

**Testimony Submitted to the Little Hoover Commission  
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**Dismantling the Critical Nexus Between Financial Insecurity  
and Intimate Partner Violence (IPV) in California**

*About Sonya Passi and FreeFrom*

Honorable members of the Little Hoover Commission: I am the Founder & CEO of FreeFrom, a national nonprofit based in Los Angeles that leverages technology and innovation to create pathways to financial security and long-term safety for survivors of IPV.

As a child, I grew up in and around abuse of different kinds. I watched my aunt start a business out of necessity to make ends meet and put food on the table because of IPV and watched many other adults around me stay in abusive situations out of financial necessity. From a very young age, I understood that if you aren't safe in your own home, you can never really feel safe anywhere in the world. Immersed in human rights principles as a young teenager, I was clear that safety in the home is a basic human right.

At 16 years old, I began hosting IPV awareness weeks at my high school. In college at Cambridge University, I started a group that educated campus students about IPV and, as a second-year student at UC Berkeley School of Law, I co-founded the Family Violence Appellate Project (FVAP). FVAP has transformed the legal landscape for survivors in California by providing pro bono appellate legal services and creating binding case law to support survivors across the state. I moved on from FVAP, which remains a thriving nonprofit, to found FreeFrom and attack the root problem of financial insecurity for IPV survivors on a national scale.

FreeFrom works to dismantle the nexus between IPV and financial insecurity so that survivors have the opportunity to thrive and live free from abuse. We work to transform the movement against IPV from a mindset of crisis response to a focus on stability-building by bringing together the IPV and asset building movements.

*About Amy Durrence*

Honorable members of the Little Hoover Commission: I am FreeFrom's Director of Law & Policy. I first became aware of the nexus between IPV and financial insecurity as a student attorney in Georgetown University Law Center's Domestic Violence Clinic where I helped survivors of IPV obtain temporary and permanent restraining orders against their harm-doers.

When I first met one of my clients, Maxine, she was ready to take her 3 young children and leave her abusive boyfriend. After walking Maxine through our intake process, I was able to help her obtain a temporary restraining order in court. However, I quickly realized that getting Maxine and her children out of immediate danger wasn't enough.

You see, Maxine's boyfriend prevented her from working and had complete control over the family's resources during the relationship. This left Maxine with hardly any money and no way to make an income. While we were successful in getting Maxine and her kids a temporary restraining order, they had no place to go, no money to pay for necessities, and no job prospects. I had to find Maxine and her kids emergency housing, buy them groceries and diapers, help Maxine look for job opportunities, and find childcare so that she could go to job interviews.

When my representation of Maxine ended, she and her kids were still in emergency housing struggling to afford necessities without any income. I walked away feeling helpless, sure that Maxine would go back to her boyfriend, because she and her children simply couldn't afford to stay away.

I joined FreeFrom because it was the first organization I encountered that understood that crisis responses were insufficient to keep survivors safe and instead prioritized survivor wealth as the clearest pathway to long-term and sustainable safety.

### ***I. The Critical Nexus Between IPV and Financial Insecurity***

The #1 reason that survivors of IPV stay in or return to abuse is because they cannot afford to leave or stay safe.<sup>1</sup> Simply put, for many survivors, long-term safety is not an affordable option. Why is this the case? The stark reality is that experiencing violence is incredibly expensive. In a 2018 study, the CDC estimates that the average lifetime cost of IPV per female survivor in the U.S. is just under \$104,000.<sup>2</sup> These costs include medical bills, therapy expenses, damaged property, and relocation costs.

However, this figure tells only part of the story. In 99% of IPV cases survivors experience economic abuse, which occurs when a harm-doer exerts control over a survivor's finances, rendering the survivor economically dependent on the harm-doer.<sup>3</sup> Economic abuse tactics include preventing a survivor from getting or keeping a job, incurring debts in a survivor's name via coercion or fraud, monitoring and controlling a survivor's bank accounts, and intentionally depleting a survivor's assets via abuse of litigation and court proceedings.

