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The Use, Abuse, and Enforceability of Non-Compete and No-Poach Agreements:

A Brief Review of the Theory, Evidence, and Recent Reform Efforts

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Over the last 40 years the startup rate has halved, job mobility has declined 22%,[1] and real wages for the bottom 90% of earners have grown by only 0.4% per year, with the lowest 10% of earners seeing real wages fall by 5% over this period.[2] Is this the economy Americans want? What, if anything, can policymakers do to reverse these trends?

While there are certainly many factors underlying these patterns, two distinct employment practices have come under increased scrutiny because they curtail individual freedom to pursue better job opportunities: covenants not to compete (non-competes) and no-poach agreements.

Non-competes, which in 2014 covered approximately one out of every five labor force participants in the United States, prohibit individuals from joining or starting competing businesses, typically within time and geographic boundaries.[3] The use of non-competes is so pervasive that even volunteers in non-profit organizations, in states that do not even enforce them,[4] are asked to sign away their post-employment freedom. *No-poach agreements*, which are compacts between employers not to hire workers from each other, have also spread. Estimates suggest they covered nearly 60% of major franchises in the United States in 2016.[5]

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Given that these constraints prevent individuals from starting companies or taking better jobs in their chosen field, it is not difficult to see how the expansive use of these provisions could contribute to the observed declines in U.S. economic dynamism. To reinforce the suspicion: California, home to some of the most innovative and highest velocity labor markets in the world, does not generally enforce non-compete agreements.[6] Yet most other state courts do enforce them, in large part thanks to a long unresolved debate that juxtaposes the freedom to contract against bargaining power imbalances and negative externalities. Recent empirical evidence has brought some clarity to this debate, finding in general that state policies that curtail the enforceability of non-competes are associated with greater mobility and entrepreneurship, as well as higher wages. In this brief, I review these arguments and the burgeoning empirical literature, closing with an examination of several recent reform efforts.

Why now?

Today, non-competes and no-poach agreements are featured on the agendas of federal and state legislatures, state Attorneys General (AGs), and antitrust agencies. Since 2016, two federal agencies have written reports on non-competes, and state and federal legislatures have proposed more than 20 new laws to reform non-compete and no-poach agreements.[7] Meanwhile, state AGs have investigated several high-profile cases of abuse,[8] and the antitrust agencies have also pressed for reform, beginning with the Department of Justice's (DOJ's) 2016 Human Resource Guidelines, which noted that it is illegal for competing firms to agree to limit or fix the terms of employment.[9] DOJ has continued to prosecute no-poach violations

under the Trump Administration,[10] and the Federal Trade Commission (FTC) recently signaled its willingness to consider rule-making on non-competes, too.[11] One FTC commissioner, Rohit Chopra, placed labor market competition at the heart of the agency's mandate in a recent hearing on Competition and Consumer Protection in the 21st Century:[12]

> *Open, competitive markets are a foundation of economic liberty. But markets that suffer from a lack of competition can result in a host of harms. In uncompetitive markets, firms with market power can raise prices for consumers, depress wages for workers, and choke off new entrants and other upstarts.*

Why are policymakers zeroing in on non-competes and no-poach agreements now? First, a number of publicized abuses have raised awareness and caused significant public outcry.[13] In the case of no-poach agreements, media attention prompted a public backlash so severe that at least eight well-known franchises voluntarily eliminated them from their organizational contracts.[14]

Second, in the aftermath of the Great Recession, policymakers and economists have become more concerned with declining economic dynamism, wage stagnation, and the extent of concentration in the labor market.[15] For example, new research documents that most local labor markets have so few employers hiring in each job category that they would be considered highly concentrated by the standards of the DOJ. Such concentration gives firms more "monopsony power" to exert downward pressure on wages.[16] These trends precipitated the present interest in non-competes and no-poach agreements for several reasons: First, the theoretical avenues through which their overuse could contribute to declining dynamism are clear.[17] Second, there is growing concern that non-competes are too blunt of an instrument to address legitimate business interests when more scoped alternatives are available. Lastly, since state non-compete law is so varied and momentum for change is building, there seems to be a real window of opportunity for reform.

Primer on Non-Compete and No-Poach Agreements

What are the differences between non-compete and no-poach agreements?

Non-competes are employment provisions that prohibit individuals from joining or starting a competitor after they leave their employer, within geographic and time boundaries. As an example, consider the following non-compete, signed by a temporarily employed Amazon packer making $13/hr in 2015:[18]

> *During employment and for 18 months after the Separation Date, Employee will not, directly or indirectly, … engage in or support the development, manufacture, marketing, or sale of any product or service that competes or is intended to compete with any product or service sold, offered, or otherwise provided by Amazon … that Employee worked on or supported, or about which Employee obtained or received Confidential Information.*

While Amazon's reach into so many corners of the American market makes these broad restrictions particularly onerous, the agreement itself is representative of a typical non-compete many workers sign as a condition of employment today.

