Iowa Coalition Against Domestic Violence – Support HSB 57 prize-linked savings

The Iowa Coalition Against Domestic Violence (ICADV) represents 22 crime victim service provider agencies across Iowa and the collective experience of agency staff who dedicate their lives to supporting victims of violent crime, specifically survivors of domestic violence and sexual abuse. Our direct service providers routinely witness the pain and suffering of crime victims, as well as their stunning resilience in surviving repeated violent acts (often over the course of months and years), inflicted on their minds and bodies by people they know and care about.

We enthusiastically support HSB 57, legislation allowing financial institutions in Iowa to join 33 other states in offering prize-linked savings products to Iowans. We believe these products offer a tremendous no-risk opportunity to assist all Iowans in building a financial cushion to address short-term needs and also encourage a habit of saving that results in longer-term financial stability and resilience. But I will focus my remarks on why these types of programs are critically needed and important to survivors of domestic violence.

In a sentence: Reducing barriers to accessing financial institutions is highly effective in enhancing safety for survivors of domestic violence and can protect against future financial abuse.

Gender violence remains a persistent and pervasive public health crisis in our country with 1 in 4 women experiencing violence by a partner at some point in her life and most first experiences occurring before age 25. Abusive partners are often individuals a victim knows and cares about: friends, family, colleagues, and dating partners.

Although physical violence is common in abusive relationships, financial abuse is more pervasive and often inflicts longer-lasting damage. Simply put financial abuse is withholding, sabotaging, and stealing a partner's financial assets. It is a coercive tactic used by virtually every abusive partner that controls a person's ability to acquire, use, or maintain economic resources. Abusive partners sabotage financial independence in numerous ways including limiting access to money, controlling bank accounts, taking paychecks, interfering with employment, ruining credit, destroying documents, etc.

Coercive partners are acutely aware of the link between a victim's financial independence and access to safety. Financial abuse remains one of the most powerful methods of keeping a person trapped in the relationship, i.e. staying or coming back if they try to leave. Victims routinely balance the risk of staying in an abusive relationship with becoming homeless and facing poverty if they leave. One survey found that three-quarters of women report staying in an abusive relationship due to economic barriers.

Financial security is critical to increasing a survivors' chance of escaping a violent relationship but escaping abuse generally means losing financial security as well as the means to regain it. Individuals who want to flee often spend weeks and months painstakingly saving small amounts of cash they can hide from an abusive partner. However, the abuse they endured not only left them with limited cash, but often leaves their credit in shambles so they face barriers in opening bank accounts or replacing identity documents needed to do that. And many rarely have enough money to meet the minimum deposit needed to open accounts at many financial institutions without paying fees.

Prize-linked savings programs would allow survivors to open an account with a minimal deposit and a no-risk opportunity to quickly build savings and financial literacy. Plus having a savings

account of their own opens many other financial doors to establishing credit and longer-term financial stability. Prize-linked savings programs can help survivors budget, repair credit, and establish financial self-sufficiency without risk.

Again- financial empowerment programs like this benefit all Iowans but also offer a highly effective way to set domestic abuse survivors on a course to financial independence and safety. Our service providers are desperate for more opportunities in Iowa to meet the significant demand for financial empowerment services. Ending and preventing gender violence takes all of us and we urge you to support this bill allowing prized-linking savings programs in Iowa.

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