Research Brief

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Does the Financial Services Sector Meet the Needs of Guaranteed Income Recipients? Evidence from the In Her Hands Program

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Key Findings

- The In Her Hands program provides low-income Black women in Georgia with unconditional monthly payments of $10,000-$12,000 annually.
- Only half of In Her Hands recipients reported using mainstream banking options like banks or credit unions to manage their money. They also commonly reported using online-only banks and peer-to-peer (P2P) apps, such as Cash App.
- We also find suggestive evidence that receiving the payments may help reduce reliance on alternative financial services, such as check cashing.
- In Her Hands recipients also reported that the payments helped them avoid overdraft charges, late fees, and the financing costs associated with short-term credit products, such as payday loans. This allowed them to automate payments, set up savings contributions, and manage multiple financial goals with greater confidence.
- At the same time, recipients struggle to navigate a fragmented financial services system that does not offer the products they need, including short-term liquidity options. This forces them to rely on fintech products, which, although often useful, can impose additional costs and strain their already limited budgets.

Overview

Access to safe and affordable financial services remains out of reach for millions of Americans, particularly in low-income communities and communities of color. Nationally, Black households are more than five times as likely to be unbanked as White households and more than twice as likely to rely on prepaid cards and alternative financial services that often come with high fees and limited protections (FDIC, 2023). In 2023, nearly one-third of unbanked households nationwide cited high fees or minimum balance requirements as their primary barrier to traditional banking, and 15.7% reported that they simply did not trust banks. Often, this distrust is founded in multiple generations of racialized economic extraction by financial institutions (Baradaran, 2017).

For example, Atlanta's historic Westside—encompassing neighborhoods like Vine City and English Avenue, where approximately 89% of residents are Black—has long faced systemic disinvestment, resulting in high poverty rates, unemployment, and a lack of essential infrastructure. According to the 2023 American Community Survey, the median household income in Vine City and English Avenue was approximately $39,081, about half the citywide median. Additionally, nearly 41.5% of residents in English Avenue lived in poverty (Census Reporter, 2023).

In response to these challenges, guaranteed income (GI) programs have emerged as a promising tool to promote financial health and inclusion. By providing direct, unconditional cash transfers, GI programs aim to support individuals in simultaneously meeting their basic needs, reducing financial stress, and navigating structural barriers to long-term financial planning. One such initiative is *In Her Hands* (IHH), a guaranteed income program led by the Georgia Resilience and Opportunity Fund in partnership with GiveDirectly. The IHH program has undergone two phases so far. The first phase, launched in 2022, provided no-strings-attached monthly payments to 654 randomly selected eligible women from three majority-black urban, rural, and suburban Georgia neighborhoods. To be eligible, women had to be 18 or over and earn less than 200% of the Federal Poverty Line. Selected participants were further randomized into two groups: half received a consistent monthly payment of $850 for 24 months, and half received $4,300 in the first month, followed by $700 in the remaining 23 months (both groups received $20,400 in total). Phase 2 of IHH focuses on Atlanta's Westside, providing no-strings-attached monthly payments to 270 randomly selected eligible women[1]. To maximize participant agency, recipients could choose

[1] To be eligible for the lottery, applicants were required to identify as a woman, be 18+, live in the target neighborhoods (Vine City, English Avenue, Washington Park, Bankhead), and have an income below 200% of FPL.

between two payment plans: a monthly payment of $1,000 for 36 months or a one-time lump sum of $8,000, plus monthly payments of $800 for the remaining 35 months of the three-year pilot. Both phases of IHH recruited a comparison group of study participants from applicants not selected to receive the payments.

To receive their payments, participants can opt for direct deposit into a bank or credit union account of their choice or utilize a prepaid debit card. While the program does not send payments directly through apps like Cash App, it accommodates nontraditional banking tools, such as Cash App cards, for direct deposit.

As guaranteed income programs continue to expand in the U.S., it is essential to understand how recipients use financial products and services. These insights can help policymakers and practitioners design programs that meet participants' needs and promote financial inclusion. To that end, this brief examines how GI recipients manage their GI payments, the financial tools they utilize, and what their experiences reveal about the design of such programs and financial products that effectively meet the needs of historically excluded communities.

