Economic Empowerment: Evaluation of a Financial Literacy Curriculum for Survivors of Domestic Abuse

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Economic Empowerment

- Empowerment is defined as the process of gaining power & control over one’s own life (Kasturirangan, 2008)
  - Including one’s personal financial life
- Economic empowerment includes the knowledge, skills, & confidence needed to address one’s own financial well-being

Financial Literacy → Economic self-efficacy → Economic self-sufficiency → Economic Empowerment
Key Terms

- **Financial literacy** is “the ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions” (Vitt, et al., 2000)

- **Economic self-sufficiency** is the manifestation of a wide range of behaviors related to financial management (Gowdy & Pearlmutter, 1993)

- **Economic self-efficacy** is the belief that one has the resources, options, & confidence to complete financial tasks (Weaver, Sanders, Campbell, & Schnabel, 2009)
Financial Literacy Programs for Survivors

• Several programs have been developed:
  – Hope & Power for Your Personal Finances (NCADV)
  – Personal Economic Planning (Iowa Coalition Against Domestic Violence)
  – Redevelopment Opportunities for Women’s Economic Action Program (REAP)
  – Moving Ahead through Financial Management (The Allstate Foundation & NNEDV)

• Curricula include:
  – Similar financial literacy information to most programs
  – Help reach individualized economic goals & strengthen financial management skills
  – PLUS...information on economic abuse & safety concerns
Financial Empowerment Curriculum

- Developed from a partnership between The Allstate Foundation and NNEDV
- *Moving Ahead Curriculum* is a comprehensive package of financial tools and information designed to empower victims to be self-sufficient with their finances
- Creating systemic change in the delivery of financial education to domestic violence survivors
- Educating advocates and providing opportunities for Allstate agents to use their skills and experience to build stronger communities by working with domestic violence survivors
Research Questions

• What is the participant’s level of financial literacy?

• Are there significant differences in financial literacy based on demographics?

• Does financial literacy impact economic empowerment when controlling for abuse variables, demographic factors, economic self-efficacy, and economic self-sufficiency?

• What skills and behaviors did the participants obtain after being introduced to the curriculum?
Methodology and Recruitment

• Domestic Violence Agencies and shelter programs in 10 states

• Individuals at each site were invited to participate in the evaluation if they
  – a) Were 18 years or older, and
  – b) Had attended at least one individual or group session during which the economic empowerment curriculum information had been shared

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<thead>
<tr>
<th>States</th>
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<tbody>
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<td>West Virginia</td>
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<td>South Dakota</td>
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<td>Ohio</td>
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<td>Missouri</td>
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<td>New York</td>
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<td>Iowa</td>
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Two-pronged evaluation

• Interviewed participants 3 times
  – Provided financial incentive ($25 - $35 - $50)
  – Face-to-face & phone interviews
  – 121 participants in Round One (Summer 08)
  – 101 participants in Round Two (Winter 08-09)
  – 93 participants in Round Three (Summer 09)
  – Final retention rate = 77%

• For analyses, removed the only male participant
 Variables & Measures

- **Independent**
  - Financial Literacy

- **Controls**
  - Abuse:
    - Economic abuse
    - Physical abuse
    - Psychological abuse
  - Demographics:
    - Age
    - Education
    - Ethnicity
    - Length of Services
    - Income
  - Economic self-sufficiency
  - Economic self-efficacy

- Financial literacy scale created by researchers; based on curriculum
- Scale of Economic Abuse (SEA)
- Abusive Behavior Inventory (ABI)
- Family Empowerment Scale; revised by researchers
- WEN Economic Self-Sufficiency Survey
- Domestic Violence Financial Issues Scale (economic self-efficacy subscale)
- Basic demographics
Data Analysis

• Data collected via Zoomerang & imported via Excel to SPSS
• All data cleaned & spot checked
• Analyses strategies included:
  – Descriptive statistics
  – Correlations
  – Regression
  – Paired t-tests
Demographics

• **Age** *(average = 39)*
  - 18-30 33%
  - 31-40 20%
  - 41-50 34%
  - 51-60 8%
  - 60+ 5%

• **Race / Ethnicity**
  - Caucasian 55%
  - African-American 20%
  - Latina or Hispanic 18%
  - Other 8%

• **Education**
  - Grade school 3%
  - Some High School 18%
  - Graduated High School 32%
  - Some College 39%
  - College 9%

• **17% were in school**
Demographics – cont.

