

HOW MONEY IS USED AS A WEAPON IN RELATIONSHIPS

By Anne Kates Smith | From *Kiplinger's Personal Finance*, February 2015

FINANCIAL LITERACY IS A KEY TO FIGHTING ECONOMIC ABUSE.

Among the troubling things that have come to light during the airing of professional football's dirty, domestic-abuse laundry is this fact: Economic abuse is as much a part of the problem as is physical abuse. And financially speaking, it can be just as bruising. Economic abuse occurs when one partner takes control of the other's financial life to gain power in the relationship. It can happen to anyone, including the well-off and well-educated. The majority of victims are women, many of whom can't leave the relationship because they lack financial know-how or monetary resources.

Money is among the most powerful weapons of control in a relationship, but little attention is being paid to the financial aspects of domestic abuse. A poll by the Allstate Foundation found that 74% of Americans personally know a victim of domestic abuse, but 75% fail to connect it with economic abuse. "It hasn't been studied much," says Rutgers University social work professor Judy Postmus, director of the school's Center on Violence Against Women and Children. "A knock-down hit in an elevator gets way more attention."

Postmus has identified three categories of economic abuse: control, exploitation and sabotage.

- **CONTROL:** A controlling partner makes the financial decisions, has sole access to financial information – such as account numbers, the PIN for the ATM card, how much money there is and where it's stashed – and may dole out an allowance. Transfer of control happens gradually, with victims losing confidence as they become more dependent.
- **EXPLOITATION:** Exploitation occurs when the abuser damages the victim's financial standing by running up credit card debt, taking out loans or even starting businesses in the other person's name.
- **SABOTAGE:** The third category involves sabotaging the victim's ability to work – disrupting child care or transportation, or harassing the victim at work until she's let go or too embarrassed to show up.

Boosting financial literacy goes a long way toward helping victims. The Allstate Foundation's financial empowerment curriculum is used by thousands of social service providers in 42 states to help users recognize signs of abuse, escape from it and build a solid financial foundation for a new life. Find it at www.clicktoempower.org.

DIVISION OF LABOR

None of that applies to me, you say? Well, you don't have to be in an abusive money relationship to be in a potentially unhealthy one. All couples negotiate a division of labor. And plenty of spouses are happy to hand off the tedium of bill-paying, budgeting and money management. But abdicating involvement can land you in compromising situations, ranging from overdrawing your checking account (because you don't know what's in it) to being at a loss when death, divorce or illness forces you to manage a financial life you know nothing about. "When you give up your power over money, whether it's being taken from you or you're giving it away freely, you're setting yourself up for disaster," says financial planner Brad Klontz.

Yielding control is fine in a healthy relationship – as long as you can retrieve at will your family's financial information, including how to access all of the accounts, and you have a pretty good sense of your assets and obligations. And you still need to schedule regular debriefings with your spouse. If that sounds like the date from hell, consider whether you have a money avoidance issue, which is often the reason people cede control of their finances to the point that they fall into unhealthy or abusive situations. Such avoidance may stem from a childhood impression of money, says Klontz. Perhaps your parents fought about it, or you equate wealth with wrongdoing. Recognizing the *why* behind the behavior is often all you need to change it.