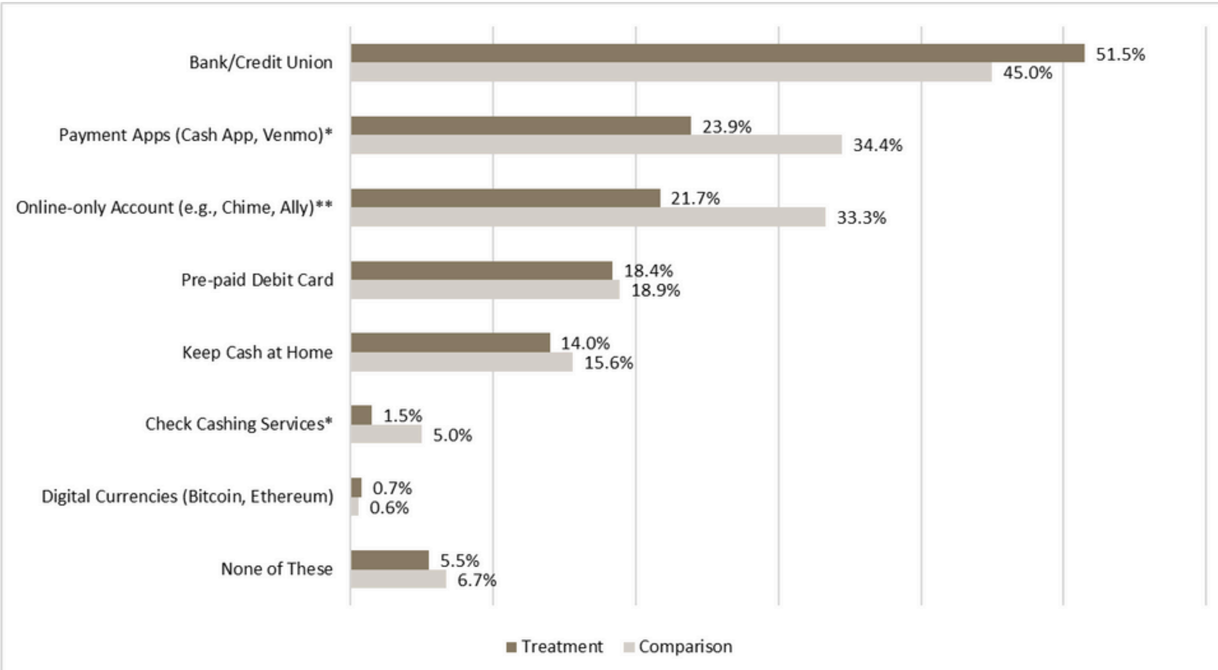
This brief draws on data from both phases of the IHH program. In Phase 1, we surveyed participants in the treatment and comparison groups about their banking practices two years into the program. To contextualize these findings, we incorporated a module on financial management practices into the qualitative interviews conducted with 59 IHH Phase 2 participants during the winter of 2024–25.

Results

What Banking Services Do In Her Hands Recipients Use?

At the end of Phase 1 of IHH, we asked survey participants in the treatment and comparison groups how they typically managed their money, providing them with a range of options, including banks/credit unions, online banking services, check cashers, keeping cash on hand, app-based services like CashApp, and others. Respondents could choose multiple options, and the results are in Figure 1. First, we observe that while a slim majority of GI recipients reported using mainstream banking services, such as banks or credit unions, 49% did not. Additionally, 22% reported relying on online-only bank accounts, such as Chime or Ally, to manage their finances. While the number of IHH participants managing their money outside traditional or online-only banking options may seem high, these results align with national estimates. A recent survey from the FDIC found that 35% of Black households with an annual income of less than $15,000 (close to the average income of IHH participants) were unbanked (FDIC, 2023).

Figure 1. How In Her Hands Study Participants Manage Money, by Treatment Group



*Notes. N=452 (272 treatment, 180 comparison). **p < 0.01; *p < 0.05*

Outside of traditional and online-only banking options, IHH recipients commonly reported using payment apps like CashApp and Venmo to manage their money (24%), as well as pre-paid debit cards (18%) and keeping cash at home (14%). Fewer than one percent reported using digital currencies (e.g., cryptocurrencies) to manage their money.

