Standard Form Contracts and Contract Schemas: A Preliminary Investigation of the Effects of Exculpatory Clauses on Consumers’ Propensity to Sue

Dennis P. Stolle, M.A., J.D., and Andrew J. Slain, B.S.

This study investigated the extent to which exculpatory clauses deter consumers from pursuing their legal rights. Undergraduate participants (N=101) were presented with two written vignettes and asked to imagine themselves as a consumer harmed by a contracted for service. Participants then read a contract and responded to questions assessing their likelihood of seeking compensation and their perceptions of the contract. The presence of exculpatory clauses, the severity of the harm, and the nature of the harm were varied. The data suggest that exculpatory clauses, if read, have a deterrent effect on propensity to seek compensation. Development of a psychological definition of contract schemas and implications for legal policy are discussed. © 1997 by John Wiley & Sons, Ltd.

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In 1963, Stewart Macaulay asked a few empirical questions about contract law: “What good is contract law? who uses it? when and how?” (p. 55). Using survey and interview methodologies, Macaulay set out to answer those questions. Interestingly, Macaulay found that formal contract doctrine often takes a back seat to extra-legal conceptions of fair dealing and “common honesty and decency” (p. 58). Macaulay’s heavy reliance on empirical data was viewed by some legal scholars as contributing to the demise of traditional contract theory and doctrine.

* Correspondence to: either author at 1University of Nebraska-Lincoln, 209 Burnett Hall, Lincoln, Nebraska 68588-0308 USA. Electronic mail may be directed to the first author at dstolle@unlgrad1.unl.edu or the second author at aslain@unlgrad1.unl.edu.

Dennis P. Stolle, M.A., J.D. (expected May 1997), and Andrew J. Slain, B.A., are J.D.-Ph.D. students in the Law/Psychology Program at the University Nebraska-Lincoln. The authors are grateful to professors Mark Fondacaro, Steven Penrod, Alan Tomkins, and Robert Works for their helpful suggestions and comments, and Michelle Dressen for her assistance in collecting and coding the data. A version of this article was presented at the biennial conference of the American Psychology-Law Society, Hilton Head, South Carolina, February, 1996.

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Macaulay was even dubbed the “Lord High Executioner of the Contract is Dead School” (Gilmore, 1974, p. 105). Nonetheless, Macaulay’s findings did not toll the death knell for contract doctrine and theory. Rather, they offered a new and more empirically accurate way of conceptualizing contracts.

In the years since Macaulay’s initial work, Law and Society researchers have continued to offer empirical views of contractual behavior that challenge the assumptions of traditional contract doctrine (Macaulay, 1985). Although the Law and Society research has produced findings relevant to both legal and sociolegal scholars, the research has not emphasized inquiry into the implicit psychology of contract. Furthermore, the Social Science in Law movement, which places a strong emphasis on using psychological theory to “sharpen the legal scholar’s insights” (Monahan & Walker, 1993, p. v), has been largely absent from the empirical contract literature. Perhaps the most psychologically sophisticated studies of contractual behaviors are those studies investigating the importance of the “psychological contract” in employment contexts (e.g., Morrison & Robinson, in press; Robinson, in press; Robinson & Rousseau, 1994; Rousseau, 1989; Rousseau & Aquino, 1993; Schmedemann & McLean Parks, 1994). However, most of the employment studies emphasize the management implications of the psychological contract over the legal implications.

Altogether there exists little more than a handful of empirical studies exploring the psycholegal dimensions of contract (e.g., Masson & Waldron, 1994). Indeed, numerous legal scholars have noted the need for sophisticated empirical research and the application of psychological theory in the context of contract law (Eisenberg, 1995; Harrison, 1994; Hasen, 1990; MacNeil, 1985; Rubin, 1995; Speidel, 1995; Stratman, 1988; White, 1988). As the domain of contract widens and shifts, it has become clear that to truly understand the nature of contract, “empirical theories dealing with the use and abuse of contract behavior in the shadow of contract law and beyond will be required” (Speidel, 1995, p. 255). The purpose of the present study was to provide a preliminary attempt at exploring empirical theories of contract from a psycholegal perspective.

