'Who Pays in the End?' The Personal and Political Implications of Financial Abuse of Women in Intimate Partner Relationships

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Introduction

Women in intimate partner relationships may experience financial abuse in a variety of forms. It may involve being denied access to bank accounts, information and decision making rights regarding family finances or having severely curtailed choice regarding purchases. It may involve being financially dependent or not having enough money to buy food, nappies, baby formula and sanitary products or to pay essential bills. Women can be forced to account for every penny with receipts or to pay off debts accrued by their partners. Following relationship breakdowns, financial abuse is commonly experienced through the withholding or manipulation of child support entitlements. State bureaucracies that mediate relationships between families and money, such as the Child Support Agency and Centrelink, are sometimes perceived as perpetuating financial abuse.

In common with other gendered forms of abuse, financial abuse happens when men seek to exert power and control over women. It is most prevalent as a repeated pattern of abuse, rather than being experienced as isolated incidents. It often occurs at the same time as other forms of abuse, including physical violence. Financial abuse serves to entrench and perpetuate the economic domination of men within the family.

In this article I examine the pre-conditions under which financial abuse of women occurs and persists. I employ a number of first hand narratives to illustrate both the severity and the invisibility of such abuse. I explore the costs of this abuse to women and children and offer recommendations for policy solutions to redress the problem.

Background

This article is an outcome of the research into financial abuse undertaken by the Coburg-Brunswick Community Legal and Financial Counselling Centre. The project was instigated in response to anecdotal evidence that financial abuse was a problem for a large number of women who accessed services provided by the centre. Workers from the service made a sustained effort to gain funding for the project after realising very little literature and resources were available to use to support these women.

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Theoretical framework

The theoretical framework for the study is based on feminist analysis of gender based violence and abuse. This encompasses an exhaustive field of Australian and international literature, which dates back three decades to the early 1970s. While there is little scope to précis this wide-ranging body of work here, the field offers some common ideological beliefs and positions within which we may situate financial abuse (See for example Bagshaw, and Chung, 2000; Cook and Bessant 1997; Fawcett, Featherstone, Hearn and Toft 1996; Fehlberg 1997; Scutt 1995; Western Region Network Against Family Violence 2003; Women's Coalition Against Family Violence 1994).

Key tenets informing this critical framework are:

- Understanding that while sex is biologically determined, social norms, beliefs and institutions construct the gendered categories of feminine and masculine
- Critical analysis of patriarchal belief systems that posit men as superior to women
- Examination of the structures of power and dominance that operate in all forms of male abuse perpetrated against women
- Interrogation of the belief that that women and children are the property of men
  (Western Region Network Against Family Violence 2003:15)

In recent years, feminist understandings of domestic abuse have increasingly been conceptualised more broadly than physical violence to include psychological, emotional and financial abuse. However, while financial abuse is gaining significant recognition as a form of abuse commonly experienced by women, there is little documented evidence of how it operates and the impact it has on the lives of those who experience it. Notable exceptions include work by Green and Pearce (2002) that explores the jailing of women for committing social security fraud after suffering financial abuse and Brookes (2006) who argues the need for victims of financial abuse to be given as much recognition and support as those who have suffered from physical abuse.

Research methodology

The material that the substance of this article derives from is a qualitative research project. Interviews and focus groups were conducted between March and May 2004, offering sixty-four women the opportunity to tell stories of their abuse and have them documented.

An inclusive research process was achieved by involving women who had experienced financial abuse in a project reference group, alongside representatives from community, welfare and domestic violence organisations that worked to support them. This included Coburg-Brunswick Community Legal and Financial Counseling Centre, Berry St Victoria, Kildonan Family and Child Services, Australian – Lebanese Welfare, WIRE (Women's Information), the Council of Single Mothers and their Children (CSMC), Preston Creative Living Centre and Women's Information, Support and Housing in the North (WISHIN). The reference group was actively engaged in developing interview and focus group questions, making contacts with women who had experienced financial abuse, providing opportunities and venues to conduct interviews and determining the final recommendations of the report.

