

SUPPORT WORKERS

Vote YES On AB 747 (McCarty)



What would AB 747 do?

- **Ban anti-worker non-compete agreements** that restrict the ability of workers to seek better wages and working conditions from other employers.
- **Ban Training Repayment Agreement Provisions (TRAPs)** and other *de facto* non-compete agreements like employer-driven debt agreements.
- **Enhance compliance and reduce the burden on courts** by establishing strict prohibitions on these restrictive contracts, limiting exemptions, and creating up-stream liability for lawyers who insert non-competes or TRAPs into employment agreements.
- Allow for a private right of action and **limit costs to the State AG and Labor Commissioner** to investigate and enforce against illegal use of non-competes and TRAPs.

How do non-competes and TRAPs hurt workers?

- Even where non-compete agreements are already void (as in CA), **employers use non-competes to deter workers** from seeking better pay and working conditions.
- **TRAPs force workers into debt** for standard on-the-job training, even though employers benefit from training their employees.
- They **depress wages and prevent workers from starting their own businesses**, hampering fair competition and innovation.
- Workers often enter into these agreements unknowingly or under duress, and **workers don't assert their rights out of fear of financial ruin.**



1 in 5 workers are bound by restrictive non-compete agreements

\$300B

in lost yearly wages for workers barred from seeking better pay and working conditions

Who supports a ban on these agreements?

"Workers should be free to take a better job if someone offers it." **President Joe Biden**

"Despite being prohibited in California, noncompete provisions are routinely included in employee contracts, including contracts for lower-wage workers." **CA AG Rob Bonta**

"I would say that non-competes are a crutch for bad leaders and bad cultures."

Patrick Spence, CEO of Sonos

"I'll say this for that term that was invented, TRAPS, it's certainly truth in advertising."

Senator Sherrod Brown (D-OH)

"The threat of non-compete agreements both during and after the economic crisis precipitated by the COVID-19 has put millions of workers in an untenable position."

Senator Elizabeth Warren (D-MA)

Senator Chris Murphy (D-NJ)

SUPPORT WORKERS

Vote YES On AB 747 (McCarty)



What are workers saying?



BreAnn, former PetSmart dog groomer:

*“PetSmart made me sign a **\$5,000 TRAP** for the training I got as a groomer, which mostly involved me asking my supervisor questions while I groomed dogs for paying customers. **The work was stressful and low-paid, but I was scared to leave with the debt hanging over my head. It hurt my credit score and made it hard for me to rent an apartment.**”*

From Real Women in Trucking:

*In one case, a female CRST trainee reported being raped in a truck by her trainer at the start of her ten-month training program. **After no action was taken against the alleged assailant, the female trainee was terminated in retaliation for making her complaint. She then received a \$9000 training bill.***



*stock photo



Kate, former cargo airline employee:

*Kate, like millions of others, lost a promising new job when the COVID-19 pandemic began. Fortunately, she found a job with Ameriflight, but the company imposed a 2-year commitment for providing training that all airlines are required to provide. In addition, **the company paid well below market rates, and only \$12.50 per hour during the training period. When she finally decided to pursue a better opportunity, the company told her she would have to pay \$20,000.***

Sim, licensed esthetician:

*Upon being hired to Oh Sweet Salon, Sim was told she would not be able to provide services for clients until she completed trainings for introductory skills she already had. The owner ran the trainings, and was slow to schedule and often cancelled them. Two months in and the owner hadn't completed trainings, Sim decided to leave. **To her shock, the owner sued her for \$1,900 for the training in services she was already licensed in when she started the job.***



*stock photo

AB 747 is endorsed by: American Economic Liberties Project, California Employment Lawyers Association, California Labor Federation, AFL-CIO, California Nurses Association, Consumer Attorneys of California, Democracy Policy Network, Department of Consumer Affairs, Board of Registered Nursing, Economic Security Project Action, National Employment Law Center, National Nurses United, Open Markets Institute, People's Parity Project at UCLA Law, Small Business Majority, Student Borrower Protection Center, Tech Equity Collaborative, Towards Justice, United Nurses Association of California/Union of Healthcare Professionals (UNAC/UHCP)