THE PRESENCE OF EXCULPATORY CLAUSES IN FORM CONTRACTS

The vast majority of consumer transactions are conducted via standardized agreements presented to consumers on preprinted forms with little or no opportunity for the consumer to negotiate the terms of the agreement. The widespread use of standard form contracts is largely a result of their efficiency (Farnsworth, 1990). Because the costs involved in negotiating individual contracts would often exceed the potential profit arising from many routine transactions, standard form contracts are an essential element of modern commercial life (Farnsworth, 1990).

Unfortunately, traditional contract doctrine, which contemplates a bargained-for exchange between parties of relatively equal power, often falls short of providing an adequate analytic framework for resolving disputes involving standard form contracts (Farnsworth, 1991). Form contracts seldom involve parties of equal bargaining power, they are typically offered on a take-it-or-leave-it basis, and the
terms embodied in such forms sometimes seek to alter the base-line legal rights of the consumer (Eisenberg, 1995). For example, it is not uncommon for form contracts to include terms that, if enforced, would relieve the drafting party of liability for their own negligence. The enforceability of such terms, commonly referred to as exculpatory clauses, is often unclear (Morant, 1995). Many jurisdictions have held these types of disclaimers unenforceable because the terms are either unconscionable, in violation of public policy, or are beyond the range of the consumer’s reasonable expectations (Morant, 1995). Although the enforceability of exculpatory clauses is often suspect, they remain commonplace in consumer form contracts.

Some commentators have suggested that the knowing inclusion of unenforceable disclaimers is unethical because it creates a facade of legality that may deter consumers from bringing otherwise legitimate claims against the drafting party (Kuklin, 1988; Vukowich, 1993). In response to such concerns, the discussion draft of the Model Rules of Professional Conduct contained a provision prohibiting lawyers from drafting agreements containing “legally prohibited terms,” or terms that “would be held to be unconscionable as a matter of law” (Vukowich, 1993, p. 776). However, strong objections from the legal community to a rule that would penalize the inclusion of overly broad disclaimers caused the rule to be eliminated, leaving the current Model Rules without any reference to a lawyer’s responsibility as a contract drafter (Vukowich, 1993). At least part of the reasoning behind the objections was that a rule restricting the terms that a lawyer may include in a contract would infringe upon the lawyer’s ability to fully protect his client’s interests under a broad range of possible contingencies.

The current state of the common law is such that the inclusion of exculpatory clauses is prohibited only under limited circumstances. Furthermore, the enforceability of exculpatory clauses varies greatly between jurisdictions, and as a function of the specific circumstances, leaving the consumer with little ability to predict whether any particular disclaimer clause will be enforceable (Morant, 1995). Of course, the extent to which exculpatory clauses actually deter consumers from bringing legal actions is an empirical question. If such terms do have an effect on consumers’ propensity to sue, it seems likely that those effects may interact with other variables, such as the type and severity of the harm suffered by the consumer. If such terms in fact have no effect on consumers’ propensity to pursue their legal rights, then some of the concern regarding the presence of such clauses in consumer form contracts may be unwarranted.

**CONTRACT SCHEMAS AND EXCULPATORY CLAUSES**

In the present context, a discussion of the effects of exculpatory language on consumer’s propensity to sue is largely a discussion of “expectations and their effects” (Fiske & Taylor, 1991, p. 97). Such expectations may form the basis of cognitive schemas—“generic knowledge that holds across many particular instances” (Fiske & Taylor, 1991, p. 98). Indeed, researchers have found support for the notion of contract schemas in the employment context (Schmedemann & McLean Parks, 1994; Morrison & Robinson, in press). Like employees, consumers
may base some of their expectations about contractual transactions upon cognitive schemas.