Quantitative Overview of Participants

There were a comparative number of participants who were in intact relationships (30) and those who had separated or divorced (34).

Sixty-one of the participants (95 %) had children. One of the three women who did not have children was pregnant with her first child. Eight women had a single child, 23 women had two children, while 12 had three and 4 had four. The number of women with five or six children was particularly high at 10 (16%).

Five percent of the participants were aged 18-25. The majority (52%) were in the 26-39 age range, 22 % were between 40 and 54 and 21% were over 55. Educational levels were high; 33% of women had VCE or equivalent and 40% held tertiary qualifications. Many of the women had entered relationships with independent incomes. In spite of this, 76% were in unpaid home labour or reliant on government income support payments at the time of the study.

In order to reflect a range of experiences across differing ethnic backgrounds, focus groups were conducted with interpreters in Arabic (16 participants), Macedonian (12 participants) and Somali (6 participants). Four English-speaking women from Vietnamese backgrounds also participated in one of the focus groups. This inclusion was designed to include the experiences of a diversity of women and to avoid homogenising and generalising the dominant ethnic cultural group's experiences as applicable to all women.

How financial abuse was experienced

All names in the stories to follow are pseudonyms. The story related by Janine illustrates many of the dilemmas common to this form of abuse.

Janine's story

Janine was thirty-two and married to the man she had been with since she was sixteen. Janine and her husband shared strong Catholic beliefs, which included a spiritual opposition to divorce, and were deeply involved in their local Catholic community. Janine's husband was a white-collar professional, who earned in excess of $90,000 a year. She was engaged in home duties and they had a twelve-year old daughter; Emily.

Janine's husband did not support his wife and daughter beyond providing a roof over their heads. He believed that the upkeep of the home was the 'woman's responsibility', regardless of the fact that Janine did not have the independent financial resources to do this.

If there was no food in the house, he would go and have dinner at his mother's house, often bringing back a plate of leftovers for Emily, but none for Janine.

Janine's husband maintained total domination over all financial matters. He purchased a house in his name without her knowledge, and then required her to take full responsibility for all the related costs. He forced her to pawn her jewellery if there was no other money available to pay the rates on the house.

Janine's husband had a significant electronic gambling problem that he forced her to subsidise, both in the expectation that she would keep the household going, as well as through direct payment of his debts:

He spends his money on telephone betting and the TAB. I'll show you the latest 3 month phone bill ($1,700). But that was a low one; they are usually between $2000-$3000 a month. When the TAB closes, the races have to be available on Foxtel. He always leaves me only with the front page of the bill to pay and takes the pages that let you track where all the calls go. They all go to the phone betting number. You can ban this number with the telephone company but the consequences would be too many for me, so I just pay it.

All the household bills were in Janine's name. The debt that resulted from this had led to five evictions from previous rental homes and two bankruptcies in her name. The only things that were officially in her husband's name were the significant assets of the house and the car.

Janine had come to the realisation that she wanted to leave her husband but was bewildered as to how she could accumulate the necessary emotional and financial resources to do so. She reflected on the extent to which the abuse she was experiencing was deeply hidden from the world. She noted ironically that:

> *If you saw us together you would think it was all fine. It's funny, because he claims me as a dependent on his tax return.*

Janine had resorted to a variety of means to keep her daughter fed and clothed, including seeking charity from the Salvation Army and the local Community Information Centre, asking for support from her mother and, at the worst moments, theft. At the time of interview, she was supporting herself and Emily by obtaining Centrelink family payments under the category 'separated under one roof', without her husband's knowledge. Janine was, in fact, committing Centrelink fraud, and risked imprisonment.

Janine's story contains several themes that flow through many of the interviewees' narratives, including: women's deprivation being deeply hidden within society's expectations of loving, equitable families; male control and lack of financial responsibility; women sacrificing their own needs to provide for their children; a recurrent cycle of financial abuse and the presence of other forms of abuse.

