

Young People's Attitudes towards Green Investments in Kageshwori Manohara Municipality

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Abstract

This study examines youth perceptions of green investment in Kageshwori Manohara Municipality, Nepal, in light of increasing environmental challenges and the growing importance of sustainable finance. Employing a quantitative research design, primary data were collected from 400 respondents using structured questionnaires and analyzed through descriptive statistics, correlation, and regression techniques in SPSS. The findings reveal that youth generally possess positive attitudes toward green investment, with environmental concern being the most influential factor. Awareness of green investment concepts is moderate, whereas financial knowledge regarding policies, rules, and investment mechanisms remains low. Regression analysis indicates that opportunities for green investment, social influence and awareness significantly shape youth perception, explaining 65.1% of the variance. The study highlights the critical role of financial literacy, policy support, and accessible investment opportunities in enhancing sustainable investment engagement among Nepalese youth. These insights inform policymakers, financial institutions, and educational organizations in promoting environmentally responsible investment practices.

Keywords: *Green investment, youth perception, environmental concern, sustainable investment*

Introduction

Investment is the allocation of current financial resources to an asset or project that is expected to yield expected returns in the future. It is the process of giving up one thing over time to gain another and it is a process of building capital, economic growth and increasing wealth over time (Markowitz, 1952; Sharpe, 1964).

Green investment is the investment of sustainable projects and technologies that

aim at minimizing pollution, carbon emission and environmental risks, and thereby fostering sustainable development. It incorporates funding for renewable energy, green technology and resource conservation activities (Eyraud et al., 2013; Chițimiea et al., 2021).

In the world, green investment has grown significantly with renewable energy initiatives, green bonds, sustainable banking and environmentally friendly infrastructure development. Clean energy, carbon reduction and green technologies are being highly invested in by countries like China, the United States and other European Union countries, in an attempt to meet sustainable development goals (Eyraud et al., 2013). The use of financial institutions and government policies for promoting green banking and climate finance is gaining momentum in the SAARC countries. Among the countries, India, Bangladesh, and Pakistan are most advanced in implementing green finance measures and Bhutan and Maldives are doing well in renewable energy and environmental sustainability (Sarma & Roy, 2022).

Despite Nepal's vulnerability to climate change and environmental issues, the implementation of green investment practices is still in the making process. Nepal Rastra Bank has launched the sustainable banking guidelines and Environmental and Social Risk Management guidelines to promote banks in hydropower, solar energy and environmentally friendly projects. Despite these developments, public awareness regarding green finance, institutional capacity and policy impediments are still constrained to expand green finance in Nepal (Mahat et al., 2019; Chaudhary et al., 2024).

The World Bank and the United Nations uses youth for statistical and development purposes between the age of 15 and 24. As per the National Youth Policy 2072, Government of Nepal used to identify youth as those who are 16 to 40 years old, and the revised National Youth Policy 2082 uses 18 to 35 years age group to define youth in the context of Nepal.

With greater financial education, digital banking, and easy access to online trading platforms, youth investment trends are on the rise in Nepal. Youth are now investing in stocks shares, mutual funds, SIPs, fixed deposits and hydropower IPO. Peer are associated with and information about funding on the internet also motivate young people to engage in investment ventures. Research indicates that there is a strong link between education and financial literacy among young people, which tends to positively are associated with their investment choices and engagement in the stock mark (Paudel & Dhakal, 2025). But, the advanced investment knowledge and market

uncertainty are still great challenges for the Nepalese youth investors.

As awareness of environmental issues, climate change, sustainable development, etc. is rising, perception of the youth towards green investment is shifting towards positivity in Nepal. The youth of Nepal are increasingly interested in investments that promote sustainable development, like hydro-power, solar power, sustainable agriculture and green entrepreneurship. The populations' attitudes towards green investment as socially responsible and economically profitable have been shaped by higher education, financial education, social media and government promotion of sustainable finance. However, there is still a lack of knowledge regarding green financial products and investment opportunity among many young people. It is observed that in Nepal, lack of awareness, inadequate policy support and limited access to green finance are some significant hindrances for youths to participate in green investment activities (Mahat et al., 2019; Chaudhary et al., 2024).

Though many books and publications have been released about green finance, sustainable investment, ESG awareness and green banking, there is not enough empirical evidence in Nepal regarding the attitude of youth towards green investment. Existing research has mainly been about green banking awareness, sustainable finance literacy or investment intentions among youth investors. Furthermore, limited research has been conducted on how the interaction of awareness, environmental concern, financial knowledge, perceived risk and return, social are associated with and investment opportunities predict the youth's perception of green investment. In addition, No empirical studies were found which has focused.

This study aims to find out the awareness and understanding of green investment among the youth in Kageshwori Manohara Municipality and find the factors that predict youths' perception towards green investment. Moreover, the study explores how awareness, environmental concern, financial knowledge, perceived risk and return, social are associated with s and opportunities of green investment predict the youth perception towards green investment.

