The Green Investment Intentions of Gen Z: The Moderating Role of Financial Knowledge in the Theory of Planned Behavior

Bharat Singh Thapa
Assistant Professor, Central Department of Management, Tribhuvan University
https://orcid.org/0000-0002-9435-2490
Email: bharatthapa89@gmail.com (Corresponding author)
Bidhan Kafle
School of Management, Tribhuvan University
Email: bidhankafle@gmail.com

Article History

Received 02 Feb, 2025
Reviewed 03 March, 2025
Revised 13 March, 2025
Accepted 25 March, 2025

Keywords

Gen Z investors, Theory of planned behavior, Sustainable finance, Green investment knowledge

Kshitiz Management Review
Volume 1, Issue 1, April 2025, pp. 1- 20.
ISSN: 3059-975X (Print)

Abstract

This study investigates factors influencing green investment intention among Gen Z investors, focusing on how green investment knowledge moderates these factors. Using the Theory of Planned Behavior (TPB), it examines the impact of attitudes, subjective norms, and perceived behavioral control on sustainable investment decisions. A survey of 385 purposively selected Gen Z investors provided demographic data and key study variables. Structural Equation Modeling (SEM) with Smart-PLS 4.1 analyzed relationships among green investment knowledge, attitudes, subjective norms, perceived behavioral control, and investment intention. Results reveal that attitude and perceived behavioral control significantly influence green investment intentions, whereas subjective norms do not. Green investment knowledge enhances the impact of attitudes on intentions but does not significantly moderate subjective norms or perceived behavioral control. These findings emphasize the importance of knowledge in fostering positive attitudes toward sustainable investments while suggesting that social influences and perceived control are less critical. The study highlights the need for financial literacy initiatives and awareness campaigns to encourage sustainable investment behaviors. It offers valuable insights for policymakers, financial institutions, and educators aiming to promote green investments and contributes to academic literature on knowledge's role in green investment decisions, particularly in emerging economies.

Introduction

The global shift toward sustainable development has underscored the importance of green investments as a critical mechanism for addressing environmental challenges such as climate change, resource depletion, and pollution (UNEP, 2021). Green investments, which channel financial resources into environmentally sustainable projects, have gained significant traction in recent years, driven by increasing awareness of environmental issues and the urgent need for economic systems to align with ecological sustainability (Eyo-Udo et al., 2024). However, despite the growing emphasis on sustainable finance, the adoption of green investment practices remains uneven, particularly among younger generations who are poised to become the primary drivers of future economic and environmental decisions (Weinbrenner, 2023).

Green investment not only offers potential financial returns but also aligns with the growing awareness and responsibility toward environmental sustainability. According to Wijayanti et al. (2020), investments that focus on environmental issues are classified as Socially Responsible Investments (SRI), which are also referred to as "environmental, social, and governance (ESG) investments," "sustainable investments," or "green investments." Green investment provides opportunities to participate in activities that offer benefits for social and environmental well-being, as the goal of these investments is to ensure the sustainability of the economy and life on Earth (Ryandono et al., 2020). This trend shows that people are coming to understand that pressure needs to be placed on economics to face environmental issues. Malzara et al., (2023) address the fact that Generation Z is becoming one of the most active participants of this movement, as they actively started to pay attention to sustainable investment options.

Shipochka (2013) defines green investment as financial activities directed toward companies or projects that prioritize not only the conservation of natural resources but also the development of alternative energy sources, implementation of green water and air projects, and adoption of environmentally responsible business practices. Similarly, Eyraud et al. (2013) describe green investment as the capital necessary for lowering greenhouse gas and air pollutant emissions while maintaining stable production as well as consumption levels of non-energy products. According to Czerwonka (2014), green investment is essential as it not only yields financial returns but also promotes positive environmental and social impacts. Likewise, Gunawan et al. (2021) state that companies that prioritize environmental sustainability tend to perform better than those that ignore environmental concerns. Green investment is essential for fostering sustainable business practices, promoting environmental and social innovation, supporting responsible investments, and influencing regulatory frameworks (Osman, 2019).

