

Clearinghouse REVIEW

July–August 2009
Volume 43, Numbers 3–4

Journal of
Poverty Law
and Policy



Postforeclosure EVICTIONS

Equity as Defense in Foreclosures

Court-Fee Waivers

ADA Amendments Act of 2008

Advocacy and Networking Online

Help for Foster Youths

Asset Building and Domestic
Violence Survivors

Women Who Are Poor
in Retirement

Expanding Health Care Access



Sargent Shriver National Center on Poverty Law



Integrating Asset-Building Strategies into Domestic Violence Advocacy

By Andrea Kovach

Andrea Kovach
Staff Attorney

Sargent Shriver National Center
on Poverty Law
50 E. Washington St. Suite 500
Chicago, IL 60602
312.368.1089
andreakovach@povertylaw.org

Creating long-term asset-building policies that cognitively and financially empower survivors can be a powerful tool in domestic violence advocacy. More than one of every four adult women (26.4 percent) in the United States report at least one episode of intimate-partner violence; that figure jumps to more than one in three adult women (35.5 percent) with yearly household incomes less than \$15,000.¹ Many survivors also experience economic abuse, such as lack of access to financial resources, damage to credit, debt accumulation, and identity theft and fraud. However, a safety plan that encompasses asset building can help bring opportunities for the survivor to become financially secure.

Survivors are frequently made to feel inadequate, undeserving, and worthless—creating feelings of being overwhelmed and hopeless. Developing assets can generate positive cognitive and behavioral changes, such as increased feelings of self-confidence and a hopeful attitude about the future. Here I give a brief overview of asset building and examples of how to integrate asset-building activities into domestic violence advocacy.²

Asset Building

Poverty has two sides: income poverty focuses on a household's current income level; asset poverty, on a family's total household wealth.³ A household is considered "asset

¹Centers for Disease Control and Prevention, *Adverse Health Conditions and Health Risk Behaviors Associated with Intimate Partner Violence—United States, 2005*, MORBIDITY AND MORTALITY WEEKLY REPORT, Feb. 8, 2008, at 115 (based on survey findings of 70,000 adult participants in 2005 Behavioral Risk Factor Surveillance System survey) (Table 1). In Table 1 on page 115 of the centers' report, data in the "Overall" row were incorrect. The correct data are (for women) 11,552, 26.4, 25.7–27.2; (for men) 4,175, 15.9, 15.1–16.7. In the "College graduate" row, the correct number of men is 1,313 (Centers for Disease Control and Prevention, *Errata*, MORBIDITY AND MORTALITY WEEKLY REPORT, March 7, 2008, at 237).

²Here I focus on asset building, which, along with consumer law issues, is one component of economic advocacy. For information on consumer law issues, see CHI CHI WU ET AL., NATIONAL CONSUMER LAW CENTER, CONSUMER RIGHTS FOR DOMESTIC VIOLENCE SURVIVORS (2006).

³Michael Sherraden, Center for Social Development, Asset Building: Theoretical Background & Research Questions 5–6, 97–98 (rev. 2008), http://csd.wustl.edu/AssetBuilding/Documents/Asset_Building_Research_Questions.pdf.

poor” if it does not have enough assets to meet its expenses for three months if all outside sources of income disappeared.⁴ Nearly one out of every five U.S. households and more than one in four woman-headed households are asset poor.⁵ And asset inequality is even more pronounced by race: for every dollar in wealth held by households headed by white adults, households headed by minorities had sixteen cents.⁶

Assets consist of both wealth equity (e.g., bank and investment accounts, bonds, and real estate) and intangible items (e.g., access to credit and social and political capital, meaning knowledge, skills, experience, and connections gained through life (including work)).⁷ Asset ownership brings about financial reserves to weather a financial crisis, builds economic stability, and shields a household from poverty.⁸ Asset building aims for households to acquire the financial resources to “get ahead” in life, not just “get by,” with the goal of permanently ending poverty.⁹

Providing economic security, asset building also fosters positive psychological and behavioral changes.¹⁰ Engaging in asset-building activities has been shown to increase self-confidence and efficacy, reorient the individual toward the future, and decrease feelings of isolation.¹¹ These positive behavioral effects take on added import when applied to domestic violence survivors’ conceptions of themselves and their future.

Domestic Violence Advocacy and Asset Building

Leaving an abusive relationship is a process, not an event: survivors often return several times before the separation is permanent. Research reveals that economic dependency is the strongest predictor of a survivor’s decision to remain, leave, or return to an abusive relationship.¹² Economic dependency is an even stronger indicator than safety issues.¹³ Survivors who have more financial independence from their abusers are more likely to leave.¹⁴ And when a survivor does leave an abusive relationship, the likeli-

⁴Corporation for Enterprise Development, 2007–2008 Assets and Opportunity Scorecard (n.d.), www.cfed.org/focus.m?parentid=31&siteid=2471&id=2471 (follow “Measures” hyperlink; then follow “Asset Poverty” hyperlink to “Asset Poverty in America”).

⁵*Id.*

⁶Corporation for Enterprise Development, Asset & Opportunity Special Report: Net Worth, Wealth Inequality and Homeownership During the Bubble Years 5 (2008), www.cfed.org/specialreport/a_o_special_report.pdf.

⁷See MICHAEL SHERRADEN, ASSETS AND THE POOR: A NEW AMERICAN WELFARE POLICY 101–5 (1991).

⁸See *id.* at 145–89.

⁹See Michael Sherraden, Center for Social Development (CSD), *IDAs [Individual Development Accounts] and Asset Building Policy: Lessons and Directions 2* (CSD Working Paper No. 08-12, 2008), <http://csd.wustl.edu/Publications/Documents/WP08-12.pdf>. See generally Reid Cramer, *Public Policy and Asset Building: Promising Account-Based Systems and the Rationale for Inclusion*, 40 CLEARINGHOUSE REVIEW 136 (May–June 2006); Dory Rand, *Financial Education and Asset-Building Programs for Welfare Recipients and Low-Income Workers: The Illinois Experience*, 38 *id.* 49 (May–June 2004); Steve Wrone, *Financial Education and Asset-Building Opportunities for Low-Income Communities*, 37 *id.* 272 (July–Aug. 2003).