Literature Review

The research articles in recent years on the subject of sustainable finance, ESG investment and green banking clearly show that interest in academia and in policy has grown in understanding the determinants of the behavior of green investment, especially among the younger generation, and among emerging economies. The analyzed studies clearly show that sustainable finance is starting to be determined by behavioral, institutional, educational and regulatory aspects. While the studies

vary with regard to geographical context, methodological design, and theoretical perspectives, they all highlight a number of key elements of sustaining investment behaviour: awareness, financial literacy, institutional trust and supportive policy frameworks.

Behavioral Determinants of Green Investment

Behavioral theories have been broadly used to account for green investment intentions and sustainable financial behavior. Research based on the Theory of Planned Behavior has consistently shown that attitude and perceived behavioral control have a significant effect on the green investment decision, while subjective norms have mixed effects (Ajzen, 1991; Malzara et al., 2023; Thapa & Kafle, 2025). The study results indicated that green investors who had positive attitudes towards sustainability and high self-efficacy in investment were more likely to practice green investment in Indonesia and Nepal (Malzara et al., 2023; Nilasari & Fitriyah, 2024; Thapa & Kafle, 2025). The results indicate that factors of personal values and perceived capability have a more general are associated with on green investment behaviour than external social pressures.

Financial Literacy, Awareness and Sustainable Investment

Financial literacy and awareness is often mentioned as an important factor influencing sustainable investment behaviour. The research conducted in developed and developing economies indicates that sustainable finance literacy has a positive are associated with on investors' capacity to assess green financial products and attracts investors to participate in sustainable finance, including environmentally responsible investments (Filippini et al., 2025; Seifert et al., 2025; Syahfi, 2023). Likewise, the financial education and environmental consciousness of the younger generation significantly positively predict their investment attitudes (Swati et al., 2025). Yet, there is also a awareness-behaviour gap that is highlighted in the literature. While sustainability is often seen as a value-driven investment approach by young investors, there are also factors such as profitability concerns, risk perception, and a lack of awareness regarding green financial products that continue to are associated with their investment decisions (Gómez Sánchez & Tobon, 2025; Shrestha et al., 2025). However, awareness is not enough unless it is complemented by the necessary information to make financial decisions and by investment opportunities.

Level of Trust, Transparency and Regulatory Support in Institutions

The role of institutional factors in investor confidence in sustainable finance is critical. Previous research suggests that transparency, regulatory quality and trust have a significant impact on the willingness to invest in green financial products (JTC & OpportunityDb, 2023; Mammadov, 2025). However, investor participation is limited because of concerns about greenwashing, poor reporting quality and weak regulations. Nepal also faces similar challenges such as low institutional capacity, low penetration of green financial products, and low involvement of the private sector, which impede the development of green finance (Mahat et al., 2019, UNDP, 2021). The results indicate the importance of effective governance and credible sustainability reporting to provide investors with increased confidence.

Youth, Education and Green Finance

The importance of youth and education institutions as enablers of sustainable finance has been highlighted in recent literature. Overall, both academic exposure and institutional support are associated with the willingness of the students to take part in green finance and sustainable investment activities, while financial education has a positive effect on the students' willingness (Kishor & Malagi, 2025; Lamichhane et al., 2025). Overall, the awareness is medium to high, but in-depth knowledge of green financial products, policies and mechanisms is scarce. As a result, the research has increasingly begun to integrate the concepts of green finance and ESG into the educational programs, with the aim of enhancing the financial skills and participation in sustainable investment of prospective investors.

Green Finance in Emerging Economies

An extensive literature analysis shows significant variations among developed and developing countries in terms of the maturity of sustainable finance. While the European and other advanced economies' research is mainly focused on investor sophistication, ESG portfolio allocation and detection of greenwashing, the research in Nepal, India, Indonesia and Azerbaijan is centred on raising awareness, building investor literacy and providing institutional support (Lamichhane et al., 2025; Mammadov, 2025; Thapa & Kafle, 2025). The difference highlights that there are still basic issues regarding market development, financial literacy, and policies to address in developing economies, even as developed economies work to enhance the quality and credibility of sustainable finance products.

In summary, the literature suggests that the motivational aspect of green investment is shaped by the drivers of behavior, education, institutions, and environment. Awareness, environmental concern and financial literacy tend to foster positive attitudes towards

sustainable investment, although there are challenges to participation, including lack of knowledge, inadequate institutional support and transparency concerns. The reviewed studies emphasize the need to develop supportive financial, educational and policy environment for higher involvement in green investment, especially for the young in emerging economies like Nepal.

Theoretical Overview

This study was developed using the following theories;

Theory of Planned Behavior (TPB)

One of the most popular theories to explain individual behaviour intention and decision making is the Theory of Planned Behavior (TPB) developed by Ajzen (1991). TPB posits that three factors are important in predicting human behavior: attitude toward the behavior, subjective norms, and perceived behavioral control. Attitude is defined as a positive or negative appraisal of a specific behavior, subjective norms are the perceived social pressure from family, peers and society and perceived behavioral control is the individual's perceptions of ability and opportunity to perform the behavior (Ajzen, 1991).

