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# Economic Well-Being and Intimate Partner Violence: New Findings about the Informal Economy

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*The purpose of this research was to explore the relationship between intimate partner violence (IPV) and women's participation in the informal economy (both legal and illegal) and their impact on economic well-being. This research was part of a National Institute of Justice (NIJ) study that was concerned with women's survival of childhood and adult abuse. For the 285 women that were in this sample, there were positive, medium correlations between IPV and various types of informal economic activity. Illegal informal economic activity, institutionalized informal economic activity, incarceration and physical abuse negatively impacted women's economic well-being.*

*Keywords: Intimate partner violence, welfare, informal economy, women, crime*

Intimate partner violence (IPV) impacts the economic well-being of victims due to unequal access to household resources (Raphael, 2000; 1999), batterer-generated barriers to employment/educational opportunities (Raphael & Tolman, 1997) and reduced physical and mental well-being (Tolman & Rosen, 2001). The intersection of IPV and women's poverty has captured the attention of researchers recently, especially research conducted around the Family Violence Option (FVO)

Other research has focused more generally on poor women's alternative strategies to make ends meet (e.g. Edin & Lein, 1997), including strategies that have been employed since the Welfare Reform Law removed the social safety net of cash assistance (Hancock, 2002). These strategies, such as bartering and selling personal items, reveal both the resourcefulness and dire straits of poor women in this country. Strategies such as stealing, selling dangerous, illegal drugs and sex, also reveal the ingenuity and adaptive strategies of women in crisis. However, many of these activities put women further in harm's way.

No study has been conducted whose overarching research question was concerned with the intersection between intimate partner violence and informal economic activities. A few studies have addressed the issue in the context of larger research questions (Raphael, 2004; McInnis-Dittrich, 1995; Gilfus, 1992), particularly studies focusing on marginal and illegal economic activities of battered women (Wenzel, Tucker, Elliot, Marshall, and Williamson, 2004; Richie, 1996).

By exploring how the intersection of IPV and informal economic participation contribute to women's overall economic well-being, more comprehension of the nature of domestic violence and women's poverty for this sample was garnered. Cases (n=285) were analyzed to determine the answers to the research questions about the connections between the frequency of intimate partner violence and activities in the informal economy and their impact on economic well-being. Thus, survivors of IPV who generate income and resources through informal and non-traditional means were the focus of this research. This knowledge provides insights into domestic violence interventions, welfare and community development policies and criminal justice interventions.

## Literature Review

### *The Impact of Intimate Partner Violence on Women's Economic Well-Being*

Economic abuse is an aspect of battering that some women

report having experienced (Raphael, 2000; Davis, 1999; Raphael & Tolman, 1997). This kind of abuse may include behaviors such as isolating women from financial resources or preventing them from working. Many battered women do not have ready access to cash, checking accounts or charge accounts (Davis, 1999). Abusers may directly interfere with women's attempts to maintain employment or attend school by harassing them at work, disabling the family car, destroying books or clothes, giving visible wounds, or renegeing on childcare commitments at the last minute (Tolman & Raphael, 2000; Raphael, 2000; Raphael, 1996).

In addition, women who have left abusive relationships may find themselves with multiple barriers to employment in the formal sector such as transportation, childcare and other ongoing safety issues (Sullivan, 1991; Sullivan & Rumptz, 1994). Furthermore, women who have been battered may be dealing with the realities of Post Traumatic Stress Disorder (PTSD), anxiety, depression and physical health problems (Raphael & Tolman, 1997; Plichta, 1996; Browne, 1993) which may further impact their ability to maintain traditional employment.

Several studies have reported on the extent of the problem of domestic violence on women's work. Pearson, Theonnes and Griswold (1999) found that 44% of domestic violence victims reported that their abusive ex-partners had prevented them from working. Allard, Colten, Albelda and Consenza (1997) randomly sampled 734 women on the AFDC caseload in Massachusetts. In this study 64% of the women reported experiencing intimate partner violence as an adult. The women reporting IPV were 10 times more likely than the women who had not been abused to have current partners who would not like them going to school or work.

### *Women's Participation in the Informal Economy*

There is a substantial body of research on the informal economy that comes from a variety of fields particularly anthropology, economics, sociology and social work. While only a few of these studies has focused specifically on battered women's participation, this body of research provides a basic framework for understanding the range of activities in which low-income women engage to survive, as well as reasons for

their participation.

Hancock's (2002) multi-layered study of three women in New York City who were facing the time limits of welfare reform chronicles the various ways in which the women deal with the poverty in their lives and the pressures of securing employment. She observes that many welfare recipients "disappeared into the untrackable underground economy in New York City – sewing sweatshops, street vending, exotic dancing, grocery delivery, baby-sitting, housekeeping" (p. 85). She writes: "It was not uncommon for welfare mothers to borrow from others or work in the underground economy as baby-sitters, unlicensed vendors, or exotic dancers to make ends meet" (p. 168).