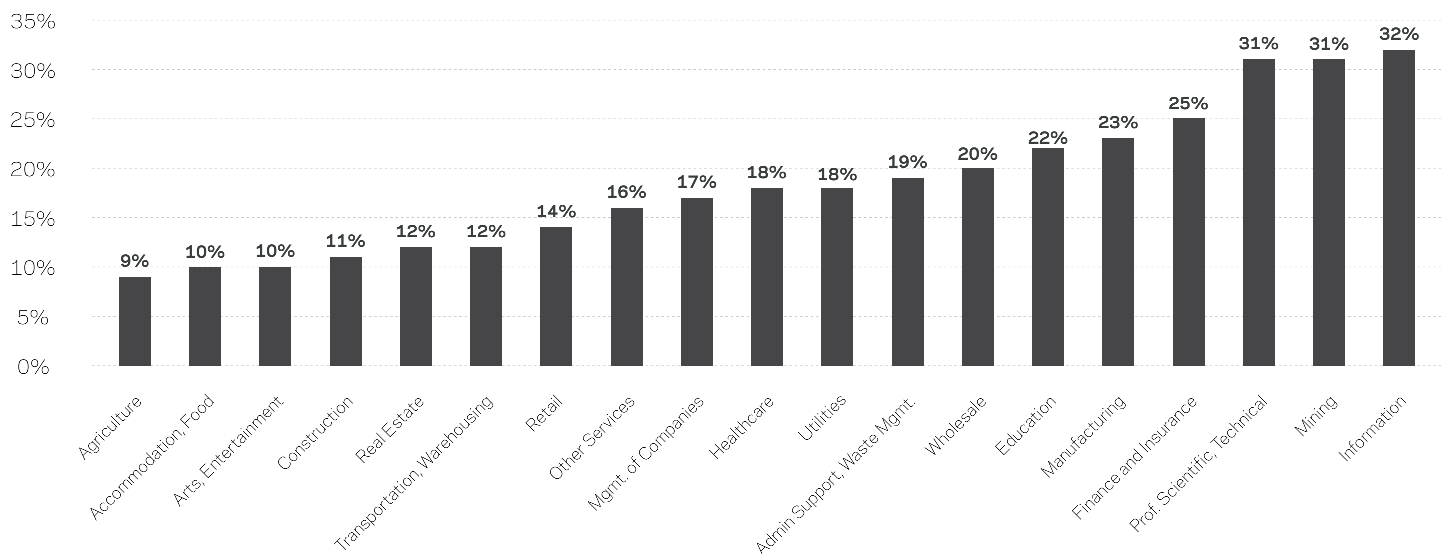
No-poach agreements, on the other hand, are generally organization-level agreements not to recruit workers from each other. Here is an example of a no-poach agreement between franchisees at McDonald's:[19]

> *During the term of this Franchise, Franchisee shall not employ or seek to employ any person who is at the time employed by McDonald's, any of its subsidiaries, or by any person who is at the time operating a McDonald's restaurant or otherwise induce, directly or indirectly, such person to leave such employment. This paragraph 14 shall not be violated if such person has left the employ of any of the foregoing parties for a period in excess of six (6) months.*

How common are non-competes and no-poach agreements?

It is difficult to know exactly how common no-poach agreements are because they are often forged in secret and, due to their collusive nature, they are generally illegal. An exception is the franchise sector, which currently occupies a legal gray area that the courts are sorting out.[20] Data from that sector shows that approximately 58% of major franchises in the United States used no-poach agreements among their franchisees in 2016, up from 36% in 1996.[21] Moreover, several recent Department of Justice investigations have uncovered the illegal use of no-poach agreements among Silicon Valley tech giants as well as among railroad suppliers.[22]

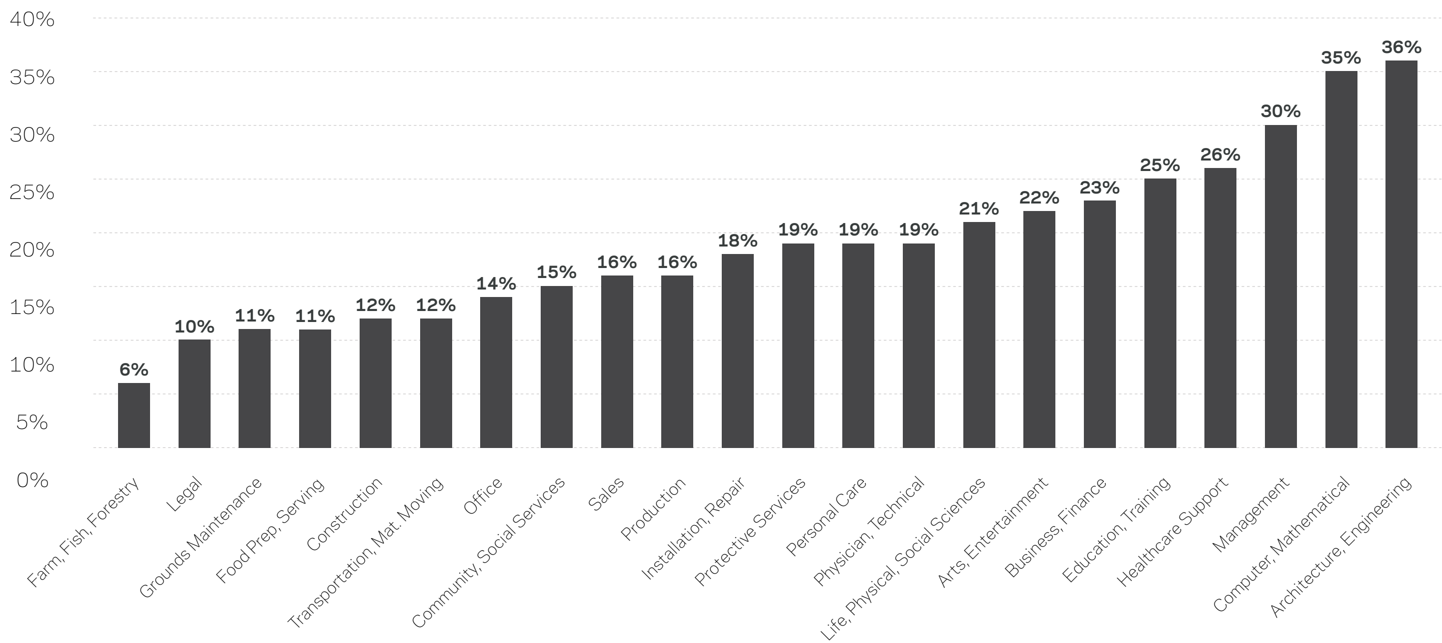
Figure 1. Probability of Signing a Non-Compete Agreement (Based on Industry)



