

**WOMEN'S  
EQUALITY NOW:  
THE POSITION  
IN WALES  
TODAY ON  
POVERTY &  
ECONOMIC  
VIOLENCE**





# FOREWORD

WEN Wales was founded in 2010 to represent and support the numerous organisations and individuals working to progress the rights of women and promote equality across Wales. Since then we have gained presence on both on a local and global platform, providing a united voice on the issues important to women and girls in Wales.

We both, as all women do, have faced adversity. We've found our personal voice and built the confidence to lead the way for the future of all women in Wales in our role as Co-Chairs. Our vision for women and girls in Wales is to have a voice on issues important to them. To make this a reality, we commissioned a series of research briefings highlighting issues where women feel they are most affected by inequality.

This research provides an opportunity for a direct dialogue between women and decision makers in Wales. It effectively highlights matters of inequality which still exist in Wales today, to bring them to the forefront of debate and enable change.

We envisage the series to continue as a staple part of WEN's work to continually address the most pertinent needs of women in Wales.

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# INTRODUCTION

It is disheartening that poverty in Wales is on the rise. Recent figures show that the number of people living on less than 60% of average household income has increased from 22% to 23%. Simultaneously, poverty in the rest of mainland Britain has declined.

We know that Wales is often at the top of European tables of inequality, for example we have the highest proportion of children in severe poverty, which is why since the year 2000 we've received £4 billion in European Structural Funds.

We were keen to gather the data on poverty in Wales to find out why, as women, we are at greater risk of poverty than men. We highlight the term 'economic violence' as financial control is so common to women suffering from domestic abuse.

Welfare reform has already been damaging for women in Wales and the roll out of Universal Credit in 2015 is of great concern to our members, many worried that they will lose financial stability for themselves and their families.

It is our hope that this briefing can further support the future work of the Violence Against Women Group, made up of representative organisations across Wales who have achieved great success with the recent passing of the Violence Against Women Bill.



# WOMEN'S POVERTY

Poverty is usually measured as household income of less than 60% of the median. Incomes are adjusted for household type, so that, for example, the poverty threshold for a single person is lower than for a couple with two children. Poverty can be measured before or after housing costs are taken into account – after housing costs are used in the rest of this briefing.

In Wales, 23% of the population lived in poverty in 2012/13. <sup>1</sup> Statistics on poverty by gender are only available for the UK – as Wales has higher overall levels of poverty it is very likely that women's poverty is higher than the UK rate.

In 2012/13 in the UK, adult women were as likely to live in poverty as adult men, with 19% of each doing so.

However this apparent parity is only because poverty is measured by household income which is assumed to be shared equally. A deeper look shows that women are at greater risk of poverty than men.

## Single women are at greater risk of poverty than single men

Single women generally have a slightly higher risk of poverty than single men – only single workless women have lower rates. Lone parents, the vast majority of whom are women, have particularly high rates of poverty compared with other people with four out of ten living below the poverty threshold.

### Percentage Living in Relative Income Poverty, UK 2012/13

Source: Department for Work and Pensions (2014) Households Below Average Income.

Note: Relative income poverty is measured by households with an income of less than 60% of the median, for that household type.

	Women	Men
<b>All Working Age</b>	<b>21</b>	<b>21</b>
Single, in work	17	14
Single, workless	51	53
Single with dependent children	43	43
<b>All Pensioners</b>	<b>14</b>	<b>12</b>
Couple	11	11
Adult	17	15
<b>All Adults</b>	<b>19</b>	<b>19</b>



## Women's poverty within households is hidden

Women's poverty can be hidden by official statistics' focus on household income. Women in couples are more likely to go without essential items than men, with women in poor couples being especially at risk of missing out on essentials.<sup>2</sup> The essentials that women go without are also different – women go without clothing, shoes and heating as well as social activity whereas men go without hobbies.

A woman might therefore experience poverty even if her household income is above the poverty threshold. In households whose income is below the poverty threshold, women's deprivation is deeper than their partner's.

