

The Vector Poll™

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Free the Millennials!

By Marc Zwelling
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Advertisers and pollsters call them Millennials, the 9 million Canadians born between 1980 and 2000.

Adults who are 18 to 38 are the biggest cohort in the population. Their numbers guarantee they'll be influential.

What makes them unique? They're Canada's disappointed generation.

In an Angus Reid Institute poll in 2016, 60% of 25-to-34-year-old Canadians said young people "starting out today have it harder than past generations." Among young Millennials, those 18 to 24, 76% thought so.

In a different Angus Reid Institute poll that year, half of Millennials were dissatisfied with their "personal financial situation" compared with 28% of Canadians over 55.

Why are Millennials glum?

Abacus Data says three anxieties are "[keeping Millennials up at night](#)" — 50% say housing costs, 46% access to good jobs, and 29% student debt.

According to Statistics Canada, 38% of 18-to-34-year-olds lived with their parents in 2011; only 28% lived with mom and dad in 1971.

In a 2014 study, EKOS Research asked employees how often they "look forward to going to work." Rarely or never, said 34% of Millennials compared with 22% of employees who were 55 to 64.

Suppose you are a politician who wants to charm Millennials. Polltaker David Coletto of Abacus Data says Millennials are looking to government to relieve the "economic pain points in their day-to-day lives" more than looking to politicians for "symbolic gestures like investing in skills, giving young people a greater voice, or electoral reform."

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Millennial workers have a unique economic pain that governments can solve. More than older workers, Millennial employees are captives to their employers. The reason is the non-compete contract, which makes employees promise that if they quit they won't work for their employer's competitors for a certain length of time. Workers can face lawsuits for going to work for someone in the same business or industry.

According to a Vector Poll™ last September, a substantial one in five full- and part-time Canadian workers — 19% — are bound by non-compete agreements. Among Millennials it's one in three (29%).

Non-compete agreements are more commonplace in Québec and Ontario than in other provinces.

With 18.6 million people employed across the country, projecting the poll findings means non-compete contracts bind at least 3.5 million employees to their boss. The actual number could be higher because another 12% of employees — 2.2 million workers — don't know if they are covered by a non-compete agreement. They might only find out by quitting.

The stereotype of an employee with a non-compete contract is a highly skilled, well paid executive or key employee with access to corporate secrets or a list of the firm's customers. The reality is different. *The New York Times* says non-compete contracts cover workers “up and down the economic spectrum, from executives to hairdressers.”

- It's true that non-competes are more common in higher-paid jobs. In Canada 24% of employees in households with \$100,000 annual incomes or higher work under non-compete contracts.
- But so do one in 10 workers (12%) with household earnings under \$40,000, according to the Vector Poll™.

In the U.S. last year a federal government study found non-competes cover almost 20% of employees. California, Utah and [Massachusetts](#) have tightly limited the use of non-compete agreements.

The free-market-oriented *Economist* magazine says except in special cases, governments should ban non-competes. An article this year commented, “The prevalence of non-compete agreements is clear evidence that they are being used indiscriminately.... Burger-flippers and home-care workers do not have trade secrets to hawk.”

Banning non-competes would help balance the power of employers and workers. U.S. researchers say non-compete agreements make it harder to start new companies by shrinking the pool of talent that start-ups can attract.

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For Millennials, who are generally in lower-paid jobs, non-compete agreements depress their wages.

According to *The New York Times*, research shows that workers covered by tight non-compete contracts earn less than employees who are free to work where they like. Jumping to a new job is nearly always a way to raise your pay. Outlawing non-competes might encourage managements to raise pay to keep their workers from decamping.

Politicians should ask why so many employees are covered by non-competes. If companies can compete, why can't workers?

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Marc Zwelling is the founder of the Vector Poll™ (www.vectorresearch.com) and author of *Public Opinion and Polling For Dummies* (Wiley, 2012).