¹⁰See Sherraden, *supra* note 9, at 7.

¹¹Sherraden, *supra* note 3, at 2–4.

¹²Jinseok Kim & Karen Gray, *Leave or Stay?: Battered Women’s Decision After Intimate Partner Violence*, 23 JOURNAL OF INTERPERSONAL VIOLENCE 1465, 1466 (2008) (citing Deborah K. Anderson & Daniel G. Saunders, *Leaving an Abusive Partner: An Empirical Review of Predictors, the Process of Leaving, and the Psychological Well-being*, 4 TRAUMA, VIOLENCE, & ABUSE 163 (2003); Ola W. Barnett, *Why Battered Women Do Not Leave: Part 1: External Inhibiting Factors Within Society*, 1 TRAUMA, VIOLENCE, & ABUSE 343 (2000)).

¹³*Id.* at 1466 (citing Ida M. Johnson, *Economic, Situational, and Psychological Correlates of the Decision-Making Process of Battered Women*, 73 FAMILIES IN SOCIETY: JOURNAL OF CONTEMPORARY HUMAN SERVICES 168 (1992)); see also Cynthia K. Sanders, Center for Social Development, *Domestic Violence, Economic Abuse, and Implications of a Program for Building Economic Resources for Low-Income Women: Findings from Interviews with Participants in a Women’s Economic Action Program* 81–83 (2007), <http://csd.wustl.edu/Publications/Documents/RP07-12.pdf> (survivors reported that their financial stability indirectly contributed to their ability to stay safe and not return to abusive relationship).

¹⁴Kim & Gray, *supra* note 12, at 1472.

hood of homelessness, unemployment, and debt is greater; this in turn increases the probability that she will return to the abuser or access predatory financial resources to escape or survive.¹⁵

Because financial instability and dependence may have serious safety implications for the survivor, asset building can be a crucial component in domestic violence advocacy. Any asset-building strategy must make safety a priority. Even the simple act of opening or closing a bank account must be considered in light of the potential for the abuser to monitor the victim's finances, track her location, or retaliate against her or for the abuser to do some combination of these three.

Long-Term Asset-Building Strategies

Asset building can be likened to accessing various financial building blocks, which, added together, help foster economic security. Three of these “building blocks” are discussed below: financial education, individual development accounts (IDAs), and microloans. Financial education serves as a fundamental financial building block for all other asset-building strategies. An IDA is a specialized, targeted savings product for purchasing a long-term asset; it is most successfully used when the IDA participant has a solid financial education foundation. A microloan bridges a short-term financial gap, and its timely payment can build or repair the borrower's credit score. All three of these financial building blocks have the potential to create wealth.

Financial Education Programs. Increasing survivors' financial knowledge empowers survivors to take control of their finances and to choose to become financially independent—steps that begin a pathway to emotional and economic security.¹⁶ Several domestic violence organizations impart financial education to survivors; the organizations often use curricula that integrate survivors' unique economic realities. For instance, the curricula teach survivors how to read a credit report and explain to them how to keep the report safe from their abusers and how to repair a poor credit history or recover from identity theft resulting from their abuse.¹⁷ Other topics are budgeting and spending; prioritizing and managing debt; the dangers of predatory alternatives to mainstream financial institutions (e.g., payday and refund anticipation loans); and asset-building resources.¹⁸

Individual Development Accounts. IDAs are special-purpose, matched savings accounts that enable low-income individuals to save their earned income to purchase an asset (e.g., home, post-secondary education, or business).¹⁹ Generally IDA programs are created by a program sponsor—usually a nonprofit organization or a division of government—which establishes the eligibility requirements.²⁰ After qualifying for the IDA program, each participant opens an account with the partnering financial institution, which conducts all IDA transactions.²¹ Although IDA program features vary with the sponsor, most have a matching component by which every

¹⁵Economic Stability Working Group of the Transition Subcommittee of the [Massachusetts] Governor's Commission on Domestic Violence, *Voices of Survival: The Economic Impacts of Domestic Violence: A Blueprint for Action 11* (2002), www.janedoe.org/know/voices_of_survival.pdf. I use the female pronoun for simplicity throughout this article. National data consistently show that intimate partner violence disproportionately affects women (see, e.g., Michael Rand, Bureau of Justice Statistics, U.S. Department of Justice, Pub. No. NCJ 224390, *Criminal Victimization*, 2007, at 6 (Dec. 2008).

¹⁶WU ET AL., *supra* note 2, at 151.

¹⁷For information on credit reports, see VAWnet, Credit, http://new.vawnet.org/category/index_pages.php?category_id=312.

¹⁸WU ET AL., *supra* note 2, at 151–55.

¹⁹Rae-Ann Miller & Susan Burhouse, *Individual Development Accounts and Banks: A Solid “Match,”* 1 FDIC [FEDERAL DEPOSIT INSURANCE CORPORATION] QUARTERLY 22 (First Quarter 2007), www.fdic.gov/bank/analytical/quarterly/2007_vol1.html. See generally Corporation for Enterprise Development, *Individual Development Accounts* (n.d.), www.idanetwork.org (information on IDA training sessions and resources and IDA directory); Sherraden, *supra* note 9 (general information on IDAs).

²⁰Miller & Burhouse, *supra* note 19, at 23.

²¹Corporation for Enterprise Development, *Individual Development Accounts*, www.cfed.org/imageManager/IDANetwork/IDA_Fact_Sheet_2008_09_18.pdf.

dollar saved is matched (typically at a rate of two to one) with funds from various sources.²² Caps on the amounts that may be matched are set on a monthly or annual basis and typically range from \$300 to \$700.²³ Participants must attend a general financial education class and receive customized education focused on their specific asset goal.²⁴ For instance, a participant saving for home ownership attends homeownership classes as well as general financial education classes.²⁵

As of 2007, thirty-three states have laws or policies governing the operations of IDAs.²⁶ Of these states, nineteen operate programs that are supported by state funding.²⁷ States fund IDAs in various ways, such as direct expenditure of federal funds under state control, direct expenditure of general state revenue, or tax credit programs.²⁸ IDA programs also receive funding from the Assets for Independence Act program or the Office of Refugee Resettlement and private donors.²⁹ Match dollars for IDAs come from different sources such as government agencies, individuals, private compa-

nies, religious organizations, or not-for-profit organizations.³⁰

Surveys of account holders revealed that low-income people could and did save and that their IDA participation had positive psychological effects, such as feeling more confident and more economically secure.³¹ Thus an IDA program can help a survivor move farther down the pathway toward economic independence. For example, purchasing a home can lead to stable housing and physical security.³² Or accessing higher education or starting a small business can result in greater job stability and earning potential.³³

Microloans. Small-dollar loans, or microloans, are loans from mainstream financial institutions to individuals; these loans are a safe and affordable alternative to predatory options.³⁴ They can have a savings component—for example, a borrower may save a portion of the loan amount or make periodic deposits into a savings account.³⁵ One study concluded that a onetime infusion of funds might help survivors obtain safety and minimize the escalation of their crises.³⁶

²²Miller & Burhouse, *supra* note 19, at 23–24; Sherraden, *supra* note 9, at 2.