Source: Starr, Prescott, and Bishara, "Non-Competes in the U.S. Labor Force"

Non-competes have become common across different sectors and skill levels. Among executives, their use increased from 75% in 1996 to 86% in 2009.[23] At the other end of the employment spectrum, it was first reported in 2014 that firms were also asking minimum-wage sandwich makers, camp counselors, and unpaid interns to sign non-competes.[24] A study of 11,500 workers in 2014 found these patterns hold across the

Figure 2. Probability of Signing a Non-Compete Agreement (Based on Occupation)

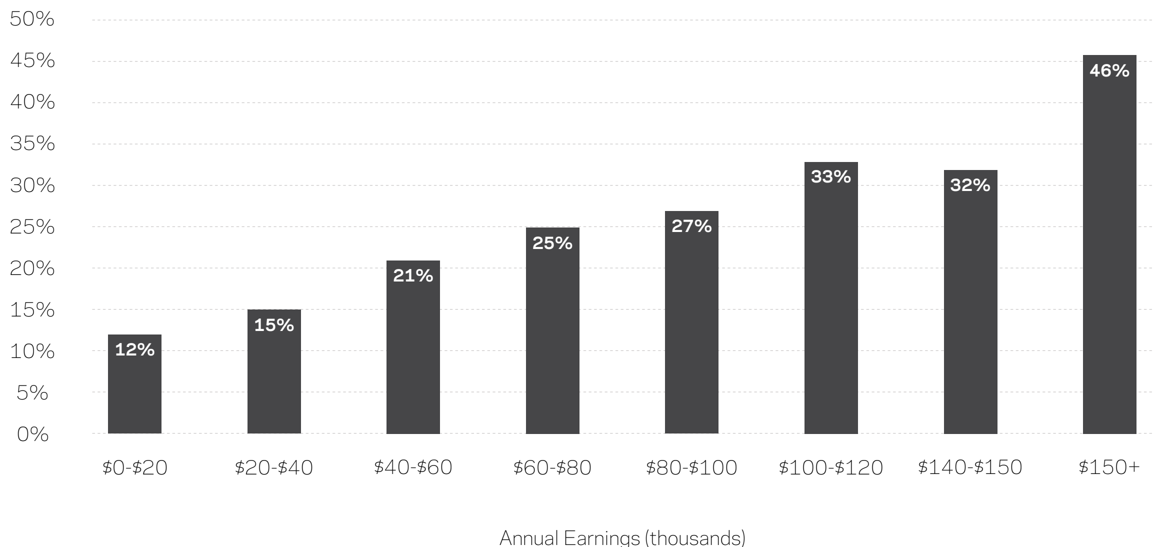


Source: Starr, Prescott, and Bishara, "Non-Competes in the U.S. Labor Force"

U.S. workforce: Nearly 50% of those earning more than $150k were bound by a non-compete, while 14% of workers earning less than $40,000 a year were bound. This study also found that non-competes tend to cluster in high-skill jobs and industries, although they are prevalent across all occupations, industries, and income levels.[25] Other occupation-specific studies have corroborated these results, showing that 30% of hairstylists are bound by non-competes, 43% of engineers, and 45% of physicians.[26]

Firms are increasingly pursuing action against workers over non-competes as well: Between 2000 and 2018, the number of reported non-compete court cases nearly doubled.[27]

Figure 3. Probability of Signing a Non-Compete Agreement (Based on Income)



Source: Starr, Prescott, and Bishara, "Non-Competes in the U.S. Labor Force"

Are non-competes enforceable in court?