The three factors suggested by TPB are that if people have positive attitudes to environmental sustainability, if important social groups support them, and if they feel they have enough knowledge, resources and opportunities to invest in environmental sustainability projects, they will more likely invest in environmental sustainability practices. Malzara et al. (2023), Nilasari and Fitriyah (2024), and Thapa and Kafle (2025) have found that attitude and perceived behavioral control and investment knowledge have a significant are associated with on the intentions to invest in the green industry among young investors. Hence, awareness, social are associated with , knowledge about money and opportunities for green investments included in the study are conceptually related to the TPB.

Environmental Concern Theory

Environmental Concern Theory states that the extent of concern that people have about environmental degradation, pollution, climate change, and resource depletion is positively related to environmentally responsible attitudes and behaviors. The theory claims that environmental values and ecological consciousness predict decision-making processes as they prompt people to take part in activities that are oriented toward environmental protection and sustainable development (Lavuri, 2022; Paul et al., 2016).

Environmental concern is considered to be one of the key determinants of green

purchasing, sustainable consumption, and green investment behaviour in the field of sustainable finance. People who feel they have a problem with the environment and who understand the long-term advantages of sustainability are more likely to be supportive of environmentally friendly investment options. Prior research has consistently shown that there is a positive correlation between intention to invest in sustainable investments and environmental concerns (Lavuri, 2022; Paul et al., 2016), meaning that individuals who show concern for the environment are more likely to invest in environmental-friendly financial products and sustainable development projects.

The present study combines the Theory of Planned Behavior (TPB) and Environmental Concern Theory (ECT) to understand the perception of youth on green investment in Kageshwori Manohara Municipality. The ecological values and sustainability awareness of youth is captured in environmental concern, and the cognitive, social and behavioural dimensions of TPB's theory are captured in awareness, financial knowledge, and social are associated with , and opportunities for green investment. Likewise, perceived risk and return drive the process by which people come to evaluate the benefits and viability of an investment decision.

Earlier research on the awareness of green finance, intentions for sustainable investment and perception of green banking has been conducted at the national and international level, but there is not much empirical research on the perception youth have regarding green investment at municipal level in Nepal. No study has attempted to extensively explore the are associated with of awareness, environment concern, financial knowledge, perceived risk and return, social are associated with and opportunities for green investment among the youth in Kageshwori Manohara Municipality. Hence, the TPB theory along with Environmental Concern Theory is an appropriate theory for explaining the determinants of youth attitudes towards green investment in local context of Nepal.

Methods

The research paradigm used in this study is post-positivist in which the research effort is directed at the objective investigation conducted through empirical observation and statistical analysis. The paradigm is appropriate for this research because it allows the researcher to investigate the perceptions of youth on green investment with measurable data and scientific processes. This study used a deductive approach of research that involved using previously established theories and literature to design the conceptual framework and to test relationships between variables.

Descriptive and analytical research design was used with cross sectional data. The descriptive design was used to describe the demographic characteristics and perception level of the respondents, while the analytical design is used to identify the relationship and are associated with between the study variables. The study had a cross-sectional design because it utilized data that were collected only at one time. For collecting numerical data that could be analyzed and interpreted statistically, the quantitative research methods were used.

The target population were the youth belonging to the Municipality of Kageshwori Manohara. The population size was not known and Cochran's formula for an infinite population was employed for calculating the sample size. The sample size calculated was 384 respondents. Plus, 5% of the sample was added to account for potential non-response issues and the total sample size was rounded to 400. Simple random sampling was employed to ensure that each eligible youth within Kageshwori Manohara Municipality had an equal probability of being selected for participation. The method was chosen to minimize selection bias and improve the representativeness of the sample. A total of 420 questionnaires were distributed, of which 400 were completed and usable, resulting in a response rate of 95.24 percent. The final sample size of 400 exceeded Cochran's minimum required sample size of 384, providing adequate statistical power for regression analysis.

The self-structured questionnaire was used for collecting primary data. A pilot survey was done with 10 percent of the sample before the final survey. Some items were dropped, some modified and more added based on the pilot results. Cronbach Alpha was used to test the reliability of the instrument and the result was 0.970 for 35 items so that the instrument had excellent internal consistency. For validity, the questionnaire was expert peer reviewed, translated in Nepali language and back translated. The data obtained was done through face-to-face interaction in which physical questionnaires were distributed and analyzed by SPSS version 27.0 tools including frequency tables, mean, standard deviation, correlation and regression analysis.

Results

Demographic Profile of Respondents

The demographic distribution of the 400 respondents is relatively balanced and representative among gender, age, education, occupation and income groups. The gender distribution in the study was almost equal with male respondents making 52.0 percent while the female respondents made 48.0 percent, giving diverse viewpoints. The age distribution shows that the majority of respondents (53.0 percent) were aged 18–23 years, reflecting the predominance of younger age groups which are most likely to be in the transition ages of higher education and early career. Educationally,

a considerable number of people held Bachelor's degree qualification (47.8 percent) indicating a relatively educated sample with adequate academic exposure. The majority of students were employed (40.5 percent) and were in the occupation group of occupation (45.8 percent), suggesting both academic and economic involvement. Moreover, the distribution of income shows that 69.3 per cent was below Rs. 20,000 per month; signifying the economic traits of youth and student groups. The demographic make-up is indicative of the fact that the study largely represented the views and experiences of young, educated and emerging economic groups.