More womens' experiences of debt and deprivation

As detailed earlier, most of the interviewees had no paid work or managed on part-time wages and were frequently surviving on incomes under the poverty line. They commonly reported having little or no financial assistance from their partners and told of paying most of the household expenses with their own income or income support payments.

Women reported a range of different household financial arrangements, which included them being financially responsible for (one or a combination of): rent or mortgage payments; bills for electricity; gas and water; household repairs; cars; insurance; food; clothing and children's school needs (such as uniforms, books, transport and excursion money).

Debbie reported that her former husband made between $900 -$1,000 a week driving trucks while she earned a full time wage of just $400. They had three teenage sons. Debbie was financially responsible for providing everything in the household except food:

> *I worked full time and I paid for everything – rent, car, all the bills, you name it. He paid for the food, but that was all. He paid for the food because he needed it and he knew he wouldn't get it otherwise ... It was hard, I only earned $400 a week and the rent was $150 a week and all the clothes and the medicine. I am asthmatic and that's expensive. I looked after petrol, car repayments, and car registration. Of course he wanted Foxtel on and I had to pay for that. He was just a little boy and threw tantrums when he didn't get what he wanted.*

Debbie's story of being expected to pay the bulk of the household expenses and of her husband's anger had resonances with Cara's experiences. Cara, however, had no independent income at the time the abuse was initiated.

Cara was a tertiary educated professional, who had previously been employed in the finance sector. Her husband was earning in excess of $80,000 a year in a sales position. They had a lovely house, a nice car and a boat.

Cara had chosen to stay at home as the primary caregiver when their two children were born, yet later returned to work to pay for necessities for the children. She questioned the logic of her husband's expectation that she would provide for their two small children on no independent income:

> *Because I was not earning an income, the idea was that I would just look after the children without drawing on his income. How? Buggered if I know. It was always an irrational response for him. Every time I raised the issue of I needed a cot for the baby or something, he would get really angry.*

Interviewees repeatedly told of acquiescing to financial arrangements that were detrimental to them because their partners would '*throw tantrums*', '*get really angry*' or physically assault them. Fiona reported her husband changing all the household bills over into her name while she was in hospital recovering from the severe beating he had inflicted on her:

> *My husband used to put the bills in my name. When I was in hospital, he came in and got me to sign over the electricity and everything in my name. You're not questioning at the time, you are just doing what you're told.*

The stories presented here have shown financial abuse being enacted through partner's threats and coercion, 'throwing tantrums', 'talking you into things', 'penny-pinching', secrecy, and 'leaving out' critical elements of financial arrangements. It sometimes occurred alongside physical violence, yet often also did not. The fact that the abuse was commonly enforced by men's anger, or the fear of such, clearly locates it within the fear based category of domestic abuse.

As a result of financial abuse, women commonly experienced poverty and deprivation within family relationships that were often, in fact, the root cause of this poverty. The children in these families were also deprived of necessities but would have suffered far more, if their mothers had not overwhelmingly put their children's needs ahead of their own.

Green and Pearce have interrogated expectations of 'financial community' within the family as stereotypical and unrepresentative, most critically so in the assumption that financial resources will be pooled for the collective use of the household. They argue that such expectations fail to recognise the power imbalances and fractures that occur in a relationship when abuse is present (Green and Pearce 2002:2). The interactions presented in this section provide compelling evidence of power imbalances and controlling behaviour. The next section explores the impact this has on women.

Financial abuse affects women's health and well-being

Many of the interviewees told of being denied enough money to buy food, medicines, vitamin supplements and sanitary products. This either had the potential to cause, or was directly responsible for, detrimental health outcomes for women, allowing us to locate financial abuse with an injury-based definition of domestic abuse (Sheehan and Smyth 2000:109; DHS & Vic Health 2004).