Non-competes are agreed to by workers and thus there is a presumption of voluntary assent based on the notion that workers would not agree to such restrictions unless they were getting something of equal or greater value in return. The question of whether workers willingly consent to non-competes or whether they have no practical ability to turn them down due to limited bargaining power lies at the heart of the current policy debate. It joins a bigger and centuries-long question about whether and under what circumstances restraints on trade, such as a non-compete, may be permissible, given the harm such measures can inflict on the economy.[28]

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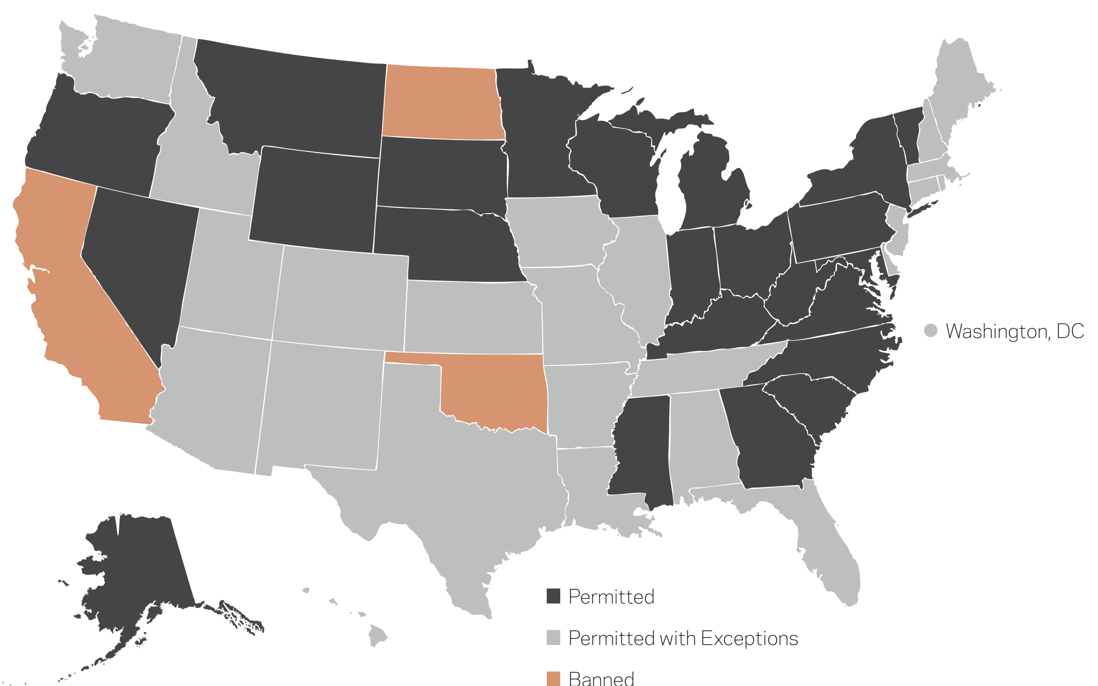
This debate has led to a patchwork of non-compete laws across states, where courts generally decide whether a given non-compete satisfies a reasonableness test. On one end are a small number of states that generally do not enforce non-compete agreements, like California, which adopted its ban in 1872.[29] On the other are states like Florida, whose current statute (passed in 1996) instructs courts examining a non-compete case to "not consider any individualized economic or other hardship that might be caused to the person against whom enforcement is sought."[30] Most states fall closer to Florida than they do to California, as documented in the map below, which presents an up-to-date look at state policies. In one recent case, for example, a Massachusetts court enforced a non-compete against a janitorial supervisor making $18/hr, although the company dropped the lawsuit after significant public outcry.[31]

Figure 4. Non-Compete Enforcement by State



Source: Beck Reed Riden 50 State Non-compete Chart

Theory and Evidence

A note on the difference between non-compete enforceability and non-compete use

The literature on non-competes covers two related but different dimensions: (1) the effects of *signing* a non-compete, and (2) the effects of state policies that *enforce* non-competes. This distinction is important for several reasons. Most importantly, the studies of non-compete *enforceability* are the most relevant for lawmakers, because lawmakers choose the law but do not dictate the terms of private employment contracts (though several new proposals seek to impose penalties on firms caught using unenforceable non-competes). Studies of enforceability also happen to be far more numerous. Nevertheless, there is evidence that the mere inclusion of a non-compete provision, regardless of its enforceability, produces chilling labor market effects. For example, in one study nearly 40% of workers reported turning down a job offer from a competitor because of a non-compete, even though they worked in states where such provisions were entirely unenforceable (subsequent work shows the workers were largely unaware of the law).[32] In many ways, as more data becomes available, these two streams within the non-compete literature are converging, although there are still important gaps and puzzles that require reconciliation.

The Contracting Process

Those against the use or enforcement of non-competes emphasize that labor markets are fraught with frictions, incomplete information, and unscrupulous employers interested in reducing turnover or holding wages down. They suggest that, in practice, non-competes are often implemented in ways that limit employee bargaining power, such as offering the non-compete on the first day of work, or are asked of vulnerable workers who have no other choice but to sign. In this view, firms wield substantial bargaining power and can simply tack on a non-compete to the employment contract without necessarily compensating the worker fairly for their postemployment concessions.

