

Issue Briefs

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Family Financial Education

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Financial Capability and Domestic Violence

This brief begins with a broad overview of the economic challenges survivors of domestic violence face. It then highlights early research on enhancing survivors' financial capability. The brief concludes with takeaways from leading researchers and practitioners as well as a list of curricula and other resources.

Economic Status and Domestic Violence

Women's economic status is linked to domestic violence in three primary ways. First, although domestic violence occurs across socioeconomic classes, poorer women are more likely to be survivors of domestic abuse than wealthier women, both due to contextual (e.g. neighborhood) and individual (e.g. male employment instability) factors. Second, women who are economically dependent on their abusers are less able to leave and more likely to return to abusive partners. Further, the degree of women's economic dependence on an abuser is associated with the severity of the abuse they suffer. Greater economic dependence is associated with more severe abuse. Third, economic abuse is in itself a form of domestic abuse since abusive partners may act in ways that harm women financially and undermine their ability to become financially independent. Examples of economic abuse include limiting women's access to funds and undermining their ability to gain employment or attend school (This discussion is drawn from Weaver et al., 2009; please see their article for more specific citations).

Given the centrality of financial matters to domestic violence, advocates have increasingly made financial capability a component of domestic violence interventions. Importantly, as Sanders (2011) emphasizes, efforts to enhance domestic violence survivors' financial capability must always be approached with safety issues in mind.

Research on Financial Capability Building Interventions for Survivors

Research on financial capability building interventions and domestic violence is in its infancy. Although the relationship between women's economic status and domestic violence is well established, research is far less clear on the effects of policies and programs designed to enhance survivors' financial capability. To give readers a sense of what research does exist in this area, the following paragraphs highlight two studies conducted by leading researchers in this field.

Sanders, Weaver, and Schnabel (2007) evaluated a financial education program delivered in two battered women's shelters. Women in two similar shelters were tracked as a comparison group. The program consisted of four three-hour sessions that focused on money and power, developing a cost-of-living plan, building and repairing credit, and banking and investing. Although the program sought to provide general financial education, it also dealt with topics specific to domestic violence. The pre- and post-tests consisted of a 35-item questionnaire, with the post-test administered two weeks after the final class. The comparison group's mean score did not change from pre- to post-test, with the treatment group's mean score increasing by 4.5%. Overall, this study provides preliminary evidence that financial education for survivors of domestic violence leads to improvements in financial literacy and other measures including self-efficacy, but more research is needed on longer-term outcomes.

Another study evaluated the All State Foundation's Moving Ahead Through Financial Management curriculum, which was specifically developed for survivors of domestic violence. In the final report on the study's exploratory phase, Postmus (2010)

found that 96 percent of respondents “agreed” or “strongly agreed” that the curriculum was useful, more than one-half referred to the curriculum when they had a question, 88 percent had set financial goals, three quarters had created a budget, nearly 25 percent started a retirement account, and about two-thirds reported looking up their credit history. Because this study is descriptive in nature (meaning there is no comparison group) and the outcomes are self-reported, some caution is needed in interpreting these overwhelmingly positive findings. Nevertheless, these findings indicate that participants valued the financial education program and thought highly of the Moving Ahead curriculum. Ongoing research on this intervention is focused on longer-term outcomes.

Takeaways for Policy and Practice

In May 2011, the UW-Madison Center for Financial Security, U.S. Department of the Treasury, and U.S. Social Security Administration cohosted the [Exploring the Intersection between Financial Capability and Domestic Violence](#) workshop in Washington, DC. The event brought together leading researchers, practitioners, and policy makers. The workshop generated several important takeaways for policy and practice, as summarized by Gjertson (2010). These takeaways include:

1. Interventions must always remain mindful of safety concerns.
2. Strategies must meet short-term economic needs and support long-term financial stability in order to increase women’s ability to leave and stay away from an abuser.
3. Programs should be designed with expectations that are realistic given the myriad of challenges faced by survivors of domestic violence.
4. Domestic violence services offered in shelters are characterized by short-term relationships in a chaotic environment, whereas financial education and skill-building programs

are typically time intensive and extend over many months. Interventions offered in shelters need to be adapted to the environment.

5. Interventions need to recognize the extraordinary variation among survivors of domestic violence and remain cognizant of the ways that race, ethnicity, and culture affect the victim’s experience. Being responsive to diversity includes identifying and capitalizing on the strengths and resources of different individuals and populations.
6. Advocates need to collaborate more closely with agencies that provide affordable housing.
7. Building capacities within communities and workplaces to provide services such as child care and check cashing at affordable prices would support all low-income families while also meeting the needs of domestic violence survivors.
8. Financial education alone is not enough. Financial institutions may be key partners to offer affordable transaction accounts, accessible credit and other products and services. There are also opportunities for tailoring technological financial innovations to address the needs of domestic violence survivors.
9. Survivors should be consulted frequently as interventions are being developed.