Green taxonomy serves as a standardized framework to classify economic activities based on their environmental sustainability, thereby guiding investments toward projects that contribute positively to ecological well-being. In Nepal, the introduction of the Nepal Green Finance Taxonomy 2024 by Nepal Rastra Bank marks a significant advancement in promoting sustainable finance. This taxonomy provides a clear and structured system for identifying and classifying green projects, facilitating the transition toward a green economy, and aiding financial institutions in aligning their investments with environmental objectives (Nepal Rastra Bank, 2024). The adoption of green taxonomy in Nepal is particularly pertinent given the country's vulnerability to climate change and the urgent need for sustainable development. By establishing criteria for green activities, the taxonomy helps mitigate environmental and social risks, ensuring that investments support climate mitigation, adaptation, and sustainable growth (AFI, 2024). The adoption of green taxonomy would not only enhance the flow of green investments into Nepal but also improve transparency, build investor confidence, and guide the allocation of resources toward environmentally sustainable projects. As Nepal seeks to achieve its Sustainable Development Goals (SDGs), particularly in terms of environmental sustainability and climate resilience, the implementation of green taxonomy can play a pivotal role in steering investments toward projects that contribute to the country's long-term ecological and economic stability. Moreover, the adoption of such a framework aligns with global trends and strengthens Nepal's commitment to its climate resilience and green finance goals.

Ajzen’s (1991) Theory of Planned Behavior (TPB) serves as an effective framework for understanding the factors influencing investing intentions. Based on the TPB, it argues that the behavior of someone is determined by behavioral intentions which are formed by attitudes toward conduct and community perception together with subjective norms. In the context of Green Investments, TPB has been essential in clarifying how these aspects influence investors' decisions. Additionally, the moderating influence of knowledge has been investigated across multiple situations. An expanded Theory of Planned Behavior model highlighted that in the Saudi food industry, Knowledge about green investments positively affects the intentions of potential investors to engage in Green Investments. Aliedan et al., (2023) highlight the importance of enhancing knowledge and education regarding sustainable investment methods to encourage green investment behaviors.

Many studies are needed because climate change is so important and the need to increase green investments. While financial incentives and regulatory policies influence investment decisions, factors such as profitability concerns, risk perception, and limited knowledge often act as barriers (Low et al., 2022; Thanki et al., 2022). Studies suggest that greater knowledge of sustainable

investments can enhance positive attitudes and intentions toward green investments (Bamberg & Möser, 2007). However, much of the existing research is based on Western contexts, leaving a gap in understanding how social, economic, and environmental factors shape green investment behavior in emerging economies like Nepal. A critical debate in sustainable investment research revolves around whether green investment knowledge directly influences investment behavior or merely facilitates decision-making. Some studies argue that awareness is enough to drive green investment, while others suggest that external pressures and financial incentives play a more dominant role (Chan et al., 2022; Al-Mamun et al., 2021). Given the rising interest in sustainable finance, especially among Generation Z investors, further research is needed to explore how green investment knowledge impacts investment decisions and whether it can serve as a key driver for promoting sustainable investment behavior.

The main objective of this study is to assess the factors influencing Gen Z investors' intention to invest in green investments, with a particular focus on the moderating role of knowledge.

Literature Review

Icek Ajzen introduced the Theory of Planned Behavior (TPB) in 1985 as an extension of the Theory of Reasoned Action (TRA). TPB builds upon the assumptions of TRA by incorporating additional elements to better explain and predict human behavior. It focuses on the motivational factors that shape an individual's intention to engage in a particular behavior. According to TPB, intention reflects the effort a person is willing to exert to perform a behavior. Generally, the stronger the intention, the higher the likelihood of the behavior being performed. The TPB model identifies three key components influencing an individual's intention: attitudes toward the behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). Social Cognitive Theory (SCT), developed by Albert Bandura in the 1960s, is a broad psychological framework that explains how people acquire, maintain, and change behaviors. In the context of green investment, SCT could be valuable for understanding how knowledge and models within a person's environment shape their intention and behavior toward green investments. Dewi et al. (2024) explored the role of social cognitive factors in investment intentions within the context of Sharia-compliant financial products. The study investigated how attitudes, social influence, and self-confidence impact investors' decisions to engage in Sharia-compliant investments. The findings underscored the importance of positive attitudes, perceived social support, and self-efficacy in fostering investment intentions aligned with ethical and green principles.

According to a study by Mahardhika and Zakiyah (2020), one of the motivations for investors to make investments is based on their moral values. As a result, their attitude towards stock

investments positively influences their intention to invest in companies that emphasize sustainability (Chai et al., 2019; Jansson & Biel, 2014). Chan et al. (2017) found that individuals with a strong commitment to sustainability are more inclined to take tangible steps, such as making green investments. Paramita et al. (2018) discovered that attitudes do not significantly affect investment intentions among the younger generation. The reason for this hesitation is that those who have securities accounts unwillingly hesitate in making investment decisions.