## Women rely on their relationships to protect them from poverty

Many women rely on relationships to protect them from poverty. Some women have no income of their own at all. In Wales in 2012 more than a quarter (27.5%) of women in couples with dependent children did not have a paid job.<sup>3</sup> The figure is even higher for mothers of young children (aged 0-3) in couples, more than a third of whom (35.4%) did not have a paid job in the UK in 2013.<sup>4</sup> Unless they have private means, these women are entirely dependent on their partner's earnings or benefits.

For women who do have a paid job, although the number of women whose personal income is the same or more than their partners' income is increasing,<sup>5</sup> as is the proportion of household income contributed by women,<sup>6</sup> the majority of working women nevertheless earn less than their partner. For example, in the UK 69% of mothers in couples with dependent children earn less than their partner.<sup>7</sup>

As a result, women's economic status is highly sensitive to their relationship status. Becoming a lone parent is one of the main routes into poverty, while forming a new partnership is one of the main routes out.<sup>8</sup>

## Women are at greater risk of poverty than men measured over their life course

It is difficult to measure but the combination of reduced time spent in employment, lower wages and the loss of access to a partner's income through widowhood, separation or divorce contributes to women having lower incomes than men over the course of their lives.<sup>9</sup>

## Poverty increases the risk of domestic abuse

Women's poverty significantly increases the risk of experiencing domestic abuse. Nearly three times as many women on the lowest incomes (less than £10,000 a year) had experienced domestic abuse compared with the highest household income bracket (£50,000 and over) – 15.3% compared with 4.2%.<sup>10</sup>



# ECONOMIC VIOLENCE

Control by one partner of the other's ability to acquire, use or maintain economic resources is one of the behaviours used by perpetrators of domestic abuse.<sup>11</sup> This financial abuse or economic violence is recognized as a form of abuse by the Welsh Government.<sup>12</sup>

The prevalence of economic violence is not known. It is estimated that in about 1 in 5 couples in the UK the male partner manages household income, giving the female partner a personal allowance or housekeeping, although this does not necessarily involve exercising control.<sup>13</sup> Citizen's Advice found that nine out of ten of their advisers had dealt with cases involving financial abuse in the previous year.<sup>14</sup> In England, Women's Aid found 57.4% of women in refuges and 49.7% of women using non-refuge services had experienced financial abuse<sup>15</sup> – it is likely that the proportions are similar in Wales.

Citizen's Advice has identified three main forms that abuse can take<sup>16</sup>:

## Direct financial harm

Direct harm occurs where the victim is forced to take out credit or assume financial liabilities for the perpetrator, or has her property or income stolen or damaged. A survey by Citizen's Advice found that victims taking out credit on behalf of the perpetrator had been encountered by nearly three-quarters (73%) of its advisers, with four out of ten (42%) of advisers having also encountered perpetrators transferring financial liability for debts to the victim.<sup>17</sup>

## Financial control

Financial control occurs where the victim's access to income, savings or benefits is restricted, or participation in education or employment is affected or the victim has to account for all spending.

Control of income is particularly common. A survey of women using domestic abuse services found that just under three-quarters (74%) of women who had experienced economic abuse said that the abuser had controlled their access to economic resources.<sup>18</sup> Just under half (48%) of women who claimed benefits while in an abusive relationship had access to them. Citizen's Advice's survey of advisers also found that control of access to income, bank accounts and savings were also the most common forms of abuse, reported by 57% of advisers.<sup>19</sup>

Nearly half (49%) of women using domestic violence services who had experienced economic abuse said that their abuser had interfered with their education and employment.<sup>20</sup> Of these women, only a third of those who been in education prior to experiencing domestic violence managed to continue their learning and just over half (52%) who had been in employment continued to work. Only 56% of women who had worked while in an abusive relationship had access to their wages.



## Exploitation of joint resources

Exploitation of joint resources occurs where the perpetrator uses all joint resources or does not contribute to joint bills. More than three-quarters (77%) of Citizen's Advice advisors reported having experience of perpetrators not contributing to household bills and 60% said that they had experience of perpetrators using all joint resources.<sup>21</sup> Abused women themselves report a lower incidence – just 12% of women using domestic violence services who had experienced economic abuse said that the abuser refused to contribute towards costs such as household bills and bringing up the children.<sup>22</sup>

## Welfare reform

Changes in social security benefits for people of working age are expected to hit women hard. Universal Credit, the new, single benefit payable to working and non-working households, includes provisions that could increase the risk of women's financial abuse:

