

ABSTRACT

This study is about the accessibility of financial services and impacts on community economic development. The study intends to examine how access to financial services facilitate and assist the economic development of households. The case study design applied was carried out in Dar es Salaam region. The random sampling and judgemental used as the users and providers are selected to present the sample units of inquiry in this particular study.

Financial services can be a crucial element of an effective poverty reduction strategy especially for poor community. Effective participation in financial services is a precondition for effective participation in the economy.

The services provided by financial institutions can enable the poor to beat their consumption, manage their risks, build their assets gradually, develop their micro enterprises, enhance their income earning capacity, and enjoy an improved quality of life. This research study examined the extent to financial services which contribute to individual's economic development in Dar es Salaam region. In broader sense the analysis has linked access to financial services with economic achievements by different individuals using financial products like loans.

From the study it was found that the access to services provided by banking and non- banking financial institution play a significant role in promoting economic development to individuals, loan and credit services are much more used. It was revealed that financial services have changed the life of individuals in a positive way. Users of financial services have improved their incomes, capital invested and therefore expansion of their businesses. Despite these achievements there are still many gaps to fill in order to improve practice and access to financial services by many in the community as it has observed that some conditions like loan repayment period and collateral have been an obstacle for access to financial services, however the study has explored options for increasing wider access to financial service.