A seminal study of the informal economy was conducted by Edin and Lein (1997), who interviewed 379 single mothers to determine how they survive poverty. The researchers discovered a variety of ways in which women get by, identifying three basic strategies that the women employed: (1) work in the formal, informal, or underground economy; (2) cash assistance from absent fathers, boyfriends, relatives, and friends; and (3) cash assistance and help from agencies, community groups, or charities in paying overdue bills. Women engaged in a variety of informal economic activities, including side jobs such as housecleaning and babysitting, "dumpster diving," and selling drugs, stolen goods and sex. These latter, criminal activities ranked low on the women's lists as many believed they would rob them of their self-respect they were trying to maintain as mothers.

### *The Informal Economy and Intimate Partner Violence*

Several studies have focused on the illegal informal economic activity of women and have found the phenomenon to be associated with experiences of domestic violence. Wenzel, Koegel and Gelberg (2000) found that engagement in illegal subsistence activities was associated with a higher probability of experiencing physical or sexual assault. Raphael (2004) conducted an in-depth life history study of a woman named Olivia, tracing her path to sex work. Raphael notes that boyfriend-as-pimp is a common scenario for women's entry into sex work. Although Olivia did not begin prostitution because of a pimp,

her involvement with a dangerous abuser, who was living off her earnings, severely restricted her ability to abandon prostitution. Also limiting for Olivia were her own addiction issues and the lack of intervention by various systems.

McInnis-Dittrich (1995) conducted research with 23 rural women who participated in the informal economy and identified four patterns of participation; the anticipatory pattern; entrepreneurial pattern; the familial pattern and the chronically disorganized pattern. The fourth pattern, the "chronically disorganized" pattern, is discussed here because of its relevance to the research question of this study. This pattern consisted of women who were characterized by their "persistent inability to plan beyond the moment. The sense that life was out of control pervaded every aspect of their lives" (McInnis-Dittrich, 1995, p. 406). She found that women with high levels of abuse in their lives fell into the category of "chronically disorganized" as a reason for participation in the informal economy, often seeking income from the informal economy in reaction to an impending financial disaster (e.g. pawning their own and their children's personal belongings).

Given that a substantial body of research points to a relationship between intimate partner violence, informal economic activity and low economic well-being, this study sought to specifically understand the relationship between these variables. As most of the studies conducted in this area thus far have been qualitative in nature, this researcher sought to better understand the correlative relationships between these phenomena. In addition, the research sought to learn about the relative contributions of personal experiences with violence and various types of informal economic activity to overall economic well-being.

## Methodology

This research data is associated with a larger study funded by the National Institute of Justice (Postmus & Severson, 2005). The purpose of the larger study was to explore women's histories of surviving abuse and violence across the lifespan. Face-to-face interviews were conducted over a twelve-month period, inquiring about a variety of phenomena related to

violence, abuse, coping skills, economics and other outcomes. Trained interviewers asked the questions of the women and recorded their answers.

### *Research Questions*

There were several research questions of interest in this study. The questions are as follows: (1) What are the prevalence rates of intimate partner violence and economic abuse in an intimate relationship for the sample of women? (2) What are the prevalence rates of formal economic activity and informal economic activity (including both legal and illegal)? (3) Is there a relationship between intimate partner violence and participation in the informal economy? and (4) What are the relative contributions and interactions of demographics (age, race and incarceration status), personal experiences of violence (intimate partner violence), and economic activities to economic well-being?

### *Sample*

The sampling strategy employed was self-selection, drawn from three populations of women in Kansas age 18 or older: (1) the general community; (2) those who had received services from a domestic violence and/or sexual assault program in the last 12 months; and (3) women who were currently incarcerated. Though it was not the intention of this study to compare the three samples as it was for the larger NIJ study, the objective behind targeting these different populations was to maximize diversity. In each of the venues, the belief that women would likely step forward who had experience with a wide range of informal economic activity guided this sampling strategy. For example, women who were incarcerated would likely have experience with the informal economy, particularly the illegal informal economy. Since this was indeed an exploratory study, the strategy of sampling a diverse group was appropriate.

The researchers employed several strategies to recruit study participants. Flyers were posted in four communities (three urban and one rural) across the state of Kansas and in the women's prison in Topeka. Women self-selected to participate by calling the local interviewer number on the flyer or by signing up at the prison. Recruitment and ongoing posting of

flyers were conducted with the assistance of community-based domestic violence/sexual assault programs. Women were also recruited from each community via advertising in local newspapers as well as through face-to-face conversations with women's support groups. Recruitment informational meetings were also held at local domestic violence/sexual assault programs for the purposes of informing staff about the project so that they would be more likely to recruit their clients.