Thanki et al. (2022) found subjective norms have a strong positive effect on people's intention to invest based on socially responsible investment. Subjective norm is the most important predictor in the socially responsible investment context. Paramita et al. (2018) claim that young investors do not have role models to guide their stock investment decisions because they have no investor colleagues or investors peers ready to influence them in decisions regarding stock investment. This follows what Kumari et al. (2022); Nugraha & Rahadi (2021); and Osman et al. (2019) have already claimed that the subjective norms do not significantly influence investors' investment intentions. The findings, along with previous research, indicate that Generation Z investment interest is primarily influenced by internal factors such as personal attitudes and perceived behavioral control, rather than social pressure or prevailing norms in the investor's environment.

In the context of green investment, an individual's perceived behavioral control over access to information and resources for sustainable investments can influence their willingness to invest in environmentally friendly projects (Yudha et al., 2024). Thanki et al. (2022) found that perceived behavioral control (PBC) has a significant positive effect on socially responsible investment intentions. This implies that an individual's belief in their ability to make socially responsible investments is a key driver of their investment intentions. According to the study by Wang et al. (2021), individuals with a high perception of control exhibit greater confidence in overcoming obstacles and are more likely to develop a strong interest in green investment. However, the findings by Paramita et al. (2018) on perceived behavioral control show that PBC hardly affects the investment intentions of the younger generation of investors who are yet to be professional investors starting with their first steps towards achieving that target. In addition, younger investors perceive risk more highly due to their low levels of overconfidence. This result is consistent with the work of Nugraha & Rahadi (2021), who also found that perceived behavioral control does not affect investment intention significantly.

Green investment involves funding projects or companies focused on conserving natural resources and reducing the negative impacts of climate change. Examples include investments in renewable energy, clean air and water initiatives, and environmentally sustainable business practices (Fang, 2023). Green investment intention refers to the willingness of individuals or

organizations to spend resources on environmentally sustainable projects or financial instruments. The nature of this intention is influenced by the combination of psychological, social, and financial factors such as the attitude toward sustainability, perceived social norms, and expected returns (Yadav & Pathak, 2017). As the global financial market increasingly incorporates sustainability considerations, understanding the psychological and social determinants behind green investment decisions has become crucial. Researchers have applied various behavioral theories, including the Theory of Planned Behavior (TPB) and Social Cognitive Theory (SCT), to explain what motivates investors to engage in sustainable finance. These theoretical frameworks provide insights into the interplay of attitudes, beliefs, social influences, and perceived behavioral control in shaping investment behavior (Ajzen, 1991; Bandura, 1986). Hussain et al. (2018) demonstrated that financial literacy, as a subset of investment knowledge, significantly moderates the relationship between risk perception and investment decisions. Prajapati et al. (2021) provide empirical evidence that awareness of green bonds plays a vital role in shaping investment decisions, emphasizing that knowledge of green financial instruments can boost investor interest. This aligns with Yucel et al. (2023), who highlights how sustainable finance literacy and perceived environmental impact influence sustainable investment attitudes, suggesting that greater knowledge fosters stronger interest in green investments. Similarly, Zhou and Jin (2023) emphasized that increased awareness among green investors can enhance corporate environmental responsibility, indicating that well-informed investors are more likely to support sustainable business practices.

