POLICY BRIEF

December 2023

Escaping Battered Credit:

Findings from a Study of Coerced Debt in Abusive Marriages

Summary:

Coerced debt traps domestic violence (DV) survivors with thousands of dollars of debt created by their abusive partners. These debts cause major damage to survivors' credit scores. Existing legal remedies are ineffective. Amending the Fair Credit Reporting Act (FCRA) to cover debt created by coercion would enable DV survivors to repair their damaged credit reports.

Problem:

Even after DV survivors escape abusive relationships, their financial problems may be just beginning. Survivors can be saddled with thousands of dollars of coerced debt. For example, abusers force their partners to make credit card purchases or max out the amount of their student loans. These debts damage survivors' credit scores, but there are no legal tools to remove them from credit reports. The first in-depth study of coerced debt has facts about this important problem. See the Study Details section for information about the methodology.

Scope of the Problem:

The first in-depth study of coerced debt found significant damage to survivors' credit scores. The estimated credit scores of DV survivors with coerced debt were significantly worse than those of survivors without coerced debt. For example, twice as many women with coerced debt had FICO score estimates in the "poor" range (below 580) than women without coerced debt. Moreover, *survivors' credit scores would improve if they didn't have coerced debt.* When the researchers deleted coerced debts from participants' credit score estimates, a majority of survivors with coerced debt saw their credit scores improve; almost one-third of credit scores improved by 20 or more points.

The study found that debt created by fraud, which the FCRA addresses through its identify theft protections, is much less common than debt created by coercion, which the FCRA does not address. Among accounts with coerced debt, 78% were generated by coercion, while only 31% showed evidence of fraud.

Proposed Solution:

Redefine identity theft to include debt created by coercion.

Study Details, References, and Author Information

Details:

The first in-depth study of coerced debt was funded by the National Science Foundation. It used a sequential mixed-method longitudinal design to collect data from a sample of women recently divorced from an abusive partner. The researchers used public divorce records to recruit a sample of 188 women in Texas, 127 women with coerced debt and a comparison group of 61 without. The researchers collected quantitative data through a self-administered online survey and telephone interviews with the full sample. They identified instances of coerced debt with an assessment tool used in conjunction with participants' credit reports as well as a tested methodology (life history calendar) to aid in the recall of focal experiences.

References:

Adams, A. E., Littwin, A. K., & Javorka, M. (2020). The Frequency, Nature, and Effects of Coerced Debt Among a National Sample of Women Seeking Help for Intimate Partner Violence. Violence Against Women, 26(11), 1324-1342. https://doi.org/10.1177/1077801219841445

Adams, A. E., Littwin, A. K., & Kennedy, A. (2023). Debt as a Control Tactic in Abusive Marriages. Research grant funded by the National Science Foundation, award # 1920557.

Authors:

Adrienne Adams, Ph.D., Michigan State University;
Angela Littwin, J.D., University of Texas, Austin; Ph.D.,
Angie Kennedy, Ph.D., Michigan State University.

The views expressed herein are entirely those of the authors, not of the National Science Foundation, Michigan State University, or the University of Texas.

Contact:

Adrienne Adams, adamsadr@msu.edu, (517) 420-0088
Angela Littwin, alittwin@law.utexas.edu , (512) 232-5561