



February 4, 2020

Testimony in Support of Senate Bill 1527
The Worker Mobility Act
Submitted by Courtney Helstein on behalf of Family Forward Oregon

Chair Taylor and Members of the Committee -

Thank you for the opportunity to provide testimony in support of Senate Bill 1527. Family Forward Oregon is committed to advancing policies that support women and families and help them succeed economically. We support SB 1527 and the effort to ensure non-compete law are functional for Oregon's working families.

According to the Economic Policy Institute, from 2014 to 2019 there has been a dramatic increase in private sector workers being subject to non-compete agreements. In 2014 18.1% of workers were under a non-compete agreement, in 2019 46.5% of private sector workers were subject to non-compete.¹ At the same time job mobility has declined substantially.² This means that works with unique skills and/or opportunities for upward mobility may have to wait up to 18 months to begin new positions or may pass on high paying position altogether if they cannot support their families through the transition period.

A fundamental belief that Oregonians hold is that if you work hard and learn skills, you can use those skills to be marketable to higher wage employers. Non-competes unfairly restricts a women's—and all workers—mobility to ensure a better life for their families.

The current system compounds economic security issues for women in particular as their family financial responsibilities continue to rise. More than half of women are the primary

¹ <https://www.epi.org/publication/noncompete-agreements/>

² For details on declining labor market fluidity, see Raven Molloy, Christopher L. Smith, Riccardo Trezzi, and Abigail Wozniak, "Understanding Declining Fluidity in the U.S. Labor Market," Brookings Papers on Economic Activity, Spring 2016



breadwinner in their household; 30 percent are married breadwinners who are generating more than half their household income.³

SB 1527 proposes three simple solutions to ensure Oregon's non-compete law functions:

- Limits the amount of time a non-compete can be applied to 6 months (from 18 months).
- Ties a minimum salary threshold of \$97,311 for the use of non-compete agreements, adjusted annually for inflation pursuant to the Consumer Price Index.
- Clarifies the enforceability of a non-compete agreement and what type of agreements may be entered into.

Oregon's workers need clear rules for non-compete agreements. SB 1527 is a moderate approach to ensure that all parties are clear on the rules of non-competes and ensures that workers who never should have been asked to sign them to begin with have the job mobility they need to take care of their families. **We urge your support for SB 1527.**

³ 2018 Financial Wellness Survey: The Cut. Prudential Survey.
http://news.prudential.com/content/1209/files/PrudentialTheCutExploringFinancialWellnessWithinDiversePopulations.pdf?utm_source=businesswire&utm_medium=newsrelease&utm_campaign=thecut