



# **A Series on Economic Abuse**

## **Part 2: The Intersection of Economic Insecurity and Economic Abuse**

---

**Family Violence Law Center | Policy Department**

**Nishara Gunasekara, Senior Policy Advocate**

**Tunisia Owens, Policy & Advocacy Manager**



Meet Dena! She's 24 years old with a college degree working in San Francisco and living in Oakland. Dena does not have any kids, debt, or extenuating circumstances to be regularly financially responsible for. Take a look at her monthly budget:

Budget Category	Amount
Net Monthly Income: \$3,178	
Rent	\$1,250*
Utilities (Water, Trash, Internet, PGE, etc.)	\$130
Food & Groceries	\$300
Gas & Transportation	\$210
Car Insurance	\$125
Car Payments	\$150
Parking (Workplace & Apartment)	\$450
Entertainment (Gym, Stream Subscriptions)	\$120
Total Expenditures: \$2,735	
Residual Income: \$443	

Fortunately, Dena is a careful budgeter and saves approximately 14% of her income each month, putting her finances significantly above average! However, despite having:

1. An income above Oakland's average for a single resident
2. A rental payment below Oakland's average
3. Otherwise normal expenditures

**Dena was narrowly escaping financial disaster.**

On her way to work, Dena was rear-ended by another car on the Bay Bridge. Though the accident was not her fault, Dena was facing \$1,500 in car repairs and two weeks without a car.

To avoid losing her parking spaces at work and her apartment, Dena must still pay the full \$450/month as part of her parking budget.

---

\*Rent burdened and less than the average rent in Oakland

On top of that, Dena must now account for transportation, which will cost her roughly \$302\*\* for two weeks of commuting to and from work alone. Despite months of careful budgeting and saving, Dena was suddenly \$1,800\*\*\* in debt.

## Breaking Down Economic Insecurity

Economic security can be defined as having a stable network of resources to meet one's financial obligations and economic needs. A stable resource network can include a job, a consistent salary, public benefits, and financially supportive family members and friends. Economic insecurity can be defined as quite the opposite- the condition of not having a stable network of resources such as a job, consistent income, or supportive family members or friends.

While money, a stable job, and an education can create a strong foundation for one's economic security, these tangible supports are not everything. Take Dena for example, despite having a reasonably ideal financial situation, she was actually just one financial emergency away from disaster. In that sense, economic security can be further understood as the ability to wade through an economic storm- not only meeting one's current and ongoing economic needs, but also maintaining a financial buffer in case of a car accident, sudden job loss, or urgent medical need.

An often overlooked part of economic security, and insecurity, is emotional- determining what confidence people have around their finances and economic decision-making. For example, having confidence in one's financial decisions, trust in one's abilities to find gainful employment, and peace of mind knowing that one's financial responsibilities will be taken care of are all important elements in building a strong sense

of economic security. Without it, people may become dependent on others for financial decision-making, remain in jobs that undervalue them, or develop fear and anxiety around their ability to provide for themselves. In Dena's case, for example, with a strong sense of economic security, her \$1,800 of debt can be tackled with research, stricter budgeting, and perhaps a small loan from a trusted friend. With a weak sense of economic security, \$1,800 can lead Dena to impulsively opt for a predatory payday loan or the misleading advice of a partner.



---

\*\* \$8.80 BART round trip ticket, \$20 from the BART station to work and back; excluding necessary trips to run errands.

\*\*\* This figure does not account for lost wages, potential medical injuries, etc.

A negative mental and emotional sense of economic security can bind individuals to situations that limit their economic mobility and damage their economic standing. This is where intimate partner violence (IPV) can either be an aggravating factor or cause of economic insecurity.

## Economic Insecurity & Economic Abuse

As discussed in Part 1 of this series, economic abuse is a form of IPV. As with most forms of IPV, the goal of economic abuse is to reassert one's own power and control over another person. What is distinct about economic abuse is that compared to other forms of violence where there are often recognizable forms of harm, **economic abuse can operate completely under the radar and in secrecy.** By destroying a person's resource network and economic security via financial control, economic exploitation, or employment/education sabotage, abusers make it more difficult for survivors to escape abusive relationships and create economic stability for themselves even long after the survivor has left.

