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This study empirically examines the causal relationship between stock market development and economic growth in Tanzania during 2002-2015. The choice of the study period has been influenced by the availability of data on Stock Market and Economic growth. The study employs three measures of stock market development: Market capitalization ratio, turnover ratio; and total value of stocks traded ratio as well as domestic private sector credit by banks as a gauge of bank based expansion. Real GDP growth rates are used as measures of economic growth and endogenous growth theory form the basis of theoretical foundation. The study uses time series analysis approach to assess for the presence of a long-run association and, if found to exist, the casual nature of that relationship is established. In particular, it applies *bounds cointegration test which is contained by the Autoregressive Distributed Lag (ARDL) framework developed by Pesaran et al. (2001); Error* Correction Model (ECM); and Granger causality in testing for the existence and direction of a relationship. The findings obtained from the bound test and ECM show the existence of long-run relationship between the stock market development and economic growth while Granger causality test reveals that the direction of causality run in one direction from stock market development to economic growth. This suggests that stock market development has impacted economic growth in Tanzania. However, this direction is true only if stock market development is proxied by turnover ratio. When proxied by market capitalization ratio and total value of stocks traded ratio, findings reveals economic growth and stock market development does not Granger cause each other. Furthermore, the findings support the hypothesis of endogenous growth models that financial development causes higher economic growth.