A total of 285 women self-selected to participate in the research. The mean age of participants was 36.9 years of age ranging from 18 to 72 with a standard deviation of 10.5 and a median age of 36 years. The racial/ethnic composition of the sample is diverse with 54 percent of the population being white and 46 percent being non-white. Most of the non-white individuals were African American/Black or Latina/Hispanic. Seventy-three (73) individuals in the study, or 26% were African American/Black and 39 individuals (14%) were Latina/Hispanic. The number of people of color in this sample is particularly high relative to the general population of the state. This high number can be explained by the sampling strategy of the researchers. Because the study targeted individuals who were incarcerated, there are a high number of people of color in this study. In addition, Spanish-speaking individuals were targeted through the use of flyers in Spanish, which would also be reflected in the relatively high number of Latina/Hispanic individuals in the sample.

The educational levels of the women ranged from one year of education to graduate school (1 through 20), where each number indicates the highest number of years of school completed. For example, a score of 12 indicates either a high school graduate or someone who had completed a GED. A score of 16 would indicate a college graduate. The mean score for the women in the study was 12.4. Eighty women in the study (29%) did not graduate from high school or receive a GED. Eighty-one women in the study (29%) finished high school or a GED. The same number of women (81) or 29% reported having completed at least some college. And 38 women (14%) graduated from college and/or attended some graduate school.

The dichotomous variable called "ever received welfare benefits" was used as an economic indicator in this data, i.e.



having received welfare benefits reveals that women have low incomes or have had low incomes in the past. About 66 percent (186) of the women have received welfare and 98 (34 percent) have never received welfare. Finally, the majority of the women have been arrested at some point in their lives (179, or 63%).

### *Measures*

*Intimate Partner Violence.* Intimate partner violence, the informal economy and economic well-being are the three central measures of this study. Intimate partner violence is defined as a pattern of abusive behaviors used to control an intimate partner that may include physical abuse, sexual abuse, emotional abuse, coercion and isolation. Intimate partner violence consists of an overall measure based on a mean score on a 30-item scale, the Abusive Behavior Index (ABI) (Shepard and Campbell, 1992). This scale is a reliable and valid measure of physical and psychological abuse of women by their partners (Shepard and Campbell, 1992). Responses to questions are on a five-point scale ranging from "Never" to "Very Often." All scores above 1 indicate the presence of IPV.

The most commonly used scale in domestic violence research is the Conflict Tactics Scale (CTS) (Straus, Hamby, Boney-McCoy and Sugarman, 1996; Straus, 1979). The major concern with the CTS is that it was originally designed for all forms of family violence and does not take into account the context and patterns of behaviors of domestic violence in a patriarchal society (Shepard & Campbell, 1992). The ABI, on the other hand, stems conceptually from the most prevalent tool used in domestic violence interventions, namely the power and control wheel. The ABI scale consists of two key subscales, including physical abuse (10 items) and psychological abuse (20 items).

*Informal Economy.* In this study, the informal economy is defined as legal and illegal ways in which individuals generate money, goods or services to make ends meet. Participation in the informal economy is measured by a new scale called the Resource Generating Strategies (RGS) scale which measures the range and frequency of participation in the informal economy (Pyles, Under Review). This scale is based on conceptual

literature, and both quantitative and qualitative research studies discussed in the literature review section of this paper.

Table 1 Prevalence and Frequency for Physical Abuse Items  
(N=285)

Item	Number Percent	Rarely	Sometimes	Often	Very often
Pushed, grabbed, shoved	241 84.6%	34 12.0%	49 17.2%	62 21.8%	96 33.7%
Slapped, hit or punched you	224 78.6%	42 14.7%	44 15.4%	61 21.4%	77 27.0%
Threw you around	192 67.4%	36 12.6%	56 19.6%	55 19.3%	45 15.8%
Pressured to have sex	185 64.8%	41 14.4%	58 20.4%	33 11.6%	52 18.2%
Choked or strangled you	167 58.6%	50 17.5%	57 20.0%	21 7.4%	39 13.7%
Kicked you	155 54.2%	33 11.6%	56 19.7%	21 7.4%	44 15.5%
Physically forced sex	148 51.9%	40 14.0%	45 15.8%	29 10.2%	34 11.9%
Used weapon against you	123 43.2%	54 18.9%	27 9.5%	16 5.6%	26 9.1%
Attacked sexual parts	109 38.2%	43 15.1%	28 9.8%	18 6.3%	20 7.0%
Spanked you	80 27.8%	27 9.5%	32 11.2%	9 3.2%	11 3.9%

There were 22 questions on this scale with a range of five possible answers ranging from "Never" to "Very Often." There were initially two dimensions to this scale; legal activities (17 items) and illegal activities (5 items). Mean scores were obtained on each of the two dimensions ranging from 1 to 5. All scores above 1 indicate the presence of informal economy participation.

