

What Makes a Promise Legally Binding? Considering Consideration

Contracts are formed when there is an offer by one party, acceptance of that offer by another, and valid consideration given by both. You likely understand what an offer and acceptance are (even if you don't know all the legal caveats), but what is consideration? How do you know if you have it? How does this affect your ability to form a contract? Can a valid contract ever be formed without it?

Whitney O'Sullivan, of law technology platform provider Shake, outlines the role of consideration in a contract.

"Consideration is the word used to describe the requirement that both parties must agree to give up something of value in order to form a contract; you have to give to get," O'Sullivan writes.

[Read the article.](#)