In contrast, the pro-non-compete perspective privileges investment protection and private contracting. It holds that enforceable non-competes are necessary for the investment in valuable information that workers could otherwise appropriate for themselves by moving to or starting a competitor. With an enforceable non-compete, firms may invest more in their workers and trust them with access to more valuable information, which ultimately may make them more productive in their job. Moreover, proponents argue that labor markets are generally competitive and that workers have the power to negotiate these contracts.

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Evidence on the hiring and contracting process suggests that the signing of a non-compete is rarely a bargained outcome, however. One nationally representative study finds that less than 10% of workers negotiate over the terms of the non-compete or for other benefits in exchange for signing.[33] When asked to sign a non-

compete, 93% of workers simply read and sign. Moreover, more than 85% of workers report that firms did not offer *any* additional benefits in exchange for signing the non-compete. Transparency concerns also loom large: two studies find that 30-40% of workers who are asked to sign non-competes are first asked *after* they have already accepted the job, often on the first day when the worker has already turned down other job offers and may be in a weakened bargaining position.[34]

The distinctions in these arguments can help us consider how non-competes might differentially impact three separate groups.

1. *Executives:* Those who have extensive and intimate firm knowledge, access to sophisticated legal counsel, and who can effectively negotiate in and out of these sorts of provisions. This group is perhaps least susceptible to harm due to non-competes.

2. *Workers engaged in innovative activities:* Individuals involved in knowledge-creation often possess substantial amounts of tacit knowledge acquired through their work, education, and experience. These workers are especially important for their role in spurring innovation and entrepreneurship, which in turn lead to positive, economy-wide spillovers and increases in aggregate productivity.[35]

3. *Low-wage workers:* These workers likely have little bargaining power, and they may need the job to put food on the table tomorrow. They also have little access to legal counsel and are thus likely sign a non-compete when asked.

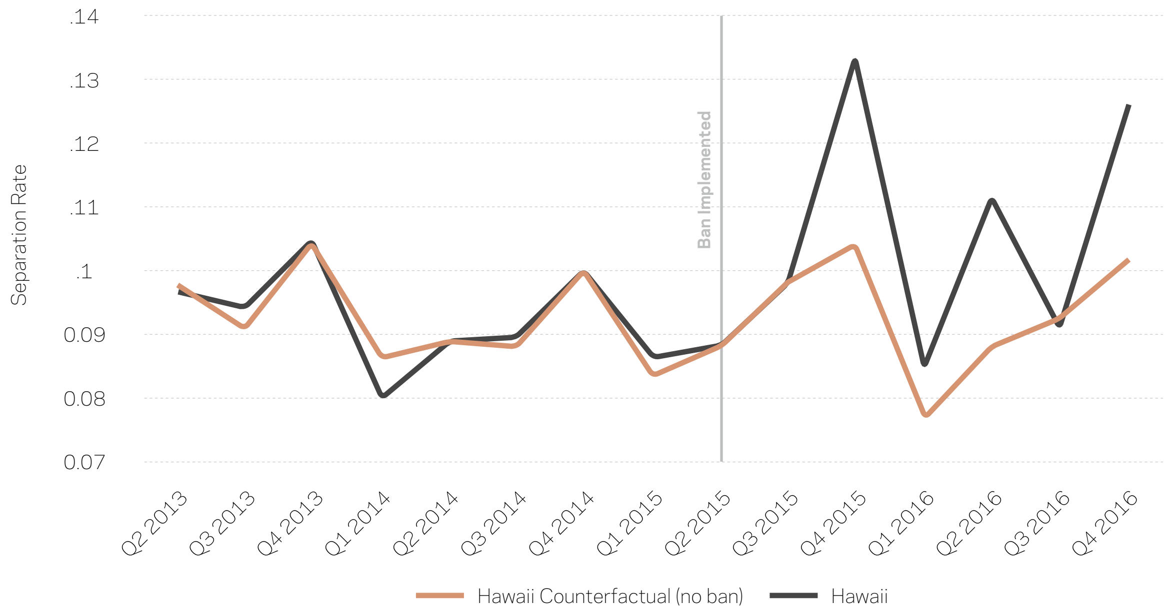
Worker Mobility, Hiring, and Entrepreneurship

Since non-competes function by limiting the available set of job options for workers, they can influence both where individuals go when they leave, and if they leave in the first place. The evidence shows that non-compete-bound workers stay in their jobs longer. In one study, being bound by a non-compete is associated with an 11% increase in job tenure.[36] Research on different state policies finds corroborating evidence across several samples and empirical methods. For example, the 2015 Hawaii ban on non-competes for tech workers increased employee mobility in the sector by 11%.[37] Similar results are found for executives, patent holders, and the universe of individuals with LinkedIn records.[38] A preliminary analysis of Oregon's 2008 ban on non-competes for hourly workers finds similar results.[39]

The flip side of non-competes impeding employee mobility is preventing firms from hiring the candidates they would like to hire. Four studies find evidence consistent with the notion that firms have trouble hiring workers in higher enforceability regimes.[40] And it appears that young firms are hit particularly hard: One study finds that in higher enforceability states, new firms start with fewer employees, are more likely to die in their first 3 years, and that even the firms that survive stay smaller in their first 5 years.[41]

In addition to extending employment durations and making it challenging to hire, non-competes also have the potential to influence *where* and *in which industry* individuals work. Two studies suggest that individuals bound by non-competes are redirected to other industries, including 11% of those who have ever signed one.[42] Other studies find that tech workers and patent holders are more likely to leave states that enforce non-competes.[43]

Figure 5. Job Separation in Hawaii Before and After Non-Competes Ban



Source: Balasubramanian, et al., 2018. Counterfactual represents a synthetic estimate created by matching Hawaii's pre-ban trends with weighted combinations of other states' trends. The sample is limited to only the tech industry.

