

## Abstract

The literature review will demonstrate the impact of isolated incidents of sexual violence on adult female survivors' employment prospects and overall economic well-being. Previous research has tended to focus on the economic repercussions for women who have experienced intimate partner violence (IPV) – broadly defined here as long-term violence, perpetrated by a romantic partner. Survivors of IPV experience their partner exerting extreme control over them physically, sexually and/or financially. Therefore, prior projects have evaluated the long-term consequences of the economic control exerted on the survivor through a quantitative lens. However, the field fails to recognize the enormous impacts of isolated incidents on a woman's long-term economic well-being. Through quantitative and qualitative means the data illustrates that isolated events of sexual violence permanently alter a woman's economic security negatively. This paper will offer an analysis of factors of the downturn, supplemented by an understanding of the tenets of behavioral economics and then offer policy solutions to support survivors economically.

## I. Introduction

Research from 2017 indicates that approximately 35% of women worldwide will experience sexual violence in their lifetime.<sup>1</sup> Studies about survivors' post-assault tend to focus on the immediate impact of the experience to include mental health consequences, healthcare costs, short-term housing impacts etc. However, what research often neglects to evaluate is the quantifiable economic impact of isolated incidents of sexual violence on survivor's employment as well as nationwide employment rates. This paper is a review and analysis of the literature about the economic impact of sexual violence at the micro and macro level. It is intended to serve as a comparison between three pieces of scholarship: Peterson et al. (2017)<sup>2</sup>, Sabia et al. (2013)<sup>3</sup> and Chakraborty et al. (2017)<sup>4</sup> which look at the economic impact of single incidence of sexual violence on the economic well-being of the survivor as well as the broad impact on nationwide unemployment rates. Two of the studies were conducted in the United States, the final study population was in a metropolitan region of India. I chose these articles because most of the research on this topic is conducted exclusively through qualitative methodologies; these authors use quantitative tools like bivariate regression and basic statistical modeling to demonstrate a relationship between surviving sexual violence and diminished participation in the labor force. I am using the research by Chakraborty to suggest generalizability of the finding that

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<sup>1</sup> "Violence against Women," World Health Organization (World Health Organization, November 29, 2017), <https://www.who.int/news-room/fact-sheets/detail/violence-against-women>)

<sup>2</sup> Cora Peterson et al., "Lifetime Economic Burden of Rape Among U.S. Adults," *American Journal of Preventive Medicine* 52, no. 6 (2017): pp. 691-701, <https://doi.org/10.1016/j.amepre.2016.11.014>)

<sup>3</sup> Joseph J Sabia, Angela K Dills, and Jeffrey Desimone, "Sexual Violence against Women and Labor Market Outcomes," *American Economic Review* 103, no. 3 (May 2013): pp. 274-278, <https://doi.org/10.1257/aer.103.3.274>)

<sup>4</sup> Tanika Chakraborty et al., "Stigma of Sexual Violence and Women's Decision to Work," *World Development* 103 (2018): pp. 226-238, <https://doi.org/10.1016/j.worlddev.2017.10.031>)

survivors of sexual violence generally have a history of lower participation rates in the workforce. I argue that these results are generalizable because India has an economy size comparable to the United States and I value the studies of American survivors because they indicate sexual violence is still stigmatized worldwide.

## II. Methodologies

The work by Sabia et al. is valuable because the sample is longitudinal, following women who experienced some form of sexual violence as children (ages 0-18) into young adulthood measuring their participation in the labor force compared to non-victimized young girls. Through a bivariate regression, the authors find that survivors of sexual violence participate at approximately 13% less than non-victimized adults. Furthermore, survivors earned 15.5% lower wages when working, a statistically significant difference compared to non-survivors at the 1% and 5% thresholds. (See table in Appendix from original manuscript for full results)<sup>5</sup>. The authors use fixed effects for family, specifically for twin sisters along with controls for age, race, geographic location and familial structures. These controls and effects ensure that there is heterogeneity within the sample and the inclusion of additional controls like educational attainment demonstrate that the impact of sexual violence on employment and wages occurs across the board.<sup>6</sup>

A 2017 publication by Dr. Cora Peterson and her colleagues corroborates the findings of Sabia and company regarding lower labor force participation among survivors in a different way. Peterson et al. find that survivors of rape generate a \$3.1 trillion burden on the American

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<sup>5</sup> Sabia et al., 3.

