

## **Contracts matter – the latest study findings and insights from solopreneurs, small business owners and freelancers**

**New Delhi, 31<sup>st</sup> August 2023:** Contracts are ubiquitous in the modern business world. Every business transaction and personal agreement is bound by a contract, from employment contracts to agreeing to terms and however, contracts aren't always the most straightforward, and various factors can affect their interpretation and enforceability. Because of this, we surveyed over a thousand American freelancers, small businesses and solopreneurs to determine how contracts are used in everyday life and what implications have come from contract mistakes in the business world.

### **The latest findings:**

- Nearly 1 in 4 freelancers have had a hard time getting a client to sign their contract.
- Over 26 percent of business professionals have had a hard time getting a client to sign a contract. 3
- 6 percent of Gen Z admit to not reading contracts fully — 1 in 5 agreed to something they were unaware of.
- On average, Americans spend \$1,232 to get out of a contract.

### **Business contract elements revealed**

Whether you're a small business owner, a freelancer, or a solopreneur, you will likely encounter and create contracts regularly. We were curious to discover which elements people are always sure to include and which essential aspects are often neglected.

The top elements freelancers are sure to include in their contracts are Payment Terms (84 percent), Signatures (74 percent), and Timelines (64 percent). While small business owners are also likely to have Payment Terms and Signatures, they are most likely to ensure Parties Involved are included as a top element of their contracts. Adobe Acrobat's free online PDF editor is here to help you edit the contracts in your life to ensure they have everything that they need.

### **A simple mistake can have lasting impact**

A single oversight or ambiguity in a contract can lead to misunderstandings, disputes, and money lost. In the business world, investing time and effort into contract editing is a worthwhile investment. Here's what can happen if you make a mistake in a contract

### **Here's some more first-hand accounts of contract failures:**

"I left one contract's wording too ambiguous on one of my first projects which allowed the client to add more work than was agreed to for less pay." - Anonymous Solopreneur

"I think that not making a contract and trusting the person to pay on their side was my failure. I should have used a contract and I didn't." - Anonymous Solopreneur

"My biggest contract failure was when I missed a key detail and the client sued." - Anonymous Small Business Owner

"The only contract failure I have had is by not having a contract in the first place. Having lived that, I always get signatures and everything in writing now going forward." - Anonymous Freelancer

Now that we've seen what issues can arise from a mistake, just how much money has actually been lost?

## **What about everyday life contracts?**

While the significance of contracts in the business world is undeniable, contracts are also highly prevalent outside the office. We run into contracts of all shapes and sizes in our daily lives — from rental agreements to marriage licenses.

### **Gen Z: Over 1 in 3 never fully read contracts, no matter what**

We also found that 1 in 5 Gen Zers have agreed to something they were unaware of due to not thoroughly reading a contract, and 10 percent have lost money. Even after the negative repercussions, 61 percent still say they do not read contracts fully.

While millennials also report being unaware of agreements and losing money from not reading a contract in its entirety, 45 percent say they now read contracts more than they did before the damaging incident.

1 in 10 Gen Xers have been stuck in a contract they can't get out of due to not thoroughly reading it. Baby Boomers had the least amount of negative repercussions due to failing to read a contract entirely

The study also found that Gen Z tends to always accept Terms and Conditions without reading them, yet they remain the most fearful of agreeing to a hidden clause. 46 percent of people are fearful that they are agreeing to auto-renewal of services when they hit 'Agree' on terms and conditions. In a world full of terms and conditions, it's shocking to see so many people continuing to always scroll past the fine print.

## **Contracts are an essential part of everyday life**

Tips and tricks to make contract editing and sharing a breeze:

- Password-protect your contract — especially if you have confidential or highly sensitive information within it. Adding a password to your document is an easy and effective way to ensure only authorized parties are able to access the contract and edit it.
- Convert to PDF when sharing contracts to maintain all formatting, style, and image information from the source file. PDFs have the most reliability in ensuring your documents are displayed correctly, no matter what type of device you use.
- After you've converted your contract to a PDF, make contract signing a breeze by using Adobe Acrobat to sign a PDF.
- Ensure you have the proper reading order. If you need help, you can easily rearrange PDF pages with Acrobat online.
- Edit Your PDF online to ensure your contract has the proper formatting