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CHILD & WOMAN ABUSE STUDIES UNIT

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Financial (in) security for women and children rebuilding their lives after domestic violence

Briefing paper, September 2014

Financial abuse, benefit reform and the rationing of Legal Aid create financial insecurity which impacts negatively on the ability of women to rebuild their lives free from abuse.

Background

This briefing paper draws on the findings of a three year longitudinal study which followed 100 women and their children as they rebuilt their lives after domestic violence (Kelly, Sharp and Klein, 2014). It provides an overview of the financial challenges faced by women and concludes by making a series of recommendations to the Department for Work and Pensions.

Key messages

- Many women experienced financial abuse within the relationship and for some this continued and even intensified when they separated.
- Whilst some women had moved through a process during the research of establishing financial security, more were still financially insecure, and this had obvious implications for the project of rebuilding their lives.
- Benefit reforms created serious hardship and the ending of crisis loans and community care grants made the rebuilding process even more demanding.
- The rationing of Legal Aid resulted in some women giving up financial rights that previously might have been enforced by the courts.

Financial abuse when in the relationship

The women in the study recognised only too well how financial security impacted on their choices and the ways in which they lived their lives. A quarter (n=24) reported having experienced financial abuse as part of the coercive control that their partner exercised over them. Women talked about being denied access to money and benefits as well as having little input into decisions about how financial resources were prioritised and distributed.

Financial (in) security and budgeting

Although the percentages of women who reported feeling financially secure increased after separation, levels of security did not increase significantly overall. Factors outside of their control, such as benefits being paid late, or having to pay back overpayments to benefits (even when then this had not been their fault) created additional and unnecessary difficulties. Austerity and the increasing cost of living was also a theme throughout discussion about finances, leading many of them to revisit their budgeting as things got tighter.

Budgeting

Before leaving, only 16 per cent of women reported space for budgeting: this increased to two-thirds after leaving reflecting the control they had over the financial resources that they did have. This was challenging for some, as they lacked experience in managing on limited means. Others struggled to survive on the income they received. Those who were saddled with debts as part of the abuse found life especially hard as they also had to factor in monthly re-payments.

Benefits and welfare reform

A number of women were being supported by state benefits. For some this was experienced as demeaning, especially if they had been in waged work previously and a few refused to sign on as a consequence. The prospect of being on benefits long term represented a slippery slope for many, who perceived this as interfering with (re) gaining their independence. In fact women accessing benefits were very clear that they would rather not do so and many had set coming off them as a medium term goal. This was, however, often a complex calculation, since it required balancing hours worked with the financial support available. From the second round of research interviews onwards, women who were supported by state benefits began to voice concerns about welfare reforms and how these would impact them and their families. Changes to housing benefit meant that women who relied on it reported being fearful that they would be forced to move again once the benefit cap was imposed, since they would not be able to afford paying any top-up required. For women on housing benefit with empty rooms i.e. where children had grown up and left home, the bedroom tax was another financial burden.

Starting again

A number of women moving out of refuge accommodation said they were unprepared for the costs associated with living independently. The cutting of community grants and crisis loans made this even more challenging. Indeed some women had periods of destitution during the study, where they were reliant the good will of family and friends, work colleagues, community organisations and faith communities. This included women with insecure immigration status who had no recourse to public funds. Ten per cent of women in the original sample were in this situation.

Child maintenance

Twenty-five per cent of women with children indicated they did not receive child maintenance from their ex-partners. Some were positive about this precisely because they viewed it as a potential route of control for their ex-partner. Women who were receiving child maintenance talked about how this would suddenly be dropped either permanently, or paid inconsistently, whenever their ex-partner felt like he was losing control. This irregularity made it virtually impossible for women to plan and budget.

Divorce settlements

For women who were married the possibility of accessing an income through financial settlements following divorce was an important theme. For a minority, this had worked out well. The majority, however, did not fare so positively. Many ex-husbands went to great lengths to deny women a divorce, including through refusing to provide the information required for a financial statement and/or pay the money awarded. Legal Aid cuts curtailed women's ability to challenge such unfairness in court. Some had to act for themselves, and several suggested that the abuser was taking them back to court over and over again to deplete both their financial resources and will power.

Recommendations

- The proposed Universal Credit regulations will exacerbate financial abuse in cases where one partner will receive payment for the whole family. Universal credit payments should be made to the woman where there are children involved.
- A specific fund for families having to relocate due to domestic violence to establish a new home should be created by central government.
- Women should not have their housing benefit reduced for an empty bedroom for at least two years following the perpetrator leaving the family home and then the situation reviewed.

Kelly, L., Sharp, N. and Klein, R. (2014) Finding the Costs of Freedom: How women rebuild their lives after domestic violence can be found at: http://www.cwasu.org and http://www.solacewomensaid.org