The high cost of IPV makes up only part of the critical nexus between IPV and financial insecurity, however. To truly understand this insidious connection, one must also consider *who pays for the costs of IPV*. Under the current legal and societal framework, the answer to the question "who pays?" is survivors. Harm-doers are rarely held financially responsible for the effects of abuse,

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<sup>1</sup> In a 2018 study, 73% of survivors surveyed reported economic insecurity as a reason for staying with their harm-doer. Of these 73%, 50% stayed with their partner for two years or longer. Hess, C. & Del Rosario, A. (2018) Dreams deferred: a survey on the impact of intimate partner violence on survivors' education, careers, and economic security. Available from: [https://iwpr.org/wp-content/uploads/2018/10/C475\\_IWPR-Report-Dreams-Deferred.pdf](https://iwpr.org/wp-content/uploads/2018/10/C475_IWPR-Report-Dreams-Deferred.pdf).

<sup>2</sup> Peterson, Cora, Kearns, Megan C., McIntosh, Wendy LiKamWa, McCollister, Kathryn E., Gordon, Amy, Florence, Curtis (2018). Lifetime Economic Burden of Intimate Partner Violence Among U.S. Adults. *American Journal of Preventive Medicine*. DOI: <https://doi.org/10.1016/j.amepre.2018.04.049>

<sup>3</sup> Adams, Adrienne E. (2011). Measuring the Effects of Domestic Violence on Women's Financial Well-Being. *Center for Financial Security University of Wisconsin-Madison*. Available from: <https://centerforfinancialsecurity.files.wordpress.com/2015/04/adams2011.pdf>.

and insurance and state-funded assistance programs are unsustainable, convoluted and often do not fully cover survivors' costs. Moreover, survivors alone are left to deal with some of the most financially devastating aspects of IPV and economic abuse.

For example, one survivor we worked with discovered after she fled an abusive situation that her harm-doer had taken out numerous credit cards in her name without her knowledge and had incurred in excess of \$17,000 of debt. The survivor could not afford to pay the debts, and her credit score dropped into the 200s. Her low credit score made finding employment, housing, and insurance extremely difficult. Unfortunately, this survivor's story is not unique. In a 2019 study, 52% of survivors reported coerced or fraudulent debt.<sup>4</sup> In the same study, 46% reported credit damage due to actions of an abusive partner.<sup>5</sup> Another 14% were unsure because they had not checked their credit.<sup>6</sup>

To make matters worse, banks, credit card companies, employers, and other societal institutions have never been included in the movement against IPV. Thus, they are often unequipped to help, or worse, unwittingly facilitate the commission of IPV – and economic abuse in particular – against survivors. In the case of the above-referenced survivor, one credit card company completely refused to work with her on the fraudulently incurred debt, even though she made them aware of her circumstances.

This credit card company's response is indicative of a dangerous assumption: that IPV and its consequences are solely personal or private issues. On the contrary, IPV is a societal problem, and all Californians – individuals and entities alike – must be held accountable for working to break the cycle of violence.

The costs of IPV coupled with the complete lack of economic justice traps survivors in a cycle of violence that they cannot afford to break. When survivors leave abuse they often do so with emotional and physical trauma, no money, no source of income, damaged credit, no support system, and six figures in cost for which they are solely responsible. Faced with the impossible choice between returning to danger and becoming homeless, most survivors return. In fact, survivors return to abuse an average of 7 times, most prevalently for financial reasons.<sup>7</sup>

This critical nexus between IPV and financial insecurity directly impacts Californians, as is made clear from the early findings of an ongoing collaboration between FreeFrom and Dr. Courtney Ahrens of California State University. In this collaboration, FreeFrom and Dr. Ahrens have surveyed several IPV service providers and survivors in the LA area. So far, 100% of surveyed survivors reported experiencing economic abuse with 98% experiencing economic restriction (e.g., a harm-doer keeping financial information from a survivor), 96% experiencing economic exploitation (e.g., a harm-doer taking out a loan in a survivor's name without permission), and 98% experiencing educational and / or employment sabotage (e.g., a harm-doer prohibiting a survivor from getting a job or enrolling in school).

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<sup>4</sup> Adams, A.E., Littwin, A.K., & Javorka, M. (2019). The Frequency, Nature and Effects of Coerced Debt Among a National Sample of Women Seeking Help for Intimate Partner Violence. *Violence Against Women*. DOI: o0r.g1/107.171/1770/717078708102112919884411445

<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>7</sup> Stand! For Families Free of Violence. Domestic Violence Statistics. Available from: <http://www.standffov.org/statistics>.