For more information, please visit the websites listed on the following pages.

Additional Resources for Financial Capability and Domestic Violence

Curricula

(Know of others? Please contact jmcollins@wisc.edu)

Moving Ahead through Financial Management.

The Allstate Foundation's [Moving Ahead through Financial Management](#) curriculum is a comprehensive package of tools and information designed to empower survivors of domestic violence on their path to economic self-sufficiency. The *Moving Ahead* curriculum is available free of charge on the All State Foundation's [Click to Empower website](#) in both English and Spanish. The curriculum is composed of five modules: 1) Understanding Financial Abuse, 2) Learning Financial Fundamentals, 3) Mastering Credit Basics, 4) Building Financial Foundations, and 5) Creating Budgeting Strategies. This [brief](#) and [presentation](#) cover research on the *Moving Ahead* curriculum conducted by Professor Judy Postmus of Rutgers University.

Redevelopment Opportunities for Women's Economic Action Program (REAP).

[Redevelopment Opportunities for Women](#) (ROW) of St. Louis offers a comprehensive [curriculum](#) for women who have experienced intimate partner violence. Safety considerations are integrated throughout the core financial information on budgeting, credit, banking, and investing. ROW's own program in St. Louis includes economic education, credit counseling, individual development accounts, and economic advocacy and support. ROW also runs the REAP training institute, which trains domestic violence advocates on how to increase the economic empowerment of women experiencing intimate partner violence. Professor Cynthia Sanders of Boise State overviews an evaluation of REAP in this [brief](#) and [presentation](#).

Hope and Power for Your Personal Finances.

The National Coalition against Domestic Violence offers this [curriculum](#) free of charge on its website.

Personal Economic Planning program (PEP).

The PEP was both developed by and used in a domestic violence shelter and transitional housing setting. The PEP is used by the [Iowa Coalition against Domestic Violence](#).

Research, Policy, and Practice

National Online Resource Center on Violence against Women (VAWnet).

VAWnet is a comprehensive and easily accessible collection of full-text, searchable materials and resources on domestic violence, sexual violence, and related issues. VAWnet seeks to use electronic communication technology to enhance efforts to prevent violence against women and intervene more effectively when it occurs. The Center's [Economic Justice page](#) includes a range of resources on financial issues as they relate to domestic violence (for example, housing, credit, and employment). VAWnet also has a list of resources specific to [Asset Building and Individual Development Accounts](#).

National Network to End Domestic Violence (NNEDV).

[NNEDV's Economic Justice Project](#) works to strengthen advocates' financial capabilities to better assist survivors of domestic violence. The Economic Justice Project includes a "train-the-trainer" approach to delivering financial literacy lessons to victim advocates. NNEDV uses a range of outreach methods to inform victim advocates about personal finance tools, resources, and the most recent research available in the field of financial literacy and capability.

Kentucky Domestic Violence Association (KDVA).

Recognizing that a lack of financial stability is one of the biggest deterrents for women who are considering leaving an abusive relationship, KDVA formed its [Economic Justice Project](#) in the early 2000s. Through a network of member organizations, the Economic Justice Project offers Individual Development Accounts, free tax-preparation, financial education, and other asset building services to survivors of domestic violence. In 2011, 48 units of supportive housing for survivors of domestic violence were opened using tax credits issued by the Kentucky Housing Corporation.

Exploring the Intersection between Financial Capability and Domestic Violence Research Workshop.

In May 2011, the UW-Madison Center for Financial Security cohosted a [research workshop](#) on domestic violence and financial capability with the Department of the Treasury and Social Security Administration. The workshop brought together leading researchers, practitioners, and policy makers for a rich discussion on the intersection of financial capability and domestic violence over the life course. The [workshop's website](#) includes briefs and presentations by leading researchers, along with short podcasts with practitioners and researchers. A [summary brief](#) provides an overview of the event.

References

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The University of Wisconsin-Extension (UWEX) Cooperative Extension's mission extends the knowledge and resources of the University of Wisconsin to people where they live and work. Issue Briefs are an ongoing series of the Family Financial Education Team. This brief was drafted by J. Michael Collins, Assistant Professor in Consumer Finance and Extension State Specialist and Collin O'Rourke, Outreach Specialist, Center for Financial Security.

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