

Constituent Support for the FTC's Noncompete Rule



South Dakota | Statewide Impact

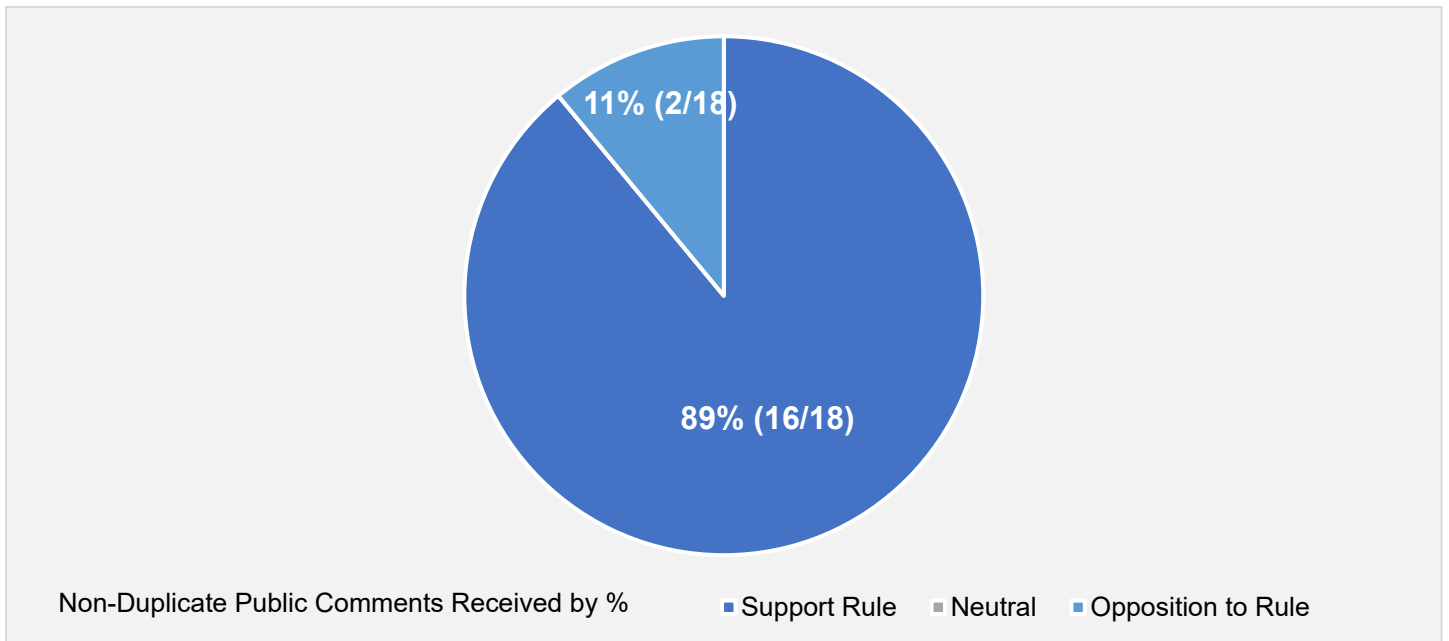


On April 23, 2024, the Federal Trade Commission issued a **final rule** to promote competition by **banning noncompetes** nationwide, protecting the fundamental **freedom of workers** to change jobs, **increasing innovation**, and fostering new **business formation**. The FTC estimates that the final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

South Dakota Covered Workers	Increase in Total Annual SD Worker Earnings	Increase in Average Annual SD Worker Earnings
354,502	\$169,742,169	\$479





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

Notice of Proposed Rulemaking: 16 of 18 SD Commenters Support



Support Across Sectors of the South Dakota Economy

*Some comments condensed due to length.

