ABSTRACT

The increasing number of internet users in Indonesia has an impact on the increasing usage of mobile money as one of digital financial services. The use of mobile money can also increase financial inclusion in society. Financial inclusion is one of the critical steps for the government in poverty alleviation programs if it is carried out optimumly. However, mobile money services lead to cost and benefit for people. Thus, trust to use this innovation becomes an important thing. This research aims to assess the role of trust as the mediator between mobile money usage and financial inclusion in productive age communities in Gunungkidul Regency, Yogyakarta, Indonesia.

Gunungkidul Regency is one of regencies with the poorest population in the special region of Yogyakarta, Indonesia with 16.61% poverty rate. It is expected that the increasing of mobile money usage and financial inclusion will reduce the poverty in Gunungkidul Regency, Indonesia. The population of this research is 486.509 productive age people and the sample is taken by a non-probability sampling technique with the total of 400 samples. This study applies the Sobel test by Kenny and Baron's mediation analysis and the PROCESS method by Hayes

The results of this study show that the trust partially mediates the effect of mobile money usage towards financial inclusion in productivity age communities in Gunungkidul Regency, Indonesia. In terms of gender, people are male and female also show that trust partially mediates the use of mobile money and financial inclusion.. In order to build trust, the regulator in Indonesia should pay attention to the detail on data privacy and the effectiveness of mobile money usage. It is an effort to encourage people to use mobile money continuously and to attract more new users. The users are also encouraged to manage the use of mobile money properly as an effort to increase financial inclusion towards poverty alleviation.

Keywords: Poverty, Financial Inclusion, Mobile Money Usage, Trust