

Fact Sheet about Economic Abuse

Economic abuse is a form of domestic and family violence involving behaviours that negatively affect a person's finances and undermine their efforts to become economically independent (Weaver et al. 2009).

Economic abuse often occurs together with other forms of violence. It may overlap as part of a pattern of controlling behaviour. Economic abuse is also referred to as economic control, economic deprivation, economic violence, financial abuse or financial control. Economic abuse has only recently been recognised in Australian domestic and family violence laws. It has been described as including:

- unreasonable controlling behaviour that denies a person's financial autonomy
- withholding financial support reasonably necessary for the maintenance of a partner
- coercing a partner to relinquish their control over assets
- unreasonably preventing a person from taking part in decisions over household expenditure or the disposition of joint property
- coercing a person to claim social security payments
- preventing a person from seeking or keeping employment. (ALRC/NSWLRC 2010, pp. 196-197).

Economic abuse can occur in intimate partner relationships. It can also occur in a broader range of family and other relationships. This includes relationships where a person may be vulnerable due to their dependence on others for day-to-day support. For example, an elderly person or someone with an illness or disability may experience economic abuse perpetrated by a carer (Dillon 2008; Healey et al. 2008; Lowndes et al. 2009).

Definitions

The term 'family violence' typically refers to violence perpetrated by a range of family or community members, including carers. 'Domestic violence' refers to violence perpetrated by a male partner towards a woman (DVVic 2011; Murray & Powell 2011).

EXAMPLES OF ECONOMIC ABUSE

Research in Australia and elsewhere has identified different types of behaviours as economic abuse. These include:

- **Preventing acquisition of economic resources through interfering with education, training and employment** – sabotaging transport (e.g. hiding keys or taking car, refusing to give a ride to work); failing to provide promised childcare; hiding work clothes; destroying documents (e.g. books for study, essays); stealing/withholding medication; physically restraining; harassing co-workers.
- **Preventing acquisition of economic resources through interference with financial matters** – taking pay; interfering with receipt of other income (e.g. child support, income support); refusing to include a woman's name on property titles; not allowing car ownership; preventing a woman from having access to her own bank account/joint bank account; preventing access to financial information; and preventing involvement in important financial decisions.
- **Preventing use of resources/controlling access to economic resources** – controlling a woman's ability to make use of her own or shared resources; controlling how money is spent and limiting access (e.g. denying access to money for necessities such as food); limiting access to and monitoring use of car; controlling a woman's credit card or bank account access; monitoring all spending and making a woman account for all money spent.
- **Refusing to contribute** – refusing to contribute to household expenses (including making woman solely responsible for household debts such as utility bills); refusing to earn an income or claim income support or other benefits.

- **Exploiting resources and generating economic costs** – depleting a woman’s resources (including stealing money and causing debts to be generated in her name, possibly leading to bankruptcy); stealing, destroying or damaging household goods, belongings, house, or car; pawning a woman’s property or shared property; obtaining credit in a woman’s name or in both names; forcing a woman to commit social security or tax fraud.

IMPACTS OF ECONOMIC ABUSE

Any relationship breakdown can lead to difficult financial circumstances. This is especially the case for women who generally face greater barriers to economic security than men. Women are often disadvantaged by reduced labour market participation as a consequence of their child-bearing, caring and domestic responsibilities and also because of gender inequalities in employment opportunities and pay.

“He started not paying anything—none of the bills, or the mortgage. I was panicking... He was controlling the money we had saved up—in a savings account in his name. There was no way I could get to it. And I had debts—in my name, not in his name. I don’t know what happened with his account—he said there was fraud.”

Nora, quoted in Women’s Aid Federation and Maps 2012

Some of the direct and most apparent impacts of economic abuse are the financial consequences for women who are still in violent relationships, trying to leave violent relationships, and those attempting to gain financial stability following exit from a violent relationship.

A woman who is still in a relationship in which there is economic abuse can lack the resources needed for daily survival (Adams et al. 2008). Economic dependence on a partner can be a critical obstacle for women trying to leave a relationship. It may not be possible for women to access the funds needed to leave. The violence may have caused social isolation, thus reducing women’s options for leaving (ALRC/NSWLRC 2010). A common reason for women staying in abusive relationships is concern about financial insecurity—including concerns about their children’s standard of living. At the same time, however, financial abuse has also been identified as a final driver for women to leave violent relationships (Braaf & Barrett Meyering 2011).

Spotlight on Economic Abuse: A Literature and Policy Review (Macdonald, 2012) reviewed recent Australian research by Braaf & Barrett-Meyering (2011) and other Australian and international research. The review identified that economic abuse can have a negative impact on employment; debts, bills and banking; accommodation and household goods; social security and other material supports; child support; legal matters. Economic abuse also has significant consequences for women’s ability to gain and maintain secure housing, and their capacity to work.

Spotlight on Economic Abuse: A Literature and Policy Review (Macdonald 2012) provides a full list of sources for this paper.

This fact sheet is part of the *Spotlight on Economic Abuse Project*, a joint initiative of Good Shepherd Youth & Family Service and Kildonan UnitingCare. Both organisations provide services to some of the most vulnerable people in our community. These services include family violence intervention programs, financial counselling and financial inclusion initiatives such as financial literacy education and microfinance. The *Spotlight on Economic Abuse Project* emerged from the shared concerns of Good Shepherd Youth & Family Service and Kildonan UnitingCare about the impacts of economic abuse on people accessing their services, with women and children most often affected.

Spotlight on Economic Abuse publications

Catalyst papers

- Paper 1: *An overview of economic abuse*
- Paper 2: *Credit, debt and economic abuse*
- Paper 3: *Income security and economic abuse*
- Paper 4: *Financial capability and economic abuse*
- Paper 5: *Child support and economic abuse*
- Paper 6: *Community sector collaboration and economic abuse*

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Literature and policy review

Macdonald, Fiona *Spotlight on Economic Abuse: a Literature and Policy Review* (Good Shepherd Youth & Family Service and Kildonan UnitingCare, 2012)

Contacts

Good Shepherd Youth & Family Service
www.goodshepvic.org.au
Kathy Landvogt, Social Policy
& Research Unit Manager
klandvogt@goodshepvic.org.au

Kildonan UnitingCare
www.kildonan.unitingcare.org.au
Sue Fraser, Senior Advocacy Manager
sfraser@kildonan.org.au