Profession	Comment
	<p>“Physicians having non-compete clauses may prevent specialists from being able to serve patient populations. This feels unethical to exclude them from banning non-competes.”</p> <p style="text-align: right;">-Kelly H.</p>
	<p>“I previously worked for a lawn and landscape company but was forced out. My previous employer had us sign a non-compete agreement. Upon my leaving the company I decided to do some research on starting my own company...Once they heard I was doing research they had their lawyers send me a cease-and-desist notice...Noncompetes are a severe hinderance to the individuals’ right to provide for themselves and their families and only serve to keep as much revenue in big businesses pocket. Noncompetes are merely a crutch to allow them to do the bare minimum in regard to input and rake in the maximum revenue. Banning such practices should not only be considered but should be mandatory.”</p> <p style="text-align: right;">-Matt S.</p>
	<p>“I’m a sportscaster working as a weekend sports anchor in a small television market.... I sought out a position with startup organization that would allow me to essentially lead a sports broadcasting department....I would have also seen a boost in my salary. However, due to a noncompete clause that my current employer was not willing to reduce or waive...I remain at my current post with almost no hope of promotion and, furthermore, almost no way to work within my city in something resembling my current role...As much as I love working in broadcasting, I can’t continue making the wages I’m on and support a family for much longer...I’m hardly alone in this and know many others within the media/broadcast industry effected like this by noncompete clauses....If you ban these clauses there will be real world benefits that people of all incomes will feel.”</p> <p style="text-align: right;">-Zach B.</p>
	<p>“I provide garbage services for the construction industry...I rely on the commission to make ends meet. I've done my job by creating sale[s] and business but my company has failed to meet the demands of the customers which results in lost accounts and lost wages on my behalf. I have a 2 year noncompete clause and how can my company hold me to it when I've done my job and they failed me? Doesn't seem right. I would like to move on but unfortunately at my age that's hard to do. I would like to see the non-compete go away.”</p> <p style="text-align: right;">-Rob B.</p>

Additional Support from South Dakota

*Some comments condensed due to length.

Constituent First Name	Comment Highlights
Steven	"I have had business plans hindered [and] watched colleagues have trouble, due to noncompetes...in the field of medicine. "
Doug	"I have spent many years growing my skills in my profession and was forced to sign a noncompete agreement out of fear of losing my job, but now if I no longer wish to work for my employer, I have to start a whole new career in a different industry. How is that fair? Please approve the ban and help us hard working people that have been forced into non-competes out of an unjust situation."
Eric	"In South Dakota, the Republican dominated majority...introduced and passed law barring non-competes for healthcare providers. This is what people want from across the political spectrum."
Michael	"I am a retired physician (MD) and...I have worked for employers who required me to sign a "noncompete" contract. I urge you to ban such contracts except under very narrow circumstances. These "agreements" are supportive of monopolistic practices and are detrimental to smaller communities. Please do not allow these to continue."
Troy	"Employers enjoy an unfair advantage. Upon termination of employment, the employer is afforded the relationships fostered by the employee and can continue to monetize it. The employee surrenders that right if they leave voluntarily, however, if they are terminated without-cause they are unilaterally penalized in that action. This is one-sided and encourages organization to terminate employees when they see an opportunity to retain the cash flow from customers without the employee."
Taylor	"Non-competes that last the lifetime of the employee and give leverage to the employer to threaten the employee during any attempt to negotiate are abusive to labor and the families they support. I signed a non-compete with my employer at age 24. Twenty-one years later they still hold it over my head If I ask to negotiate for terms on par with the industry. I am the sole income earner for my wife and three children and am too scared to risk moving my family 100 miles to start over or waiting two years to re-enter my trade."
Craig	"It's quite simple. Our freedoms are being dissolved. Corporate power has gripped our nation. Give it back to the people."

Nichole	“A non-compete in my contract forced me to move away from my family and friends to allow me to earn a living.”
Delbert	“Please ban non-compete clauses. My wife and I work for the same employer, and I signed a non-compete because I did not want to jeopardize her job if I chose not to sign it...There is no benefit to me as a worker to sign the non-compete. Again, please ban non competes nationwide.”
Kelly	“I am an emergency physician . I work much of my time as the chief medical officer for a telemedicine company which has a 2 year non-compete over my administrative piece of my job...I have spent my career working to understand my field and have been key in the growth of this company...The company covers over 30 states with plans to go to 50 states. My noncompete would mean I could not work in my field anywhere in the US as it reads that I can't work any place we are currently, or they have plans to go to...This is not fair to me or my family, or frankly my field to restrict me from working. Please find a way eliminate noncompete as they decrease competition but also, they limit people from sharing their expertise and having the freedom to work in their filed.”