²³Sherraden, *supra* note 9, at 3.

²⁴*Id.*

²⁵*Id.*

²⁶Miller & Burhouse, *supra* note 19, at 22. IDAs also operate in states that lack state regulation or state funding for IDAs (*id.*)

²⁷*Id.*

²⁸Michelle Miller & Debbie Gruenstein, The Finance Project, Encouraging Savings: Financing Individual Development Account Programs 14 ((2002)), www.financeproject.org/Publications/ida.pdf.

²⁹E-mail from Camille Palacio, Policy Associate, Corporation for Enterprise Development (June 11, 2009). For more information on the Assets for Independence Act, see *infra* note 59 and accompanying text. For more information on the U.S. Department of Health and Human Services' Office of Refugee Resettlement's IDA program, see www.acf.hhs.gov/programs/orr/programs/ind_dev_acc_prg.htm (last updated May 5, 2009).

³⁰Corporation for Enterprise Development, *supra* note 21.

³¹Sherraden, *supra* note 9, at 6.

³²Robert D. Dietz, Department of Economics and Center for Urban and Regional Analysis, Ohio State University, The Social Consequences of Homeownership 1 (2003), www.newtowncdc.org/pdf/social_consequences_study.pdf.

³³See MARGARET SHERRADEN ET AL., CENTER FOR SOCIAL DEVELOPMENT, WASHINGTON UNIVERSITY IN ST. LOUIS, SAVING IN LOW-INCOME HOUSEHOLDS: EVIDENCE FROM INTERVIEWS WITH PARTICIPANTS IN THE AMERICAN DREAM DEMONSTRATION 182–89 (2005), <http://csd.wustl.edu/Publications/Documents/IDIPResearchReport2005.pdf>.

³⁴Miller & Burhouse, *supra* note 19, at 28.

³⁵*Id.* at 28.

³⁶Economic Stability Working Group, *supra* note 15, at 11.

Case Studies: Integrating Asset Building into Domestic Violence Advocacy

The case studies below illustrate how asset-building initiatives can positively affect survivors' lives and how collaboration between domestic violence organizations and nontraditional partners yields opportunities for survivors to become self-sufficient and prosper.³⁷

Redevelopment Opportunities for Women. Redevelopment Opportunities for Women in St. Louis, Missouri, offers programs to “women who have been impacted by poverty, homelessness, and/or intimate partner violence.”³⁸ The organization's philosophy is that domestic violence advocates are best suited to assist survivors in taking control of their finances because such advocates understand the complexity of survivors' lives.³⁹ The organization designed and provides the Redevelopment Economic Action Program curriculum, which promotes increased economic security and physical and emotional health through

financial education and access to an IDA program.⁴⁰

The curriculum has four sections: understanding money, developing a budget, understanding credit, and banks and investment alternatives.⁴¹ Safety issues are presented throughout the curriculum.⁴² For instance, gathering financial documents, opening a bank account, and contacting creditors are taught as safety issues as well as economic tools because many abusers monitor such activities.⁴³ To ensure wide availability of the curriculum, Redevelopment Economic Action Program classes are held in shelters, transitional housing sites, nonresidential provider agencies, and confidential off-site locations for survivors who remain with the abuser.⁴⁴ As of March 2009, Redevelopment Opportunities for Women had trained some ninety organizations and five state domestic violence coalitions on implementing the Redevelopment Economic Action Program, and more than 1,500 women had completed the program.⁴⁵

³⁷Several other programs are noteworthy (see Washington State Coalition Against Domestic Violence, Get Money, Get Safe, www.getmoneygetsafe.org/; Elizabeth Stone House, Family Finances, www.elizabethstonehouse.org/help-for-you/family-finances.aspx (Personal Economic Planning); HarborCOV, Making Ends Meet (2002), www.harborcov.org/pages/publications/index.asp; Iowa Coalition Against Domestic Violence, HEAT [Housing and Economic Advocacy Task] Force—Housing and Economic Justice, www.icadv.org/pro_heat.asp; see also Katie Ciorba VonDeLinde & Amy Correia, National Resource Center on Domestic Violence, Economic Education Programs for Battered Women: Lessons Learned from Two Settings 2–10 (2005), http://new.vawnet.org/category/Documents.php?docid=62&category_id=10 (information on Iowa Coalition Against Domestic Violence economic education program based largely on personal economic planning curriculum). New Visions, New Ventures, plans to launch in fall 2009 the Economic Empowerment of Domestic Violence Survivors Initiative, a financial education program for survivors (Telephone Interview with Christina Cain, Coordinator of Women's Business Development, New Visions, New Ventures, in Richmond, Va. (Feb. 25, 2009)). For more information on New Visions, New Ventures, see www.nvnv.org/.

³⁸Redevelopment Opportunities for Women (n.d.), www.row-stl.org/Content/.

³⁹Telephone Interview with Emily McGinnis, IDA Program Coordinator, Redevelopment Opportunities for Women, in St. Louis, Mo. (March 30, 2009).

⁴⁰See Redevelopment Opportunities for Women, ROW's Economic Action Program (n.d.), www.row-stl.org/Content/REAP.aspx; see also VonDeLinde & Correia, *supra* note 37, at 10–18 (historical origins of Redevelopment Economic Action Program, topics covered by program's curriculum, settings for program training sessions, importance of program's cultural focus, and lessons learned from Redevelopment Economic Action Program); Sanders, *supra* note 13 (findings of qualitative study of thirty women who participated in Redevelopment Economic Action Program's IDA program and completed program's economic education curriculum).

