Financial Independence

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Financial abuse is one of the more common while also being the least understood aspects of domestic violence. Studies show that financial abuse is present in 99% of domestic violence cases[i] and is one of the biggest barriers to leaving an abusive relationship.

Some ***common types of financial abuse*** include[ii]:

- Preventing the survivor to work, attend school, job training, or advancement opportunities at an existing job.
- Preventing the survivor access to bank accounts and money.
- Controlling how all household money is being spent.
- Running up large amounts of debt on joint accounts.
- Stealing the survivor's property, inheritance, or identity.
- Refusing to pay bills to ruin the survivor's credit score.

It is important to note that these are just a few examples of the different types of behaviors and tactics that are used in financially abusive relationships.

How Can Financial Abuse affect Me?

1. Financial abuse can lead to lost wages and being underemployed for the survivors. "Underemployed" is defined as "having less than full-time, regular, or adequate employment"[iii] This can affect survivors going forward by preventing them from obtaining skills or other training opportunities, raises and/or promotions at their current job, or the ability to move into advanced positions in other companies or organizations.
2. Financial abuse can lead to unknown collection accounts on a survivor's credit report, which may not be discovered until they are leaving or have left the abusive relationship and are applying for new housing, utilities, etc. [iv]
3. Multiple delinquent accounts and a poor payment history can prevent a survivor from opening accounts, obtaining new credit, having extremely high interest rates when obtaining new credit, or even obtaining housing and/or employment. [v]

What Can I Do About It?

1. Know what a FICO score is.
   a. The FICO name comes from the organization that introduced its use in 1989 - Fair, Isaac and Company. A large portion of banks and other credit lenders have adopted the FICO model to determine the lending risk of each consumer. The FICO score is based on consumer credit files of the three national credit agencies: Experian, Equifax, and TransUnion. It's important to note that since credit reports vary on what credit information they contain, FICO scores can vary depending on which bureau is reporting which information.[vi]

2. Check your credit report often.
   a. https://www.annualcreditreport.com/index.action is the federally approved agency that will provide free credit reports every 12 months from all three credit-reporting agencies.

b. Credit Sesame, Credit Karma, and the other sites will give an average score from one or two reporting agencies, but it is not always accurate information. Plus, they are able to offer this free service by having credit card companies advertise on their sites for high-interest credit cards – be aware!

3. Dispute fraudulent charges and collections/delinquent accounts older than 7 years.
   a. Delinquent accounts and accounts that were sent to collections that are older than 7 years from the time they initially became delinquent can and should be removed from your credit report.[vii] These actions can take some time, but may increase a person's credit scores significantly.

Whether you yourself have experienced financial abuse or you suspect a loved one is, there are ways to get help with financial safety planning and to work on lessening the long-term effects to a person's credit history. Contact the Domestic Violence Hotlines here in Delaware for safety planning resources, or to learn more about financial education programs in your area.

[New Castle County: (302) 762-6110, Kent & Sussex Counties: (302) 422-8058, Abriendo Puertas: (302) 745-9874]
**This is always contingent on whether the person experiencing financial abuse feels it is safe to take these steps – a survivor is the expert in their own well-being and safety.

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[i] Adams, A. (2011). Measuring the Effects of Domestic Violence on Women's Financial Well-Being. *Center for Financial Security*, 1-6. Retrieved from: https://centerforfinancialsecurity.files.wordpress.com/2015/04/adams2011.pdf

[ii] National Network To End Domestic Violence. (2016). *About Financial Abuse*. Retrieved from nnedv.org: https://nnedv.org/content/about-financial-abuse/

[iii] Merriam-Webster. (2019, July 1). Underemployed. Retrieved from merriam-webster.com: https://www.merriam-webster.com/dictionary/underemployment

[iv] Littwin, A. (2013, January). Escaping battered credit: A proposal for repairing credit reports damaged by domestic violence. University of Pennsylvania Law Review, 161(2), 363-429.

[v] Littwin, A. (2012, August). Coerced debt: The role of consumer credit in domestic violence. California Law Review, 100(4), 951-1026.

[vi] Fair Isaac Corporation. (n.a.). What's in my FICO scores. Retrieved from myfico.com: https://www.myfico.com/credit-education/whats-in-your-credit-score

[vii] Experian Information Solutions, Inc. (2019). Collections on your credit report. Retrieved from experian.com: https://www.experian.com/blogs/ask-experian/credit-education/report-basics/how-and-when-collections-are-removed-from-a-credit-report/