• **Length of Services**
  – Range 1-192 months
  – Average 21 months
  – Mode 0-6 months

• **Average Annual Income**
  – 0 - 10,000 - 49%
  – 10,001 – 15,000 – 12%
  – 15,001 – 25,000 – 26%
  – 25,001 – 35,000 – 9%
  – More than 35,000 – 4%
  – 52% said it was either very difficult or extremely difficult to live on their income
Financial Literacy

• Participants were asked to rank their level of understanding for 51 items
  • 4-point Likert scale with answers ranging from not true to very true
  – Conducted exploratory factor analysis using principal axis factoring
    • Reduced 51 items to 13
    • Items organized into 4 factors:
      – Knowledge about Credit (4)
      – Knowledge about Obtaining Resources (3)
      – Knowledge about Investing & Long Term Planning (4)
      – Knowledge about Joint Assets with Partner (2)
<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>SD</th>
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<tbody>
<tr>
<td><strong>Knowledge about Credit</strong></td>
<td></td>
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<tr>
<td>How to review my credit history</td>
<td>3.23</td>
<td>.92</td>
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<tr>
<td>How to review and understand my credit report and credit history</td>
<td>2.90</td>
<td>.99</td>
</tr>
<tr>
<td>How to improve my credit rating</td>
<td>2.79</td>
<td>1.0</td>
</tr>
<tr>
<td>What to expect if I try to get a loan</td>
<td>2.78</td>
<td>.97</td>
</tr>
<tr>
<td><strong>Overall Mean = 2.92 (SD=.82)</strong></td>
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<tr>
<td><strong>Knowledge about Obtaining Resources</strong></td>
<td></td>
<td></td>
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<tr>
<td>What community resources and public assistance benefits are available</td>
<td>3.20</td>
<td>.90</td>
</tr>
<tr>
<td>The resources that are available in my community to assist me with the financial challenges I might encounter if I decide to leave my abuser</td>
<td>3.14</td>
<td>.86</td>
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<tr>
<td>How to get financial and legal assistance through local resources</td>
<td>3.02</td>
<td>.94</td>
</tr>
<tr>
<td><strong>Overall Mean = 3.11 (SD=.77)</strong></td>
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<tr>
<td><strong>Knowledge about Investing and Long Term Planning</strong></td>
<td></td>
<td></td>
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<tr>
<td>Planning for retirement and the different types of plans available</td>
<td>2.16</td>
<td>.97</td>
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<tr>
<td>How to invest my savings through things like savings bonds, mutual funds, and stocks</td>
<td>2.15</td>
<td>1.0</td>
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<tr>
<td>Estate planning</td>
<td>2.04</td>
<td>1.0</td>
</tr>
<tr>
<td>Community programs such as IDAs and EITCs</td>
<td>1.90</td>
<td>.96</td>
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<tr>
<td><strong>Overall Mean = 2.00 (SD=.69)</strong></td>
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<tr>
<td><strong>Knowledge about Joint Assets with Partner</strong></td>
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<tr>
<td>How to identify joint or combined financial responsibilities and assets</td>
<td>2.77</td>
<td>.99</td>
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<tr>
<td>How to identify my partner’s assets and financial responsibilities</td>
<td>2.56</td>
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<td><strong>Overall Mean = 2.70 (SD=.95)</strong></td>
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## Correlations