The impact of these economic abuse tactics on California survivors is also clear: only 43% of survivors reported having a personal checking account and only 24% had a personal savings account. Of the limited number who reported, the average checking account balance was \$194 and average amount in savings was \$310. Moreover, 35% reported having credit card debt and 28% reported loan debt. The average credit score reported by survivors was 578 – considered a “Very Poor” score.

In order to break the cycle of violence in California, we must prioritize financial security and economic justice for survivors. At FreeFrom this means working toward a world where harm-doers are held financially responsible for their actions and survivors have sustaining income, savings, and credit with which to build wealth and the resources to support individual, intergenerational, and community healing.

## ***II. Crisis-Intervention Provides Only Short-Term Fixes While Financial Security Leads to Long-Term and Sustainable Safety***

California’s response to IPV – like the response across the U.S. – is not working. Some surveys suggest that the prevalence of IPV in California is higher than the national rate.<sup>8</sup> Moreover, IPV fatalities seem to be on the rise in California.<sup>9</sup> Why is this the case? It’s all about crisis.

California’s response to IPV is crisis-focused: it prioritizes getting survivors out of immediate danger via restraining orders and shelters. Under this framework, survivors get some help leaving an abusive situation. However, once out of imminent danger, survivors are essentially left to figure out the rest on their own. Burdened with both the effects of economic abuse and the costs of the harm they have endured, many survivors return to danger.

California’s crisis-focus offers survivors only short-term fixes and little to no support in financial recovery, which is necessary to achieve sustainable long-term safety. In fact, early findings from FreeFrom’s collaboration with Dr. Ahrens paint a bleak picture of the financial security resources available to survivors in California. When asked about how often their case managers assisted them with managing money, debt, credit, or finding employment over the prior 3 months, 88% of survivors said they’d received help 0 times. This despite the fact that most survivors reported that they were “not confident at all” about managing their debt and only “slightly confident” about managing their credit. Similarly, when we asked service providers how often they assisted their clients with managing their money, debt, credit, or finding a job during the previous three months, the most common response was 0 times.

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<sup>8</sup> According to the California Women’s Health Survey, approximately 40% of California women experience physical intimate partner violence in their lifetimes. See California Partnership to End Domestic Violence. The Facts: Domestic Violence in California. Available from: [https://www.cpedv.org/sites/main/files/file-attachments/ca\\_dv\\_fact\\_sheet\\_2\\_2015.pdf.pdf](https://www.cpedv.org/sites/main/files/file-attachments/ca_dv_fact_sheet_2_2015.pdf.pdf).

<sup>9</sup> See Id: (“According to the California Department of Justice, Criminal Justice Statistics Center, there were 147 domestic violence fatalities in 2011. While all other homicides are decreasing (i.e., gang related, robbery) domestic violence homicides increased by 13% from 2009 to 2011.”) See also, Cruz, Nicole and Lee, Iris (2019): “As homicides drop in L.A., more women are being killed – often by intimate partners.” *L.A. Times*. (September 19, 2019). Available from: <https://www.latimes.com/projects/women-violence-homicides-increase-death-murder/>.

Why is the movement continuing to prioritize the same short-term fixes when it is clear that they are not working? A major contributing factor is that available government funding is extremely restrictive, often tied to traditional crisis-focused responses, and does not fund living wage jobs for service providers. Advocates are thus overworked, underpaid, and left to constantly put out fires – making sure there are enough shelter beds, connecting survivors with (unsustainable) public assistance, and making sure there are no guns in the homes of harm-doers – without any time to think about what comes next for survivors.

Prioritizing crisis-response does not and will not lead to sustainable safety for survivors. It is only after survivors build the financial resources necessary to support themselves and their families that they can leave abuse and stay safe. In fact, prioritizing financial security for survivors is the clearest path to breaking the cycle of violence in California and beyond. If survivors can afford safety, they are much more likely to stay away and break their personal cycle of violence. Moreover, because children that witness IPV are more likely to experience or inflict it, when survivors can afford to remove their children from abuse, they break intergenerational and community cycles of violence.

