

Measuring the Effects of Domestic Violence on Women's Financial Well-Being

By Adrienne E. Adams, Michigan State University Department of Psychology

Introduction

Women with abusive partners often face tremendous threats to their financial well-being and barriers to realizing their personal financial capability. Abusers use physical, psychological, and economic tactics to isolate, control, exploit, and terrorize their partners. For many women, these actions have devastating consequences. The purpose of this research brief is to summarize current thinking about how to assess the impact of domestic violence (DV) on women's financial well-being. I begin by discussing the measurement of abusers' economically abusive actions and then briefly describe approaches for measuring the impact of abuse on three dimensions of women's financial lives: 1) economic self-sufficiency through employment; 2) financial stability; and 3) subjective financial well-being. Finally, I conclude with a brief discussion of implications for practice and policy.

Economic Abuse

Economic abuse, defined as controlling a woman's ability to acquire, use, and maintain economic resources, is as common in battering relationships as physical and psychological abuse. In fact, in one study of 103 DV survivors, all of the women reported being psychologically abused by their partners, 98% had been physically assaulted, and all but one (99%) had experienced economic abuse (Adams, et al., 2008). Understanding the impact of DV on financial well-being requires an assessment of the abuser's past and current actions to hurt his partner financially.

Recently, three standardized instruments have been developed to assess the nature and extent of economic abuse in women's relationships:

(1) The Work/School Abuse Scale (W/SAS; Riger, Ahrens, & Blinkenstaff, 2001) measures a specific component of economic abuse—interfering with women's education and employment. The W/SAS is comprised of 12 questions that assess the frequency of a batterer's use of interference and restraint tactics to keep women from working or going to school, make them miss work or school, get them fired, or make them quit work or school.

(2) The Scale of Economic Abuse (SEA; Adams, et al., 2008) is an instrument with 28 questions that assess two dimensions of economic abuse: control and exploitation. Questions pertaining to economic control assess abusers' efforts to dictate women's access to and use of money (e.g., interfering with employment, or deciding when and how money is spent), while the exploitation questions assess how an abuser takes advantage of his partner financially (e.g., refuses to work, steals from her, builds debt in her name).

(3) The economic abuse subscale of the Domestic Violence-Related Financial Issues Scale (DV-FI; Weaver, et al., 2009) consists of five questions that assess the impact of abuse on women's credit ratings, education, employment, access to money, and debt.

Economic Self-Sufficiency through Employment

Economic self-sufficiency can be defined as having the income necessary to meet basic needs (e.g., food, housing, child care, health care, transportation, taxes) without relying on public or private/informal assistance.¹ Achieving self-sufficiency requires earning a steady living wage, which can be a significant challenge for DV survivors. Batterers may forbid their partners from having a job or engage in disruptive behaviors in an attempt to sabotage their employment (Adams, et al. 2008). The result is often lost hours, lost work days, and lost jobs (Swanberg, Macke, & Logan, 2006; Wettersten, et al., 2004). Further, batterers' interference can contribute to an inconsistent employment record or weakened job skills, which can compromise a woman's future employability and earning potential (Tolman, Danziger, & Rosen, 2001).

A great deal of research has examined the effects of DV on women's employment. Early on, researchers focused on employment status (employed vs. not employed) as the central employment outcome; however, it quickly became evident that at any point in time a woman with an abusive partner is as likely to have a job as any other woman (Browne, Salomon, & Bassuk, 1999; Lloyd & Taluc, 1999; Tolman & Rosen, 2001). Instead, what distinguished women with abusive partners from their non-abused counterparts were their higher levels of job instability (Browne, Salomon, & Bassuk, 1999; Tolman & Wang, 2005).

To date, job stability has been measured in several ways. One method is to examine how DV affects the amount of time a woman spends employed. For example, research has shown that DV is linked to working fewer weeks and months in a given period, as well as with working fewer hours annually (Staggs & Riger, 2005; Tolman & Wang, 2005). A second approach to measuring job stability requires not only taking into account the amount of time a woman spends working, but also examining job loss (Adams, et al., in press). It

is important to consider job loss as a dimension of job stability because cycling between many jobs likely affects women's economic well-being differently than having one sustained job. For example, working nine months out of the year at one job likely relates to different economic outcomes than working for a total of nine months at four or five different jobs. Thus, considering job loss as a dimension of job stability more fully captures the complex ways that DV may affect women's employment.