⁴¹Sanders, *supra* note 13, at 44.

⁴²Redevelopment Opportunities for Women, REAP [Redevelopment Economic Action Program] Curriculum: Realizing Your Economic Action Plan: An Economic Education Curriculum for Women Experiencing Domestic Violence (n.d.), www.row-stl.org/Content/RP_EEC.aspx.

⁴³*Id.*

⁴⁴McGinnis, *supra* note 39.

⁴⁵E-mail from Emily McGinnis (see note 39) to me (March 31, 2009) (in my files); Redevelopment Opportunities for Women, *REAP Training Institute Serves Over 1500 Advocates Around the Country*, FOUNDATIONS (Redevelopment Opportunities for Women, St. Louis, Mo.), Fall 2007, <http://www.row-stl.org/Content/pdf/fall2007.pdf>. The trained coalitions are Florida Coalition Against Domestic Violence, Illinois Coalition against Domestic Violence, Kansas Coalition against Sexual and Domestic Violence, Kentucky Domestic Violence Association, and Texas Council on Family Violence (McGinnis, *supra*).

The Redevelopment Economic Action Program has had overwhelmingly positive behavioral and cognitive results. In interviews with thirty survivors who completed the program, a majority reported a greater sense of control over their lives, increased self-confidence, and constructive changes in their consumption behavior, such as using budgets and decreasing spending.⁴⁶ More than one-half of participants revealed that they kept a budget, were goal-oriented, and were working to repair their credit.⁴⁷ Redevelopment Economic Action Program staff members have witnessed these effects:

Having financial knowledge allows survivors to have control over the choices in their lives. It empowers them. When they have control over their money, they feel like they have control and power to ask for a raise at work or the credit bureau to fix a mistake, and they share [the knowledge] with their families.⁴⁸

In 2001 Redevelopment Opportunities for Women began offering an IDA program to survivors who completed the Redevelopment Economic Action Program and qualified under the IDA program's income guidelines.⁴⁹ So far, 162 individuals have enrolled in the IDA program.⁵⁰ Eligible low-income survivors save a minimum of \$10 per month, up to \$1,500, for three years and may receive

up to \$3,000 in matching funds, for a total possible savings of \$4,500.⁵¹ Participants receive ongoing individual financial counseling.⁵² The IDA funds may be used to purchase or repair a home, to cover higher-education expenses, to purchase a car, or to start a business.⁵³ Survivors who have participated for at least six months may access up to \$1,500 of their IDA-matched savings to help weather a safety financial emergency, such as paying to change the locks.⁵⁴

Participants in Redevelopment Opportunities for Women's IDA program reported behavioral changes, including exhibiting greater fiscal prudence and financial management and teaching financial lessons to their children.⁵⁵ Many cognitive changes—for example, increased focus on goal setting and achievement and, perhaps most important, increased self-confidence and hopefulness—also were reported.⁵⁶

Kentucky Domestic Violence Association's Economic Empowerment Project.

The Kentucky Domestic Violence Association in Frankfort, Kentucky, developed the Economic Empowerment Project, which offers asset-building opportunities to survivors receiving services at the association's fifteen member organizations.⁵⁷ The association provides an IDA program, financial education, emergency funds, microloans, and bankruptcy counseling.⁵⁸

⁴⁶Sanders, *supra* note 13, at 54–58.

⁴⁷*Id.* at 46.

⁴⁸McGinnis, *supra* note 39.

⁴⁹Redevelopment Opportunities for Women, About REAP (n.d.), www.row-stl.org/Content/RP_About.aspx.

⁵⁰McGinnis, *supra* note 39.

⁵¹*Id.*

⁵²Sanders, *supra* note 13, at 74.

⁵³McGinnis, *supra* note 39; see also Sanders, *supra* note 13, at 69–70.

⁵⁴McGinnis, *supra* note 39.

⁵⁵Sanders, *supra* note 13, at 76.

⁵⁶*Id.* at 79–81.

⁵⁷See Kentucky Domestic Violence Association, Economic Empowerment Project (n.d.), www.kdva.org/economicjusticeproject.html.

⁵⁸E-mail from Mary O'Doherty, Economic Empowerment Project Director, Kentucky Domestic Violence Association, to me (March 31, 2009) (in my files).

The Kentucky Domestic Violence Association partially funds these initiatives with grants from the Assets for Independence Act, which authorized the U.S. Department of Health and Human Services to establish and administer a five-year, \$125 million demonstration of IDAs.⁵⁹ The majority of the IDA program's matching funds is from Kentucky's housing finance agency and Fifth Third Bank.⁶⁰ The association raises funds, works with banking partners, and handles administrative duties, while the member organizations recruit participants and provide case management, credit counseling, and financial education.⁶¹

The Kentucky Domestic Violence Association's IDA program matches participants' savings two to one—up to \$6,000 of matched savings—which may be used to purchase a home, pursue postsecondary education, or establish a small business.⁶² Participants complete a financial education course and individual financial counseling.⁶³ Interest from the IDA master account is pooled into an emergency fund, for which survivors participating in asset-building activities may apply to defray unexpected expenses that might otherwise jeopardize their ability

to make monthly deposits.⁶⁴ One hundred two participants have completed the IDA program.⁶⁵

Fifth Third Bank, which has helped fund and administer many of the Kentucky Domestic Violence Association's IDA savings accounts, received Community Reinvestment Act credit from federal financial regulators.⁶⁶ Fifth Third Bank's Community Reinvestment Act officer notes that a bank "can easily partner with [a] domestic violence organization" in many ways:⁶⁷

It is truly a win-win situation. The organization wins because it extends [its outreach of its] programs and services[;] the IDA participant[s] win[] because they receive assistance and have the opportunity to buy a home, start a business, or continue their education, [and] the bank wins because it has furthered its brand and developed a closer relationship[] with the consumer.⁶⁸

The Kentucky Domestic Violence Association also provides microloans, funded by the Allstate Foundation, to survivors to assist them in dealing with poor credit history, high-interest-rate credit cards,

⁵⁹The Assets for Independence Act was authorized under Title IV of the Community Opportunities, Accountability, and Training and Educational Services Human Services Reauthorization Act of 1998, Pub. L. No. 105-285, 112 Stat. 2760 (codified as amended at 42 U.S.C. § 604 note). For more information about the federal Assets for Independence program, see Administration for Families and Children, U.S. Department of Health and Human Services, About Assets for Independence, www.acf.hhs.gov/programs/ocs/afi/assets.html (last updated Dec. 28, 2008).

