea of needing these to protect trade secrets is absurd. If someone was intent on spreading trade secrets for a company they used to work for, a noncompete clause isn't going to stop them. There are much easier ways to divulge them than just whispering them to your next employer these days. To make an absurd rule that has actual negative impacts on worker's abilities to utilize their skills in the job market is completely unreasonable. It keeps wages artificially low, stifles innovation, and reduces worker's mobility, especially those in lower skilled jobs. The FTC absolutely needs to ban them as soon as possible and I am firmly in support of such a ban."
Anonymous	"Non-competes are harmful to access to medical care. Physicians often have these clauses that force them to leave their communities rather than stay to keep caring for patients. They exist even in specialties where there should be no concern about stealing patients away from a practice, like Emergency Medicine. These are the most damaging in smaller communities with fewer physician job options, which are also the ones with the greatest need to draw physicians. Who wants to risk taking a job in a small community when they are forced into a non compete that would lock them out of any other positions if the one job doesn't work out? It's much safer to go to a bigger community with more jobs across a wider distance. Medicine should be about what is best for patients, and these clauses ultimately hurt patients."
Kelly	"Non-compete agreements are another example of non-abused anticompetitive instruments. Originally designed to protect entrepreneurship, the use of such one-way advantaged 'contracts' have become routine. Employees have no realistic choice in the matter. Thanks for considering a sundown on non-competes. Adam Smith will be smiling upon you."