The 2004 report by the Victorian State Government's Department of Human Services and the Victorian Health Promotion Foundation measured the burden of disease caused by intimate partner violence (DHS and Vic Health 2004). The report locates intimate partner violence as the *highest* risk factor contributing to the disease burden in Victorian women aged between 15-44. Diseases attributed to intimate partner violence included depression (33%), anxiety (26%), suicide (13%), and tobacco (10%) and alcohol (6%) related diseases, compared with only 0.6% physical injuries (op cit; 11). Thus it is evident that fear based, psychological forms of abuse such as financial abuse are not only costly to the women who experience them, but also to the state , which must fund health and support services to deal with the negative outcomes of such abuse.

Financial abuse continues after relationships end

The personal and political costs of financial abuse endure long beyond the life of relationships. As detailed earlier, over half the women who participated in this study were separated or divorced. All these women had children who resided with them and all were legally entitled to child support payments for these children.

The Child Support Scheme was established in June 1988 as a public policy response to the identified problem of economic iniquities following divorce. As a central part of this process, the Child Support Agency was established as the bureaucracy that applies a formula to estimate the amount of child support that a non-resident parent or 'payer' is liable to pay to a resident parent or 'payee'. The formula is based on the number of children of the former relationship requiring support as well as the non-resident parent's capacity to pay, calculated on their income and assets. The central objective of the Child Support Scheme in Australia is to ensure that children receive a 'proper' level of financial support from their parents, who have a primary duty to maintain their children (Weston and Smyth 2000:11). [1]

Only two of the women interviewed in this study were in receipt of the full entitlement of child support as determined by the Child Support Agency. The remaining twenty-eight reported their ex-partners were either avoiding or minimising their child support responsibilities by strategies such as: minimising their incomes; converting their assets into non-assessable items such as property; voluntarily becoming unemployed and purchasing assets like property in other people's names.

Lydia recounted her ex-partner's manipulation of the Child Support Agency's assessment of his liability for his two daughters:

After the property settlement my ex became adept at minimising his taxable income by investing in a winery, making documentaries to fund his holidays, and eventually bought investment properties while taking salary sacrifices. Our youngest child had special needs and ended up on a disability allowance so there was a lot of added expenses relating to her. He moved ... so I had no idea of what income or assets he had. I had to go through CSA review hearings every 12-15 months.

The father of Phuong's two children was working full time yet they still received no child support:

I am getting no child support but he is still working full time. I have called the Child Support Agency and they have asked me to fill out another form. I have two children; they are seven and five. I want to give them piano and swimming lessons, even just school excursions. It is hard because I broke up the relationship. It went for nine years, on and off. He was working interstate a lot ... moving was so hard with the two children ... He has his house and it belongs to him, I don't want to fight him for it because he thinks I am always on the money side. We live on the pension and Family Assistance from Centrelink.

Research by the Australian Institute of Family Studies has proven that women in Australia tend to be financially disadvantaged in relation to men upon the breakdown of their relationships (Weston and Smyth 2000: 10-15, cited in Sheehan and Smyth 2000:113; Sheehan and Hughes 2001). Financial entitlement post-separation is immeasurably more complex when the support of children is at stake. Henman has assessed the costs related to parenting across two families as having the potential to be 39-56% higher after separation (Family and Community Services Committee cited in Keebaugh 2004: 3).

Nevertheless, child support is of minimal assistance to many separated families. According to the Child Support Agency, mothers constitute 91% of parents who are entitled to child support and 41% of single parents receive no child support whatsoever (Keebaugh 2004: 1). In accord with these broader statistics, few of the participants in this study were receiving reasonable entitlements of child support for their children.

These facts need to be made widely known to counter prevailing societal beliefs that most separated mothers receive lucrative child support entitlements, to the financial detriment of their ex-partners.

Societal and governmental acknowledgment of the responsibility of both parents to meet the costs of their children and household both during relationships and after separation is critical to addressing this issue.

The state bureaucracies that mediate families and money

Women often spoke of the state bureaucracies that mediate relationships between families and money, most notably Centrelink and the Child Support Agency, as having contributed to financial abuse.

Jasmine was critical of what she saw as Centrelink's failure to assist women to keep stable homes for their children following separation:

It is the systems that abuse you too. If your relationship breaks down and you own a home you can't get any rent assistance because you have a mortgage instead. All the government institutions assist in the abuse of women. Housing is the most important issue, keeping a roof over your children's head. The government is happy to give rent assistance to some landlord's pocket who is negative gearing, but the children lose their stability of place, their neighbourhood groupings.