### **III. Financial Security for Survivor Service Providers is Necessary to Build Capacity in the Movement**

Survivors often leave their homes, jobs, communities, and families to escape harm and violence. Many survivors flee without any assets, savings, or access to cash. Fleeing harm and violence can cause drastic long-term economic insecurity and poverty. Left with little to no financial resources, many survivors find work within the IPV movement. This makes the most sense for many survivors because, though they may not have work experience, their experience as a survivor can help them aid others. Likewise, IPV organizations prefer employing survivors.

Survivors who become service providers in the IPV movement often feel called to do this work because of their experience. However, most service providers work 50+ hours a week and are paid minimum or close-to-minimum wage. The early findings from our collaboration with Dr. Ahrens reveal the financial reality for service providers in and around LA: the average annual salary of the service providers surveyed is \$35,700, and the average credit card debt that service providers carry from month to month is \$6,563.

One service provider shared with us that he was once living on the street and addicted to drugs because of the abuse he endured growing up. When he got clean, he went back to school to become a Drug and Alcohol counselor. His first job was working with the non-profit that helped him get on his feet and he has been working in the IPV movement ever since.

*“In this job, you give everything you got to your clients and forget about yourself. And I do it because I want to. But I’m living in a 1-bedroom apartment in a dangerous neighborhood with my wife and 3 teenage boys because we can’t save enough money to move out. I’m not living on the streets anymore and I’m grateful for that, but I need help coming back to me and helping my family live safer lives.” – Case Manager, Domestic Violence Shelter*

When FreeFrom set out to incorporate financial capacity building for survivors into the movement, we learned that not much was being done to support survivors in building financial security. Based

on the clear link between financial stability and recovery, we were curious as to why this was the case. So, we asked organizations and their staff to identify their biggest barrier to doing this work.

The primary reason cited was lack of capacity. The second most commonly cited reason was that many service providers felt financially insecure. As already discussed above, people working in the IPV movement are often survivors themselves, who are overworked, under-paid, and experience similar financial challenges to those facing their clients. One service provider shared,

*“How am I supposed to talk to my clients about savings and credit, when I don’t have savings and have never checked my credit and feel like I’m barely making it through the month?” - IPV Survivor Advocate*

Arguably the most shocking fact we have learned from our work with service providers is that of the 36% who themselves experienced abuse, 33% were either still involved or had ongoing contact with their harm-doer. What this tells us is that service providers have not been afforded the opportunity to heal or build the economic security necessary to obtain long-term safety. Service providers working in the IPV movement are tasked with ending IPV by non-profits, governments, and society, but are denied the opportunity to end the cycle of violence and poverty in their own lives.

To effectively integrate financial capacity building into the IPV movement, we have to afford service providers the opportunity to learn about asset building and support them in creating financial security for themselves. By doing so, we will increase service providers’ capacity to then do this work with the survivors they serve.

FreeFrom is working toward this goal via our cloud-based e-learning Survivor Wealth and Wellness Certification and Training program (SWWT). FreeFrom’s SWWT offers service providers working in the IPV movement trauma-informed financial education, 6 individual financial coaching sessions, income development support, access to our savings reward program, access to our Lending Circles by MAF program, and technical assistance for a year.

We are in our pilot year of this program and we are already seeing a slow but vital change in the movement. Here are some of our successes so far:

- **Executive Director at IPV organization raised wages by \$5K yearly** - We supported an Executive Director at an IPV organization in Houston, Texas raise her staff’s salaries. After taking our online course and participating in a coaching session, the Executive Director determined that her staff needed support in building economic security. She worked with the Director of Finance and found money to support a salary raise of \$5K for each of her staff. Since then, staff report feeling more supported by the organization and have helped 14 survivors start small businesses. The organization cites our training as a factor in their ability to invest in the well-being of their staff and the economic well-being of their clients.
- **IPV Shelter in LA implemented financial safety protocols** - After taking our training and attending our inaugural Survivor Wealth Summit, one organization determined that they were not adequately helping their clients living in shelter build financial security. For example, they realized that they were not asking any questions relating to survivors’

previous employment during client intakes. This is important information necessary to help a survivor determine pathways to income. Similarly, they realized they had also failed to ask any questions about the safety and security of the survivors' financial resources. The organization then implemented financial safety protocols which included screening for economic abuse, credit fraud, and assessing income opportunities. They have even gone on to present at IPV conferences on how to incorporate financial safety planning into services for survivors.

