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# Asset Building Strategies for Domestic Abuse Survivors

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# Overview

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- Introduction to Asset Building and Savings
- Challenges
- Questions for Consideration
- Existing Opportunities
- Policy



# What are Assets? Why do They Matter?

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- Financial and Non-Financial
  - Home, savings & investments, credit score, education & skills
- Framework for Achieving Economic Security
  - As a buffer/safety net and a springboard
- Asset Effects
  - Economic, social, behavioral, psychological



# Savings: Why and How

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- Self-insurance, personal safety net
- Short and Long-term goals
- Alternatives are inferior
  - High-cost lending and credit
  - Payday Loan Industry:
    - \$4.2 Billion in fees/year paid by 15 million payday loan customers/month, most earn \$18K-\$25K
- Income not predictive of ability to save
  - Structures, plans, behavioral considerations matter



# Domestic Violence

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- 1 in 5 full-time employed are victims of domestic violence
- 1 in 4 women and 1 in 10 men will report at least 1 episode
- High prevalence among low-income
  - 60% of women on welfare
  - 35% of women and 21% of men in HH earning <\$15K
- Physical, Psychological, Emotional, Economic Abuse



# Issues Faced by Survivors

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- Liquidity, emergency savings
- Privacy
- Individual credit building, repair
- Individual account ownership
- Debt reduction
- Developing financial independence
- Minimizing disruption to daily routine



# Questions for Consideration

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*Domestic Violence survivors are faced with the unique challenge to simultaneously prepare, build, and protect their assets.*

- What role should asset building play in domestic violence response?
- What aspects of asset building are additive to the response?
- How could current asset building policies work better for survivors?
- What models have successfully aided survivors in the protection of assets?
- How can current savings and asset-building opportunities be incorporated into your work?



# Opportunities

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- Tax Time (\$80 billion in tax refunds to HH with AGI <\$30K)
  - Split Refunds on Form 8888; EITC, Child Tax Credit
- Workplace
  - Enroll in Direct Deposit paycheck; flexible savings
  - Automatic enrollment/escalation in 401(K)
- Small-Savings, Emergency Savings
  - U.S. Savings Bonds
- Public Assistance
  - Categorical Eligibility for food stamps in 5 states
  - Require TANF applicants be screened for domestic violence
- Use Safe, Wealth-Building Financial Services
  - Credit Unions; Second-Chance checking; credit building



# Policy

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- Women and Working Households
  - AutoSave for Emergencies
  - Auto Enrollment and Auto Escalation for Retirement
  - SAFE-T Accounts (tax time)
  - Saver's Bonus
  - Expand Access and Use of Savings Bonds
  - Remove Disincentives (Asset Limits)
- Children/Youth
  - ASPIRE





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