- Universal Credit will be paid to one, nominated individual within a household – widely expected to be the male if a couple claim
- Universal Credit will be paid monthly and will include all benefits received by the household. If the money is mis-used by the person receiving it, women and children will have no means of supporting themselves

- Receipt of Universal Credit depends on all members of the household complying with work-related requirements – a woman's income could depend on whether her partner complies e.g. by seeking a job or increased hours of work

## Impact of financial abuse

Financial abuse has a serious and long-lasting impact on victims. Women who have experienced financial abuse report that they felt dependent on and vulnerable to their partner, and were, crucially, unable to leave their partner as they did not have money or the confidence and experience to manage it. Financial abuse also had a negative impact on their emotional health, with a significant minority (27%) saying that they felt isolated by their financial abuse.

Even after ending the abusive relationship, some women were affected by having debts, a poor credit record and limited experience of managing household budgets.





# WHAT NEXT?



**Why is poverty on the increase in Wales (and Northern Ireland) but decreasing in the rest of the UK?**



**How can we raise awareness of the problem of economic violence as a form of domestic abuse?**



**What could be done to tackle women's reliance on relationships to protect them from poverty?**

<sup>1</sup> Department for Work and Pensions (2014) Households Below Average Income.

<sup>2</sup> Adelman, L., Middleton, S. and Ashworth, K. (1999) Intra-household distribution of poverty and social exclusion – evidence from the PSE survey.

<sup>3</sup> ONS (2013) Annual Population Survey Household Data Set.

<sup>4</sup> ONS (2013) 'Women in the Labour Market 2013' – full data set.

<sup>5</sup> Ben-Galim, D. and Thompson, S. (2013) Who's breadwinning? Working Mothers and the New Face of Family Support, IPPR.

<sup>6</sup> Brewer, M. and Wren-Lewis, L. (2011) Why did Britain's households get richer? Decomposing UK household income growth between 1968 and 2008-09 (IFS analysis for the Resolution Foundation) IFS Briefing Note 125FS 2011.

<sup>7</sup> Ben-Galim, D. and Thompson, S. (2013) Who's breadwinning? Working Mothers and the New Face of Family Support, IPPR.

<sup>8</sup> Bennett, F. and Daly, M. (2014) op. cit.

<sup>9</sup> Bennett, F. and Daly, M. (2014) op. cit.

<sup>10</sup> Office for National Statistics (2015) Violent Crime and Sexual Offences – Intimate Personal Violence and Serious Sexual Assault.

<sup>11</sup> Adams, A.E., Sullivan, C.M., Bybee, D. & Greeson, M. (2008) Development of the Scale of Economic Abuse. *Violence Against Women*. 14(5):563-588.

<sup>12</sup> Welsh Government (2010) The right to be safe P10.

<sup>13</sup> Adelman, L., Middleton, S. and Ashworth, K. (1999) Intra-household distribution of poverty and social exclusion – evidence from the PSE survey.

<sup>14</sup> Citizen's Advice Bureau (2014) Controlling Money, Controlling Lives – Financial Abuse in Britain.

<sup>15</sup> Women's Aid (2014) Half of domestic violence victims experience financial abuse. Press Release 1st May. <http://www.womensaid.org.uk/domestic-violence-press-information.asp?itemid=3266&itemTitle=Half+of+domestic+violence+victim+experience+financial+abuse&section=0001000100150001&sectionTitle=Press+releases>

<sup>16</sup> Citizen's Advice Bureau (2014) Controlling Money, Controlling Lives – Financial Abuse in Britain.

<sup>17</sup> Citizen's Advice Bureau (2014) Controlling Money, Controlling Lives – Financial Abuse in Britain P8.

<sup>18</sup> Sharp, N. (2008) 'What's yours is mine' – the different forms of economic abuse and its impact on women and children experiencing domestic violence. Refuge.

<sup>19</sup> Citizen's Advice Bureau (2014) op. cit. P9.

<sup>20</sup> Sharp, N. (2008) op. cit.

<sup>21</sup> Citizen's Advice Bureau (2014) op. cit. P11.

<sup>22</sup> Sharp, N. (2008) op. cit.