Table 1*Demographic Profile of Respondents*

Demographic Variable	Category	Frequency	Percent
Gender	Male	208	52.0
	Female	192	48.0
	Total	400	100.0
Age Group	18-23 years	212	53.0
	24-29 years	66	16.5
	30-35 years	122	30.5
	Total	400	100.0
Education Level	Higher Secondary	127	31.8
	Bachelor's Degree	191	47.8
	Master's Degree	61	15.3
	Above Master's Degree	21	5.3
	Total	400	100.0
Occupation	Student	183	45.8
	Employed	162	40.5
	Unemployed	24	6.0
	Self-employed	31	7.8
	Total	400	100.0
Monthly Income	Below Rs. 20,000	277	69.3
	Rs. 20,001-40,000	80	20.0
	Rs. 40,001-60,000	24	6.0
	Above Rs. 60,000	19	4.8
	Total	400	100.0

Source: Field Survey, 2026

Descriptive Analysis of Variables

Table 2

Descriptive Analysis of Variables

S.N.	Statements	Mean	S.D.
1	<i>Awareness (IV)</i>		
a	Familiarity with the concept of green investment.	3.77	1.25
b	Understanding of the benefits of green investment.	3.84	1.15
c	Awareness about ESG investment.	3.55	1.21
d	Knowledge of different green investment products and services.	3.50	1.32
e	Belief that green investment supports sustainable development.	3.93	1.20
2	<i>Environmental Concern (IV)</i>		
a	Concern about environmental issues such as pollution and climate change.	4.48	0.87
b	Knowledge about environmental benefits.	4.43	0.84
c	Preference for investment options that support environmental sustainability.	4.07	1.07
d	Belief that green investment can reduce environmental problems.	4.12	1.08
e	Are associated with of environmental responsibility on investment decisions.	3.77	1.24
3	<i>Financial Knowledge (IV)</i>		
a	Knowledge about financial investment.	3.12	1.12
b	Knowledge about green finance rules, regulations, policies, and laws.	2.94	1.12
c	Ability to differentiate between traditional and green investments.	3.27	1.25
d	Awareness of subsidies, policies, and practices of local government.	3.04	1.16
e	Practice of seeking financial information before making investment decisions.	3.82	1.21
4	<i>Perceived Risk and Return (IV)</i>		
a	Perception that green investments provide satisfactory financial returns.	3.69	1.19
b	Perception that green investment is less risky than traditional investment.	3.61	1.11

S.N.	Statements	Mean	S.D.
c	Willingness to invest in green projects if they offer good returns.	3.93	1.06
d	Discouragement from green investment due to uncertainty about returns.	3.51	1.28
e	Belief that green investments are financially beneficial in the long run.	3.81	1.21
5	<i>Social Are associated with (IV)</i>		
a	Are associated with of friends on perception toward green investment.	3.51	1.34
b	Encouragement from family members to consider green investment.	3.41	1.38
c	Are associated with of social media on understanding of green investment.	3.80	1.19
d	Motivation from are associated with rs and public figures toward sustainable investment.	3.77	1.20
e	Are associated with of society's concern for sustainability on investment choices.	3.71	1.11
6	<i>Opportunities of Green Investment (IV)</i>		
a	Availability of green investment opportunities in Kageshwori Manohara Municipality.	3.66	1.39
b	Support of government policies for green investment practices.	3.53	1.22
c	Availability of attractive green investment products from financial institutions.	3.47	1.11
d	Potential of green investment to create economic opportunities for youth.	3.82	1.27
e	Interest in future opportunities related to green investment.	3.76	1.14
7	<i>Youth Perception Toward Green Investment (DV)</i>		
a	Perception that green investment is beneficial for society and the environment.	4.26	1.08
b	Positive perception toward green investment.	4.14	1.09
c	Perception that green investment promotes sustainability effectively.	3.99	1.10
d	Willingness to invest in green financial products in the future.	3.76	1.21
e	Willingness to recommend green investment to others.	3.95	1.17

Source: Field Survey, 2026

The descriptive analysis of the variables concerning the perception of the youth with regard to green investment is presented in Table 2. The results show a positive attitude towards green investment; most mean scores are above the average value of the scale. The independent variables showed positive averages (ranging from 2.08 to 4.48), with environmental concern being the highest, especially the concern about pollution and climate change ($M = 4.48$, $SD = 0.87$), indicating that young people are very conscious and sensitive towards the environment. The mean score of awareness about sustainable development through green investment ($M = 3.93$, $SD = 1.20$) was also high, implying a positive awareness of the concepts of green investment.

The mean scores for financial knowledge, however, were relatively low with regard to their awareness of green finance rules and policies ($M = 2.94$, $SD = 1.12$), indicating a low financial literacy in green investment practices. Good positive responses were also obtained for the dependent variable, especially for the value of green investment on society and environment ($M = 4.26$, $SD = 1.08$). In general, awareness of the environment seems to be the most important determinant for positive youth perception of green investment.

