Housekeeping

- Recording and presentations slides will be available following today’s session
- Use the “Chat” box to ask questions and provide comments
- Twitter tags @calassets  @womenswealthgap @freefromorg
Agenda

- Overview of the Women’s Wealth Gap Nationally
- Overview of the Cost of Gender-Based Violence
- Current Policy Landscape and Solutions
- Questions
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Co-Hosted by the California Asset Building Coalition, Closing the Women’s Wealth Gap and FreeFrom

June 19, 2019 | Webinar

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Why the women’s wealth gap matters

• A national conversation is underway about the social, political and economic rights of women.

• It’s critical to the economic security of families, communities and the nation.

• Our national conversation about inequality typically focus on income.

• Closing the gender income gap is critical, but it’s not enough because it’s only part of the problem.
The Women’s Wealth Gap

- Today, the women’s wealth gap is much larger than the income gap.
- It’s a *chasm* for women of color.
- Black and Latinx women own pennies on the dollar compared to white men and women.

<table>
<thead>
<tr>
<th>MEDIAN WEALTH</th>
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</thead>
<tbody>
<tr>
<td>All single men</td>
<td>$10,150</td>
</tr>
<tr>
<td>All single women</td>
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<tr>
<td>Single White men</td>
<td>$28,900</td>
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<tr>
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<tr>
<td>Single Black women</td>
<td>$200</td>
</tr>
<tr>
<td>Single Hispanic women</td>
<td>$100</td>
</tr>
<tr>
<td>Single Black mothers</td>
<td>$0</td>
</tr>
<tr>
<td>Single Hispanic mothers</td>
<td>$50</td>
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</tbody>
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Historical drivers of the gap

• To understand the gap, we need to look at our nation’s long history of racial and gender discrimination.

• People of color and women have long been prohibited from building wealth due to de jure and de facto discrimination.

• And the drivers of the women’s wealth gap are not behind us.
Contemporary causes of the gap

- Pay gap and lack of paid leave
- Limited access to private and public sector benefits designed to help turn income into wealth
- Asset limits force women to spend down savings
- Women-owned businesses don’t produce wealth for their owners
- Discrimination in mortgage markets
Closing the Women’s Wealth Gap: Moving from Poverty to Prosperity

**Financial Knowledge/Credit Building**
- Financial education and coaching at key points in women’s lives
- Two-generation strategies
- Credit-building strategies
- Credit counseling and legal aid

**Savings and Higher Education**
- Matched savings (IDAs, CSAs, etc.)
- Flexible savings accounts
- Expand access to retirement savings plans and incentives
- Combat predatory student loans
- Reduce educational debt among young women/women of color
- Make 529 accounts more accessible

**Income and Work-based Strategies**
- Fight for pay equity
- Increase minimum wage
- Eliminate hiring and promotion barriers
- Address barriers to higher paying sectors
- Expand women’s access to
  - affordable child care
  - paid sick and family leave

**Expand Access to Wealth Escalator**
- Expand women’s access to:
  - Employer-provided benefits (e.g., federal and state auto IRA policies, pro rata benefits for part-time workers)
  - Tax-code based benefits (e.g., maximize refundable credits; turn deductions into credits)
  - Social Security benefits (e.g., caregiver credits)

**Expand Investment Opportunities**
- Address gender disparities in mortgage lending
- Expand women’s access to home ownership incentives
- Support microenterprise programs targeting women
- Support growth of women-owned businesses

**Asset Preservation**
- Regulate wealth-stripping financial products and services
- Raise or eliminate asset limits in public benefits programs
- Reduce or eliminate fines and fees
- Bail Reform

Produced by the Closing the Women’s Wealth Gap initiative. For more information, contact Director Heather McCulloch at heather@womenswealthgap.org.
Survivors and wealth

- All women face wealth-building challenges—but survivors of domestic violence are even more vulnerable.
- Financial insecurity is the #1 reason survivors stay with, or return to, an abuser.
- If we want to help women rebuild their lives, we need to address the root causes of their financial insecurity.
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Agenda

• An overview of the cost of gender-based violence

• Objective 1: Widen the definition of domestic violence to include economic abuse

• Objective 2: Create paid and protected leave for survivors

• Objective 3: Engage banks and financial institutions in supporting survivors

• Objective 4: Engage credit card companies and credit reporting agencies in supporting survivors
This is What is Being Presented Today

Domestic Violence
- Difficulty finding work
- Identity fraud & coerced debt

Sexual Assault
- Job loss
- Lost wages and earning potential
- Cost of recovery

Sex Trafficking

FREE FROM
Survivors of domestic violence in the United States “lose eight million days of paid work each year, the equivalent of over 32,000 full-time jobs.”


“Nearly three quarters (73%) of women reported that they had stayed longer than they had wanted in a relationship with someone who was controlling, because of concerns about financially supporting themselves or their children.”


In a 2019 study, 52% of survivors of domestic violence reported coerced and/or fraudulent debt. In the same study, 46% reported credit damage due to actions of an abusive partner. Another 14% were not sure because they hadn’t checked their credit.


“Some experts believe that more women leave the workforce permanently because of domestic violence than leave to raise children.”

reason survivors don’t leave and/or return to an abusive situation is financial insecurity

is the average cost associated with being a female survivor of domestic violence

of survivors experience financial abuse as part of the domestic violence

Experiencing domestic violence is financially devastating for most people. Survivors can only secure long-term safety for themselves and their children if they can afford to leave, rebuild and heal.
Our Approach

We envision a world where survivors have **sustaining income, savings and credit with which to build wealth** and the resources to support individual, intergenerational and community healing.