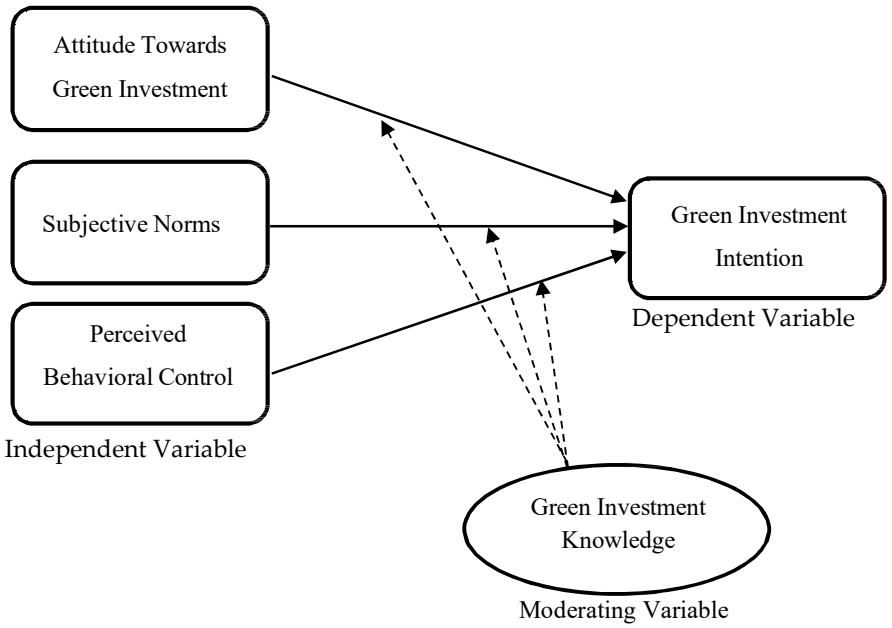
Green investment knowledge serves as a moderating variable that affects the strength of the relationship between attitudes toward green investment and actual investment intentions. Individuals with higher levels of green investment knowledge are more likely to perceive environmental and financial benefits in such investments, which in turn enhances their intention to invest in sustainable projects. Tang and Zhang (2020) have shown that a person's internal and external resources, such as knowledge, training, and skills related to stock investment, can enhance their interest in the capital market, including green investments. Osman et al. (2019) identified knowledge of green investment as a significant predictor of green investment intention among university students in Malaysia. This highlights the importance of awareness and understanding in shaping sustainable investment decisions. Prajapati et al. (2021) provided empirical evidence that awareness of green bonds plays a vital role in shaping investment decisions, emphasizing that knowledge of green financial instruments can boost investor interest. This aligns with Yucel et al. (2023), who highlights how sustainable finance literacy and perceived environmental impact influence sustainable investment attitudes, suggesting that greater knowledge fosters stronger interest in green investments. Similarly, Zhou and Jin (2023)

emphasized that increased awareness among green investors can enhance corporate environmental responsibility, indicating that well-informed investors are more likely to support sustainable business practices.

A conceptual framework has been formulated from this literature, illustrating the relationships between green investment knowledge, attitudes, subjective norms, and perceived behavioral control in shaping Gen Z investors' intentions toward green investments. This framework, along with the hypotheses, is presented in Figure 1.

Figure 1

Theoretical Framework



Research Hypothesis

This study attempts to test the following research hypotheses:

H1: Attitude toward green investment has a significant effect on green investment intention among Gen Z investors.

H2: Subjective norms have a significant effect on green investment intentions among Gen Z investors.

H3: Perceived behavioral control has a significant effect on green investment intention among Gen Z investors.

H4: Green investment knowledge moderates the relationship between personal attitude and green investment intention.

H5: Green investment knowledge moderates the relationship between subjective norms and green investment intention.

H6: Green investment knowledge moderates the relationship between perceived behavioral control and green investment intention.

Research Methods

A cross-sectional survey was used to establish the relationship between the independent (attitude, subjective norms, perceived behavioral control) and dependent (green investment intentions) variables along with the moderating role of green investment knowledge. The sample consists of 385 Gen Z investors selected through purposive non-probability sampling. The minimum sample size was calculated using Cochran's formula, ensuring reliability and validity. Data was gathered via a structured questionnaire, distributed online and in paper format, with responses analyzed to provide comprehensive insights into the variables influencing green investment behavior.

Data collection involved a questionnaire based on a five-point Likert scale, covering demographic information, attitude, subjective norms, perceived behavioral control, investment intention, and green investment knowledge. After cleaning the data, descriptive statistics were applied using SPSS 30 to analyze demographic characteristics. Smart PLS 4.1 was employed for structural equation modeling (SEM) to test the research hypotheses and examine the relationships between the variables.

Results and Discussion

Respondents' Profile

Table 1 presents the demographic characteristics of 385 respondents participating in the study. It encompasses various aspects including gender, qualification, occupation, and investment experience. The socio-demographic profile of respondents shows that the majority are male (66.23%), highly educated with a Master's degree (66.49%), and primarily employed in the private sector (45.20%), while a significant portion are students (35.07%). Most respondents have 3-4 years (46.24%) or above 4 years (36.36%) of investment experience, indicating a relatively

experienced group. The data suggests a well-educated, investment-aware population with a strong presence of private-sector employees and students.