Correlation Coefficient among Dependent and Independent Variables

Table 3

Correlation and coefficient

		AW	EC	FK	PR	SI	OG	YP
AW	Pearson Correlation	1						
	Sig. (2-tailed)							
EC	Pearson Correlation	.689**	1					
	Sig. (2-tailed)	.000						
FK	Pearson Correlation	.695**	.594**	1				
	Sig. (2-tailed)	.000	.000					
PR	Pearson Correlation	.722**	.724**	.691**	1			
	Sig. (2-tailed)	.000	.000	.000				
SI	Pearson Correlation	.704**	.702**	.574**	.739**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			

		AW	EC	FK	PR	SI	OG	YP
OG	Pearson Correlation	.705**	.684**	.651**	.832**	.763**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
YP	P e a r s o n Correlation	.682**	.633**	.584**	.715**	.707**	.772**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).								

The correlation matrix shows that there are strong associations between all the study variables and youth perception of green investment (YP), with all the associations being positive and significant at the 0.01 level. However, opportunities of green investment (OG) showed the highest positive correlation with youth perception ($r = 0.772$, $p < 0.01$), implying that the more opportunities that exist for green investment, the more positive youth perception will be. Likewise, youth perception and perceived risk and return (PR) were found to have a strong positive relationship ($r = 0.715$, $p < 0.01$), suggesting that positive perceptions of returns and low perceived risk of investment, positively are associated with the youth's attitudes towards green investment.

The social are associated with (SI) also showed a strong positive correlation with the youth perception ($r = 0.707$, $p < 0.01$), which revealed the are associated with of family, peers, media, and society on the investment behaviour of the youth. Medially good positive correlations were observed between awareness (AW) and environmental concern (EC) with youth perception while the lowest correlation was between financial knowledge (FK) and youth perception ($r = 0.584$, $p < 0.01$). In general, the results indicate that all the independent variables have a positive impact on influencing youth perception towards green investment.

Regression Analysis

Regression analysis was conducted to examine the relationship between the dependent and independent variables and to measure the impact of predictor variables on the outcome variable.

Table 4*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.807 ^a	.651	.646	.57898	.651	122.254	6	393	.000
<i>a. Predictors: (Constant), OG, FK, EC, AW, SI, PR</i>					<i>b. Dependent Variable: YP</i>				

Table 4 shows the result of regression analysis that investigates the effect of awareness, environmental concern, financial knowledge, expected risk and return, social are associated with and opportunities of green investment on youth perception of green investment. The significance test result shows that there is a strong positive correlation between the independent variables and youth perception with the value of $R = 0.807$. The coefficient of determination ($R^2 = 0.651$) indicates that the model used explains 65.1 percent of the variation in youth perception. The goodness of fit of the model (adjusted $R^2 = 0.646$) is further confirmed. Besides, the model is statistically significant ($F = 122.254$, $p < 0.001$), which shows that the model is well fitted and has a good predictive power.

Table 5*ANOVA*

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	245.889	6	40.982	122.254	.000 ^b
	Residual	131.740	393	.335		
	Total	377.629	399			
<i>a. Dependent Variable: YP</i>						
<i>b. Predictors: (Constant), OG, FK, EC, AW, SI, PR</i>						
<i>c. 95% Confidence Intervals (CI)</i>						

The overall significance of the regression model for analyzing the factors predicting youth perception on green investment is given in the ANOVA table. A regression sum of squares of 245.889 shows that a good amount of variation in youth perception is explained by the independent variables used in the model. The unexplained variation (residual sum of squares) is 131.740. The model had an F-statistic of 122.254 and a significance value of $p = 0.000$, which was less than the set of $p = 0.05$. This helps to validate the regression model as a whole and to validate the relationship between the predictor variables and youth perception of green investment.

Table 6*Multi collinearity*

Model B		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.893	.148		6.023	.000		
	AW	.159	.048	.171	3.342	.001	.338	2.958
	EC	.054	.056	.046	.964	.336	.386	2.592
	FK	.017	.045	.017	.377	.707	.435	2.297
	PR	.066	.059	.070	1.129	.260	.233	4.292
	SI	.157	.047	.174	3.356	.001	.329	3.037
	OG	.394	.056	.417	7.008	.000	.250	3.997
<i>a. Dependent Variable: YP</i>								

Results obtained from the regression coefficient analysis show that opportunities of green investment (OG) have the highest positive and statistically significant are associated with on youth perception on green investment ($\beta = .417$, $p < 0.001$). Similarly, awareness (AW) ($\beta = .171$, $p = 0.001$) and social are associated with (SI) ($\beta = .174$, $p = 0.001$) also significantly predict youth perception. There was no evidence of a statistical difference in the variables environmental concern (EC), financial knowledge (FK) and perceived risk and return (PR) as the p-values were greater than the 0.05 level of significance. Moreover, the values of VIF are in the range of 2.297 to 4.292, which is not considered to be a serious problem in multicollinearity. The VIF values ranged from 2.297 to 4.292, indicating the absence of serious multicollinearity concerns. Although some values approached moderate levels, they remained below the commonly accepted threshold of 5, beyond which multicollinearity may become problematic.