Table 2. Prevalence and Frequency for Psychological Abuse Items (N=285)

Item	Number Percent	Rarely	Sometimes	Often	Very often
Criticized you	257 90.2%	30 10.5%	61 21.4%	75 26.3%	91 31.9%
Angry stares or looks	257 90.2%	26 9.1%	64 22.5%	67 23.5%	100 35.1%
Ended a discussion	253 88.8%	45 15.8%	49 17.2%	73 25.6%	86 30.2%
Kept you from doing things	253 88.8	28 9.9	50 17.6	75 26.3%	99 34.9%
Put down family/friends	251 88.1%	35 12.3%	53 18.6%	62 21.8%	101 35.4%
Accused of paying attn	251 88.1%	23 8.1%	56 19.6%	68 23.9%	104 36.5%
Threatened to hit	238 83.5%	32 11.2%	57 20.0%	50 17.5%	99 34.7%
Checked up on you	231 81.1%	34 11.9%	56 19.6%	54 18.9%	87 30.5%
Smashed something	226 79.3%	34 11.9%	62 21.8%	55 19.3%	75 26.3%
Said things to scare you	217 76.1%	35 12.3%	58 20.4%	51 17.9%	73 25.6%
Said you're bad person	213 74.7%	37 13.0%	61 21.4%	54 18.9%	61 21.4%
Refused to do housework	203 71.2%	49 17.2%	58 20.4%	39 13.7%	57 20.0%
Drove recklessly	201 70.5%	43 15.1%	70 24.6%	36 12.6%	52 18.2%
Withheld money	199 70.1%	33 11.6%	48 16.9%	41 14.4%	77 27.1%
Upset about housework	195 68.4%	43 15.1%	60 21.1%	45 15.8%	47 16.5%
Made to do humiliating act	194 68.1%	37 13.0%	59 20.7%	45 15.8%	53 18.6%
Stopped from going to work	188 65.8%	42 14.8%	55 19.4%	32 11.3%	58 20.4%
Threatened with weapon	159 55.6%	51 18.0%	45 15.8%	22 7.7%	40 14.1%
Used children to threaten	147 51.6%	30 10.5%	33 11.6%	31 10.9%	53 18.6%
Put you on allowance	128 44.9%	31 10.9%	32 11.2%	18 6.3%	47 16.5%

A reliability test on the illegal informal economy scale showed medium correlations amongst the variables with a Cronbach's alpha score of .71. The following is a list of the legal informal economy sub-scales and their Cronbach alpha scores: 1) Informal selling and exchange (.65); 2) Credit card use (.83); 3) Institutionalized informal economy (e.g. pawn shops) (.57); and 4) Gifts and loans from family and partners (.68).

*Economic well-being.* For the purposes of this study, economic well-being is defined as the degree of material and human capital that an individual possesses. The combined measure is the mean of three single-item questions converted to a 100-point scale - annual income (categorical measure), welfare receipt (nominal) and the highest educational level completed (categorical).

## Findings

*Prevalence Rates.* Descriptive statistics were generated to determine the prevalence rates of abuse in an intimate relationship. The physical violence items are reported in Table 1, including prevalence and frequency rates. Half of the women in the sample experienced most of the physically abusive behaviors. The most common physically abusive behavior experienced by the women was "Pushed, grabbed or shoved you" (85 percent); and the least commonly experienced abusive behavior was "spanked you" (28 percent).

Table 2 shows the prevalence and frequency rates for psychological abuse. Almost every psychological abuse item was experienced by over half of the sample. The item with the highest frequency was "Criticized you" (90 percent) and the item with the least frequency was "put you on an allowance" (45 percent).

An independent-samples t-test was conducted to determine if there was any statistically significant difference in IPV score for race/ethnicity defined as White and Non-White. While the difference in means was not significant for physical abuse or for economic abuse, there was a statistically significant difference for Whites and Non-Whites in the category of psychological abuse. The test was significant,  $t(276) = 2.91$ ,  $p = .004$ . White people reported experiencing higher

frequencies of psychological abuse in an abusive relationship ( $M=3.22$ ,  $SD=1.06$ ) than Non-White people ( $M=2.83$ ,  $SD=1.16$ ).

Age was positively correlated with all types of abuse. The correlation between age and physical abuse was .22 ( $p < .01$ ); and the correlation between age and psychological abuse was .26 ( $p < .01$ ).