Related to job instability, DV can also compromise women's ability to gain self-sufficiency through employment by negatively affecting their employability and earning potential. Factors related to employability that are important in the context of DV are human capital and work-supporting resources. Three commonly used measures of human capital are education, job skills, and work history (Staggs & Riger, 2005; Tolman & Wang, 2005). Education can be assessed by asking about the number of years of formal schooling or the highest level of education completed; job skills are often measured using Holtzer's (1996) 9-item index of entry-level job skills; and work history has been captured through the number of months or years a woman has worked for pay in a given timeframe.

The critical work-supporting resource issues for women with abusive partners are reliable transportation and child care (Browne, et al., 1999; Brush, 2000; Meisel, Chandler, & Rienzi, 2003; Riger, Staggs, & Schewe, 2004; Sable, et al., 1999; Swanberg, et al., 2006; Tolman, et al., 2001). Researchers have identified several indicators of transportation problems confronted by DV survivors, including unreliable access to a vehicle, not owning a car, not having a driver's license, the cost of gasoline and repairs, and the accessibility of public transportation (i.e., availability, reliability, and cost). The child care problems women confront are similar; studies have examined indicators of the accessibility, reliability, and prohibitive cost of child care as barriers to employment for DV survivors.

Financial Stability

While economic self-sufficiency reflects an individual's or a family's ability to meet their needs without outside help or support, achieving **financial stability** requires having not only income to cover daily living expenses, but also assets available to leverage in times of hardship, meet financial goals, and build long-term security. As previously discussed, generating enough income to cover the costs of living can be a significant challenge for DV survivors. Additionally, many women with abusive partners are asset poor. For some women, the lack of assets is directly related to the abuser's behavior. Batterers may restrict women's access to assets by refusing to include their name on property such as a home, vehicle, or business; they may deny access to cash, savings, and investments; and they may control access to health insurance (Adams, et al., 2008; Brewster, 2003; Sanders & Schnabel 2007). For other women, asset building may be restricted by a history of surviving paycheck-to-paycheck, mounting debt, and a steady chain of hardships, conditions that are often exacerbated by an abusive partner (Goodman, et al., 2009).

With insufficient income and assets and an abusive partner engaging in economically destructive behavior, financial instability tends to manifest itself in DV survivors' lives in the form of significant financial and material hardship (Adams, et al., 2008; Adams, et al., in press; Brush, 2004; Goodman, et al., 2009; Tolman, et al., 2001). Measures used in DV research to capture financial and material hardship include deprivation, consumer issues, and hardship-mediating activities. For example, instruments such as the Women's Employment Study (WES) material hardship measures, (Tolman, et al., 2001), the Economic Health Index (EHI; Adams, et al., 2008), and the financial hardship subscale of the DV-FI, (Weaver, et al., 2009) assess a range of financial hardships. Difficulty finding and maintaining affordable housing is one of the most common measures and has been assessed using indicators that document survivors' experiences

of eviction and home foreclosure, doubling-up in homes with friends or relatives, and homelessness. Food insufficiency is also frequently included as an indicator of hardship among DV survivors, as are credit and debt problems. Measurement instruments typically capture problems such as not having enough money to buy food or other necessities and having to cope with debt from rent and utility bills, credit cards, student loans, and medical bills that may have accumulated (with or without the woman's consent) during the abusive relationship or may have resulted from starting over after leaving the abuser. Further, because accumulated debt and the inability to meet daily living expenses often result in having one's telephone, electricity, or other utilities turned off, these types of hardships are also captured.

People employ a variety of coping strategies when faced with financial hardship. Thus, a second approach to measuring the financial hardship experienced by DV survivors involves assessing strategies used to manage hardship. To this end, Tolman et al. (2001) developed a measure for the WES that includes strategies such as pawning or selling possessions; selling things from home, such as cosmetics or crafts; engaging in illegal activities; and earning extra money through babysitting, cleaning houses, or styling hair. While not yet used in a study with DV survivors, Shim et al. (2009) modified an instrument from the Michigan Study of Life Transitions (Eccles, Barber, & Jozefowicz, 1998) to capture "economizing" and "extreme" coping in the context of financial hardship. This instrument could serve as a tool for assessing DV survivors' use of strategies ranging from moderate financial adjustments such as cutting back on expenses to potentially financially damaging behavior such as using payday loans or credit cards to pay bills. These instruments allow researchers to assess not only the extent of financial hardship in a woman's life, but also the types of strategies they use to cope with that hardship.