Since covered workers are also restricted from starting a new firm if they develop a novel idea or devise a better way of doing business, non-competes can stymie entrepreneurship. In total, seven recent studies examined the relationship between non-compete enforceability and entrepreneurship, finding generally the enforceability of non-competes dampens new firm creation.[44] One study found that greater enforceability of non-competes reduced new firm entry by 18%.[45]

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The knock-on effects of these mobility and entrepreneurship patterns on the productivity, innovativeness, and competitive intensity of the economy seem clear. If workers are prevented from applying their skills in the fields in which they are most qualified, or in the states where they want to work, or in the new firms they want to found, then it might be expected that productivity and wages fall, and aggregate employment suffers, since new firms contribute disproportionately to job creation.[46] Nevertheless, there are some countervailing arguments for how non-competes may spur investment, productivity advances, and wage increases at the individual or firm level. I now turn to those arguments and the evidence.

Investment and Innovation

Firms may invest more in R&D and other innovation-related activities if they believe a competitor is less likely to capture some of their knowledge investment thanks to non-competes. For this reason, non-competes and their enforceability can spur firm-level investment and innovation. However, in addition to the fact that non-competes can push individuals into jobs for which they are less well-suited, the

churn of skilled workers among firms is also a central ingredient to the process of innovation.[47] By reducing employee mobility, the proliferation and enforcement of non-compete agreements may threaten innovation *economy-wide* as the potential for ideas to recombine and cross-pollinate across firm boundaries also declines.

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The empirical literature generally bears out this tension, though there is some disagreement. The enforceability of non-competes is associated with more firm-sponsored training of workers, increases in net capital investment rates, the exploration of new fields, and the creation of *riskier* patents.[48] However the mobility-inhibiting effects of non-compete enforceability also dampens knowledge flows and makes venture capital less effective in spurring the creation of new patents and employment.[49]

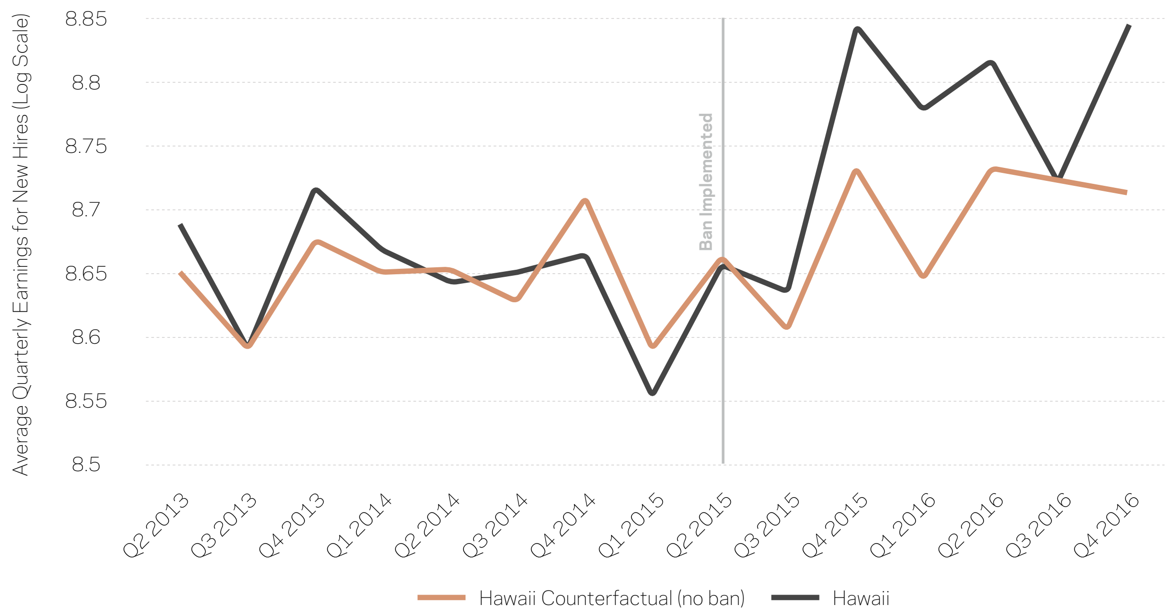
Wages

The theoretical reasons why workers' wages may suffer from non-competes and their enforceability are clear: Job-to-job mobility is critical for earnings growth,[50] and if non-competes shield workers from accepting outside offers then they will not experience the benefits of within-industry competition for their skills. Moreover, if workers are pushed to industries in which they are less productive, then their wages may also fall.[51] On the other hand, there are countervailing theoretical reasons for why non-competes or their enforceability could be neutral or even beneficial for workers. For example, if labor markets are perfectly competitive, then workers should receive sufficient compensation such that agreeing not to compete in the future serves in their best interest today. In addition, if the firm invests more because of a non-compete and the worker is more productive as a result, then the worker's wages may rise. Which forces appear to dominate?