Schmedemann and McLean Parks suggest that contract schemas may include such attributes as legal jargon and the presence of a signature block (1994). Early empirical work on contract disclaimers suggests that consumers’ contract schemas may also include a belief that terms in a written contract are generally enforceable. In 1970, Warren Mueller conducted a study to examine tenant perceptions of residential leases (1970). Mueller found that most participants in his study believed that the exculpatory clauses presented in the mock lease would be enforceable and that there would be little variation between states in terms of enforceability (1970). These beliefs were erroneous. In fact, Mueller had presented his participants with clauses unlikely to be upheld in the state where the study was conducted (1970). Furthermore, at the time the study was conducted, there was wide variability among states in the enforceability of the clauses presented.

Although Mueller’s study was not intended as an investigation of contract schemas, his data suggests that, at least in 1970, consumers held a general belief that provisions contained in the residential leases they sign are enforceable. However, Mueller’s study suffers from several limitations. Mueller’s participants responded on a dichotomous, yes/no, scale; consequently, Mueller had no measurement of the magnitude of his participants’ beliefs. Furthermore, Mueller’s study was conducted in a survey format with no experimental manipulations, and Mueller’s participants were not presented with circumstances in which the exculpatory language would be relevant. Previous schema research suggests that increasing the costs of being wrong may decrease reliance on schemas and increase the desire to seek out new data (Fiske & Taylor, 1991). Consequently, a remaining question is whether participants placed in a relevant context in which an exculpatory clause would have particularly detrimental effects on their immediate future would abandon their contract schema and seek out new information. In this context, methods of seeking out relevant information might include talking to a representative of the drafting party or talking to a lawyer.

**METHODS**

**Participants**

Participants were 101 undergraduate students recruited from psychology courses at a mid-western university. Most participants volunteered in exchange for class credit. The final sample consisted of 51% women and 45% men; 4% of the participants failed to indicate their gender. Participants’ mean age was 21, and the median age was 19.

**Materials**

**Vignettes**

Two separate vignettes were utilized, one involving a personal injury and the other involving damage to personal property. Both vignettes asked participants to
imagine themselves in the place of a consumer who was harmed as a result of a contracted for service. In the personal injury vignette, a consumer received either a small cut or a spinal injury while using exercise equipment at a health club. In the property damage vignette, a consumer's car was either scratched or stolen while in the care of an automotive repair shop. To avoid the complications of insurance, participants were asked to imagine that they did not have relevant insurance coverage.

Both vignettes included a copy of the contract that the consumer signed—a membership agreement in the health club vignette and an estimate form in the automotive repair vignette. The contract language was adopted from actual contracts, with company names and other identifying information altered. The two contracts were comparable in terms of length, organization, and complexity. The apparent intended legal effect of the exculpatory clause in both contracts was to relieve the drafting parties of liability even for their own negligence.

**Questionnaire**

Each questionnaire contained 6 manipulation check items, 12 items measured on 7-point Likert-type scales, and two open-ended questions. The Likert-type items were designed to assess the participants’ self-reported likelihood of seeking compensation and reading the contract, and the participants’ perceptions of the enforceability, fairness, and difficulty of the contract language. In order to control for the possibility that some effects may be a function of participants’ predetermined attitudes toward car dealers and health clubs, a final Likert-type item designed to directly assess perceptions of reputability was included. The questionnaire items are reproduced in the Appendix.

**Design and Procedure**

The design was a 2 (severity: minor vs. severe) × 2 (presence of exculpatory clause: present vs. not present) × 2 (damage type: personal injury vs. property damage) design in which the last factor was a repeated measures variable and was used as a conceptual replication to assess generalization across legal contexts. After completing an informed consent procedure, each participant received a pack containing the two contract vignettes and two questionnaires. The order in which the vignettes appeared was randomly assigned, and the between-subjects conditions were randomly assigned. The participants were instructed to read through the

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1 Both contracts received a Flesch reading ease score of 23, indicating that the contracts contained difficult reading appropriate for readers at the 11–13th grade level (Pelsenfeld & Siegel, 1981). Both contracts also received a Gunning’s Fog Index rating of 24. The average word length was 1.68 syllables in the health club contract and 1.72 syllables in the automotive repair contract. The average sentence length was 40.8 words and 37.9 words respectively, and the average paragraph length was 1.7 sentences and 1.5 sentences respectively. Copies of the contracts are available from the first author upon request.

