

ABSTRACT

Around the globe, there is a rapid spread of mobile phones mean that the number of mobile users may already have exceed the number of banked people in many low income countries. It is evident that mobile money as an alternative to the historically exclusive traditional financial services is providing to be a force to reckon with both terms of its social and economic impact on the unbanked mostly due to its cross cutting reach and accessibility with the outcome as increased access by previously and currently unbanked populations in Tanzania to rudimentary financial services.

Mobile money has been taken as an enabling tool to increase access deepening and widening accessibility to affordable and efficient financial services. But with the increase of accessibility to mobile phones still there is financial inclusion gap among the unbanked. This paper outlined vividly the impact of mobile money on the rural unbanked. It provide an analysis of the overall impact and adoption level and the strategies for using the popularity and widespread use of mobile money to further increase financial inclusion and access to financial services among low income groupings in Tanzania.

In order to meet the intended objectives, both descriptive and exploratory research design was of greater advantage. The research strategy deployed is quantitative on a case study. Both qualitative and quantitative data were suitable to test hypothesized model, and ensure reliability of the results of the study. A questionnaire based survey was administered to sample total of 35 respondents.

sThe results of this study have shown that mobile money has significantly managed to bridge a financial inclusion gap among Tanzania's rural unbanked, largely due to its accessibility and ease of use. The impact of mobile money on the economy has also been significant especially in as far as GDP contributions are concerned. Mobile money has thereby been tested and has proved to be a tool for greater financial inclusion.

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