



## Press Release

# Noncompete Agreements: Have Employers Gone Too Far?

PAULINA ENCK | OCTOBER 20, 2022

An explosion of state laws curtailing the use of noncompete agreements (NCA) and President Biden's July 2021 executive order, which highlighted the negative effects of NCAs on low-wage workers, has sparked a renewed interest in addressing these agreements. In a new insight, Fred Ashton and Isabella Hindley explain how NCAs can harm employees – especially low-wage workers – and offer potential avenues of reform.

### Key points:

- NCAs contractually prohibit employees from actions including working for a competitor, starting a competing business, developing a competing product or service, and hiring former colleagues for a specified number of years in a certain geography upon separation from the employer.
- While employment contracts that include NCAs were historically reserved for C-suite executives and employees with knowledge of trade secrets, these agreements have trickled down the organizational chart to include even entry-level employees – limiting worker mobility and suppressing wages.
- Federal legislation can incrementally or aggressively reform NCAs to promote a more dynamic employment market by removing barriers to employee mobility and fostering competition for talent among employers.

[Read the analysis](#)