



POLICY BRIEF

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Freedom From Coerced Debt

Summary:

Coerced debt traps domestic violence (DV) survivors with thousands of dollars of debt created by their abusive partners. Existing legal remedies are ineffective. Lawmakers should act to protect survivors from the collection of debts they were forced to incur.

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, involuntary debt the abusive partner took out. For example, abusers fraudulently take out car loans in their partners' names and force them to make credit card purchases. Yet remedies are scarce, and survivors can be stuck with this debt.

Scope of the Problem:

Coerced debt may be common among DV survivors. A survey of 1,823 callers to the National Domestic Violence Hotline found that slightly over half reported coerced debt. Coerced debt can be expensive for survivors. In the first in-depth study of coerced debt (See Study Details for methodology information), the survivors had a median of \$23,248.50 in coerced debt. Among survivors with annual incomes of \$30,000 or less, the median coerced debt was \$7,759. At the same time, many coerced debts are small. The median amount owed on a credit card credit card account in the study, for example, was \$2,503, and the median owed on a personal loan was \$1,335. Even the median vehicle loan balance was relatively low: \$18,334.

Failure of Divorce Law:

Of 101 divorces where the survivor had unpaid coerced debt, only one divorce decree ordered the ex-husband to reimburse the survivor for the coerced debt he created. In 83% of these cases, the divorce decree did not change any liability for coerced debts from the survivor to the ex-husband who incurred them.

Proposed Solution:

Release survivors from liability for coerced debt through debt-collection law. Define identity theft to include debt created by coercion and stop creditors from collecting documented coerced debts from survivors.

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>

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