

Agenda's response to the House of Lords Financial Exclusion Committee

13th September 2016

About Agenda

Agenda is an alliance of more than 60 organisations who have come together to campaign for change for women and girls at risk. We believe society is failing to adequately protect and support women and girls who face the most extensive violence, abuse, trauma and extreme inequality. We are calling for systems and services to be redesigned with women and girls at their heart so that they can access the support they need to rebuild their lives and reach their full potential.

Summary

Agenda welcomes the opportunity to input into this committee. It is well established that women are more likely to live in poverty than men, and more likely to be in insecure and low-paid employment¹. Women who have complex needs and have experienced a combination of abuse and trauma, serious mental illness, substance misuse, disability, homelessness and/or contact with the criminal justice system are some of the most financially excluded in society.

The causes and effects of women's financial exclusion are quite distinct from those of men. It is important therefore to take a gendered approach when responding to financial exclusion.

Agenda recommends:

- Women's specific needs are included in all strategies to target financial exclusion at a national and local level. All such strategies recognise the drivers behind women's financial exclusion and seek to address these.
- Approaches to tackling women's financial exclusion involve other relevant government departments, and should include a focus on violence against women and girls (VAWG).
- Efforts to tackling financial exclusion go beyond the promotion of 'financial literacy' and widening access to financial products, and move into providing practical support to help the most vulnerable women build more stable lives.

¹ *Poverty through a Gender Lens: Evidence and Policy Review on Gender and Poverty* University of Oxford for the Joseph Rowntree Foundation (2014)

Question 2: Drivers of women's financial exclusion

1. Women with complex needs are likely to live in poverty, and to face financial exclusion. According to forthcoming research by Agenda due to be launched in September, women who face the most extensive violence and abuse are most likely to face other forms of adversity, such as mental ill-health, struggling to find work, or homelessness².
2. According to the same research, there is a stronger link between women's experiences of abuse and their experiences of poverty than there is for men. Half of women who have experienced the most extensive violence and abuse live in poverty.
3. Previous Agenda research shows that 1.2 million women in England have experienced extensive physical and sexual violence and abuse as both a child and an adult³ - these women are seven times more likely to have faced a financial crisis in their lives than women with little experience of violence and abuse. They are 21 times more likely to have been homeless⁴.
4. Abuse, violence, and linked forms of disadvantage are significant drivers of women's financial exclusion. Experiencing abuse and violence can both cause and exacerbate poverty and deplete a woman's financial capabilities. This can be direct: an abusive partner may limit a woman's access to money, prevent her from using financial services, stop her from working, and make her feel incapable of managing her finances.
5. The links between abuse and poverty are also often indirect: experiencing the most extensive abuse and violence is strongly linked with low self-esteem and mental ill-health in women⁵. Some illnesses, such as PTSD, anxiety, and depression may make it very difficult for a woman to successfully manage her finances.

Question 3: Consequences of women's financial exclusion – the relationship between financial exclusion and other forms of disadvantage

6. Experiencing financial exclusion can make a woman more vulnerable to further disadvantage. Women who have limited access to financial resources are easy targets for perpetrators of abuse and exploitation. For example 28% of homeless women have formed an unwanted sexual partnership to get a roof over their heads, and 20% have engaged in prostitution to raise money for accommodation⁶.

² *Joining the Dots, The combined burden of violence, abuse and poverty in the lives of women*, DMSS research and Herriot Watt University for Agenda (September 2016)

³ *Hidden Hurt*, DMSS research for Agenda (2016)

⁴ *ibid*

⁵ *ibid*

⁶ Crisis, *Homeless women: still be failed yet striving to survive*, 2006 <http://www.crisis.org.uk/publications-search.php?fullitem=182>

7. Women's experiences of mental ill-health are often linked to financial exclusion. Poverty and financial instability have a significant impact on women's mental as well as physical health. Trauma from abuse is also a key driver of women's mental ill-health⁷, and experiencing both abuse and poverty is associated with the poorest mental health outcomes for women, suggesting their impact is cumulative.
8. Our forthcoming research estimates that there are approximately 1 million women in England who experience the combined burden of poverty and extensive abuse and violence⁸. Half (55%) of this group have a common mental illness, and nearly four in ten (38%) have attempted suicide⁹.
9. These women are particularly likely to face precarious financial situations. Nearly a third (29%) had struggled to find work, and 38% feel their employment is insecure¹⁰. Many of these women seek financial support from non-standard sources. 37% of this group of women borrowed money from a pawnbroker, money lender (including loan sharks), or friends and family in the previous 12 months¹¹.
10. This cycle of trauma, disadvantage, and financial exclusion can continue across a woman's whole life course. 77% of women who experience the most extensive abuse and violence are mothers¹², and this financial exclusion can also have an impact on their children.
11. It is important to recognise the links between financial exclusion and the particular roles women occupy as mothers and carers. For example, women often bear the responsibility for ensuring the household's costs are covered and may need quick access to money to meet particular costs related to their children.

Question 7: Addressing financial exclusion and responsibilities

12. The most excluded women are excluded not because they have taken insufficient responsibility for their lives, but because they face problems almost no one would be able to overcome alone. Most have been victims of serious violent crime, often repeatedly. Many have been unable to access to even a minimal level of support. For them, financial inclusion is not a question of personal responsibility – it is often impossible without help.
13. Government has significant responsibilities with regard to many of the complex problems women in multiple disadvantage face. Protecting women from violence and abuse and treating mental ill-health, for

⁷ *Hidden Hurt*, DMSS research for Agenda (2016)

⁸ *Joining the Dots, The combined burden of violence, abuse and poverty in the lives of women*, DMSS research and Herriot Watt University for Agenda (September 2016)

⁹ *ibid*

¹⁰ *ibid*

¹¹ *ibid*

¹² *Hidden Hurt*, DMSS research for Agenda (2016)

example, are both clearly in the purview of government. If the government does not discharge these responsibilities, there is little hope of financial inclusion for these women.

14. The Government also has a role in directing priorities and understanding of financial exclusion. By recognising the gendered nature of financial exclusion, the Government can help ensure the right support gets to the right places.
15. Once those priorities are set, the third sector is vital to delivering specialist services for women to support their inclusion in the economy. A number of successful models exist which support women all the way from crisis point to independence, including delivering financial literacy.
16. However, such services are few and far between, and struggle for funding. To ensure all women who need them can access them, it is essential that local and national government recognise the value of supporting women holistically and in a gendered way. Agenda recommends the provision of a central pot of funding for such services, to cover the gamut of support they offer.

Questions 10 and 12: Government policy and regulation in addressing financial exclusion

17. Women's needs must be recognised in local and national efforts to prevent and tackle financial exclusion. Given the extent of the barriers to financial inclusion faced by the most disadvantaged women, such efforts will have to be coordinated across a number of different Government agendas.
18. Currently, many women with complex needs cannot access any support services because their needs in any one category are too low to meet service thresholds, or because their combination of needs is too complex for services to deal with.
19. Women need to be able to access holistic, gender-specific support services, which are able to help them deal with the range of problems they face. Such services provide the support women need to stabilise their lives, on top of which financial literacy and resilience can be built.
20. Approaches to financial exclusion should therefore have reference to and influence on other government strategies, particularly violence against women and girls as well as public and mental health, and homelessness.
21. Women with complex needs are likely to need education programmes tailored to these needs and such programmes should be offered in settings which are easier for these women to access, for example in women's centres.

For further information, please contact:

Katharine Sacks-Jones, Director of Agenda

Katharine@weareagenda.org

0208 709 9271