

Testimony of Rob Stewart
Former Managing Partner
JBG Smith

Committee on Labor & Workforce Development
Chair Elissa Silverman

Hearing on “The Non-Compete Conflict of Interest Clarification Amendment Act of 2021”

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I am submitting written testimony in opposition to the ban on noncompetes in the District of Columbia, especially since no other jurisdiction in the region have any similar restrictions.

I come from the world of real estate and am keenly aware of how DC’s high-cost environment puts a damper on the District’s economic development. I used to be Managing Partner of JBG SMITH where I handled acquisition, financing and disposition of JBG investments, as well as managing development plans for JBG assets.

First, let me say that I am personally passionate about closing the wealth and equity gap in the region and the District. I serve on the Board of the Washington Housing Conservancy, which is just now acquiring properties in high-opportunity neighborhoods in order to preserve them as affordable in perpetuity.

I am sympathetic to the ban’s intentions. Young people and those from disadvantaged communities deserve having a free and clear open road ahead of them as they climb an income or career ladder. Noncompetes do restrict post-employment choices.

But the DC Council cannot ignore the larger regional context that makes this ban harmful to the city’s economic competitiveness position—and by extension, harmful to the economic prospects of the people the DC Council is intending to help.

This ban gives entrepreneurs and employers another reason to choose Tysons or Bethesda over the District. Being in DC carries even more of a competitive disadvantage. On top of the higher cost of doing business in DC, this ban means that a rival company in the suburbs could orchestrate a one-sided poach of their software programmers, mechanical engineers or paralegals.

While employees deserve thoughtful protections, the truth is that without employers, it’s hard for DC workers to make any income or career gains.

There are hints that President Biden may institute a nationwide ban on noncompetes, which would change the game. Then every jurisdiction would be on an even playing field and DC’s noncompete ban would be moot. But we aren’t there yet. And until we are, it is foolish for the DC Council to put in place a ban that does nothing but narrow the economic opportunities available to DC workers and residents.