



**FEDERAL TRADE COMMISSION**  
**PROTECTING AMERICA'S CONSUMERS**



# FTC to Hold Workshop on Non-Compete Clauses Used in Employment Contracts

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FOR RELEASE

December 5, 2019

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On January 9, 2020, the [Federal Trade Commission will hold a public workshop](#) in Washington, DC to examine whether there is a sufficient legal basis and empirical economic support to promulgate a Commission Rule that would restrict the use of non-compete clauses in employer-employee employment contracts. This follows a [labor market workshop](#) hosted by the Department of Justice's Antitrust Division in September 2019.

Non-compete clauses are covenants in employment contracts that limit the ability of an employee to join or start a competing firm after a job separation. At the workshop, legal scholars, economists, and policy experts will review the current state of the law and economic literature on non-compete clauses in contracts between employers and employees. Academic panels will evaluate the effects of non-compete clauses on labor market participants and their efficiency rationales (if any). The panels also will consider the potential harms to workers that can and should be addressed through the FTC's rulemaking, law enforcement, or advocacy authority.

Topics for discussion include:

- What impact do non-compete clauses have on labor market participants?
- What are the business justifications for non-compete clauses?

Is state law insufficient to address harms associated with non-compete clauses?

Do employers enforce non-compete agreements contained in standard employment contracts? How routine is such enforcement?

Are there situations in which non-compete clauses constitute an unfair method of competition (UMC) or an unfair or deceptive act or practice (UDAP)? How prevalent are these situations?

Should the FTC consider using its rulemaking authority to address the potential harms of non-compete clauses, applying either UMC or UDAP principles? What "gap" in existing state or federal law or regulation might such a rule fill? What should be the scope and terms of such a rule? What is the statutory authority for the Commission to promulgate a rule?

Should the FTC consider using other tools besides rulemaking to address the potential harms of non-compete clauses, such as law enforcement, advocacy, or consumer/industry guidance?

What additional economic research should be undertaken to evaluate the net effect of non-compete agreements? Should additional economic research on the empirical effects of non-compete agreements focus on a subset of the employee population? If so, which subset?

Interested parties may [submit public comments electronically](#), or in paper form on these topics or other related topics through February 10, 2020. For further information on the workshop and the public comment process, including instructions for filing comments in paper form and a list of additional suggested questions for comment, please visit the [workshop website](#). If an entity has provided funding for research, analysis, or commentary that is included in a submitted public comment, please identify such funding and its source on the first page of the comment.

The workshop is free and open to the public. Seating will be on a first come, first served basis. The workshop starts at 8:30 a.m. at the FTC's Headquarters Building, 600 Pennsylvania Avenue, NW, Washington, DC, and will be webcast live. Directions to the event and information about reasonable accommodations are available on the workshop website. A detailed agenda and list of speakers will be available in the near future. For general questions about the workshop, please contact us at [NonCompetes@ftc.gov](mailto:NonCompetes@ftc.gov).

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**PRESS RELEASE REFERENCE:**

[FTC Announces Agenda for Jan. 9 Workshop, Non-Competes in the Workplace: Examining Antitrust and Consumer Protection Issues](#)

[FTC to Hold Workshop Tomorrow Regarding Non-Compete Agreements in the Workplace](#)

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1/14/2020

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