From the above table the regression line of

$$YP = .893 + .159AW + .054EC + .017FK + .066PR + .157SI + .394OG + \varepsilon$$

Where, *YP = Youth Perception of Green Investment*

AW = awareness

EC = environmental concern

FK = financial knowledge

PR = perceived risk and return

SI = social are associated with (SI),

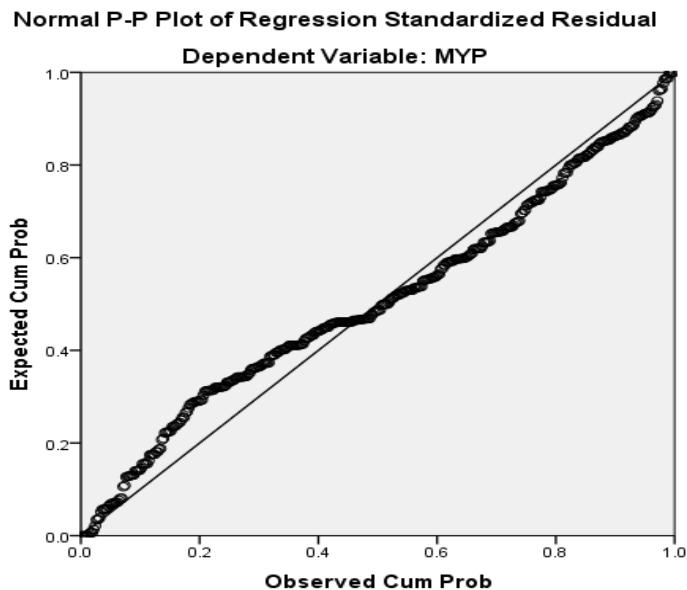
OG = opportunities of green investment

Overall, the opportunities of green investment, awareness and social are associated with are the main determinants on influencing youth perception towards green investment.

Table 7*Collinearity Diagnostics*

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions						
				(Constant)	AW	EC	FK	PR	SI	OG
1	1	6.845	1.000	.00	.00	.00	.00	.00	.00	.00
	2	.053	11.381	.51	.01	.02	.04	.01	.03	.02
	3	.037	13.538	.00	.01	.00	.62	.00	.19	.03
	4	.023	17.220	.01	.55	.00	.02	.12	.09	.17
	5	.018	19.380	.00	.35	.00	.31	.09	.62	.06
	6	.013	22.676	.26	.05	.47	.00	.22	.01	.39
	7	.011	25.430	.22	.02	.51	.01	.55	.07	.33
<i>a. Dependent Variable: YP</i>										

According to the collinearity diagnostics table, there are no major multicollinearity problems with the independent variables. The condition index is the largest value of 25.430, which is still not a critical value of 30, indicating that the level of multicollinearity is still acceptable. Additionally, the variances between the different variables in the dimensions are not too small. The results support that the independent variables are statistically valid and distinct from each other, and the regression model is statistically valid and acceptable to interpret the independent variables that predict youth perception on green investment.

Figure 1*Normal P-P Plot of Regression Standardized Residual*

Findings

The findings of the study can be listed below:

- a. The study found that youth in Kageshwori Manohara Municipality have a generally positive perception toward green investment. The respondents strongly agreed that green investment is beneficial for society and the environment (Mean = 4.26, SD = 1.08) and promotes sustainability effectively (Mean = 3.99, SD = 1.10). This finding aligns with the objective of examining youth perception toward green investment.
- b. The research revealed that environmental concern is very high among youth respondents. Concern regarding pollution and climate change recorded the highest mean score (Mean = 4.48, SD = 0.87), while knowledge about environmental benefits also remained high (Mean = 4.43, SD = 0.84). This indicates that environmental awareness plays an important role in shaping positive attitudes toward green investment.
- c. The study identified that awareness of green investment concepts and sustainable development among youth is moderate to high. Respondents showed strong belief that green investment supports sustainable development (Mean = 3.93, SD = 1.20), but awareness regarding ESG investment (Mean = 3.55, SD = 1.21) and green financial products (Mean = 3.50, SD = 1.32) was comparatively lower. This suggests that youth are aware of sustainability concepts but still require more exposure to specific green financial instruments.
- d. The findings showed that financial knowledge regarding green finance policies, rules, and regulations among youth is relatively low. The lowest mean score was recorded for knowledge about green finance rules and policies (Mean = 2.94, SD = 1.12). This indicates that lack of financial literacy and limited understanding of green finance Mechanisms remain barriers to active participation in green investment practices.
- e. Correlation analysis demonstrated that all independent variables have significant positive relationships with youth perception toward green investment. Among them, opportunities of green investment had the strongest positive correlation with youth perception ($r = 0.772$, $p < 0.01$), followed by perceived risk and return ($r = 0.715$, $p < 0.01$) and social are associated with ($r = 0.707$, $p < 0.01$). This finding supports the objective of identifying factors predicting youth perception toward green investment.
- f. Regression analysis revealed that opportunities of green investment ($\beta = 0.417$, $p < 0.001$), awareness ($\beta = 0.171$, $p = 0.001$), and social are associated with ($\beta = 0.174$, $p = 0.001$) are the major significant predictors influencing youth perception toward green investment. The regression model explained 65.1% of the variation

in youth perception ($R^2 = 0.651$), indicating that these factors have substantial explanatory power in understanding youth attitudes toward green investment.