To that end, we are taking a **holistic approach** using technology, peer-to-peer networks, training programs for shelters, policy advocacy, social enterprise models and cross-sector solutions.
Gender-based violence is not a private issue. It is a structural problem that demands community accountability and responsibility.
Objective 1:
Widen Definition of Domestic Violence to Include Economic Abuse
Why?

• Economic abuse is incredibly pervasive: 99% of survivors of domestic violence have experienced it in some form

• Despite its prevalence, a 2014 study revealed that 78% of Americans did not know that economic abuse is a form of domestic violence

• Economic abuse damages a survivor’s financial future (e.g., decreases employability, damages credit, and / or saddles survivors with fraudulently incurred debts)

• Survivors cannot obtain remedies for economic abuse until it is recognized as domestic violence (e.g., a restraining order requiring a harm-doer to release previously withheld information regarding a survivor’s finances)
Current Landscape

- No state in the U.S. recognizes economic abuse as domestic violence

- Recently, U.S. Representative Katie Porter introduced an amendment to the VAWA reauthorization bill that would recognize economic abuse as domestic violence at the federal level

- India, New Zealand, and 4 out of 6 Australian states and territories legally recognize economic abuse as domestic violence

- The UK is set to widen its definition of domestic violence to include economic abuse in 2019
Strategy

• Author white paper

• Draft model legislation

• Create a national Survivor Wealth Working Group to develop and implement 50-state strategy

• Work with interested states to widen their definition of domestic violence to include economic abuse
Objective 2:
Create Paid and Protected Leave for Survivors
In order to heal and recover, survivors need:

- **Money**: the CDC estimates that the lifetime cost of domestic violence for a female survivor is $104,000

- **Time**: Survivors need time to deal with any number of urgent matters, e.g., going to the hospital, getting a rape kit done, packing up and moving, etc. Survivors should not have to deplete their earned sick and vacation days to deal with and recover from the impact of domestic violence

- **Job Protection**: Taking a few days to address a crisis situation and protect yourself from harm should not put your job in jeopardy.
Current Landscape

- No state in the U.S. provides additional paid protected leave for survivors
- Some form of leave is available to survivors in 17 states and D.C.
- The Philippines and New Zealand each give survivors 10 days of protected paid leave
- Two provinces in Canada, Ontario and Manitoba, each give survivors 5 days of protected paid leave
Strategy

- Pass the Domestic Violence Leave Act at the federal level
- Work with major corporations to advocate for paid protected leave policies
- Create a national Survivor Wealth Working Group to develop and implement 50-state strategy
- Work with interested states to create paid protected leave for survivors in their communities
Objective 3:

Engage Banks and Financial Institutions in Supporting Survivors
Why?

- Increased convenience in banking has transformed banks into a primary tool of economic abuse
- Current banking policies create obstacles to survivors’ financial security (e.g., inflexible policies relating to debt repayment)
- Current banking policies endanger survivors (e.g., revealing survivor’s confidential address to the harm-doer via form letters)
Current Landscape

• Australia and the UK have developed industry-wide banking guidelines aimed at supporting survivors (e.g., agreeing not to sell debt resulting from abuse to third-party debt collection agencies)

• New Zealand banks have also adopted survivor-informed policies (e.g., allowing survivors to open bank accounts without an ID or permanent address)
Strategy

Work with banks to:

- **Develop trauma-informed training** for bank staff on how to, for example:
  - Understand and identify domestic violence and economic abuse
  - Understand and respond to survivor needs

- **Implement systems and processes** to better support survivors’ healing and safety. For example:
  - Settle joint debts against survivors while proceeding with collection efforts against harm-doers
  - Provide survivors with extended repayment plans and waive fees applicable to abuse-related debt

- **Create products** that support survivors’ financial security, for example:
  - Secure online bank accounts
  - Safety grants
Objective 4:

Engage Credit Card Companies and Credit Reporting Agencies in Supporting Survivors
Why?

- Identity theft, coerced debt, and damaged credit are common issues facing survivors: In a 2019 study, 52% of survivors reported coerced and/or fraudulent debt and 46% reported credit damage.

- Survivors need credit: credit scores impact an individual’s ability to obtain housing, employment, and insurance.

- Current laws and practices make it extremely difficult for survivors to address and repair fraudulent activity on their credit report / score.
Current Landscape

• Under the Fair and Accurate Credit Transactions Act ("FACTA"), identity fraud victims are required to submit a police report in order to access information about fraudulent activity in their name.

• While FACTA does not require a police report to block fraudulent activity from a credit report or score, credit reporting agencies will often refuse to block fraud without a police report.

• Additionally, credit card companies have refused to recognize debt as fraudulent without a police report specific to the fraud (a signed restraining order will not suffice).

• 1 in 4 survivors would never call the police. Moreover, we know from NYPD, LAPD, and Phoenix PD that they will not execute police reports where the identity fraud occurred in the context of an intimate partner relationship.
Strategy

• Amend FACTA to remove all police report requirements

• Work with credit card companies and credit reporting agencies to:
  
  o **Develop trauma-informed training** for employees;
  
  o **Implement systems and processes** supporting healing and safety for survivors; and
  
  o **Create products** that streamline paths to survivors’ financial security
Partner With Us

• Attend our inaugural Survivor Wealth Summit from July 24th-25th in Los Angeles, CA (limited tickets available!)

• Join our Survivor Wealth Working Group

• Work with us to advocate for survivor wealth policies in your state

• Reach out and let’s chat! Amy Durrence, Director of Law & Policy; amy.durrence@freefrom.org; (770) 826-9140 (cell)
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Questions?