⁶⁰O'Doherty, *supra* note 58.

⁶¹*Id.*; E-mail from Mary O'Doherty (see note 58) to me (April 5, 2009) (in my files).

⁶²KDVA [Kentucky Domestic Violence Association] *Economic Empowerment Project*, NATIONAL BULLETIN ON DOMESTIC VIOLENCE PREVENTION, Feb. 2009, at 6; see Kentucky Domestic Violence Association, Kentucky Asset Success Initiative: Individual Development Accounts (IDA) (n.d.), www.kdva.org/kasi/kasi_ida.html ("How does the IDA program work?").

⁶³E-mail from Mary O'Doherty (see note 58) to me (March 30, 2009) (in my files).

⁶⁴KDVA *Economic Empowerment Project*, *supra* note 62, at 6. As of February 2009, the IDA Emergency Fund had assisted at least sixty survivors (E-mail from Mary O'Doherty (see note 58) to me (April 1, 2009) (in my files)).

⁶⁵O'Doherty, *supra* note 64.

⁶⁶E-mail from Janet Beard, Vice President—CRA [Community Reinvestment Act] Officer, Fifth Third Bank, Lexington, Ky., to me (April 2, 2009) (in my files). The Community Reinvestment Act of 1977 (12 U.S.C. § 2901) and its regulations (12 C.F.R. pts. 25, 228, 345, 563e) are "intended to encourage financial depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods" (Federal Financial Institutions Examination Council, Community Reinvestment Act, www.ffiec.gov/cra/default.htm (last modified April 27, 2009)). Financial institutions are examined for their compliance with CRA requirements (see Community Reinvestment Act of 1977, 12 U.S.C. § 2901 note, § 804). The financial institution's compliance is considered when the institution applies for permission to merge or open bank branches (John Taylor & Josh Silver, *The Community Reinvestment Act at 30: Looking Back and Looking to the Future*, 53 NEW YORK LAW SCHOOL LAW REVIEW 203, 204 (2008–2009)).

⁶⁷Beard, *supra* note 66.

⁶⁸*Id.*

or lack of credit cards.⁶⁹ As opposed to high-cost, short-term, payday loans, these microloans are interest-free, often secured by IDA savings, and range from six to twelve months.⁷⁰ IDA participants have used microloans to borrow an amount from the association's Economic Empowerment Project, deposit the loan amount in a regular bank account, and repay it over twelve months.⁷¹ After twelve months not only will the survivor have benefited from the use of the funds, but also the survivor's history of timely loan payments is reported to the credit bureaus to boost the survivor's credit score.⁷² According to the Kentucky Domestic Violence Association, "[t]he fastest way to build credit is to help survivors use credit wisely."⁷³

Christy Bailey's journey from being physically and emotionally abused to an independent, financially secure homeowner exemplifies the potential of asset building in survivors' lives. Bailey separated from her abuser at least ten times but was unable to leave permanently because she questioned her own ability to be financially and emotionally independent.⁷⁴ Eventually she went to Oasis (Owensboro Area Shelter and Information Services), a member of the Kentucky Domestic Violence Association, and later, after work-

ing at a local homeless shelter—the same shelter where she had been a client—she learned about the Kentucky Domestic Violence Association's IDA program.⁷⁵

Bailey began to repair her credit history and participated in individual and group financial education. Next she participated in the IDA program, worked two jobs, saved \$110 per month, and within two years purchased a home. Now she is participating in the IDA program a second time and saving \$30 per month toward higher-education expenses. Reflecting on asset building, she says that it "helps [survivors] realize that they are capable and ... that they don't have to live like that and ... [they're] not the only one who has been through this."⁷⁶

Barren River Area Safe Space. Barren River Area Safe Space, a Kentucky Domestic Violence Association member organization in Bowling Green, Kentucky, offers Financial Freedom, a survivors' financial education curriculum compiled from several sources, including the Redevelopment Opportunities for Women, the National Coalition Against Domestic Violence, the National Endowment for Financial Education, and the Allstate Foundation.⁷⁷ The Financial Freedom

⁶⁹O'Doherty, *supra* note 63.

⁷⁰*Id.*; *KDVA Economic Empowerment Project*, *supra* note 62, at 6.

⁷¹O'Doherty, *supra* note 63.

⁷²*Id.*

⁷³*Id.*

⁷⁴Telephone Interview with Christy Bailey, participant in the Kentucky Domestic Violence Association program, in Owensboro, Ky. (March 24, 2009).

⁷⁵*Id.* For a list of member organizations, see Kentucky Domestic Violence Association, Member Domestic Violence Programs (n.d.), www.kdva.org/memberdvprograms.html.

⁷⁶Bailey, *supra* note 74.

⁷⁷Telephone Interview with Erin Pearson (Certified Domestic Violence Advocate and Housing Coordinator, Barren River Safe Space) & Lee Alcott (Executive Director, Barren River Safe Space) in Bowling Green, Ky. (March 25, 2009). See generally Redevelopment Opportunities for Women, *supra* note 42; National Coalition Against Domestic Violence, Hope and Power: A Guide to Your Personal Finances (n.d.), www.ncadv.org/files/Hope_Power_OrderForm.pdf (order form for workbook and companion manual); National Endowment for Financial Education, Hope and Power for Your Personal Finances: A Rebuilding Guide Following Domestic Violence (2002), www.ncadv.org/files/Hope%20and%20Power-English.pdf (English version); *id.*, Esperanza y Poder Para Sus Finanzas Personales: Una Guía para Reestablecerse Después de Vivir Violencia Doméstica (2000), www.ncadv.org/files/Hope%20and%20Power-Spanish.pdf (Spanish version). The Allstate Foundation created the Economics Against Abuse Program to impart economic knowledge and skills to help survivors (Allstate Foundation, <http://clicktoempower.org/about-the-program.aspx>). Since the program's launch in 2005, it has awarded more than \$4 million to domestic violence organizations (Press Release, Allstate Foundation, Financial Empowerment Grants Aid Survivors of Domestic Violence (Nov. 10, 2008), http://d1kr7nlnxyz797.cloudfront.net/newsroom/2008_Grant_Release.pdf). The program, along with National Network to End Domestic Violence Fund and its network of state domestic violence coalitions, provides a financial empowerment curriculum, hosts national conferences, and coordinates a national public awareness campaign on economic abuse (National Network to End Domestic Violence, Allstate Foundation Economics Against Abuse Program (n.d.), www.nnedv.org/projects/allstatefoundation.html).