Table 3. Formal and Informal Economy Item Frequencies (N=285)

Item	Frequency	Percent
Formal Economy	277	97.2
Worked full-time	263	92.3
Worked part-time	246	86.3
Worked more than 40 hours	226	79.2
Got a second or third job	163	57.2
Informal Economy		
Gifts and loans from family/partners	269	94.4
Received money from family as gift	239	83.8
Received money from partner as gift	215	75.4
Received loan from family	191	67.0
Received loan from partner	108	37.9
Institutionalized Informal Economy	204	71.6
Pawned items at pawn shop	182	63.9
Used payday loan service	92	32.3
Sold blood or plasma	76	26.7
Informal Selling and Exchange	235	82.5
Swapped or exchanged goods	144	50.5
Sold recyclable items	123	43.2
Provided a service to family, friends	111	38.9
Sold something you purchased	105	36.8
Started a small business	90	31.6
Sold something hand made	85	29.8
Used or sold items found in dumpster	54	18.9
Illegal Informal Economy	171	60.0
Wrote bad checks	113	39.6
Sold illegal drugs	95	33.3
Provided sex for money or goods	74	26.0
Stole money or goods	72	25.3
Begged or panhandled	40	14.0
Credit Card Use	145	50.9
Used credit cards for goods	140	49.1
Used credit cards for cash advance	103	36.1

There was a statistically significant difference for both physical and psychological abuse for those who were incarcerated versus those who were not currently incarcerated. The independent samples t-test was significant for physical abuse,  $t(283) = 3.25$ ,  $p = .001$  and psychological abuse,  $t(283) = 2.43$ ,  $p = .016$ . For physical abuse, the means were higher for those who were incarcerated ( $M = 2.67$ ,  $SD = 1.00$ ) than for those who were not incarcerated ( $M = 2.26$ ,  $SD = 1.10$ ). Likewise, for psychological abuse, the means were higher for those who were incarcerated ( $M = 3.25$ ,  $SD = 1.00$ ) than for those who were not incarcerated ( $M = 2.93$ ,  $SD = 1.10$ ).

Table 3 shows the frequencies of each of the types of formal and informal economic participation from most frequent to least frequent. The vast majority of women have been involved in the formal economy. Of the women in the sample 92 percent had worked full-time at some point in their lives; 86 percent of the women had worked part-time; and 79 percent had worked more than 40 hours in a week at a job. The least prevalent formal economic activity was getting a second or third job, which 57 percent of the sample stated they had done at some point.

There are five sub-scales that constitute the informal economy. The first scale, "Gifts and loans from family and partners," consisted of four items. The most frequently reported resource generating strategy was receiving money from family as a gift, which 84 percent of the women reported receiving. The least frequently reported item in this category was received money from an intimate partner with expectation of repayment (38 percent).

The second scale, called the "Institutionalized informal economy," included three questions. The most frequently reported activity was pawning items at a pawn shop, which 64 percent reported having done and the least frequently reported item was sold blood or plasma, which 27 percent reported having done.

The third scale, called "Informal Selling and Exchange," included seven items. The most frequently reported activity was swapped or exchanged goods, of which 51 percent of the sample stated that they had. The least frequently reported resource generating strategy in the category of bartering and

exchange was used or sold items found in a dumpster or trash can (19 percent of the sample).

**Table 4** Correlation Matrix of IPV and Resource Generating Strategies (N=285)

Item	Physical Abuse	Psychological Abuse
Formal Economy		
Worked part-time	--	.16**
Worked full-time	.21**	.19**
Worked 40 plus	.28**	.25**
Got second job	.29**	.32**
Informal Economy		
Swapped/exchanged	.18**	.21**
Sold recyclable items	.16**	.19**
Provided a service	--	--
Sold something purchased	--	--
Started a small business	--	--
Sold something handmade	--	--
Used/sold items from dumpster	--	.19**
Used credit cards for goods	--	--
Used credit cards for cash adv.	.21**	.21**
Gift from family	--	--
Gift from partner	--	--
Loan from family	.26**	.27**
Loan from partner	.20**	.23**
Institutionalized Informal Econ (Sub-scale)	.31**	.30**
Illegal informal economy (Sub-scale)	.32**	.26**

\*\*p<.01

The fourth scale—the Illegal Informal Economy Scale — consisted of five items. The most prevalent illegal informal activity was writing bad checks which was done by 40 percent of the sample. The least common illegal informal activity was begging/panhandling which was done by 14 percent of the sample.

The fifth scale—Credit card use—consisted of two items. The more frequent activity was using credit cards to obtain goods, which 49 percent had done as a resource generating strategy. The other activity in this scale, using credit cards for a cash advance, was done by 36 percent of the total sample.

