Opinion Poll
Small business owners support banning non-compete agreements
April 13, 2023
Findings

President Biden called on the Federal Trade Commission (FTC) to ban non-compete agreements in his second State of the Union address. In response, the FTC recently proposed a rule to ban non-compete agreements, sparking a debate about the impact this rule would have on the business community. A new opinion poll of small business owners nationwide reveals that our nation’s entrepreneurs are being harmed by non-compete agreements, and they strongly support the Federal Trade Commission’s proposed rule to ban them in most instances.

The poll reveals that nearly half of small businesses (46%) report that they were subject to a non-compete agreement that prevented them from starting or expanding their business. More than a third (35%) have been prevented from hiring an employee due to a non-compete agreement.

**Figure 1: Small businesses harmed by non-compete agreements**

![Chart showing the percentage of small businesses harmed by non-compete agreements](chart)

While some have argued that non-compete agreements will harm the small business community, the survey finds that the proposal has strong support among small businesses. Nearly 6 in 10 (59%) support the FTC’s proposed rule, with only 14% opposing the ban. Notably, those who currently use non-competes in their business are even more supportive of the ban (67%) compared to those who don’t (51%).

**Figure 2: Small business owners support banning of non-compete agreements**

![Chart showing the level of support for banning non-compete agreements](chart)

Importantly, a number of small businesses are using non-disclosure agreements to protect their confidential information or trade agreements (42%). What’s more, 69% believe that non-disclosure agreements can protect their confidential information or trade secrets as effectively as a non-compete agreement.

This poll comes on the heels of a recent Federal Reserve working paper noting the important role entrepreneurs who leave a company to start new ventures have in creating dynamic, successful firms.¹ The data highlights how non-compete agreements can stifle free, fair and open competition and hamper entrepreneurs’ ability to start their own endeavors as well as attract and retain a quality workforce.

Methodology

This poll reflects a national survey of 312 small business owners and decision-makers in the United States. The poll was an online survey conducted on SurveyMonkey on April 2, 2023. The margin of error is +/- 6%.

Survey Toplines

1. Before this survey, were you familiar with non-compete agreements?
   - Yes: ................................................................. 82%
   - No: ................................................................... 18%

2. Do you use non-compete agreements in your business?
   - Yes: ................................................................. 48%
   - No: ................................................................... 52%

3. Have you ever been subject to a non-compete that prevented you from starting or expanding your own business?
   - Yes: ................................................................. 46%
   - No: ................................................................... 44%
   - Don’t know/not sure: ........................................... 10%

4. Have you ever been prevented from hiring a worker because they were subject to a non-compete agreement?
   - Yes: ................................................................. 35%
   - No: ................................................................... 56%
   - I don’t know: ..................................................... 9%

5. The FTC is considering prohibiting the use of most non-compete agreements. Do you support or oppose such a ban?
   - Strongly support: ............................................... 29%
   - Somewhat support: ............................................ 30%
   - Neither support nor oppose: ............................... 20%
   - Somewhat oppose: ............................................ 10%
   - Strongly oppose: ............................................... 4%
   - Don’t know/not sure: ......................................... 7%

6. Have you ever asked employees to sign a non-disclosure agreement to protect confidential information or trade secrets?
   - Yes: ................................................................... 42%
   - No: ................................................................... 53%
   - I don’t: ................................................................ 5%

7. Do you believe that such a non-disclosure agreement can protect your confidential information or trade secrets as effectively as a non-compete agreement?
   - Strongly agree: .................................................. 24%
   - Somewhat agree: ............................................... 35%
   - Neither agree nor disagree: ............................... 24%
   - Somewhat disagree: ......................................... 7%
   - Strongly disagree: ............................................. 3%
   - Don’t know/not sure: ........................................... 7%
8. Business Size

Self-employed .................................................................................................................. 35%
Fewer than 10 employees ............................................................................................... 21%
10-24 employees ............................................................................................................ 12%
25-49 employees ............................................................................................................ 6%
50-74 employees ........................................................................................................... 7%
75-100 employees ......................................................................................................... 7%
More than 100 employees ............................................................................................. 12%

9. Ethnicity

Asian or Asian American ............................................................................................... 13%
Black, African or African American ............................................................................... 9%
Hispanic, Latinx or Spanish Origin ................................................................................ 10%
Middle Eastern or North African .................................................................................. 5%
American Indian or Alaska Native ................................................................................. 2%
Native Hawaiian or other Pacific Islander .................................................................... 1%
White or Caucasian ....................................................................................................... 52%
Some other race, ethnicity or ethnic origin ................................................................. 1%
Prefer not to answer ...................................................................................................... 7%

10. Age

< 18 ................................................................................................................................. 0%
18-29 ............................................................................................................................... 19%
30-44 ............................................................................................................................... 31%
45-60 ............................................................................................................................... 38%
> 60 ................................................................................................................................. 12%

11. Gender

Male ................................................................................................................................. 43%
Female ............................................................................................................................. 57%

12. Region

East North Central ......................................................................................................... 16%
East South Central ........................................................................................................ 4%
Middle Atlantic ............................................................................................................. 16%
Mountain ...................................................................................................................... 6%
New England ................................................................................................................ 3%
Pacific ............................................................................................................................. 21%
South Atlantic ............................................................................................................. 19%
West North Central ..................................................................................................... 6%
West South Central ..................................................................................................... 10%