Discussion

The results obtained from the present study indicate that, the perception of youth in Kageshwori Manohara Municipality is generally positive towards green investment. The respondents identified the positive aspects of green investments: on environmental protection, social welfare, and sustainable development. This means that green investment is seen as a financial matter but also as a sustainable social and ecological investment. This finding is in line with the general sustainable finance body of work, which considers green investment as investing in renewable energy, clean technology, pollution control, resource conservation, and climate-resilient development (Chițimiea et al., 2021; Eyraud et al., 2013). So, the study indicates gradual change in the financial perspective of Nepalese youth towards sustainability.

One of the important results obtained is the level of concern about the environment in the youth. Overall, pollution, climate change and environmental degradation were major issues of concern with respondents, indicating that environmental awareness is an essential basis of green investment perception. This result aligns with Lavuri's (2022) claim that environmental concern has a great impact on sustainable investment intention. Likewise, Paul et al. (2016) determined that people who have higher concern for environmental issues tend to be more pro-environmental and be more inclined to engage in green and sustainable behavior. In the context of Nepal, where the concerns of climate change, unplanned urbanization, waste management issues, and pollutions have been growing, such concern among youth is very significant. It serves as an indicator that environmental risk has emerged as an important determinant of the investment-related attitudes.

While the attitudes towards green investment were positive, the awareness on green finance rules, policies, regulations and investment mechanisms was relatively low. This shows that there is a definite mismatch between the awareness of the environment and the financial capacity. Youth can be aware of the importance of green investment, but may not be aware of how to engage in green investment. This result aligns with Filippini et al. (2025) who pointed out that sustainable finance literacy is essential to recognise, assess and choose sustainable financial products. Seifert et al. (2025) also found that sustainable finance literacy is a driver of investment behaviour beyond people's financial literacy. The study recommends that understandings are not enough, they need to be accompanied by practical financial education.

All the independent variables were found to have positive correlation with youth perception toward green investment with all the variables being significant. These factors were most highly correlated with the opportunities for green investment, followed by perceived risk/return and social are associated with . This shows that ethical or environmental values are not the only factors influencing youth perception, but also factors of accessibility and monetary expectations. Young people can say they want to invest in green infrastructure, but when they see the possibilities, they see it as a chance to invest, when they know how to invest, and when they know someone they trust they can invest. The result is consistent with the result of Thapa and Kafle (2025) which revealed that the perceived behavioral control had significant are associated with on green investment intention among Gen Z investors in Nepal. Resource access, information sharing, and access to investment opportunities in both studies seem to be key to youth participation in green finance.

The regression result is consistent with this argument. There were opportunities for green investment, awareness and social are associated with , which were found to be significant variables and accounted for 65.1% of the variation in youth perception. This is the powerful explanation which indicates that the perception of youth is mainly are associated with d by structural and informational factors. This finding is of interest because of its implications for everyday use. To be specific, one unit rise in the perceived opportunities for green investment leads to a 0.394 unit rise in the youth perception toward green investment, with the rest of the variables being unchanged. Increase in the availability of green capital investment options could significantly improve positive attitudes of young people. The drivers are strong, and although environmental concerns are high, the strongest driver is availability of green investment opportunities. This means the way forward is to offer clear and youth-friendly green financial products from banks, financial institutions, municipalities and investment companies to maintain a positive perception. A positive attitude can be translated into actual participation, for instance through the introduction of green bonds, ESG funds, renewable energy stocks, financing sustainable agriculture, eco-tourism projects, or waste management investment schemes. Environmental concern and financial knowledge were both highly positively associated with youth perception in the bivariate analysis but were not significant in the multiple regression model. In this finding it is suggested that these variables explain the same effects as other predictors in the model. Once these other factors are accounted for, environmental concern and financial knowledge no longer account for a unique amount of variance in youth perception. This suggests that these factors could be indirect, as they are associated with the stronger determinants of green investment attitudes.

The results can also be explained from the Theory of Planned Behavior. According to Ajzen (1991), the behavioral intentions are formed about attitude, subjective norms and perceived behavior control. Youth's positive attitude is indicated in this current study by their environmental concern and positive attitude towards green investment. Perceived behavioral control is manifested in green investment opportunities and financial competence. Subjective norms (social are associated with). In this study, though, the are associated with of social media is not the same as in other studies of Gen Z. The study by Malzara et al. (2023) revealed that attitude and perceived behavioral control (PBC) showed to be significant factors in determining the green investment intention of the Gen Z in Jakarta, while the subjective norm was not significant. In the same way, the subjective norms failed to significantly predict the Gen Z green investment intention in Nepal, as reported by Thapa and Kafle (2025). However, social are associated with was found to be significant in the present study. This gap can be due to the socio-cultural context of Kageshwori Manohara Municipality where the are associated with of family recommendation, peer groups, educational institutions, community networks and social media still play a role in the financial decisions taken by the population.

