

Economic Abuse

Policy position paper

Key Facts

- Economic abuse is a common form of family violence, estimated to occur in between 50 to 90 per cent of family violence cases.¹
- Conservative estimates indicate that 1.86 million Australian women have been victims of economic abuse.²
- Economic abuse in the context of family violence is a significant cause of financial hardship for women, adversely impacting immediate and long term financial independence and self-sufficiency.
- Women who experience economic abuse may have few or no financial resources or assets and are often left with large debts accrued by their former partner. This can result in extreme hardship, rendering women unable to afford basic essentials, find stable housing or access paid employment.
- Refugee and immigrant women with uncertain visa status face additional challenges.
- Economic abuse continues, or may begin, post-separation when perpetrators use the non-payment of child support, delaying or bargaining over property settlement or breaching parental orders to control their former partner.³
- A multi-faceted response encompassing community education, structural reform to address gender inequality and damaging gender stereotypes, as well as policy and systemic reforms in the justice system, essential services and banking sectors is required to increase awareness and understanding of economic abuse.

Economic abuse negatively impacts and undermines women's efforts to achieve economic independence.

Economic abuse can be difficult to identify by women who experience it, service providers and the broader community because it is embedded in behaviours that reflect social norms and values about gender and money, such as traditional gendered stereotypes about management of household finances, the private nature of personal financial matters and cultural and individual expectations about love and trust in intimate relationships.⁴ This makes it a complex problem to address. To ensure the impacts of economic abuse do not cause life-long financial disadvantage or poverty, it is critical to build the financial capability of women and urgently address the policy and institutional barriers that tacitly enable this form of abuse.⁵

What is Economic Abuse?

Economic abuse in intimate relationships is widespread and common. Whilst any form of violence against women exacerbates financial vulnerability and long-term risk of financial dependence, economic abuse can be acutely financially damaging.

Economic abuse involves behaviours that 'control a woman's ability to acquire, use and maintain economic resources, threatening her economic security and potential for self-sufficiency'.⁶ Economic insecurity can therefore be both a consequence and form of family violence. Its effects are long term. Women who have experienced family violence involving economic abuse are likely to leave the relationship with few or no financial resources and often carry debts accrued by their former partner. They can face significant barriers to paid employment as a consequence of being prevented from working outside the home or pursuing study or training opportunities. Lack of income and resources make it difficult to access affordable, secure housing. These same financial constraints, combined with fear of the perpetrator, inhibit victims from seeking legal recourse.

The behaviours and tactics of economic abuse

Four types of behaviours, and specifically the intent behind these behaviours, have been identified as constituting economic abuse:

- Preventing acquisition of economic resources through interfering with education, training and employment and access to other resources
- Preventing use of and controlling access to economic resources
- Refusing to contribute financially
- Exploiting women's resources and or generating economic costs.⁷

Economic abuse commonly includes forcing the woman to take on household debts, thus making her responsible for any defaults upon joint debts and damaging her credit rating when the perpetrator refuses to pay. Restricting a woman's access to a vehicle, refusing to contribute to household bills, including essential services bills, controlling or denying use of a phone, and dragging out legal proceedings to incur costs and exhaust her finances are also common forms of economic abuse which impact on a woman's financial security and safety. Refugee and migrant women can be particularly vulnerable to this type of abuse as a result of being socially isolated or having an insecure visa status. Dowry demands may also constitute part of the abuse.⁸

In many cases, economic abuse continues (or begins) post-separation when the perpetrator uses a range of intentional tactics to maintain power and control over his former partner by financially 'bleeding her dry'. These tactics commonly include non-payment of child support; delaying property settlement or using property to pressure women into unfair agreements; and routinely breaching and repeatedly challenging parenting arrangements.⁹

Addressing Economic Abuse

To increase women's financial security and thus safety, it is critical to focus on women's experiences of economic abuse and find solutions to remedy this on the same four levels used to address family violence - individual, relationship, community and societal. Women leaving family violence where economic abuse has occurred require information and support to understand the nature and impact of the abuse and to deal with its financial consequences. Access to financial counsellors is essential for many women in this situation. Financial capability programs can facilitate the development of essential skills and support women to improve their lives, providing greater awareness of the dynamics of economic abuse in the context of family violence.

At the societal level, we need to challenge gender inequality and damaging stereotypes that perpetuate women's disadvantage and allow the normalisation of economic abuse. The promotion of equal, respectful relationships and the development of financial capability in both girls and boys should commence in schools through the delivery of prevention programs. Increasing understanding of economic abuse across the community, including within government, legal and community service sectors, will assist with early identification and risk assessment. This will enable appropriate supports to be put in place for women suffering economic abuse or enduring its consequences.

Addressing the institutional barriers women face post-separation as they are trying to rebuild their lives and overcome the effects of economic abuse would minimise long-term impacts. Interventions should include:

- Improving survivors' access to justice, including increasing funding for family lawyers in community legal services
- Establishing a mechanism for survivors of family violence to negotiate small property settlements
- Instituting legislative and procedural reforms to child support and income support systems that allow economic abuse to be identified and prevented
- Introducing regulatory reforms in essential services such as banking, utilities and telecommunications to ensure that a history of economic abuse does not impact on a woman's access to services, for example by ensuring evidence of family violence and economic abuse automatically triggers financial hardship provisions
- Enhancing the policies, codes of practice and procedures of financial institutions to ensure economic abuse is identified and dealt with in a timely manner, minimising any adverse consequences for women
- Reforming credit regulations to protect women with debt resulting from economic abuse.

More research into economic abuse, its impact and best-practice models to address women's financial insecurity during and post-family violence is important. This will ensure women recovering from abuse receive services that encompass appropriate support to increase their economic security.

References

¹ Camilleri, O., Corrie, T., and Moore, S., 2015, *Restoring Financial Safety: Legal Responses to Economic Abuse*, Abbotsford: Good Shepherd Australia New Zealand & Wyndham Legal Service Inc.

² Ibid.

³ Ibid.

⁴ Cameron, P. 2014, Relationship Problems and Money: Women talk about financial abuse, WIRE: Melbourne https://wire.org.au/wp-content/uploads/201408/WIRE-Research-Report_Relationship-Problems-and-Money-Women-talk-about-financial-abuse-August2014.pdf

⁵ Ibid.

⁶ Financial abuse is defined in a number of ways. This definition by Adams et al. (2008) cited by MacDonald (2012) and Corrie & McGuire (2013) is adopted as it succinctly outlines some of the specific behaviours. Financial abuse is a gendered issue - in an overwhelming majority of cases, men perpetrate financial abuse on their female partners (MacDonald, 2012). Corrie, T. & McGuire, M. 2013, *Economic Abuse: Searching for Solutions*, Good Shepherd Youth & Family Service and Kildonan UnitingCare, North Collingwood

https://www.goodshepvic.org.au/Assets/Files/EconomicAbuse_finalreport.pdf

⁷ Ibid https://www.goodshepvic.org.au/current_projects#Section3

⁸ Camilleri, O., Corrie, T., and Moore, S. 2015, *Ibid*.

⁹ A perpetrator may use this tactic to interfere with a woman's participation in paid employment and/or education.

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