curriculum covers budgeting, tracking expenses, credit reports and their repair, and safety-planning issues.⁷⁸ According to the Barren River Area Safe Space's coordinator, "[survivors] have had to rely on the abuser in the past. Once they realize they can live off their income and do not need to borrow from payday lenders, but can build their credit report, they become self-sufficient."⁷⁹

Monthly classes are held at domestic violence shelters and at confidential off-site locations. Survivors, especially those staying in a shelter, frequently repeat the classes. According to the Barren River Area Safe Space's coordinator, "[w]e take small steps. It's all about planting the seed. Some aren't able to respond the first time. But the 'seed' allows them to hang on until they are in stable housing and ready to take the course again."⁸⁰

The Barren River Area Safe Space program offers a three-year IDA program that provides a two-to-one match, up to \$2,000, for homeownership, higher education, or business start-up expenses. The minimum monthly deposit is \$20, and participants must be in the program six months to withdraw matched savings. IDA participants attend a mandatory, bi-monthly, peer financial education course throughout the program. Of the thirty-five participants thus far, six survivors have purchased long-term assets.⁸¹

In creating its program, Barren River Area Safe Space engaged banks and insurance companies and sought diversified fund-

ing sources.⁸² One partner, BB&T Bank, received Community Reinvestment Act credit for sharing information and financial education resources and giving a small grant to the Barren River Area Safe Space program; the bank is exploring opportunities to partner in Barren River Area Safe Space's IDA program.⁸³ According to the bank, the partnership "has allowed us to reach a market segment that would be otherwise difficult to serve. [Barren River Area Safe Space's] educational programming enables their participants to learn the skills and habits to become good, life-long banking customers."⁸⁴

Barren River Area Safe Space staff members acknowledge that their asset-building programs may stretch the limits of the traditional idea of what survivors can do and that the organization went outside its comfort zones.⁸⁵ They concede that they had to reconceptualize themselves while adding these new services; as their coordinator stated, "to have a bigger impact and affect a systems change, we have to go beyond how we are a shelter.... [We] have seen the long-term effects [and] how women have changed their lives."⁸⁶

Women's Crisis Center. Northern Kentucky's Women's Crisis Center, another Kentucky Domestic Violence Association member organization, offers survivors an IDA program. The center partners with Fifth Third Bank to ensure that survivors who have poor credit histories or are in Chex Systems have a second chance to ac-

⁷⁸Pearson & Alcott, *supra* note 77.

⁷⁹*Id.*

⁸⁰*Id.*

⁸¹*Id.*

⁸²*Id.*

⁸³E-mail from Marlo Scruggs, Vice President, Community Development Specialist, Community Reinvestment Act and Community Development Department, BB&T Bank, to me (March 30, 2009) (in my files).

⁸⁴*Id.*

⁸⁵Pearson & Alcott, *supra* note 77.

⁸⁶*Id.*

cess a bank account.⁸⁷ To qualify for the IDA program, a participant must have a low income and deposit a minimum monthly amount of \$20; the match rate is two to one, up to \$2,000.⁸⁸ Before enrolling in the program, survivors receive basic financial education, work to repair or build their credit history, and, if necessary, receive a “fresh start” grant for uses such as paying utility bills, car repair, and rent.⁸⁹ Survivors may access a financial emergency fund once per year during the three years of their IDA participation.⁹⁰ According to the IDA program manager, the crucial milestone is when a survivor realizes that she has the power to make her own financial decisions: “As they take these steps, their pride comes back, and their hope. IDA graduates get their dreams back.”⁹¹

The center’s IDA program has had eight graduates.⁹² One IDA graduate who purchased a home became so financially savvy that her on-time mortgage payments are now less than her prior rent expenses, and she saves the difference.⁹³

Another survivor fled with her three children from the abuser and lived on public assistance.⁹⁴ After participating in financial education classes and raising her credit score by 150 points, she opened an IDA.⁹⁵ One year later, the survivor, a restaurant waitress, made a sizable down payment to purchase a home.⁹⁶ According to the survivor, the program helped her focus on her goal of homeownership and empowered her to take control of her financial future.⁹⁷

A Safe Place. A Safe Place partnered with Lake Forest Bank in Lake Forest, Illinois, to offer financial education and mainstream financial savings products to survivors.⁹⁸ A Safe Place and the bank designed a financial education program responding to the unique financial challenges (e.g., the difficulty in accessing mainstream financial products) that survivors face.⁹⁹ The bank held a financial education session and later introduced survivors to savings products.¹⁰⁰ Many of the survivors had been underbanked

⁸⁷Telephone Interview with Rebecca Mishos, IDA Manager, Women’s Crisis Center, in Covington, Ky. (March 25, 2009). The Women’s Crisis Center provides a twenty-four-hour crisis hotline, crisis intervention, advocacy, community education, counseling, and support services and serves eight northern Kentucky counties (*id.*; see also Women’s Crisis Center, www.wccy.org/). Chex Systems Inc. “provides deposit account verification services to its financial institution members to aid them in identifying account applicants who may have a history of account mishandling (e.g., people whose accounts were overdrawn and then closed by their bank)” (Consumer Debit Resource, Chex Systems Inc., Consumer Assistance (n.d.), <https://www.consumerdebit.com>).

⁸⁸Mishos, *supra* note 87. Low income is considered one at or below 200 percent of the federal poverty level, which for a family of four in 2009 is \$44,100 (U.S. Department of Health and Human Services, 2009 HHS Poverty Guidelines: One Version of the [U.S.] Federal Poverty Measure (last rev. Feb. 27, 2009), <http://aspe.hhs.gov/POVERTY/09poverty.shtml>).