The study also helps to consolidate the notion of an awareness–behaviour gap in sustainable finance. Although young investors are generally environmentally aware, they are not always motivated to make environmentally sustainable investment decisions due to concerns about risk, the perceived cost, lack of available products, and doubts about the profitability of investments (Gómez Sánchez and Tobon, 2025). Likewise, Swati et al. (2025) noted that having knowledge of ESG does not necessarily lead to ESG investment practices among Gen Z. The present study also reveals a similar situation in Nepal. Although youth are green-minded and favourable to green investments, their actual involvement might be hindered by low financial literacy, technical know-how and knowledge, limited products, and low policy awareness.

The trust and transparency are other issues. In a study by Shrestha et al. (2025), undergraduate students in Kathmandu were found to be concerned with greenwashing, and highlighted the need for transparency in reporting and international standards. This applies to the current study as youth may be reluctant to invest if they are not confident that the green funds are being used for environmental initiatives.

Nepal's Green Finance Taxonomy 2024 is an important policy resource to address these concerns. The taxonomy defines green economic activities, provides guidance for financial institutions, ensures transparency, prevents greenwashing and helps to mobilize green capital (Nepal Rastra Bank, 2024). The present study, however,

reveals that youth is low knowledgeable about Green finance rules and policies. Policy documents are not sufficient and must be simplified, communicated and incorporated into financial literacy programmes. Likewise, Ojha (2025) revealed that the concept of green financial products, green investments and green business strategies have a significant impact on the perceptions of green banking in Nepalese commercial banks. Similarly, Lamichhane et al. (2025) revealed moderate awareness among undergraduate students in Nepal regarding green finance, which is hindered by a variety of factors, including financial products, policy support, and technical knowledge. The studies have also found that all the barriers identified in Kageshwori Manohara are a national issue.

So the study finds the perception of youth towards green investment has an increasing positive direction. While the basis for concern, financial literacy, an opportunity, trust, social are associated with, and institutional support are all necessary to make participation work. Based on the findings, it is recommended that policymakers, financial institutions, educational institutions, and local governments collaborate in changing the perception of positive actions to actual investment actions. Green bond, ESG investment, Sustainable Banking, Climate Finance and Nepal's Green Finance Taxonomy should be introduced in financial literacy programs. Financial institutions need to create green financial products for the youth, which are easy to understand, affordable and transparent. The local governments shall promote green entrepreneurship, renew energy, waste management, sustainable agriculture, etc. projects. With this action, youths can be instrumental in the green, resilient, and inclusive economic development of Nepal.

Conclusion

The study concludes that youth in Kageshwori Manohara Municipality possess a generally positive perception toward green investment and recognize its importance for environmental sustainability and social well-being. The findings revealed that environmental concern among youth is very high, while awareness regarding green investment concepts is moderate to high. However, financial knowledge related to green finance policies and investment Mechanisms remains comparatively low. The study further identified that opportunities for green investment, awareness, and social are associated with are the major factors significantly predicting youth perception toward green investment. Overall, the research highlights the need for greater financial literacy, policy support, and accessible green investment opportunities to encourage active youth participation in sustainable investment practices in Nepal.

Recommendations

Based on these findings, the study recommends financial institutions and local government place emphasis on awareness and training programmes on green investments, ESG practices, and sustainable finance. These can help create increased awareness among youth about green investment opportunities, financial mechanisms and relevant policies. Based on this finding, it is recommended that the financial literacy and policy awareness of green finance still needs to be improved. So it is necessary to carry out regular orientation, financial literacy training, and financial literacy campaigns on the community level to promote the understanding of green investment among young people and let them engage in green investment activities with greater confidence.

The government should also create policy incentives that are attractive to young people to encourage them to engage in green investment. Environmentally friendly projects (renewable energy, sustainable agriculture, waste disposal, eco-tourism, green entrepreneurship) should be subsidized, tax-free and have low-interest loan facilities. These may help to alleviate the investment pressure for young investors and encourage them to participate in sustainable investments. This would also assist in turning positive youth perception of green investment into investment actions.

Planning, technical assistance and skills building activities for the young people should be jointly organized by educational institutions, municipalities and financial institutions. Given that technical knowledge is still a hurdle for young people to participate in green investment, practical knowledge of project planning, financial assessment, risk management, and operation of green finance mechanisms is required. Skill-based training can help build confidence among youth investors and find projects they can realistically invest in for green investment.

More transparency, trust, and accessibility in financial market products for green investments should be further enhanced by financial institutions and policy makers. To reduce confusion and uncertainty among youth, communication and information are to be clear, reliable, and easy to understand, product design should be simple, and there should be regular reporting. Information about the opportunities, risks, returns and environmental benefits of green investments can be disseminated via social media campaigns, digital platforms and communication strategies aimed at youth. In addition, this will help to deepen transparency and accessibility, which will promote positive investment actions and enhance youth involvement in sustainable finance.

Limitations of the Study

There are some limitations to the study. First, the cross-sectional design only provides information about perceptions at one time, which restricts causal interpretation. Second, all information was self-reported and thus could have been prone to common method bias and social desirability effects. Thirdly, the results are from youth living in Kageshwori Manohara Municipality and may not be completely applicable to other Municipalities or regions in Nepal. Longitudinal designs and larger geographic areas could be used in future studies to enhance generalizability.

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