Table 1
Socio-demographic Profile of Respondents

Factors	Demographic Variables	Frequencies	Percentage (%)
Gender	Male	255	66.23
	Female	130	33.77
	Total	385	100.00
Qualification	Bachelor level	112	29.09
	Master degree	256	66.49
	Charter Accountant	17	4.42
	Total	385	100.00
Occupation	Student	135	35.07
	Self-employed	29	7.53
	Government job	25	6.49
	Private job	174	45.20
	Unemployed	22	5.71
	Total	385	100.00
Investment experience	1-2 years	67	17.40
	3-4 years	178	46.24
	Above 4 years	140	36.36
	Total	385	100.00

Source: Field Survey, 2025

Descriptive Analysis

Participants were asked to respond based on various dimensions of green investment knowledge and its influence on Gen Z investors' intentions using a 5-point Likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. To test the normality of the data, skewness and kurtosis were examined. The skewness values (±3) and kurtosis values (±10) fell within the acceptable range, indicating that the data were not severely skewed.

Table 2
Descriptive Statistics

Latent Variables	Minimum	Maximum	Mean	Skewness	Kurtosis
Attitude Towards Investment	1	6	3.454	0.088	0.975
Subjective Norms	1	5	3.273	0.080	0.986
Perceived Behavioral Control	1	5	3.507	0.093	0.984
Green Investment Knowledge	1	4	3.429	0.086	0.981
Green Investment Intention	1	5	3.384	0.107	0.980

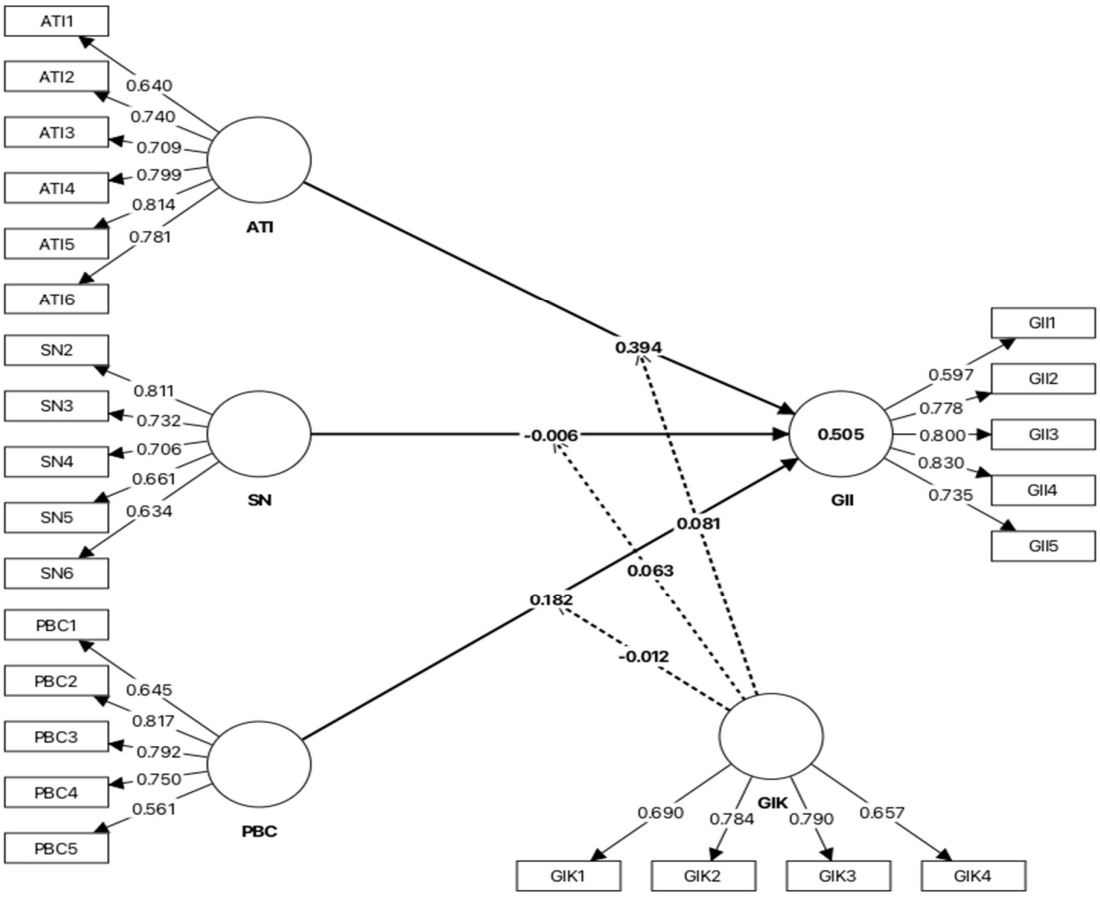
Source: Field Survey, 2025

Measurement Model

The measurement model verifies that the chosen indicators effectively represent the targeted constructs. This process evaluates the reliability and validity of the measurement tools, thereby improving the quality and credibility of the research findings, as depicted in Figure 2.