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<td>1 - Financial Literacy</td>
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<tr>
<td>2 - Economic Empowerment</td>
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<tr>
<td>3 - Economic self-efficacy</td>
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<td></td>
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<tr>
<td>4 - Economic self-sufficiency</td>
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<td>5 – IPV</td>
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<tr>
<td>6 - Economic Abuse</td>
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<td>1 - Financial Literacy</td>
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<tr>
<td>2 - Economic Empowerment</td>
<td>.550**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - Economic self-efficacy</td>
<td></td>
<td>.318**</td>
<td>.516**</td>
<td></td>
<td></td>
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<tr>
<td>4 - Economic self-sufficiency</td>
<td></td>
<td>.222*</td>
<td>.407**</td>
<td>.519**</td>
<td></td>
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<tr>
<td>5 – IPV</td>
<td></td>
<td>-.090</td>
<td>.069</td>
<td>.003</td>
<td>-.194</td>
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<tr>
<td>6 - Economic Abuse</td>
<td></td>
<td>-.033</td>
<td>.094</td>
<td>.046</td>
<td>-.123</td>
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**. significant at the 0.01 level; * significant at the 0.05 level (2-tailed);
<table>
<thead>
<tr>
<th>Variable</th>
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<th>SE</th>
<th>Standardized</th>
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<tr>
<td>Financial Literacy</td>
<td>.50</td>
<td>.10</td>
<td>.46**</td>
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<tr>
<td>IPV</td>
<td>.08</td>
<td>.10</td>
<td>.11</td>
</tr>
<tr>
<td>Economic Abuse</td>
<td>.08</td>
<td>.09</td>
<td>.12</td>
</tr>
<tr>
<td>Length of Service (ref. = more than 24 months)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 6 months</td>
<td>-.08</td>
<td>.14</td>
<td>-.06</td>
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<tr>
<td>Between 6 – 24 months</td>
<td>-.11</td>
<td>.14</td>
<td>-.07</td>
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<tr>
<td>Age (ref. = less than 30 years)</td>
<td>-.05</td>
<td>.12</td>
<td>-.03</td>
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<tr>
<td>31-40 years</td>
<td>-.10</td>
<td>.15</td>
<td>-.06</td>
</tr>
<tr>
<td>41-50 years</td>
<td>-.06</td>
<td>.14</td>
<td>-.05</td>
</tr>
<tr>
<td>51 +</td>
<td>.14</td>
<td>.19</td>
<td>.07</td>
</tr>
<tr>
<td>Education (ref. = high school diploma)</td>
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<tr>
<td>Less than high school diploma</td>
<td>.12</td>
<td>.17</td>
<td>.08</td>
</tr>
<tr>
<td>Some college / college grad</td>
<td>.19</td>
<td>.13</td>
<td>.15</td>
</tr>
<tr>
<td>Income (ref. = Less than $10,000)</td>
<td></td>
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<tr>
<td>$10,001-$15,000</td>
<td>-.19</td>
<td>.19</td>
<td>-.09</td>
</tr>
<tr>
<td>$15,001-$25,000</td>
<td>-.07</td>
<td>.13</td>
<td>-.05</td>
</tr>
<tr>
<td>$25,001 and higher</td>
<td>-.18</td>
<td>.18</td>
<td>-.10</td>
</tr>
<tr>
<td>Race (ref. = white)</td>
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<tr>
<td>African American</td>
<td>.32</td>
<td>.18</td>
<td>.18</td>
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<tr>
<td>Latina</td>
<td>.31</td>
<td>.15</td>
<td>.19**</td>
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<tr>
<td>Other</td>
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<td>.21</td>
<td>.26**</td>
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<tr>
<td>Economic self-sufficiency</td>
<td>.14</td>
<td>.07</td>
<td>.21*</td>
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<tr>
<td>Economic self-efficacy</td>
<td>.10</td>
<td>.05</td>
<td>.20</td>
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NOTE: $R^2 = .6432$; Adj-$R^2 = .544$  
*p ≤ .05, ** p ≤ .01.
Results: Learned from Curriculum

- Asked participants on whether they had completed specific financial tasks since the curriculum
  - 88% identified signs of financial abuse in current or past relationships
  - 88% set financial goals
  - 76% created a budget
  - 71% began paying off their debt
  - 65% opened a bank account
  - 64% looked up their credit history
  - 52% developed a financial safety plan
  - 22% started a retirement account
Use of the Curriculum?

• How often?
  – 56% referred to the curriculum when they had questions

• How helpful?
  – 92% found the information helpful
  – 96% found the information useful
  – 91% found it beneficial for financial needs

• Tell anyone?
  – 74% shared information with other individuals
    • 22% shared budgeting
    • 13% talked about saving money or credit
    • 11% shared the entire curriculum
Differences between Interviews

• Significant increases from first to last interviews for:
  – Financial literacy
  – Economic empowerment
  – Economic self-sufficiency
  – Economic self-efficacy
Limitations

• Challenges with sample
  – Selection of sample limits generalizability only to this sample
  – Size is small
• No control group or randomization
• Some results only based on first round; more testing is needed
• Mix of standardized scales with relatively new or recently revised instruments
Next steps

• New experimental study, launching this summer, that randomly assigns survivors to control or experimental group
  – 3 areas of the country
  – Plans to recruit 600 women (300 in each group)
  – Working with multiple agencies

• Using lessons learned from data collection & instrument

• Guided by Theory of Planned Behavior
Conceptual Framework using TPB

The Allstate Foundation curriculum

Demographic factors

Family of Origin Financial Practices

Financial knowledge

Financial attitudes

Economic self-efficacy

Economic self-sufficiency

Current financial norms

Financial behavioral intentions

Abuse

Financial well-being

- Economic empowerment
- Financial strain
- Subjective satisfaction

Emotional well-being

- Qual. of Life
- Depression
- Anxiety
- PTSD
Discussion & Implications

• Financial literacy and economic empowerment programs are effective in helping survivors:
  – Improve financial knowledge
  – Increase confidence about managing finances
  – Enhancing financial behaviors

• Continued exploration into use of financial literacy as intervention with survivors.
  – How to best deliver?
  – Unique challenges faced by racial, ethnic, & immigrant populations

• National discussion with multidisciplinary groups
Contact Information

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