Subjective Financial Well-being

In addition to compromised economic self-sufficiency and financial stability, DV has a detrimental impact on women's subjective financial well-being (Adams, et al., in press). Subjective appraisal of financial well-being is important because what people think and how they feel influences their decisions and actions. Thus, subjective measures of financial well-being may be just as important as objective measures for understanding women's relationships, their help-seeking behaviors, and their financial decisions. For example, research has shown that women's beliefs about their ability to provide for their families independent of an abuser affect their decisions to remain in or return to abusive relationships (Anderson & Saunders, 2003).

Two dimensions of subjective financial well-being particularly relevant in the context of DV are financial strain and financial self-efficacy. First, **financial strain** is defined as "the perceived adequacy of financial resources, financial concerns and worries, and expectations regarding one's future economic situation" (Voydanoff, 1983). Perceived adequacy of financial resources has been assessed through questions including "how difficult is it for you to live on your total household income right now," and "how do you feel about the income you have, or the amount of money you get" (Tolman, et al., 2001)?

It is also important to assess DV survivors' perceptions about the adequacy of their independent financial resources. This has been assessed by asking questions such as "how important is the money that your partner brings in to you and your family? By important I mean how hard would it be for you and your family to get by without it?" The Financial Distress and Relationship Decisions subscale of the DV-FI contains one item that assesses the influence of financial strain on a woman's relationship decisions: "concerns or worries about my financial future affected my decisions about staying or leaving my partner" (Weaver, et al.,

2009). The Adequacy of Financial Support Measure is an instrument developed for use with mothers facing financial and other challenges, but it can be adapted for use with DV survivors to assess the number of areas of financial worry they experience in a given period of time (Mowbray, et al., 1999). Specifically, women are asked whether they worried about having enough money for food, clothing, rent, medical needs, transportation, social activities, and debt repayment. Expectations regarding one's future economic situation have been assessed with questions such as "in the next two months, how much do you anticipate that you and your family will experience actual hardships such as inadequate housing, food, or medical care" (Adams, et al., in press; Tolman, et al., 2001)?

A second subjective component of financial well-being that is also important to attend to is **financial self-efficacy**. Self-efficacy is defined as confidence in one's ability to perform a behavior (Bandura, 1986). Applied to the financial lives of DV survivors, financial self-efficacy has been defined by Postmus (2010) as "the belief that one has the resources, options, and confidence to be successful" and by Sanders (2007) as "a woman's confidence in dealing with financial issues and achieving her financial goals; the belief that she can competently handle her own finances." The financial self-efficacy subscale of the DV-FI is currently the only empirically validated measure of financial self-efficacy developed for use with DV survivors (Weaver, et al., 2009). This tool includes five questions that ask about a woman's confidence to meet her goals for becoming financially secure, eliminating credit card debt, improving her credit rating, obtaining adequate employment, and accessing educational opportunities.

Measures of financial strain and self-efficacy facilitate the assessment of women's perceptions of their financial circumstances and their ability to manage financially without the abusive partner. This is particularly important because financial concerns are among the most frequently

cited reasons for remaining with or returning to an abusive partner (Anderson & Saunders, 2003).

Implications for Practice and Policy

The instruments described here could easily be used by practitioners when working with DV survivors to identify areas of need and threats to their safety. For example, because the economic abuse measures were developed in partnership with DV advocates and survivors, they reflect the lived experiences of women with abusive partners. As such, they are not only useful research instruments, but can also serve as valuable tools for practitioners working in advocacy, legal, and financial settings. These measures provide a starting point for determining and minimizing the scope of influence that the batterer has on a woman's financial well-being. Further, practitioners can use these types of instruments and indicators to assess women's needs and mobilize resources to address barriers to self-sufficiency and financial stability, as well as to guide conversations with survivors regarding how they feel about their financial situations, what their worries are, and how they feel about their ability to meet their financial goals. These tools are also useful for program evaluation. Services and interventions for DV survivors aimed at addressing their financial safety and well-being should affect these outcomes. Thus, the instruments described here could be used to measure the impact of such services on women's financial well-being.