An independent-samples *t*-test was conducted to determine if there was any statistically significant difference in economic activities scores for race/ethnicity. Of the six types of economic activity (formal economy, bartering, gifts/loans, credit card use, institutionalized and illegal), the only comparison that resulted in statistical significance was for credit card use where  $t(268) = 2.24, p = .026$ . White people used credit cards as a resource generating strategy ( $M = 2.07, SD = 1.15$ ) more frequently than Non-White people ( $M = 1.77, SD = 1.10$ ).

Two types of economic activities were significantly correlated with age—formal economic participation and informal selling and exchange. Frequency of formal economic activity has a small strength, positive correlation ( $.21, p < .01$ ) with age. Likewise, frequency of bartering/exchange has a small strength, positive correlation ( $.24, p < .01$ ) with age.

Three informal economic activities were statistically significant when comparing incarcerated and non-incarcerated individuals. An independent samples *t*-test revealed gifts and loans from family and partners ( $t(4.56), p = .000$ ) was higher for incarcerated women ( $M = 2.69, SD = .74$ ) than for non-incarcerated women ( $M = 2.25, SD = .82$ ). The institutionalized informal economy ( $t(2.03), p = .043$ ) was higher for incarcerated women ( $M = 1.94, SD = .74$ ) than for non-incarcerated women ( $M = 1.74, SD = .84$ ). Finally, the illegal informal economy ( $t(8.89), p = .000$ ) was higher for incarcerated women ( $M = 2.06, SD = .77$ ) than for non-incarcerated women ( $M = 1.33, SD = .60$ ).



Table 5 Regression Table

Summary of Stepwise Regression Analysis for Variables Predicting Economic Well-Being (N=285)

Variable	B	SE B	Standard. Beta
Step 1			
Incarceration	-17.97	2.68	-.37**
Step 2			
Incarceration	-15.93	2.65	-.33**
Physical Abuse	- 4.91	1.21	-.22**
Step 3			
Incarcerated	-11.19	2.88	-.23**
Illegal Informal Economy	- 7.25	1.93	-.23**
Physical Abuse	- 3.68	1.22	-.17**
Step 4			
Illegal Informal Economy	- 7.97	1.88	-.26**
Incarcerated	-10.79	2.81	-.22**
Physical Abuse	- 4.92	1.23	-.22**
Second or third job	3.75	.94	.22**
Step 5			
Incarcerated	-11.44	2.82	-.24**
Second or third job	3.87	.93	.22**
Illegal Informal Economy	- 6.43	2.04	-.21**
Physical Abuse	- 4.48	1.25	-.20**
Institution. Inform. Econ.	-3.35	1.73	-.11*

Note.  $R^2 = .28$ ;  $\Delta R^2 = .14$  for Step 1;  $\Delta R^2 = .05$  for Step 2;  $\Delta R^2 = .04$  for Step 3;  $\Delta R^2 = .04$  for Step 4; and  $\Delta R^2 = .01$  for Step 5

\*\* $p < .01$ , \* $p < .05$

*Relationship between IPV and Informal Economy.* Generally, there are small to medium correlations between experiences of abuse and both formal and informal economic activities (Table 4). For this correlation matrix, the researcher is only reporting correlations that are significant at the .01 level. There are positive correlations between experiences of abuse and working in the formal economy. The highest correlation (.29) was between

psychological abuse and getting a second job. Thus, women in this sample who are battered do find a way to work in the formal economic sector.

Several types of informal economic activity are significantly correlated with abuse. The strongest correlations are between abuse and the institutionalized informal economy (.31 for physical abuse and .30 for psychological abuse), the illegal informal economy (.32 for physical abuse and .26 for psychological abuse) and loans from family (.26 for physical abuse and .27 for psychological abuse).

*Relationship to Economic Well-Being.* Stepwise multiple regression was employed to determine to what degree each of the variables contributes to economic well-being. The researcher chose to use physical abuse as the parsimonious abuse predictor because this variable had a strong impact on outcome variables. The institutionalized informal economy and the illegal informal economy were used in the model because of their previous robustness in the study.

The final model had an R squared of .28. The R squared change for step one was .14, step two was .05; step three was .04; step 4 was .04 and step 5 was .01. Table 5 depicts the variables in the model and the Beta scores, which are incarceration (decreases score by 11.4 points); illegal informal economy (decreases score by 6.4 points); physical abuse (decreases score by 4.5 points); got a second or third job (increases score by 3.9 points) and institutionalized informal economy (decreases score by 3.4 points).

## Discussion

*Abuse Prevalence.* There are high prevalence rates of physical and psychological abuse in this sample. More than half of the women experienced most of the physically abusive behaviors. These rates are substantially higher than for the general population, where estimates are roughly that 1 in 3 women have experienced a physically abusive incident in an intimate relationship (American Psychological Association, 1996).