Though we have had small wins, the IPV movement still struggles to understand the need to invest both in their staff and in survivor wealth. Our goal is to supply service providers with the tools, space, and support needed to heal, build wealth, and create safety so that they can better support their clients in doing the same.

#### ***IV. How California Can Help Survivors and Service Providers Achieve Financial Security and Long-Term Safety: Our Recommendations***

##### **Funding**

###### **1. Fund innovation**

California's IPV movement operates from a crisis-focused mindset, prioritizing survivor's immediate and short-term safety over financial security and long-term solutions. A paradigm shift in the movement away from these band-aid fixes and towards sustainable safety is necessary to make real progress in breaking the cycle of violence in California.

However, this paradigm shift will not happen unless and until those working within the movement are given the funding necessary to innovate. This means funding brand new ideas and approaches with the understanding that some of them will not succeed. In fact, failure is necessary in the process of clearing out the pathway to long-term safety for survivors.

California must provide more funding for innovation in the space to give service providers the opportunity to look beyond short-term fixes and start answering the question, "what comes next for survivors?"

###### **2. Fund financial security programs**

As you've already learned from this testimony, a majority of California service providers surveyed reported not doing any financial security work with their clients in the prior 3 months. The primary reason given for this gap in services is lack of capacity (i.e., not enough providers, not enough time, not enough money).

California must support service providers in doing this essential work with their clients by providing funding for holistic financial security programs – including a living wage for the service providers running these programs – which include education, support, and resources on at least the following:

- How to build / repair credit including alternative methods of credit building (e.g., lending circles)

- How to quickly make an income including alternative income sources (e.g., entrepreneurship)
  - How to open a bank account
  - How to start saving
  - How to manage debt
  - How to invest for the future
  - How to ensure finances are safe and secure (i.e., create a financial safety plan)
  - How to avoid predatory lending when possible
3. Provide funding to offer FreeFrom's Survivor Wealth and Wellness Training to service providers

In order to effectively integrate financial capacity and asset building into the IPV movement, service providers must be as comfortable supporting survivors in learning these skills as they currently are in supporting survivors in accessing more traditional resources (e.g., helping someone get a restraining order and apply for public assistance).

FreeFrom's SWWT offers trauma-informed financial education, coaching, technical assistance, and resources that help service providers become more financially secure themselves and build the confidence necessary to do this essential work with their clients. As you have already learned from this testimony, FreeFrom's SWWT has proven to be effective in building capacity within the IPV movement.

Every service provider in California should receive training and support through FreeFrom's SWWT to increase their own financial security and in turn support survivors as they embark on the road to financial recovery and long-term safety.

#### 4. Fund legal services for civil remedies

Civil tort claims exist in our legal framework so that individuals can shift the cost of harm done to them to the proper party: the person that caused the harm. These claims should thus be an avenue toward economic justice for survivors. That is, survivors – like all others in our society – should be able to bring civil tort claims against their harm-doers to recoup the costs of the harm done to them.

However, tort claims are out of reach for most survivors in California because survivors cannot find attorneys to represent them in these cases. Based on funding restrictions, many legal service providers are strictly prohibited from bringing civil claims on behalf of survivors. Moreover, private attorneys often refuse to take on these cases without proof that a large money judgment is likely.

California must make these civil tort claims more accessible to survivors. The state may do so by funding these legal services for survivors and advocating for such funding without restrictions from the federal government.

## **Support survivor service providers**

The IPV movement will not be able to successfully integrate financial capacity and asset-building into the suite of services provided to survivors unless and until service providers are also supported in doing that work.