Interestingly, we also observe differences in how IHH recipients and the comparison group, which did not receive GI payments, manage their money. Directionally, we see that IHH recipients were somewhat more likely to report using mainstream banking options than the comparison group (52% vs 45%; though this difference is not significant), while IHH recipients were also significantly less likely to report using online banking options than the comparison (22% vs 33%; $p < 0.01$). Similarly, IHH recipients were significantly less likely to report using payment apps like CashApp and Venmo to manage their money than the comparison group (24% vs 34%; $p < 0.05$) and were also about a third as likely to rely on check cashing services (2% vs 5%; $p < 0.05$). Taken together, these results suggest that IHH recipients were less likely to rely on alternative and digital banking options, with some suggestive evidence that they were more likely to rely on mainstream banking options.

In addition to shifts in banking behavior, we also observed notable differences in participants' reliance on alternative financial services and their savings outcomes. Treatment group members were significantly less likely than those in the control group to report using pawn shop loans, selling blood plasma, or overdrawing their bank accounts (See Table 1 in the Appendix). For example, only 20.2% of treatment group participants reported using pawn shop loans in the previous six months, compared to 35.1% of the control group ($p < 0.01$). Simultaneously, treatment group members reported higher levels of emergency savings ($801 vs. $351; $p < 0.05$) and were far more likely to have access to rainy day savings (28.4% vs. 11.5%: $p < 0.01$), suggesting that GI payments helped reduce financial precarity and enabled more forward-looking money management (See Table 2 in the Appendix).

How Do In Her Hands Recipients Think About Money Management?

In Phase 2 of In Her Hands, we developed a qualitative interview module to better understand the patterns observed in Phase 1, specifically, the apparent shift toward greater use of traditional banking and reduced reliance on alternative financial services among GI recipients. The interviews examined how participants approach money management and interact with various financial products and services. This section highlights key insights from interview participants, organized by major emergent themes.

Bank Accounts as a Foundation of Financial Stability and Trust

Bank accounts were the overwhelmingly preferred method of managing IHH payments and overall finances. Participants cited security, transparency, and control as key reasons for favoring direct deposit into a traditional bank or credit union account. Many use their banks' online and mobile tools to monitor spending and automate bill payments.

> *"I have online banking. I see what I spend and where I'm high. It's just good visibility for me… I know unless I give my info out, nobody's going to hack anything."*

> *"I like the bank account because I can move the money into savings and give myself more discipline."*

For some, the regularity of IHH payments made them feel confident enough to open new accounts or re-engage with traditional banking after prior negative experiences.

> *"I never knew what I needed to be doing. Now I got a bank account, because someone explained it to me. I used to only use prepaid cards because of a bad experience."*

Prepaid Cards as a Useful but Sometimes Costly Alternative

While bank accounts were preferred, some participants relied on prepaid debit cards provided by the program or third-party services (e.g., Akimbo, Chime) for convenience and separation of funds. Participants noted that prepaid cards helped them manage their money intentionally, particularly when they wanted to keep IHH funds distinct from their regular income.

> *"I love the prepaid card. I know when the money's coming, and I like that it's more accessible."*

However, concerns about transaction fees and limited functionality (e.g., ATM withdrawal limits) emerged among some card users.

> *"It's already money that's being donated to us, and we need the money. So even if it's just five or two dollars in fees—that's money we need."*

Selective Use of Fintech Platforms

A minority of participants used fintech apps, such as Cash App, typically as secondary tools, for peer-to-peer transfers or minor savings features.

> *"I use Cash App to pay my mom back for food or gas. But my IHH money goes to my bank account."*

Some participants highlighted helpful budgeting and savings features embedded within these platforms:

> *"Inside of Cash App, there's a savings feature. It builds interest, and I like that it doesn't show in my main balance. It helps me not spend it."*

Still, trust concerns were prevalent, with many avoiding fintech tools due to stories of fraud or difficulties resolving disputes.