<sup>6</sup> Ibid.

economy (based on 2014 US dollars).<sup>7</sup> 52% of that burden, or \$1.6 trillion are related to lower workforce participation among survivors.<sup>8</sup> Both the Peterson et al. and Sabia et al. articles indicate that the impacts of incidents of sexual violence are long-lasting and omnipresent and impact all areas of an individual's life. Many survivors develop PTSD as a result of their assault.<sup>9</sup> PTSD can have severe symptoms like flashbacks, dissociative behavior and hypervigilance, which can make it extremely challenging for a survivor to maintain gainful employment. A qualitative study by Dr. Rebecca Loya provides examples from survivors about why they had to stop working including fear of commuting alone, depression, working late at night etc.<sup>10</sup> Loya uses Lee's story as one demonstration:

Lee, a 24-year-old designer, was walking near her workplace when a stranger attacked her and raped her. Beset by panic every time she walked alone to or from work, Lee was forced to quit her job and move to a different state to live with a family member. In addition to losing her entire income, Lee also accumulated debt because she had to continue paying rent on her former apartment for several months. The only work Lee could find in her new city paid the minimum wage, less than two thirds of her former income. Even three decades later, Lee had never regained her prior level of earnings.”<sup>11</sup>

The research by Peterson et al., Sabia et al. and Loya clearly show that survivors of sexual violence at any age experience decreased economic well-being, particularly as adults. However, the question is, why does this trend exist? The work of Chakraborty et al. provides

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<sup>7</sup> Peterson et al., 691.

<sup>8</sup> Ibid.

<sup>9</sup> Karestan Koenen, “Helping Victims of Sexual Violence Overcome PTSD,” News (Harvard T.H. Chan, School of Public Health, June 27, 2018), <https://www.hsph.harvard.edu/news/features/helping-victims-of-sexual-violence-overcome-ptsd/>),

<sup>10</sup> For more information see: Rebecca M. Loya, “Rape as an Economic Crime,” *Journal of Interpersonal Violence* 30, no. 16 (June 2014): pp. 2793-2813, <https://doi.org/10.1177/0886260514554291>)

<sup>11</sup> Loya, 2793

some further insight. The study looks at the perception of danger related to sexual violence and harassment in both rural and urban regions of India. The authors' goal is to determine whether perceived danger, stigma of survivorship and cultural norms surrounding sexual violence and harassment impact Indian women's decision to work outside the home. They find that women in more rural areas are less likely to work outside the home, especially based on the wage of the position compared to the opportunity cost of simply remaining in the home. Women in rural areas of India typically come from socially conservative backgrounds where they are hyper-aware about the dangers of sexual violence. In some instances, the prevalence of sexual violence in the community is overstated by family members and friends due to extreme fear in the community. The authors also demonstrate that that extreme fear lies in the fact that virginity is held in high esteem among rural communities in India.

Conversely, those in urban communities are more likely to work outside the home. The reason for this is twofold, number one, she is eligible to earn higher wages because of the quality of jobs in metropolitan areas. Number two, women in urban areas of India are traditionally more liberal and more open about sexuality. In that vein, women in the city, because of their comfortability with matters of sexuality are more realistic about the prevalence and impact of sexual violence. The same can be said for the United States because of the distinction between urban and rural areas. The United States is also multicultural, and many families and communities have drastically different ideas about sexuality and sexual violence. In the United States, many women do not report experiences of assault in part due to fear of losing their job.

### III. Analysis

The theoretical and practical implications of the aforementioned studies are multi-dimensional. The research allows us to learn some key points. First, sexual violence even though incidents occur in isolation, has long lasting impacts beyond the obvious psychological and physical. Survivors of sexual violence often feel extremely hyper-vigilance after their assault, which leads them to feel the need to rework areas of their lives drastically. They might change where they live, how they commute to go about their daily activities, where they shop, etc. With all of these necessary changes, their economic opportunity cost is most likely altered negatively. Therefore, many survivors choose to leave the labor force or are forced to be underemployed. This means that many survivors are forced to rely on government assistance programs like TANF and SNAP. According to data published in 2018, a national survey of staff members at organizations that support sexual violence survivors after their assault indicates that 46% of sexual violence survivors rely on TANF for their basic needs.<sup>12</sup>

These numbers support the findings made by the studies in this review that American women who experience sexual assault are often in a prolonged state of economic disadvantage. Again, part of the reason a survivor leaves the workforce, or at least do not continue their participation to the degree they had prior to their assault, is related to economic opportunity cost. The idea of opportunity cost in this case can refer to the fact that as the studies in the review have showed, it is not economically in the best interest of the survivor for her to continue working in

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<sup>12</sup> Shaina Goodman, “The Difference Between Surviving and Not Surviving: Public Benefits Programs and Domestic and Sexual Violence Victims' Economic Security,” VAWnet.org (National Resource Center on Domestic Violence, January 2018), <https://vawnet.org/material/difference-between-surviving-and-not-surviving-public-benefits-programs-and-domestic-and>

the same capacity as she did prior to the assault. However, it is not a question of desire to return to the same kind of work she once did, as would be the case with a traditional opportunity cost situation, rather it is the feasibility of returning to their former line of work or place of employment. For many survivors, the emotional, and sometimes the physical toll of returning to the same line of work or workplace is not worth the paycheck because in order to obtain it, they must endure undue stress.

Another cornerstone of economics that is affected by sexual violence is the theory of public goods. In the case of sexual violence and its impact on survivors, two public goods bear mentioning: public safety and government assistance programs. Safety is a public good because, in theory, every person is entitled to it (non-excludable), and everyone should receive the same amount of protection (non-rivalrous). Obviously, the non-rivalrous aspect of a public good is challenging to quantify because at some level the feeling of safety is individualistic. Still, for the sake of the argument, I will suggest that a basic definition of safety for most women is to not be violated sexually or physically while going about their daily activities. I would argue that to some degree this basic expectation is feasible because municipalities can allocate a higher presence of law enforcement in certain places during certain times of day. To continue this discussion further would be beyond the scope of this review, but should be pursued in future scholarship.