Similarly, it is important for policy makers to attend to issues of economic abuse and its associated economic effects when making policy decisions in a number of areas, such as welfare-to-work, public housing, credit, debt, divorce, property ownership, bankruptcy, and taxes. Policies governing these areas have significant consequences for DV survivors. They could serve to further trap women in abusive relationships and put them in harm's way, or provide an avenue toward safety and financial security. For example, policies that consider the joint income of married individuals in the eligibility criteria for

services create barriers for married women trying to access services; to remove this barrier, policies should instead consider women's independent income. Also, current policies relating to personal debt do not consider the possibility that the debt may have been generated through coercion, fraud, or threat of harm. Survivors' short-term safety and long-term financial well-being would be enhanced by policies that take into account how personal debts were generated and that create avenues for debt forgiveness or restructuring. In sum, to promote the safety and security of DV survivors, it would be advantageous to systematically measure and track these phenomena in order to have empirical data on which to base and evaluate policy decisions.

Notes

1 For information on measuring self-sufficiency, go to <http://www.selfsufficiencystandard.org>, a resource of the Center for Women's Welfare at the University of Washington School of Social Work.

References

- Adams, A. E., Sullivan, C. M., Bybee, D., & Greeson, M. R. (2008). Development of the Scale of Economic Abuse. *Violence Against Women, 14*(5), 563.
- Adams, A. E., Tolman, R. M., Bybee, D., Sullivan, C., & Kennedy A. (in press). The impact of intimate partner violence on low-income women's economic well-being: the mediating role of job stability. *Violence Against Women*.
- Anderson, D., & Saunders, D. G. (2003). Leaving an abusive partner: An empirical review of predictors, the process of leaving, and psychological well-being. *Trauma, Violence, & Abuse, 4*(2), 163-191.
- Bandura, A. (1986). *Social foundations of thought and action: A social cognitive theory*. Englewood Cliffs, NJ: Prentice-Hall.
- Brewster, M. P. (2003). Power and control dynamics in prestalking and stalking situations. *Journal of Family Violence, 18*(4), 207-217.
- Browne, A., Salomon, A., & Bassuk, S. S. (1999). The impact of recent partner violence on poor women's capacity to maintain work. *Violence Against Women, 5*(4), 393-426.
- Brush, L. D. (2000). Battering, traumatic stress, and welfare-to-work transition. *Violence Against Women, 6*(10), 1039-1065.
- Brush, L. D. (2004). Battering and the poverty trap. *Journal of Poverty, 8*(3), 23-43.
- Eccles, J. S., Barber, B. L., & Jozefowicz, D. (1998). Linking gender to educational, occupational, and recreational choices: Applying the Eccles et al. model of achievement-related choices. In W. B. Swann, J. H. Langlois, & L. C. Gilbert (Eds.), *Sexism and stereotypes in modern society: The gender science of Janet Taylor Spence* (pp. 153-192). Washington, DC: American Psychological Association.
- Goodman, L. A., Smyth, K. F., Borges, A. M., & Singer, R. (2009). When Crises Collide. *Trauma, Violence, & Abuse, 10*(4), 306.
- Holtzer, H. (1996). *What employers want: Job prospects for less-educated workers*. New York: Russell Sage Foundation.
- Lloyd, S., & Taluc, N. (1999). The effects of male violence on female employment. *Violence Against Women, 5*(4), 370-392.
- Meisel, J., Chandler, D., & Rienzi, B. M. (2003). Domestic violence prevalence and effects on employment in two California TANF populations. *Violence Against Women, 9*(10), 1191-1212.
- Mowbray, C., Jordan, L., Kewalramani, A., Luke, D., Ribisl, K., Herman, S., & Bybee, D. (1999). Analysis of postdischarge change in a dual diagnosis population. *Health and Social Work, 24*, 91-101.
- Postmus, J. L. (2010). Economic Empowerment of Domestic Violence Survivors. *VAWnet Applied Research Forum: National Resource Center on Domestic Violence*.
- Riger, S., Ahrens, C., & Blickenstaff, A. (2001). Measuring interference with employment and education reported by women with abusive partners: Preliminary data. In K. D. O'Leary & R. D. Maiuro (Eds.), *Psychological Abuse in Violent Domestic Relations*. (pp. 119-133). New York, NY: Springer Publishing.
- Riger, S., Staggs, S. L., & Schewe, P. (2004). Intimate partner violence as an obstacle to employment among mothers affected by welfare reform. *Journal of social issues, 60*(4), 801-818.
- Sable, M. R., Libbus, M. K., Huneke D., & Anger, K. (1999). Domestic violence among AFDC recipients: implications for welfare-to-work programs. *Affilia, 14*(2), 199-216.
- Sanders, C. K. (2007). *Domestic Violence, Economic Abuse, and Implications of a Program for Building Economic Resources for Low-Income Women*. Center for Social Development, Washington University.
- Sanders & Schnabel (2007). Organizing for economic empowerment of battered women: Women's savings accounts. *Journal of Community Practice, 14*(3), 47-68.
- Shim, S., Xiao, J. J., Barber, B. L., & Lyons, A. C. (2009). Pathways to life success: A conceptual model of financial well-being for young adults. *Journal of Applied Developmental Psychology, 30*(6), 708-723.
- Staggs, S. L., & Riger, S. (2005). Effects of intimate partner violence on low-income women's health and employment. *American Journal of Community Psychology, 36*, 1-2.
- Swanberg, J. E., Macke, C., & Logan, T. K. (2006). Intimate partner violence, women, and work: Coping on the job. *Violence and Victims, 21*(5), 561-578.
- Tolman, R. M., Danziger, S. K., & Rosen, D. (2001). *Domestic violence and economic well-being of current and former welfare recipients*. Ann Arbor: University of Michigan, School of Social Work, Michigan Program on Poverty and Social Welfare Policy.
- Tolman, R. M., & Rosen, D. (2001). Domestic violence in the lives of women receiving welfare: mental health, substance dependence, and economic well-being. *Violence Against Women, 7*(2), 141-158.
- Tolman, R. M., & Wang, H.-C. (2005). Domestic violence and women's employment: fixed effects models of three waves of women's employment study data. *American Journal of Community Psychology. Special Issue: Theoretical and Methodological Innovations in Research on Intimate Partner Violence, 36*(1-2), 147-158.
- Voydanoff, P. (1983). Unemployment: Family strategies for adaptation. In C. R. Figley & H. I. McCubbin (Eds.), *Stress and the family: Coping with catastrophe* (pp. 90-102). New York: Brunner/Mazel Inc.
- Weaver, T. L., Sanders, C. K., Campbell, C. L., & Schnabel, M. (2009). Development and Preliminary Psychometric Evaluation of the Domestic Violence—Related Financial Issues Scale (DV-FI). *Journal of Interpersonal Violence, 24*(4), 569.
- Wettersten, K. B., Rudolph, S. E., Faul, K., Gallagher, K., Trangsrud, H. B., Adams, K., et al. (2004). Freedom through self-sufficiency: A qualitative examination of the impact of domestic violence on the working lives of women in shelter. *Journal of Counseling Psychology, 51*(4), 447-462.