> *"With Cash App, once it's gone, it's gone. There's nobody to call. I don't trust it."*

Automated and Intentional Financial Management

The regularity and predictability of IHH payments empowered many participants to engage in budgeting and bill automation for the first time. Several described setting up auto-payments, allocating funds across accounts, and paying themselves first via automatic savings contributions.

> *"It's set up—$150 for this, $301 for that. Whatever's left goes into savings. I don't mess with it. It does what it's supposed to do."*

> *"This money allowed me to open savings accounts and a CD for my son. I push money into each one based on my goals."*

Some participants also emphasized the emotional and cognitive relief that comes with setting up structured systems.

> *"I like the electronic stuff because it keeps me out of it. I know what I want it to do, and it does that. Simple is best for me."*

Conclusion

The *In Her Hands* guaranteed income program is doing more than providing cash—it is reshaping financial behaviors and reducing cognitive and logistical burdens in money management. Access to regular, unconditional income has allowed many participants to reengage with traditional financial services, begin saving, and automate essential expenses. We also see some evidence that IHH recipients were less likely to rely on alternative, app-based, and online-only banking products than a comparison group, raising the possibility that GI programs offer an opportunity to better integrate families into the financial mainstream. At the same time, roughly half of IHH recipients were not using traditional banks or credit unions at the end of the two-year payment period, indicating that more work can be done to develop products and services that meet the needs of low-income, Black, and economically marginalized communities.

For participants who previously juggled unstable income streams, the predictability of IHH payments provides a crucial cash flow buffer, helping them increase savings, avoid overdraft charges, late fees, and the financing costs associated with short-term advance services like payday loan products offered by fintech platforms. Several participants reported, often for the first time, using automated bill pay, setting up savings contributions, and managing multiple financial goals with greater confidence. These systems reduce the mental load of manually timing expenses to income and help prevent missed payments that could lead to credit damage or loss of housing and utilities. In this way, guaranteed income alleviates the financial and emotional burden of scarcity, allowing for more forward-looking financial planning.

At the same time, the experience of IHH participants reveals a fragmented financial services landscape. Traditional banks have been slow to offer short-term, small-dollar loans and/or cash advances, leaving a gap filled by fintech companies, which provide convenience at a cost. While platforms like Cash App offer savings tools that some participants find helpful, others expressed strong distrust, highlighting concerns about fraud, poor customer service, and unclear protections. Notably, in 2024, the Consumer Financial Protection Bureau ordered the operator of Cash App to pay $175 million for failing to adequately resolve fraud claims and protect users' funds (CFPB, 2024). To bring more IHH participants and other low-income families into the financial mainstream, more banks could follow BankOn National Account standards, which include low minimum opening deposit requirements and monthly maintenance fees, no overdraft or low balance fees, free savings accounts, reasonably priced small-dollar loans, and credit building services[2].

As GI programs scale, their design should continue to support participants' ability to choose financial tools that work for them while ensuring they are safe, accessible, and aligned with long-term economic well-being. Financial institutions and fintech companies alike can learn from these findings: low-income families value transparency, stability, and autonomy. Products that meet those needs—without hidden fees or punitive structures—are not only possible, they are essential.

[2] See https://bankon.wpenginepowered.com/wp-content/uploads/2024/11/CFE-Bank-On-NAS-2025-2026.pdf

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Appendix

Table 1. High-Cost Financial Service Usage in Past Six Months				
	Total	Control	Treatment	p-value
Auto Title Loans	13.2	12.5	13.7	0.84
Payday Loans	23.8	27.8	21.0	0.138
Pawn Shop Loans	26.3	35.1	20.2	0.001
Blood Plasma Sales	19.6	28.1	13.7	<0.001
Bank Account Overdrafts	49.6	59.9	42.4	0.001
Observations	452	180	272	

Table 2. Savings Outcomes				
	Total	Control	Treatment	p-value
Emergency Savings (mean $ (SD))	615.80 (2209.44)	350.52 (1931.38)	801.07 (2370.66)	0.038
Covering Emergency $400 Expense				<0.001
Cash or Liquidity	11.6	6.3	15.5	
Borrowing or Selling Something	41.9	33.3	48.1	
Could Not Cover	46.5	60.3	36.4	
Access to Rainy Day Savings (%)	21.2	11.5	28.4	<0.001