Several recent studies have examined the relationship between non-compete enforceability and wages, and the findings generally suggest that workers in states that enforce non-competes earn less than equivalent workers in states that do not enforce non-competes.

Several recent studies have examined the relationship between non-compete enforceability and wages, and the findings generally suggest that workers in states that enforce non-competes earn less than equivalent workers in states that do not enforce non-competes.[52] One recent study finds that the Hawaii ban on non-competes for technology workers increased new-hire wages by 4%. The same study also documents that technology workers who start jobs in an average enforceability state have 5% lower wages even eight years later relative to equivalent workers in non-enforcing states.[53] Another two studies looking at broader segments of the labor market document that the negative wage effects of non-compete enforceability are generally borne by those with less education.[54]

Figure 6. New Hire Wages In Hawaii Before and After Non-Competes Ban



Source: Balasubramanian, et al., 2018. Counterfactual represents a synthetic estimate created by matching Hawaii's pre-ban trends with weighted combinations of other states' trends. The sample is limited to only the tech industry.

The studies cited above highlight how living in a state that more vigorously enforces non-competes hurts wages, but they do not address the effects of actually signing a non-compete. Identifying the latter effect is more challenging because non-competes are more prevalent the higher one goes up the pay scale. Nevertheless, several studies of high-skill occupations look specifically at the signing a non-compete and find that CEOs and physicians who do sign non-competes earn more than those who do not sign.[55]

However, a separate study identifies an important transparency issue for determining the ultimate wage effect of a non-compete. When firms delay notifying workers about the non-compete until *after* the worker accepts the job, those workers do not receive any wage premiums. They are also less satisfied and stay longer in their jobs.[56]

There are many other tools that firms can use to protect their legitimate business interests that do not explicitly restrict worker freedom.

Looked at in its entirety, the existing body of research produces the somewhat paradoxical result that non-competes can deliver wage premiums to individual workers (in some cases) while enforceability itself generally depresses wages in the market. How can both be true? The research does not yet provide a definitive answer, but negative externalities are a prime suspect. A recent study analyzes the mobility and wage effects of the incidence and enforceability of non-competes across state-industry combinations for workers who are and are not bound by the agreements.[57] The results suggest that relative to a state where non-competes are not enforceable, a 10% rise in the industry incidence of non-competes is associated with 4% lower wages among the unconstrained, 13% longer tenures, and a 16%-24% decrease in the relative rate of job offers. Moreover, these negative effects are

statistically indistinguishable for those constrained by non-competes. Thus, the evidence suggests that the mass use of enforceable non-competes dampens the dynamism of the labor market as a whole.

Incumbent Firms

If the mass-use of enforceable non-competes reduces mobility, new firm entry, and wages within the market, then incumbent firms stand to gain from the lower turnover costs, lower wages, reduced competition and more secure investments in knowledge and training. Indeed, one study finds that non-compete enforceability increases firm value, while another documents that firms in states that enforce non-competes are more likely to be acquisition targets.[58] Another study finds that larger firms added more establishments when non-compete enforceability increased, at the cost of new entrants.[59] Of course, non-competes and their enforceability are not always good for incumbent firms, as they can impose significant hiring costs, as demonstrated by the recent spat between HP and Cisco, in which the former tried to block the latter from hiring its alumni.[60]

*

The totality of these relationships raises an important question for policymakers: Even if in theory a policymaker would prefer to treat private parties' right to enter into restrictive covenants as sacrosanct, does the evidence of abuse, negative outcomes for workers and young firms, and negative externalities on the market as a whole justify intervention? For an increasing number of public leaders from across the political spectrum, the answer appears to be yes.

Alternatives Tools

One reason non-competes and no-poach agreements have captured the attention of reformers is that there are many other tools that firms can use to protect their legitimate business interests that do not explicitly restrict workers' freedom to work in their chosen industry and with their chosen employer. In this sense, non-competes and no-poach agreements are blunt instruments that may unnecessarily harm workers when less restrictive options may similarly protect trade secrets or intellectual property (IP). These alternative provisions include non-disclosure agreements, non-solicitation of client agreements, IP assignment agreements, and training repayment agreements, to name a few. These provisions impose restrictions on workers directly targeted to the protectable interests of the firm – trade secrets, client lists, specialized techniques – while not explicitly limiting where an individual is free to work. Furthermore, preliminary work finds that firms already tend to use these contracts in tandem rather than as substitutes.[61] In addition to other provisions, there are also other laws, such as trade secret laws and patent laws, that firms may use instead of relying on non-compete laws.

Non-competes may have modest strengths relative to some of these alternatives – for example, a violation is readily observable and thus court proceedings may evolve more quickly and cheaply – but the research is increasingly clear that they come with significant costs to workers as a class and to the overall dynamism of the economy. Simply having a contract that says one cannot work in one's chosen industry, even if the contract is unenforceable, chills worker mobility.[62] The moral

or philosophical arguments against restricting employee choice have already turned many lawmakers against non-competes. In light of the growing body of evidence, many more now question whether the added value of a non-compete to an employment contract suffices to compensate against the negative side effects.