The high abuse prevalence rates reported are clearly connected to the sampling strategy utilized in this study—to include women who have received domestic violence

services and women who have been incarcerated. Additionally, research indicates that women who are incarcerated report high rates of abuse in adult intimate relationships (Marcus-Mendoza & Wright, 2003), thus accounting for the high frequency of intimate partner violence in this sample.

*Diversity of Economic Activity.* The results of this study reveal that the women in this sample are active participants in the formal wage earning sector. The women work part-time, full-time, and overtime and they take on second and third jobs at very high frequencies. They also mix these kinds of formal economic activities with other resource-generating strategies. It appears that women are patching their income together through both formal and informal means combined. Recall that the variable "got a second or third job" is the only economic activity that positively impacts economic well-being. Thus, this strategy, which more than half the sample reported ever doing, is clearly an important way that women push the limits of the formal economy to try and make ends meet. And yet, one must pause to wonder about this finding. What kind of jobs are the women getting in the first place that are not providing enough income to make ends meet? Is working a second or third job really a good thing for the overall well-being of women and their families?

The high rates of informal economic activity reveal the tremendous resilience and resourcefulness of the women in this study. Consider that, in a sample that experienced psychological abuse at a rate of 97 percent, almost one third still managed to start a small business at least once. Though the study does not provide data on the efficacy of such entrepreneurial endeavors, the fact that the women are so inclined warrants more scrutiny in the field of economic and social development.

One of the highest prevalence rates of informal economic activity is in the category of "gifts and loans from family and partners." This means that women are relying on family and intimate partners for financial support. This may be a positive finding in the sense that it indicates strong social support networks for the women. Women have people in their lives who are willing to help support them when they have trouble making ends meet. The women are resourceful enough to ask family and partners to help them when necessary. However,

this does imply that the goal of economic *self-sufficiency* is elusive. Also, it might be important to consider whether these social networks are contributing positively to women's overall well-being. Are some of the individuals, i.e. family and partners, unsafe individuals from whom the women would not be getting support were they not in financial dire straits? In other words, are the women's financial problems forcing them to remain dependent on abusive partners or family members that are unhealthy?

*The Intersection of Abuse and the Informal Economy.* Though previous qualitative studies have acknowledged the connection between being in an abusive relationship and informal economic activity (both legal and illegal) (Raphael, 2004; Miranne, 1998; Richie, 1996), this is one of the few studies to the author's knowledge that has shown a statistical correlation between the two phenomena (Wenzel et al., 2004).

The most highly correlated item with frequency of physical abuse is the frequency of illegal informal economy participation. One possible interpretation of this finding is that women who experience more severe physical abuse are simply more traumatized, less able to work in the formal sector and generally more desperate to find ways to make money. Another interpretation is that women who are in extremely controlling abusive relationships may be involved with partners who are themselves engaged in the illegal economy and who compel the women to participate. Some combination of these interpretations is likely the case.

*The Institutionalized Informal Economy.* The sub-scale, named by this researcher "Institutionalized Informal Economy," reveals the connection between the seemingly diverse economic activities of low-income women, namely using payday loan services, pawning items at pawn shops and selling blood or plasma. The correlation between domestic violence and the institutionalized informal economy echoes the findings of Miranne (1998) who found that battered women, in particular, use pawn shops in times of economic crisis. These women were often living in chaos and thus were pawning personal items in emergencies but were less able to do more entrepreneurial-like activities. Such adaptive preferences of the women reveal the resourcefulness and ingenuity of the

women in the sample.

It should not be forgotten, however, that these activities are resource generating strategies made possible by industries geared toward low-income individuals trying to make ends meet. Though there is some policy-focused literature about the new role of payday loan centers and other "fringe banking" endeavors as an outlet for poor and low-income families (Consumer Federation of America, 2002), there has been little discussion in the literature (Karger & Stoesz, 2006). The payday loan industry is a \$45 billion dollar a year industry that charges its customers an average annual percentage rate of 474 percent (Consumer Federation of America, 2002). Indeed, pawnbrokers have played a role in industrialized economies for hundreds of years. Though usury laws exist in many states, as well as legislation that specifically limits the capabilities of payday loan centers, the prevalence of the institutionalized informal economy is negatively impacting women's current economic situation, as evidenced by the regression analysis of this study. The findings show that battered women in particular may be especially vulnerable to the predatory practices of the institutionalized informal economy. It seems critical that practitioners advocate for legislation that would curb these practices through regulations on pawnshops and other forms of lending.

*Impact of Incarceration on Economic Well-Being.* Of all the variables considered in this study, incarceration most negatively impacted the women's economic well-being. Women who are incarcerated lose basic liberties that are of value to a democratic society—to move around freely in the world, pursue personal goals and vote in governmental elections that impact society. Women who are incarcerated cannot generate income or take care of their families. Furthermore, having a criminal record can negatively impact a woman's ability to gain employment in the future.