The second public good of note when discussing the impact of sexual violence on the economic well-being of survivors and health of the overall economy is government assistance programs, also known as social safety nets like TANF, SNAP, and SSDI. If societies were to spend time and maybe money to increase public safety, particularly for women, economies would not suffer such a high burden of support provided to survivors' post-assault. Women who

fall at or below the poverty line are six times more likely to experience sexual violence compared to women in higher socioeconomic brackets. Many women face sexual violence and harassment when working in the service industry.<sup>13</sup> Moreover, a 2010 study found a significant relationship between sexually violent acts committed against women of color and long-standing and continuing poverty.<sup>14</sup> Issues of systemic violence against women of color are multifaceted and beyond the scope of this analysis. However, the relationship is still interesting to point out here because it demonstrates the purpose and necessity of government assistance programs because notably women of color are at higher risk for sexual assault.<sup>15</sup>

#### IV. Conclusion

The literature review has presented a variety of factors and challenges regarding the economics of sexual violence: 1) Single incidents of sexual violence and lower workforce participation are positively related. 2) Most women are unable to return to their prior economic bracket after their assault. 3) Most survivors, many of whom are women of color, will remain on social assistance programs like TANF long-term. Therefore, it is crucial that the federal government consider funding the Violence Against Women Act (VAWA) permanently rather than every few years. If permanent funding is permitted, the legislation, which funds many of the programs discussed here, specifically in the interest of survivors, the bill can avoid partisan posturing like it faced in 2012, and again in the 2019 appropriations process. It would also be

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<sup>13</sup> Emily L. Hauser et al., “Sexual Assault Is Universal. Recovery Isn’t.,” *Talk Poverty*, March 5, 2018, <https://talkpoverty.org/2017/10/30/sexual-assault-universal-recovery-isnt/>)

<sup>14</sup> Thema Bryant-Davis et al., “Struggling to Survive: Sexual Assault, Poverty, and Mental Health Outcomes of African American Women.,” *American Journal of Orthopsychiatry* 80, no. 1 (2010): pp. 61-70, <https://doi.org/10.1111/j.1939-0025.2010.01007.x>)

<sup>15</sup> “Survivor of Color Prevalence Rates,” *END RAPE ON CAMPUS*, accessed December 28, 2019, <https://endrapeoncampus.org/new-page-3>)



useful if VAWA was presented as a standalone bill rather than as part of the larger appropriations package. Third, the federal government must do better to include minority women in programs and spending regarding violence against women. If VAWA is permanently funded, prevention programs including those run by advocacy organizations are better supported financially and through action, sexual violence against women can decrease. Therefore, the burden of cost on the US economy of social safety nets will decrease. Other ideas that have been suggested to lessen the economic burden outside of prevention include making improvements to the victim compensation system, which can provide reparations to sexual assault survivors. It will not lessen the impact of the event, or heal the survivor, but it will allow her to regain some financial stability and a sense of normalcy, which can jumpstart the healing process. It is also crucial that societies work to destigmatize surviving sexual violence because a survivor should not be ostracized, excluded or secluded due to her victimization.<sup>iii</sup>

## Appendix

TABLE 1—ESTIMATES OF RELATIONSHIP BETWEEN  
SEXUAL VIOLENCE AND LABOR MARKET OUTCOMES

	Employ	Log(Wages)
<i>Panel A. Full sample</i>		
(1) Sexual violence alone	-0.101*** (0.015)	-0.157*** (0.022)
(2) Adds age, race, urban, disabled	-0.093*** (0.015)	-0.139*** (0.020)
(3) Adds cognitive ability (and job tenure, part-time for earnings)	-0.094*** (0.015)	-0.100*** (0.020)
(4) Adds marital status, fertility, and pregnancy	-0.069*** (0.014)	-0.074** (0.020)
(5) Adds educational attainment	-0.059*** (0.014)	-0.054** (0.020)
(6) Adds school-by-grade FEs, peer group and family characteristics	-0.059*** (0.015)	-0.052** (0.021)
N	8,273	7,277
<i>Panel B. Twins sample</i>		
Twins with family fixed effects	-0.070 (0.126)	-0.094 (0.299)
N	620	528
<i>Panel C. Full sample</i>		
Adds controls for personality, discount rate, decision-making	-0.051*** (0.015)	-0.052** (0.024)
N	8,273	7,277
Mean	0.773	1.22

*Source:* Authors calculations.

\*\*\* Significant at the 1 percent level.

\*\* Significant at the 5 percent level.

\* Significant at the 10 percent level.

\*Table from Sabia et al. (2014) shows the estimates of relationships between sexual violence and labor market outcomes.

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<sup>i</sup> For more information about VAWA see: [The New York Times](#) and [NNEDV](#).

<sup>ii</sup> For more information on sexual violence reparations see: [article](#) from the Wharton School of Public Policy at the University of Pennsylvania.