California must support service providers in the IPV movement by afforded them the following:

- Acknowledged as survivors and given access to resources that non-service provider survivors are given
- On-going training to support their personal and professional financial education
- Funding that allows for organizational capacity building and salary increases for staff
- Funding for financial capacity building (employee development and client services)
- Living Wages
- Child Care
- Survivor Paid Leave
- Retirement funds
- Affordable Housing
- Affordable banking and financial services
- Meaningful mental health and wellness services that are culturally responsive

## **Remove structural barriers to survivor wealth via passage of Survivor Wealth Policy Objectives**

In order to achieve financial security and economic justice for survivors, California must pass laws that support asset building, sustainable employment, access to civil justice and remedies, and financial recovery. FreeFrom has developed a set of Survivor Wealth Policy Objectives that, when passed, will increase survivors access to and control over financial resources and create pathways to financial security and long-term safety:

1. Expand the legal definition of IPV to include economic abuse

California law does not recognize economic abuse as IPV despite its prevalence (99% of survivors experience it) or the integral role it plays in controlling survivors and keeping them trapped within a cycle of violence.

We cannot solve a problem that we do not properly define. Until California expands its definition of domestic violence to include economic abuse, survivors will not be able to access the resources and remedies they need to recover from the effects of economic abuse and move from crisis into long-term safety and healing.

2. Establish paid and protected leave for survivors

In order to stay safe, heal, and recover, survivors need access to sustainable income. However, IPV often interferes with traditional employment because it causes survivors to miss work to deal with any number of urgent matters relating to abuse. For example, a survivor may have to go court to get a restraining order, go to the hospital to deal with physical or psychological injuries, get a rape kit done, or quickly relocate for safety.

Without access to paid and protected leave, survivors lose wages (survivors in the U.S. lose an estimated 8 million days of paid work each year, the equivalent of 32,000 full-time jobs), lose their jobs (up to 60% lose their job as a result of the abuse), and become less employable over time (some experts believe that more women leave the workforce permanently because of domestic violence than to raise children).

In California, survivors are permitted to take leave to deal with the consequences of abuse.<sup>10</sup> However, under the current legal framework, survivors may have to use their accrued sick or vacation days for these purposes, some of which might be unpaid. Survivors should not have to deplete their accrued paid sick and vacation days to deal with the consequences of abuse. Moreover, many survivors cannot afford to take leave if it is unpaid.

In order to increase access to sustainable employment and income, California should provide survivors with 10 additional days (i.e., in addition to paid sick leave and vacation days) of paid and protected leave each year to deal with the consequences of abuse.

We already know this type of leave can work. Both the Philippines and New Zealand each provide survivors with 10 additional days of paid and protected leave for domestic violence-related purposes.<sup>11</sup>

### 3. Increase survivor access to civil justice and remedies

Survivors need a way to recoup the money they've lost as a result of the abuse they have experienced (e.g., medical bills, damaged property, lost wages, and relocation costs). Civil tort claims not only provide an avenue for survivors to recoup money but are also a mechanism to shift the economic burden of abuse away from survivors to the appropriate party: harm-doers.

California has a designated domestic violence tort that permits survivors to bring actions against harm-doers for the costs associated with abuse.<sup>12</sup> However, the current statute of limitations applicable to this tort is 3 years,<sup>13</sup> which, for many survivors, is simply not enough time. Survivors cannot be expected to bring suit before first finding the sustainable income, housing, and healing resources they need to keep themselves and their families safe. Unfortunately, this process often takes years after a survivor has fled. Moreover, finding an attorney to represent them in such cases is a long and arduous process. For many survivors, the 3-year statute of limitations can act as a complete bar to civil remedies.

In 2018, California passed AB 1619 which extended the statute of limitations for sexual assault-related torts to 10 years. To make civil remedies more accessible to survivors of IPV, California should duplicate the change made to the statute of limitations for sexual assault torts and extend the statute of limitations applicable to IPV-related torts from 3 to 10 years, and 20 years in the case of traumatic brain injury.

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<sup>10</sup> Cal. Labor Code §§ 230 and 230.1.

<sup>11</sup> Kennedy, M. (2018). "New Zealand Will Provide Paid Leave to Domestic Violence Survivors." *NPR*. Available from: <https://www.npr.org/2018/07/26/632601325/new-zealand-will-provide-paid-leave-to-domestic-violence-survivors>

<sup>12</sup> Cal. Civ. Code § 1708.6.

<sup>13</sup> Cal. Code of Civ. Proc. § 340.15.