Economic abuse can be both a cause and aggravating factor of economic insecurity. For example, a common tactic of many abusers is to take out loans in their victims' names without them knowing. Typically, the abusers have no intention of repaying these loans and allow the consequences of non-payment to fall on the victim, most often, damaging credit scores. A damaged credit score can be devastating because it precludes a number of opportunities for survivors to create wealth and become economically stable. Obtaining favorable loans, opening credit cards, and even being approved for housing can become nearly impossible with poor credit scores. This not only limits **economic mobility**, but can also create unhealthy dependencies on people/resources that can act as buffers against a destabilizing financial blow. **Much the same goes for those who are economically secure.** A damaged credit score is difficult to come back from and can take years to rebuild, even if the damage was caused involuntarily.

Abusers will capitalize on the insecurity of their victims or create the conditions for their victims to be insecure so that the only resource standing between security and full-blown homelessness/poverty is the abuser. For example, abusers often isolate victims from their family and friends or sabotage their business relationships in order to fuel a financial dependency on the abuser.

Similarly, draining a survivor's savings, running up their credit card debt, or belittling their economic decisions can each serve to back survivors into a financial corner. Any one of these factors (not having a stable network of resources, a rainy day fund, or positive confidence around economic decision-making) is enough for economic abuse to thrive; however, in concert with each other, these factors result in deeper, more manipulative and damaging forms of economic abuse that make a survivor's vision for escape feel further out of reach.

**This is a major reason why survivors hesitate to leave abusive relationships.** In addition to emotional coercion, the economic realities for survivors to start anew with a depleted savings, debt, and destroyed credit score are grave. As previously explained, gateways to economic security such as our housing markets, financial institutions, and labor force are extremely unforgiving to those with imperfect financial records.

Unfortunately, this is the case for many FVLC clients who, after leaving their abusers or are stuck in abusive relationships, realize the financial damage their abusers have caused. That is why understanding the multiple layers of economic (in)security is key to understanding: 1) how economic abuse hinges on and thrives off of economic insecurities; and 2) why the decision to leave an abusive relationship is complicated.

On average, the clients served by the Family Violence Law Center, earn significantly less than the \$3,178/month that Dena makes. Usually, that number is closer to \$1,600 to \$2,000/month. Unlike Dena, many of our clients have children and if they do not, they typically have other extenuating financial circumstances to account for such as debt, medical injuries, or security costs (oftentimes these extenuating circumstances are a result of the abusive relationship). Keeping in mind that the clients served by the FVLC reside in Alameda County, which has a substantially higher cost of living than other regions of California, the baseline financial burden is significantly more onerous.

## **Economic Insecurity & IPV**

As we learned in Part 1 of this Economic Abuse Series, Black, American Indian/Alaskan, LGBTQIA+, and women survivors are at greater risk of experiencing IPV. These populations are also more likely to face significant wage gaps in the labor force.

## To date:

- Women earn **82 cents** for every dollar earned by a man, when comparing “all women” to “all men” (source).

## However, when stratified by race (source):

- Asian women earn about **75 cents** for every dollar earned by a white, non-Hispanic man.
- White, non-Hispanic women earn about **73 cents** for every dollar earned by a white, non-Hispanic man.
- Black women earn about **58 cents** for every dollar earned by a white, non-Hispanic man.
- Native women earn about **50 cents** for every dollar earned by a white, non-Hispanic man.
- Latinas earn about **49 cents** for every dollar earned by a white, non-Hispanic man.

At the nexus of sexism, patriarchy, white supremacy, and capitalism is economic abuse. As wages continue to be outpaced by cost-of-living, these pay gaps only create more economic insecurity for survivors. When unexpected crises arise such as a pandemic or in Dena’s case, a car accident, the impact of these lost wages can cost survivors their safety. The financial buffer of another person’s income, even if that person is an abuser, can save someone from homelessness or financial disaster. All too often, survivors operate on these margins.

When internal factors such as abusive partners and external factors such as sexism in the workplace are fighting against survivors’ economic mobility and security, the opportunities to achieve financial stability become almost insurmountably difficult. Legal protections, intervention programs, prevention education, resources, and public awareness are all necessary to empower survivors with the knowledge and confidence to be economically secure.

# What's Next

In Part 3 of this series, we will explore what legal remedies and resources are available to protect against and address economic abuse.

## Glossary

- **Economic abuse** is the control and destruction of a person's sources of financial and economic security, oftentimes with the aim of reasserting one's own power and control over another.
- **Economic security** is the condition of having a **stable network of resources** (resource network) to meet one's current/ongoing financial and economic needs like rent, utilities, food, healthcare, childcare, etc. *as well as* one's unanticipated needs such as a health emergency or car repair.
- **Economic mobility** describes the potential for one's economic well-being to change over time oftentimes through means of career opportunities, life events, etc.
- **Economic standing** describes one's current level of economic comfortability.