2 The following is an example of the exculpatory language: Buyer specifically agrees that Gym, its officers, employees and agents shall not be liable for any claim, demand, or cause of action of any kind whatsoever for, or on account of death, personal injury, property damage or loss of any kind resulting from or related to Member’s use of the facilities or participation in any sport, exercise or activity within or without the club premises, and Buyer agrees to hold Gym harmless for same.
materials and to answer the questions following each vignette. Participants were free to refer back to the vignettes, including the written contract, as they completed the questionnaires.

**Hypotheses**

Based on Mueller’s finding that tenants tend to believe that the provisions in the leases they sign are enforceable, we reasoned that participants would rely on a contract schema that includes a belief that terms in a written contract are generally enforceable. Consequently, we expected to find a main effect for the presence of an exculpatory clause such that participants assigned to conditions in which an exculpatory clause was present would be less likely than participants assigned to conditions in which such a clause was not present to express a strong propensity to seek legal advice or to demand compensation on their own behalf. Based upon schema theory, we reasoned that as the cost of being wrong increased, participants’ reliance on their contract schema would decrease and that participants would show a greater propensity to seek out additional information. Consequently, we expected to find a main effect for the severity of the harm such that participants assigned to conditions in which the harm is minor would be less likely than participants assigned to conditions in which the harm is severe to express a strong propensity to seek legal advice or to demand compensation on their own behalf. Furthermore, we expected to find an interaction between presence of an exculpatory clause and severity of harm such that when the harm was severe, the presence or absence of an exculpatory clause would become less relevant to participants’ propensity to seek legal advice or to demand compensation on their own behalf. Finally, we expected results would generalize across the two vignettes presented to the participants.

**RESULTS**

**Manipulation Checks**

Initial analyses were performed on the manipulation check items to determine whether participants had identified and understood the exculpatory clauses in both the auto-repair contract and the health club contract. For the auto-repair contract, a chi-square analysis revealed that almost two-thirds of the participants (65%) were able to correctly identify whether or not a clause was present that may prevent their recovery in a lawsuit, \( \chi^2 (1, N=99)=8.49, p=0.004 \). Furthermore, most participants (82%) who correctly indicated that a clause was present were able to correctly

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3 Prior to analysis, each item was examined for accuracy of data entry, missing values, and fit between their distributions and the assumptions of multivariate analysis. Square root transformations were performed on four of the items to address their unacceptable skewness. With the transformed variables in the variable set, one case was identified through Mahalanobis distance as a multivariate outlier and was deleted from the data set.
identify the paragraph containing the exculpatory clause, $\chi^2 (5, N=53)=41.98, p < 0.001$.\textsuperscript{4}

For the health club contract, a chi-square analysis again revealed that almost two-thirds of the participants (66%) were able to correctly identify whether or not a clause was present that may prevent their recovery in a lawsuit, $\chi^2 (1, N=100)=10.35, p < 0.001$. Furthermore, an examination of the presence of clause by paragraph cross-classification table revealed that of those participants who correctly indicated a clause was present over 70% correctly identified paragraph five as containing the clause. However, twelve participants in conditions containing no relevant exculpatory language also indicated that paragraph five contained relevant exculpatory language. These false positive identifications led to a non-significant chi-square statistic, $\chi^2 (6, N=58)=6.97, p=0.32$.\textsuperscript{5}

**Principal Components Analysis**

A principal components factor analysis with varimax rotation was performed on all subjects’ responses to the 12 Likert-type questions (collapsed across the eight conditions, $N=100$). The purpose of this procedure was to simplify analysis and clarify measurements by developing a small set of uncorrelated components representing the larger number of questionnaire items. Four components were extracted based upon the eigenvalue greater than one criteria. However, an examination of the initial statistics revealed that a fifth component had an eigenvalue of 0.95. Consequently, a five component solution was attempted.