### New Directions for Social Welfare Policy and Practice

*Welfare and Community Development.* Recent welfare policies have been premised on the idea of "work first" whereby the poor are "compelled to work irrespective of their skill

level, needs or circumstances" (Midgley, 2001, p. 287). Higher education and vocational training are presently not options for low-income families living with the new welfare policies. It is also the case that while the welfare rolls have been reduced substantially, women are still not escaping poverty (Loprest, 2001).

It can be argued that current welfare policy actually promotes women's participation in the informal economy, as supporting families on public assistance payments and/or low-paying jobs is clearly not enough to make ends meet (Hancock, 2002). The policy itself may be compelling women to take second or third jobs, or to get payday loans that they may not be able to pay back. It is worth noting that the payday loan industry is a new phenomenon of the last ten years, which coincides with the passage of welfare reform policies. While some research has focused on the increase in usage of such services as food banks since the implementation of the new welfare policies, there has not been significant research correlating formal economic participation and welfare reform policies.

The research participants report relying on resource generating strategies that they are unlikely to report to their welfare case worker. One can only imagine the constant fear and dissonance that the women must live with, concerned that their resource generating strategies may be discovered by a caseworker, the person responsible for their livelihood. Might it be possible that welfare policies and procedures could allow for women to be able to honestly report their strategies? Could income guidelines allow a reasonable amount of informal income not to count against their benefits package? Could social workers educate caseworkers about and sensitize them to the realities of the informal economy? In fact, anything is possible—a point proven by the women of this study—who have survived abuse in part by creating possibilities, some of which were realized through their participation in the informal economy.

Welfare policies and practices could also address some of these problems by playing a community development role and genuinely helping women to get stable jobs that pay a living wage in order to avoid some of the harmful informal economic activity. This outcome has not and cannot be achieved with

current "work first" or strict time limit approaches. Women need help addressing domestic violence and its effect on their lives as well as substantive vocational and/or educational training. For some women, assistance with formalizing and increasing the profit margins of their current or past informal economic activities may be a good answer. A new welfare reauthorization bill could even provide funding for such alternative economic development activities.

*Criminal Justice.* Because incarceration status was an important theme in this study, it is important to say a few words about the implications of the research for criminal justice policy/practice. Recent research on women's increased presence in the correctional system has emphasized that laws, policies and practices within the criminal justice system ought to be gender responsive to the needs of women (Bloom, Owen & Covington, 2003). This study certainly echoes that need. Because of women's abuse histories, women need responses in the criminal justice system that will be sensitive to their unique realities. These responses may include sentencing guidelines that take into consideration women's illegal activities done in connection with an abusive partner. Additionally, the criminal justice system can offer support groups for battered women in jails and prisons, referral services and information for those reintegrating after serving time. Federal grants that were once available to incarcerated individuals to further their education and/or vocational training could be reinstated.

*Violence Against Women.* For battered women's advocates and social workers who are working on behalf of survivors of intimate partner violence, knowledge about the ways in which battering poses a barrier to economic well-being is critical. Policies such as the Violence Against Women Act (VAWA) can incorporate economic empowerment strategies. Though VAWA policy has begun to take this critical economic turn, by incorporating funding for transitional housing for battered women, it could easily take the next step toward increasing battered women's safety through formal economic development strategies (similar to or even in conjunction with the welfare policy provisions proposed above) that would promote economic self-sufficiency (Pyles, 2006). Also, because the informal economy is a viable way to generate resources for some

women, advocates may want to consider programs and practices that would help support battered women to make a living in the informal economy. This may involve providing support groups for women who have home-based businesses or community and organizational advocacy efforts that would help organize victims to be safe in their workplaces.

### Conclusion

This cross-sectional study analyzed women's perceptions of their experiences at one point in time. Because of the limitations of this study design, one is not able to capture the potentially causal effect of domestic violence on women's resource generating strategies. Thus, to understand this phenomenon in more depth it would be useful for researchers to employ a different type of research design to capture a cause-effect relationship between intimate partner violence and the informal economy.

This research breaks some of the silence on the informal economy and IPV. It provides confirmation to the theory that the American economy is a tripartite economy (Bluestone, 1970; Wiegand, 1992) consisting of a primary labor market, a secondary labor market and an informal sector. Forced by welfare policies to obfuscate and outright lie about informal economic activities, the women in this study have been provided a platform to declare the various ways that they have generated resources. Generating resources in the informal economy is a coping skill for dealing with poverty and violence for these women. It is an adaptive preference that would they had different situations they would most likely prefer not to do. When they adapt their preferences, they are losing their human dignity. To restore the freedoms and capabilities that are rightly theirs, researchers, policy makers, economic development specialists and practitioners must look at the complexity of women's situations and consider the web of factors that are influencing their actions.



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