About the Center for Financial Security

The Center for Financial Security (CFS) focuses on research that promotes individual and family financial security and informs public policy on the local, state, and national levels. The CFS focuses on vulnerable populations as defined by income, education, race/ethnicity, household status, disability, and financial shocks. CFS research falls into three categories:

1. Measurement - how to measure financial security and literacy
2. Targeting - who should be the focus of interventions
3. Testing - which interventions work and for whom

Contacting the Center

Center for Financial Security
School of Human Ecology
Sterling Hall Mailroom B605
475 N Charter St.
Madison, WI 53706

Email: ntruog@wisc.edu
Phone: 608.262.6766
Web: cfs.wisc.edu

This document was prepared for the ***Exploring the Intersection between Financial Capability and Domestic Violence*** workshop, which took place May 17, 2011 at the U.S. Department of the Treasury. The workshop was co-hosted by the U.S. Department of the Treasury, the Social Security Administration (SSA), and the University of Wisconsin-Madison Center for Financial Security. The workshop was funded through a grant (#5FLRC 09010203-02-00) from the Social Security Administration's Financial Literacy Research Consortium.

The opinions and conclusions expressed herein are solely those of the author(s) and do not represent the opinions or policy of the SSA, Treasury, any other agency of the Federal Government, or the UW-Madison Center for Financial Security.