⁸⁹Mishos, *supra* note 87.

⁹⁰*Id.*

⁹¹*Id.*

⁹²*Id.*

⁹³*Id.*

⁹⁴Kentucky Domestic Violence Association, Success Stories: Andrea Langefeld (n.d.), www.kdva.org/success_stories.html).

⁹⁵*Id.*

⁹⁶O’Doherty, *supra* note 64.

⁹⁷Kentucky Domestic Violence Association, *supra* note 94.

⁹⁸E-mail from Casandra Slade, Vice President–CRA Officer, Lake Forest Bank, to me (March 19, 2009) (in my files). See generally A Safe Place, www.asafeforhelp.org.

⁹⁹Slade, *supra* note 98; Telephone Interview with Caprice Killingsworth, Life Skills Specialist, A Safe Place, in Lake County, Ill. (March 31, 2009).

¹⁰⁰Killingsworth, *supra* note 99.

or had never had a bank account before their participation in this program.¹⁰¹

The bank offered a Small Dollar Loan product and a Community Growth Loan savings product; participants were required to have an income, have lived six months in the transitional housing program, and participate in financial education and case management services.¹⁰² The community growth loan is tailored to survivors who have a poor credit history or have never had a bank account; it is an unsecured savings product with a fixed one- or two-year term and interest rate.¹⁰³ The survivor deposits a monthly minimum of \$25 during the term of the loan until reaching the preset savings goal, which ranges from \$250 to \$1,000.¹⁰⁴ Each deposit is reported to the credit bureaus to enhance the survivor's credit score.¹⁰⁵ At the end of the term, the survivor may withdraw the funds, including accrued interest.¹⁰⁶

From the start, the bank's collaboration with A Safe Place and flexibility in ensuring that the financial products truly meet survivors' needs have led survivors to opportunities to move farther down "the road to self-sufficiency."¹⁰⁷ The bank hopes to offer an IDA program and to receive Community Reinvestment Act credit for its financial education and

savings and loan products.¹⁰⁸ According to the bank's Community Reinvestment Act officer, "[w]ith a solid partnership between the local bank and the domestic violence program, [the programs resulting from the partnership] can definitely be structured to be a 'win-win'."¹⁰⁹

Illinois Coalition Against Domestic Violence. To equip domestic violence programs across Illinois with the tools they need to integrate and institutionalize economic intervention into domestic violence advocacy, the Illinois Coalition Against Domestic Violence in Springfield, Illinois, launched the Economic Empowerment Project in April 2007.¹¹⁰ The project has three components: financial education training, technical assistance, and community partnerships.¹¹¹ The semiannual financial education training teaches advocates and case managers from the coalition's member organizations to deliver financial education and advocacy.¹¹² The two training sessions are a Redevelopment Economic Action Program curriculum training and a follow-up training on individual financial counseling.¹¹³ To date, 226 advocates in Illinois have attended the sessions; they represent 49 domestic violence programs (or 91 percent of the coalition's member programs).¹¹⁴

¹⁰¹*Id.*; Slade, *supra* note 98. "Underbanked" consumers use both mainstream (e.g., checking account or savings account or both) and alternative financial service providers (e.g., check cashers and payday lenders) to satisfy their financial needs (see Center for Financial Services Innovation, Fact Sheet: the Unbanked and Underbanked (n.d.), www.cfsinnovation.com/underbanked-fact-sheet.php).

¹⁰²Slade, *supra* note 98; E-mail from Casandra Slade (see note 98) to me (March 30, 2009) (in my files).

¹⁰³Slade, *supra* note 102.

¹⁰⁴E-mail from Casandra Slade (see note 98) to me (April 6, 2009) (in my files).

¹⁰⁵*Id.*

¹⁰⁶*Id.*

¹⁰⁷*Id.*

¹⁰⁸E-mail from Casandra Slade (see note 98) to me (March 20, 2009) (in my files).

¹⁰⁹*Id.*

¹¹⁰E-mail from Kelly Goodall, Economic Empowerment Project Manager, Illinois Coalition Against Domestic Violence, to me (March 31, 2009) (in my files). See generally Illinois Coalition Against Domestic Violence, Economic Empowerment Project (n.d.), www.ilcadv.org/economicempowerment/ee_public.htm.

¹¹¹Goodall, *supra* note 110.

¹¹²*Id.*

¹¹³*Id.* See generally Redevelopment Opportunities for Women, *supra* note 38.

¹¹⁴Goodall, *supra* note 110.

The project's ongoing technical assistance is through daily on-site visits, telephone calls, and e-mail correspondence with member organizations.¹¹⁵ The project manager answers questions from advocates concerning economic issues they run into; cofacilitates groups when needed or conducts problem-solving during on-site visits with advocates; researches and creates resources on topics such as bankruptcy and credit; and helps advocates on their work with individual survivors and survivors' economic education classes.¹¹⁶

The project develops and fosters partnerships among the coalition, member organizations, and financial and government partners so that survivors have opportunities to access mainstream financial banking products.¹¹⁷ The partners learn how the traditional financial system often inadequately meets survivors' unique financial needs.¹¹⁸

Self-Worth and Net Worth

Asset-building opportunities take on increased importance for survivors, for whom financial dependency and lack of financial knowledge are disincentives to leave an abusive relationship. Because economic dependency is the leading predictor of whether the survivor remains with, leaves, or returns to the abuser, asset building—which creates access to wealth—must be integral to domestic violence advocacy. Financial education,

IDA programs, and microloans are asset-building opportunities; they build survivors' hopefulness about the future and their sense of control over their lives as the survivors move toward financial independence and security.

Local asset-building coalitions, financial institutions, governmental entities, and private foundations can serve as valuable partners for domestic violence organizations to implement asset-building activities.¹¹⁹ Such partnerships have a shared goal of safely increasing asset-building opportunities for low-income individuals, families, and communities. Advocates for domestic violence survivors inform the partnership on, for example, the design and implementation of financial products and services and outreach strategies to assist survivors.

