**Mobile Money, Individuals' Payments, Remittances, and Investment:
Evidence from Ashanti Region, Ghana**

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Being unbanked is strongly linked to poverty. Financially including the poor using mobile money is suggested to increase volumes of domestic payments and spur participation in a formal economy, with the benefits of smoothing incomes, protecting against vulnerabilities, facilitating day-to-day lives and pushing towards the sustainable development goals (Cull *et al.,* 2014). Suri and Jack (2016) and Cull *et al*., (2014) suggest increased savings, stable consumption and risk sharing among friends and family as a result of mobile money usage. Similarly, Blumenstock, *et al*., (2012) and Aker and Wilson (2013) found that mobile money usage increased willingness to remit and reduced transaction cost.

While many mobile money studies focus on its effect on consumption and informal risk sharing, little evidence is known about how it influences domestic payments and micro business investment for low income people (Dupas and Robinson, 2013). We estimate the effect of access to mobile money on individuals' payments and income generating activities, taking a case in Ghana. Specifically, we focused on examining the kind of people who currently use mobile money, their level of participation in mobile money, and how mobile money usage relates to the extent of individuals' payments, remittances, savings, and income generating activities. Apart from consumption expenditure, a basic need that drives financial activity for both rich and poor is to seize investment opportunities as they arise (Collins *et al*., 2009). Hence, examining these is important for economic empowerment of low income people. In exploring how to leverage the potential of mobile money to foster entrepreneurship, reduce poverty and improve well-being, it is necessary to understand the clear linkage between access to mobile money and welfare of the unbanked in a country-specific context (Kelly and Rhyne, 2015).

We collected primary data from 557 (388 mobile money user and 169 non-user) study participants from a total of 6 urban, peri-urban and rural communities in the Ashanti Region of Ghana between September 2016 and February 2017. The respondents were adults and mainly informal-sector workers. Using propensity score matching and propensity score weighting regression, we examine whether the socio-economic characteristics, payments, remittances, savings, consumption, and micro investment activities of mobile money users differed significantly from those of non-users.

We find that participation in mobile money is not dependent on the financial status of individuals. However, among users, we observe that greater financial assets are likely to increase the volume of mobile money transaction by 16.8 percent. On the effects of mobile money on individuals' financial activities, we find that mobile money users are more likely to send and receive larger volumes of payments and remittances. Further, we find that mobile money users are more likely to save higher amounts, invest more in education, micro businesses, land and buildings, and consume more relative to non-users. Mobile money provides easy access to convenient saving and remittance mechanisms, and hence, it gives users the opportunity to increase financial transaction and more flexible control over their finances.

People have day-to-day financial transaction needs and at each point they choose which available channel grants them the best satisfaction of transaction. Fast, easy, convenient and cost-effective features provided by mobile money might have presented users a potential for facilitating the process of meeting existing day-to-day financial needs, resulting in the positive impact of mobile money on income generating activities.