

## STATE-BY-STATE WORKER WAGES WILL INCREASE UNDER FTC'S NONCOMPETE BAN

- On April 23, 2024 the FTC voted to finalize a [rule prohibiting noncompete agreements](#) pursuant to its authority under section 5 and 6(g) of the FTC Act. FTC Chair Lina Khan discussed the ban on [CNBC](#).
- Roughly 30 million Americans, or one in five, are subject to a noncompete agreement, which restricts worker mobility, depresses wages, hinders entrepreneurship, and blocks innovation.
- The final rule bans all new noncompetes and renders all existing noncompetes unenforceable, except those in place for senior executives, defined as workers making over \$151,164 and in “policy-making positions.”
- The rule is expected to take effect September 4, 2024.
- The noncompete ban will have several positive impacts:
  - Increase wages by roughly \$53 billion annually for 101 million American workers, providing an **annual wage increase of \$524 per covered worker**. (See Appendix 1 below for estimated annual wage increases for your member’s state.)
  - Increase business formation, including 8,500 new businesses annually.
  - Reduce spending on physician services by up to \$194 billion over the next decade.
  - Increase patents by 17,000-to-29,000 each year over the next decade.

For more information about the FTC’s rulemaking on noncompetes, please reach out to American Economic Liberties Project Policy and Advocacy Director Morgan Harper at [mharper@economicliberties.us](mailto:mharper@economicliberties.us).

**Appendix 1 [Source: [Federal Trade Commission](#)]**

| State                | Estimated # of Covered Workers | Estimated Increase in Total Annual Worker Earnings | Estimated Increase in Average Annual Worker Earnings |
|----------------------|--------------------------------|--|--|
| Alabama              | 1,620,882                      | \$822,829,396                                      | \$508  |
| Alaska               | 251,167                        | \$145,317,588                                      | \$579  |
| Arizona              | 2,460,342                      | \$1,410,771,964                                    | \$573  |
| Arkansas             | 999,178                        | \$478,239,544                                      | \$479  |
| California           | -                              | -  | -  |
| Colorado             | 2,251,980                      | \$1,484,772,427                                    | \$659  |
| Connecticut          | 1,314,029                      | \$945,571,637                                      | \$720  |
| Delaware             | 367,291                        | \$220,637,013                                      | \$601  |
| District of Columbia | 598,990                        | \$604,415,889                                      | \$1,009  |
| Florida              | 7,486,582                      | \$4,229,047,004                                    | \$565  |
| Georgia              | 3,764,270                      | \$2,188,893,667                                    | \$581  |
| Hawaii               | 495,988                        | \$270,123,206                                      | \$545  |
| Idaho                | 656,688                        | \$315,487,683                                      | \$480  |
| Illinois             | 4,735,066                      | \$3,051,620,266                                    | \$644  |
| Indiana              | 2,490,735                      | \$2,490,735  | \$514  |
| Iowa                 | 1,229,598                      | \$624,937,405                                      | \$508  |
| Kansas               | 1,112,654                      | \$553,683,941                                      | \$498  |
| Kentucky             | 1,536,365                      | \$759,416,081                                      | \$494  |
| Louisiana            | 1,492,474                      | \$747,953,455                                      | \$501  |
| Maine                | 501,216                        | \$258,101,666                                      | \$515  |
| Maryland             | 2,112,817                      | \$1,378,702,305                                    | \$653  |
| Massachusetts        | 2,876,506                      | \$2,288,111,777                                    | \$795  |
| Michigan             | 3,440,754                      | \$1,946,978,052                                    | \$566  |
| Minnesota            | -                              | -  | -  |
| Mississippi          | 916,362                        | \$384,971,511                                      | \$420  |
| Missouri             | 2,256,955                      | \$1,184,012,673                                    | \$525  |
| Montana              | 396,982                        | \$191,696,465                                      | \$483  |
| Nebraska             | 787,174                        | \$399,373,568                                      | \$507  |
| Nevada               | 1,177,510                      | \$646,371,090                                      | \$549  |
| New Hampshire        | 536,516                        | \$343,360,391                                      | \$640  |
| New Jersey           | 3,307,696                      | \$2,301,979,408                                    | \$696  |
| New Mexico           | 666,290                        | \$326,156,344                                      | \$490  |
| New York             | 7,411,689                      | \$5,879,334,118                                    | \$793  |
| North Carolina       | 3,759,643                      | \$2,105,343,963                                    | \$560  |
| North Dakota         | -                              | -  | -  |
| Ohio                 | 4,314,090                      | \$2,330,837,261                                    | \$540  |
| Oklahoma             | -                              | -  | -  |
| Oregon               | 1,560,619                      | \$916,694,759                                      | \$587  |

|   |             |                   |       |
|---|-------------|-------------------|-------|
| Pennsylvania                            | 4,690,586   | \$2,795,472,689   | \$596 |
| Rhode Island                            | 385,074     | \$220,004,925     | \$571 |
| South Carolina                          | 1,745,274   | \$858,798,497     | \$492 |
| South Dakota                            | 354,502     | \$169,742,169     | \$479 |
| Tennessee                               | 2,526,310   | \$1,389,744,066   | \$550 |
| Texas                                   | 10,599,295  | \$6,535,957,999   | \$617 |
| Utah                                    | 1,320,994   | \$715,807,809     | \$542 |
| Vermont                                 | 241,017     | \$127,248,043     | \$528 |
| Virginia                                | 3,166,902   | \$1,995,480,948   | \$630 |
| Washington                              | 2,809,814   | \$2,090,953,114   | \$744 |
| West Virginia                           | 539,026     | \$253,817,680     | \$471 |
| Wisconsin                               | 2,301,874   | \$1,207,149,373   | \$524 |
| Wyoming                                 | 217,787     | \$108,650,236     | \$499 |
|   |             |                   |       |
| Full US,<br>excluding CA,<br>ND, OK, MN | 101,785,552 | \$ 53,291,058,349 | \$524 |