Fiona, meanwhile, saw the Centrelink provision for income support

payments to be paid directly to the child once they turn sixteen as encouraging inter-generational financial abuse of women by their children:

The government signing the money over to the children once they are 16 sets the mother and child against each other. It drives a wedge between women and their children ... My son financially abuses me in this way. It teaches males early on the way to financially abuse women.

One woman described having to deal with the Child Support Agency as simply another form of abuse:

> *It's just exchanging one abuser for a whole system ... At least with your husband you know who the enemy is.*

Phuong spoke of the lack of assistance she received in pursuing a disputed claim with the Child Support Agency:

> *They asked me to chase him. Centrelink and the Child Support Agency. Last time he stopped paying for six months and the costs of chasing him were more than $5000, what's the point for $5 a week? The first three years he didn't pay at all, so there is so much due.*

Thus it can be seen that there is a danger that bureaucratic systems may, albeit often unwittingly, be seen as perpetuating financial abuse. This may well be because they lack the systemic frameworks to recognise when such abuse is present.

Conclusions

Societal beliefs in Australia commonly fail to recognise and value the expense and labour involved in child rearing and maintaining a household. It is in the interests of the community on the whole, and of women and children in particular, that society recognises and values these contributions. Women who have been financially abused commonly have little experience of affirmation of the value of the work they do in supporting their families.

There are, furthermore, vastly gendered conceptualisations of financial responsibility within the family. Most of the men in the narratives presented here perceived themselves as financially responsible for themselves alone, while they expected their partners to take responsibility for the household, the care of the children and the majority of the attendant costs. A failure to recognise these behaviours as abusive will both embed them as acceptable models of behaviour within couples and reinforce their usage as a means via which men can deny their financial responsibility for the costs of the children's upbringing.

It is in the interests of the government to work to address financial abuse, as it ends up paying for the results of it through income support payments, the health system, domestic violence services, mediation, financial counselling and legal assistance.

The fact that women frequently perceived financial arrangements determined by Centrelink or the Child Support Agency to be perpetuating the economic control of men, points to the critical need for financial abuse to be recognised. It is only then that genuinely effective policies and practical systems of support may be developed for women who experience it.

Recommendations

The recommendations to follow offer some initial suggestions as to how the issue of financial abuse may be addressed by government policy.

- Any research about family income and expenditure needs to include questions that can ascertain whether financial abuse is present otherwise it will remain invisible
- A history of financial abuse should be recognised as evidence in the determination of property settlements and child support arrangements
- Women who have been identified as suffering financial abuse should not be made to undergo mediation, bureaucratic and legal negotiation processes that perpetuate their ongoing involvements with men whom they fear and are intimidated by. An advocate should be appointed to act on their behalf
- Government policy has already recognised the negative impact gambling may have on families. The financial commitment to supporting this issue must be continued and expanded
- The Child Support Agency is already making significant advances with its intensive debt collection program. This commitment should be maintained and expanded, with funding dedicated to critically examining potential instances of income minimisation and the enforcement of rigorous strategies to redress this. Care should be taken, however, to ensure that intensive debt collection does not increase the risk of violence and abuse for women.
- Government policy that links income support for families following separation, thus forcing women to rely on the generosity, or lack thereof, of their former partners for the support of their children must continue to be critically examined

Acknowledgements

Ongoing thanks to Karen Milgrom and Liz Fiveash for their guidance and support during work on the research project on which this article is based. Thanks also to Lynda White for reading and commenting on an early draft of this paper.

Endnote

1 The Australian Government is currently reforming the Child Support Scheme on the basis of the report of the Ministerial Taskforce on Child Support in an attempt to focus more on the needs and costs of children. These changes are being staged in from 2006 – 2008. All discussion in this article refers to the Scheme prior to these changes as they had not been introduced at the time of the research.

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