When five components were extracted, the fifth component was unique, with only the reputability item loading on that component. To be considered a part of a component, an item was required to have a loading of 0.64 on only that component. This five component solution was retained because it increased the interpretability of the components by separating the reputability item, which was intended to assess predetermined attitudes toward car dealers and health clubs rather than to assess the effects of the experimental manipulations. The five components accounted for 74.7% of the total measurement variance. The constituent items and their loadings are presented in Table 1.

The labeled components in order of percentage of explained variance were 1) propensity to seek compensation, 2) likelihood of reading, 3) fairness/readability, 4) similarity/enforceability, and 5) reputability. It was reasoned that propensity to seek compensation, fairness, and similarity/enforceability would be significantly related to the variables manipulated in the vignettes. In contrast, it was reasoned that the experimental manipulations would be unlikely to effect likelihood of reading, and

\textsuperscript{4} Interestingly, among those participants who mistakenly identified an exculpatory clause when none was present, 68% identified paragraph 3 as containing the exculpatory clause. Paragraph 3 of the auto-repair contract did contain disclaimers regarding a parts warranty, perhaps making paragraph 3 the best choice in the absence of the experimental exculpatory clause. However, the warranty language was not legally relevant under the circumstances described to the participants.

\textsuperscript{5} Paragraph five did contain some exculpatory type language even when the experimental clause was not present. However, the remaining exculpatory language was not relevant under the circumstances described. Yet, the language may have appeared relevant to the naive legal actor, accounting for the false-positive identifications.
that any difference in perceptions of reputability would likely be the result of predetermined attitudes toward car dealers and health clubs. To test these hypotheses, a new set of composite variables was created to represent the components, each variable being the average of the set of variables that loaded on a component.

**Analysis of Variance**

An ANOVA was performed on each of the orthogonal composite variables, with follow-up analyses of simple effects where appropriate. First, regarding the effects of presence of an exculpatory clause, analysis of variance revealed a main effect such that when the clause was present participants indicated that they would be less likely to demand compensation or seek legal advice than when the clause was not present, $F(1,95)=4.09$, $p=0.046$, $\eta^2=0.04$.

Second, regarding the effects of severity of the harm, analysis of variance revealed a significant interaction between severity of the harm and damage type for propensity to seek compensation, $F(1,95)=4.75$, $p=0.032$, $\eta^2=0.05$. Analysis of simple effects for propensity to seek compensation revealed that in the property damage vignette participants indicated that they would be more likely to seek compensation when the harm was severe ($M=3.37$) than when the harm was minor ($M=2.95$), $F(1,98)=5.18$, $p=0.025$, $\eta^2=0.05$. Furthermore, when the harm was minor, participants indicated that they would be more likely to seek compensation in the personal injury vignette ($M=3.31$) than in the property damage vignette ($M=2.95$), $F(1,50)=3.21$, $p=0.057$, $\eta^2=0.06$.

Finally, regarding the effects of damage type, analysis of variance revealed a significant main effect such that participants indicated that in general health clubs are more reputable than auto dealerships, $F(1,95)=44.18$, $p<0.001$, $\eta^2=0.32$.

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### Table 1. Results of the principal components analysis on contract questionnaire items