Reform

As economists continue building the empirical evidence, policymakers show increasing interest in reform. Many seem to be guided by the simple conviction that if workers must compete against each other for jobs, then firms must compete against each other for workers, end of story. Others view the anecdotal evidence as sufficient proof that employers are abusing their power. Policymakers are also attuned to research documenting the extent to which non-compete enforceability curtails wages, employee mobility, and entrepreneurship. Although there is substantially less evidence on no-poach agreements, it is not much of a stretch to assume that such provisions are generally harmful given that workers have no opportunity to agree to them.

In recent years, more than 20 federal and state policy proposals have sought to combat the deleterious effects of non-competes and no-poach agreements, with a handful of states passing new laws (the federal proposals have not yet been passed or voted on). The approaches generally fall into two big buckets: Reforms targeted at putting conditions on the use of such agreements, on the one hand, and efforts to ban the tools outright and completely, on the other. Policy options under consideration include:

- *Ensuring transparency:* These policies seek to ensure that the contracting process is as transparent and fair as possible. This includes notifying the worker about the firm's desire to use a non-compete sufficiently early for the worker to consider the restrictions before accepting a job. If the firm would like to ask workers who have already joined the firm to agree to a non-compete, it must come with a bona-fide advancement within the firm. Examples include Massachusetts' new non-compete law.[63]

- *Consideration and Garden Leave:* These policies seek to ensure that workers are partially compensated for what they give up. The notion of consideration is that workers are paid something extra—a bonus or a higher wage, for example—in exchange for signing a non-compete. "Garden leave" provisions require the firm to pay the worker some portion of her salary while the worker abides by the non-compete. Such provisions ensure that firms incur a cost to enforce a non-compete, discouraging over-use and empty enforcement threats. Examples include Oregon's 2008 statute.[64]

- *Refusing to re-write overly broad provisions:* Many states will re-write overly broad non-competes and then enforce them. That is, a court could take a 10 year non-compete, reduce it to 2 years, and then enforce it. This practice encourages firms to write broad non-competes because in the worst case the court will still enforce a pared down version. However, the conditions in the non-compete may still chill workers from taking jobs or starting companies because they view the overly broad restrictions as enforceable.

- *Ban on non-competes for low-wage workers:* These policies are generally justified by the argument that low-wage or hourly workers have little bargaining power, are the least likely to possess information that could damage the firm, and are most susceptible to threats over the enforcement of non-competes because they may not be able to afford legal assistance. Examples include the MOVE Act, the Freedom to Compete Act, and recent bills in Illinois, Oregon, and Massachusetts.[65]

- *Ban on non-competes for specific high-skill occupations:* In the case of lawyers (where non-competes are unenforceable in all states) and physicians (where they are banned in several states), these bans rely on public policy concerns, such as ensuring that clients and patients have access to legal advice and healthcare. In the case of tech workers (for whom non-competes were banned in Hawaii in 2015), the justifications rely on the notion that mobility and entrepreneurship are *good* for innovation, as in Silicon Valley.[66]

- *A complete ban on non-competes:* In addition to the justifications for the low-wage and high-skill bans, this policy more strongly leverages the idea that non-competes are unnecessarily blunt instruments whose negative mobility and wage ramifications can spill over to the whole market, and that firms have more precise ways to protect their legitimate interests without constraining workers' employment options. On the investment and innovation front, California's policy of general non-enforcement, which was adopted in 1872, and the success of Silicon Valley as the most innovative ecosystem in the country, if not the world, is often touted as a stark counterexample to the logic that firms need enforceable non-competes to protect their investments in IP.[67] Recent examples include a push for the FTC to declare non-competes an unfair method of competition and classify them as per se illegal under the FTC Act.[68]

- *A complete ban on no-poach agreements:* While no-poach agreements are already per se illegal, recent efforts to ban them even within franchises have cited the fact that there is no presumption of assent to the restrictive terms, since workers likely do not even know they exist. The End Employer Collusion Act is a recent example of a federal effort to eradicate these practices.[69]

Conclusion

Amidst the backdrop of falling economic dynamism, today's heightened policy focus on non-competes and no-poach agreements reflects a recognition of the growing empirical research that such provisions often function to prevent workers from earning what a competitive market would dictate and to stymie the natural labor market churn that keeps the economy healthy. Few issues bring progressives who care about worker protections together with conservatives who believe in the power of free and fair competition as has the proliferation of these restrictive labor agreements. The result is a rare consensus on the need for reform that has unified state and federal politicians from both sides of the aisle, state AG offices, and federal antitrust agencies. This briefer is intended to further inform the debate and present the latest empirical research in order to guide reform efforts at all levels of government.

For Further Reading

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About the Economic Innovation Group (EIG)

The Economic Innovation Group (EIG) is an ideas laboratory and advocacy organization whose mission is to advance solutions that empower entrepreneurs and investors to forge a more dynamic American economy. Headquartered in Washington, D.C., EIG convenes leading experts from the public and private sectors, develops original policy research, and works to advance creative legislative proposals that will bring new jobs, investment, and economic growth to communities across the nation.

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