Federal and state government ideally would create policies and legislation to promote permanent and accessible savings vehicles benefiting low-income populations and survivors of domestic violence.¹²⁰ Until such a vehicle is built, however, asset-building strategies can and should be integrated into domestic violence advocacy, as the case studies here demonstrate. Together domestic violence advocates and asset-building supporters can help survivors permanently escape abusive relationships and improve both self-worth and net worth of the survivors.

COMMENTS?

We invite you to fill out the comment form at <http://tinyurl.com/JulyAugustSurvey>. Thank you.

—The Editors

¹¹⁵*Id.*

¹¹⁶E-mail from Kelly Goodall (see note 110) to me (March 30, 2009) (in my files).

¹¹⁷Goodall, *supra* note 110.

¹¹⁸*Id.*

¹¹⁹Karen Edwards, KME Consulting, CSD Policy Report No. 08-09, *The Relevance of Asset-Building Policy Coalitions in the United States* 3–6 (2008). E.g., the Allstate Foundation states that its Moving Ahead Through Financial Management curriculum engages a diverse collaboration of survivors, the National Network to End Domestic Violence Fund, domestic violence coalition staff, local advocates, and Allstate (see Allstate Foundation, *Advocate Training Guide: Moving Ahead Through Financial Management* 8–10 (2007), http://d1kr7nlxxyz797.cloudfront.net/fec-pdfs/Advocate_Training_Guide.pdf). In June 2009 the Community Investment Unit of the Sargent Shriver National Center on Poverty Law launched www.assetcoalitiontoolkit.org, which lists, among other items, asset-building coalitions across the country and their contact information (see News & Notes, in this issue, for more information).

¹²⁰See Sherraden, *supra* note 9, at 10. No permanent federal or state system offers asset-building opportunities to low-income people. However, on May 5, 2009, the Savings for Working Families Act was introduced in the House and Senate (H.R. 2277, S. 985, 111th Cong. (1st Sess.)); this Act would fund at least 2.7 million IDA accounts over a ten-year period. The accounts can be set up for any person 18–61 who meets earnings and other eligibility requirements. To qualify for the IDA match, the account holder must use the savings for specified purposes and must complete a financial education course before withdrawing any money. Qualified financial institutions would receive a tax credit to offset the cost of matching deposits of IDA account holders up to \$500 per IDA per year for four years. Account providers would receive a \$50 tax credit per account per year to cover administrative costs. For more information on the legislation, see Corporation for Enterprise Development, *Savings for Working Families Act* (n.d.), www.cfed.org/go/swfa.

Author's Acknowledgments

This article would not have been possible without the willingness of so many to share their experiences. A heartfelt “thank you” to Lee Alcott, executive director, Barren River Area Safe Space Inc., Bowling Green, Kentucky; Christy Bailey, Owensboro, Kentucky; Janet Beard, vice president and CRA officer, Fifth Third Bank, Lexington, Kentucky; Christine Cain, coordinator of women’s business development, New Visions, New Ventures Inc., Richmond, Virginia; Kelly Goodall, Economic Empowerment Project manager, Illinois Coalition Against Domestic Violence, Springfield, Illinois; Emily McGinnis, IDA program coordinator, Redevelopment Opportunities for Women, St. Louis, Missouri; Caprice Killingsworth, life skills specialist, A Safe Place, Lake County, Illinois; Rebecca Mishos, IDA manager, Women’s Crisis Center, Covington, Kentucky; Mary O’Doherty, Economic Empowerment Project director,

Kentucky Domestic Violence Association, Frankfort, Kentucky; Erin Pearson, certified domestic violence advocate and housing coordinator, Barren River Area Safe Space Inc., Bowling Green, Kentucky; Marlo Scruggs, vice president, community development specialist, BB&T Bank, Charleston, West Virginia; and Casandra Slade, vice president—CRA officer, Lake Forest Bank, Lake Forest, Illinois. “Thank you” also to those who reviewed drafts and offered helpful comments: Karen Harris, supervising attorney, Community Investment Unit, Sargent Shriver National Center on Poverty Law; Wendy Pollack, director, Women’s Law and Policy Project, Shriver Center; and Dory Rand, president, Woodstock Institute. This article is dedicated to the tireless advocates who will not rest until the cycle of domestic violence is broken for good and to the survivors whose bravery and tenacity inspire us all.

Subscribe to CLEARINGHOUSE REVIEW at www.povertylaw.org

CLEARINGHOUSE REVIEW: JOURNAL OF POVERTY LAW AND POLICY is the advocate's optimal resource for analyses of legal developments, innovative strategies, and best practices. An annual subscription entitles you to six hard-copy issues of the REVIEW and a user name and password to access our online archive of twenty years of articles. You also have free access to webinars, discussion boards, and readers' conference calls.

Site Licenses Now Available to Nonprofit Subscribers

For a supplemental fee, nonprofit subscribers to the REVIEW are eligible to purchase a site license to access REVIEW materials at www.povertylaw.org. A site license enables all staff members at your organization to access our resources without having to log in or remember a password.

| Annual Subscription Price: | Onetime Only Offer for Site License Fee: |
|---|---|
| <input type="checkbox"/> \$250 for nonprofit entities (including law school clinics) | <input type="checkbox"/> \$25 for organizations with 1–25 attorneys and paralegals |
| <input type="checkbox"/> \$105 for Legal Services Corporation–funded organizations (special discount) | <input type="checkbox"/> \$50 for organizations with 26–50 attorneys and paralegals |
| | <input type="checkbox"/> \$75 for organizations with 51–99 attorneys and paralegals |
| | <input type="checkbox"/> \$100 for organizations with 100+ attorneys and paralegals |

Special Subscription Order Form

Name _____

Organization _____

Street address _____ Floor, suite, or unit _____

City _____ State _____ Zip _____

E-mail _____

Telephone _____ Fax _____

Number of subscriptions _____ x unit cost (see above) = \$ _____

Supplemental Site License Fee \$ _____

Total cost \$ _____

Payment

My payment is enclosed.
*Make your check payable to **Sargent Shriver National Center on Poverty Law**.*

Charge my credit card: Visa or Mastercard.

Card No. _____ Expiration Date _____

Signature _____

We will mail you a receipt.

Bill me.

Please mail or fax this form to:

Sargent Shriver National Center on Poverty Law
50 E. Washington St. Suite 500
Chicago, IL 60602
Fax 312.263.3846

CUT HERE