<table>
<thead>
<tr>
<th>Component</th>
<th>Variance (%)</th>
<th>Constituent Items</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Propensity to seek compensation</td>
<td>23.6</td>
<td>Probability that a lawsuit would be successful. 0.87</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Probability that demand will be successful. 0.84</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Likelihood of demanding payment for losses. 0.76</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Likelihood of seeking advice from an attorney. 0.69</td>
<td>0.69</td>
</tr>
<tr>
<td>2. Likelihood of reading contract</td>
<td>20.7</td>
<td>Likelihood of reading the agreement. 0.91</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Likelihood of reading the agreement carefully. 0.88</td>
<td>0.88</td>
</tr>
<tr>
<td>3. Fairness and Readability</td>
<td>12.5</td>
<td>Likelihood that contract violates legal rights. 0.79</td>
<td>0.79</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Difficulty understanding the contract language. 0.70</td>
<td>0.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fairness of the contract as a whole. 0.68</td>
<td>0.68</td>
</tr>
<tr>
<td>4. Similarity and Enforceability</td>
<td>10.1</td>
<td>Similarity of contract to those commonly used. 0.81</td>
<td>0.81</td>
</tr>
<tr>
<td>5. Reputability</td>
<td>7.9</td>
<td>Likelihood a court would enforce the contract. 0.64</td>
<td>0.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reputability of most garages/gyms in general. 0.95</td>
<td>0.95</td>
</tr>
</tbody>
</table>

Total 74.7
Qualitative Responses

The qualitative results allowed for an examination of more psychologically rich responses. The first open-ended question provides some additional insight into participants’ initial reaction to the events described in the vignettes. A total of 94 out of 100 participants answered the following question: “What would you do in similar circumstances?” Three coders independently categorized the responses with an inter-rater reliability of 87%.6 Collapsed across all of the conditions, participants indicated that their likely courses of action might include seeking legal help, engaging in self-help, absorbing the costs themselves, ending their business relationship with the drafting party, or seeking help from insurance agents, police, friends, or family. However, most responses indicated an intention to either seek legal help (46%) or engage in self-help (29%).

DISCUSSION

The primary focus of this study was the effect of exculpatory clauses on consumers’ propensity to seek compensation when harmed in a setting governed by a form contract. As indicated by the qualitative results, participants’ initial reaction to the described situations was to seek compensation, either through legal representation or by dealing directly with the representatives of the business. However, consistent with the concerns of many legal scholars, the presence of exculpatory language did have a deterrent effect on participants’ propensity to seek compensation. This main effect for presence of an exculpatory clause is also consistent with previous research suggesting that consumers’ contract schema includes a general belief that written contract terms are enforceable (Mueller, 1970), thus accounting for their decreased propensity to seek compensation in the face of an exculpatory clause. Surprisingly, the presence of an exculpatory clause did not impact participants’ perceptions of the fairness of the contracts.

We expected that when the costs of being wrong were great (i.e., the harm was severe), participants would be less likely to rely on their contract schemas (Fiske & Taylor, 1991). This hypothesis received partial support. There was no main effect for severity of the harm. However, a significant interaction between damage type and severity of the harm revealed that in the property damage vignette participants indicated a greater propensity to seek compensation when the harm was severe than when the harm was minor. In contrast, severity of the harm had no effect on propensity to seek compensation in the personal injury vignette. Furthermore, participants indicated a greater propensity to seek compensation when the harm was minor in the personal injury vignette than in the property damage vignette. These effects may be the result of participants having a stronger affective reaction to

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6 The first coder grouped the responses in a manner such that seven representative categories developed. Using the category definitions developed by the first coder, two more coders independently categorized the responses. The assessment of inter-rater reliability was calculated by dividing the number of agreements by the number of agreements plus disagreements between each possible pairing of researchers on a large sample of the coded data. The three percentages of agreement between the three independent coders (84%, 90%, 86%) were then averaged to produce the overall inter-rater reliability of 87%.
personal injuries than to property damage, leading them to be more likely to seek compensation for a personal injury regardless of the specific circumstances.

The type of damage repeated measures variable was included to determine whether the effects of presence of an exculpatory clause and severity of the harm would generalize across contexts. Thus, we did not expect any main effects of type of damage for propensity to seek compensation. However, because the property damage condition involved a car dealership and the personal injury condition involved a health club, we were concerned that participants may bring predetermined attitudes regarding the reputability of car dealers and health clubs. Rather than allow this potential confound, we directly measured participants’ attitudes towards car dealerships and health clubs. Consistent with our concerns, participants rated health clubs as being more reputable than car dealerships. However, the only main effect of damage type was for reputability, suggesting that participants’ attitudes towards car dealerships and health clubs had little effect on their ratings on the other dependent variables.

Limitations and Implications

This study represents a novel, but preliminary, attempt at expanding empirical psychological inquiry into an area of contract law that has been relatively untapped by psycholegal researchers. Although it is quite likely that undergraduates are regularly exposed to the types of contracts presented in our vignettes, the use of undergraduate participants and a vignette methodology does limit the generalizability of these results. Replications with differing methods and populations are needed. Furthermore, the high number of false positive identifications of exculpatory language revealed in the manipulation checks suggest that the participants had considerable difficulty comprehending the contractual language,7 and this may have contributed to the relatively small effect size ($n^2=0.04$) for presence of the clause. Such difficulties are not inconsistent with previous findings (Masson & Waldron, 1994) and may be exacerbated in research using less well educated samples. It must also be remembered that many consumers may not read form contracts at the time of the transaction.8 Furthermore, it can be assumed that not all consumers would refer back to the language of their contract after incurring an injury as a result of the contracted for service.

Although preliminary, the present data do raise several interesting implications for the ongoing legal debate over the inclusion of potentially unenforceable exculpatory clauses and the ongoing development of psychological theories of contractual behaviors. First, consistent with the concerns of many legal scholars, the presence of exculpatory language in form contracts does appear to have some deterrent effect on consumers’ propensity to seek compensation. Second, consistent with the findings of Schmedemann and McLean Parks (1994), the

7 Participants in this study indicated that the language contained in the contracts was “somewhat difficult” to understand ($M=3.8$).

8 Participants in this study indicated that they would be “somewhat likely” to read the contract ($M=4.00$) but would be less likely to read the contract closely ($M=3.53$), $t(99)=4.51$, $p<0.001$. 
data supports the notion of a contract schema. Third, consistent with the findings of Mueller (1970), the data suggest that consumers’ contract schemas may include a general belief that all contract terms are enforceable. Finally, the results suggest that in the face of increased costs of being wrong, consumers may abandon their contract schema. In cases involving damage to property, when the severity of the harm was great participants showed a greater propensity to seek compensation rather than rely on their general belief in the enforceability of contract terms. Additional research should further investigate the nature and content of contract schemas and their impact on decision making across a variety of subject populations and transactional contexts.

APPENDIX

PLEASE ANSWER THE FOLLOWING QUESTIONS. FEEL FREE TO REFER BACK TO THE SCENARIO YOU JUST READ.

1. What would you do in similar circumstances? Please explain briefly:
2. How similar do you think this [agreement/estimate] is to those used by most [health clubs/garages]?
3. How difficult do you find the language of the [membership/estimate] form to understand?
4. Under the circumstances described above, how likely do you think you would have been to read the agreement?
5. Under the circumstances described above, how likely do you think you would have been to read the agreement closely?
6. How likely would you be to demand that the [health club/garage] pay for your losses?
7. How successful do you think you would be if you demanded that the [health club/garage] pay for your losses?
8. Do you think that there are any clauses in the [membership/estimate] form that might prevent you from recovering on your demand?
   8a. If so, please circle the number of the paragraph(s) that might prevent your recovery:
9. How likely would you be to seek advice from an attorney?
10. Assuming the attorney advised you a lawsuit was possible, how successful do you think your lawsuit might be?
11. Do you think that there are any clauses in the [membership/estimate] form that might prevent you from recovering in a lawsuit?
   11a. If so, please circle the number of the paragraph(s) that might prevent your recovery:
12. How likely do you think it is that the [membership/estimate] form you signed violates your legal rights?
13. How likely do you think it is that a court of law would uphold the [membership/estimate] form that you signed?
14. How fair do you think the [membership/estimate] form as a whole is?
15. Do you think that any of the paragraphs in the [membership/estimate] form are unethical?
   15a. If so, please circle the number of the paragraph(s) that might be unethical:
16. Have you ever had an experience similar to that in this scenario? Explain:
17. How reputable do you think most [health clubs/garages] are in general?

REFERENCES