Figure 2

Measurement Model



Drawing on the measurement model, reliability and convergent validity were evaluated to determine the internal consistency of the indicators representing the same construct. Additionally, discriminant validity was examined to assess the relationships between the latent variables.

Table 3

Construct Reliability and Validity

Factor and items	VIF	Loadings	Cronbach's alpha	CR (rho_a)	CR (rho_c)	AVE
Attitude Towards Investment			0.842	0.844	0.884	0.562
ATI1	1.360	0.640				
ATI2	2.045	0.740				
ATI3	1.510	0.709				
ATI4	2.299	0.799				
ATI5	2.080	0.814				
ATI6	1.893	0.781				
Subjective Norms			0.763	0.816	0.836	0.506
SN2	1.512	0.811				
SN3	1.908	0.732				
SN4	1.741	0.706				
SN5	1.310	0.661				
SN6	1.283	0.634				
Perceived Behavioral Control			0.763	0.792	0.840	0.517
PBC1	1.326	0.645				
PBC2	1.729	0.817				
PBC3	1.691	0.792				
PBC4	1.640	0.750				
PBC5	1.217	0.561				
Green Investment Knowledge			0.709	0.717	0.822	0.537
GIK1	1.306	0.690				
GIK2	1.561	0.784				
GIK3	1.500	0.790				
GIK4	1.205	0.657				
Green Investment Intention			0.806	0.822	0.866	0.566
GII1	1.482	0.597				
GII2	1.926	0.778				
GII3	1.788	0.800				
GII4	2.015	0.830				
GII5	1.643	0.735				

Source: Field Survey, 2025

The reliability and validity of the measurement model were evaluated through composite reliability, AVE, and Cronbach's alpha. Cronbach's alpha, a key method for assessing internal consistency reliability, estimates reliability by identifying inter-item correlations within the constructs. Reliability signifies the consistency or dependability with which a measurement scale assesses its intended construct (Polit & Beck, 1995). Convergent validity was examined based on three criteria: outer item loadings, composite reliability, and AVE. Table 3 provides values for outer loadings, Cronbach's alpha, composite reliability, and average variance extracted for the variables.

Outer loadings are ideally above 0.708 to ensure indicator reliability; however, loadings exceeding 0.5 are acceptable if the measurement model satisfies the thresholds for internal consistency and convergent validity (Hair et al., 2017). Cronbach's alpha values should meet or exceed the recommended threshold of 0.7, as proposed by Fornell and Larcker (1981). An AVE of 0.50 or higher is considered acceptable, indicating that the construct accounts for more than half the variance of its items. Composite reliability should also exceed 0.7 (Hair et al., 2017).

As shown in Table 3, all constructs meet the expected thresholds, with loading values exceeding 0.5. Cronbach's alpha and composite reliability values surpass 0.7, demonstrating adequate internal consistency for each construct. AVE values for all constructs range between 0.506 and 0.566, exceeding the minimum threshold of 0.50, which confirms good convergent validity for the measurement model. Overall, the research instrument is deemed satisfactory. Furthermore, as noted by Diamantopoulos and Siguaw (2006), multicollinearity is not a concern when VIF values are below 3.3. Since all VIF values fall below this limit, no collinearity issues are detected.

Table 4

Discriminant Validity - Fornell-Larcker Criterion

Factors	ATI	GII	GIK	PBC	SN
ATI	0.750				
GII	0.580	0.753			
GIK	0.430	0.564	0.733		
PBC	0.268	0.427	0.380	0.719	
SN	0.275	0.258	0.191	0.455	0.711

Source: Field Survey, 2025

The criterion introduced by Fornell and Larcker (1981) entails comparing the square root of the Average Variance Extracted (AVE) for each construct to the correlations between latent variables in a structural model. According to this approach, the square root of a construct's AVE should be greater than its highest correlation with any other construct.

Table 4 displays the correlations between all variables, with the diagonal values representing the square roots of the Average Variance Extracted (AVE) for each construct. The highlighted numbers correspond to the square roots of the AVE for attitude towards investment, green investment intention, green investment knowledge, perceived behavioral control, and subjective norm. The square roots are greater than the corresponding correlation values, fulfilling the requirements outlined by Fornell and Larcker (1981) for discriminant validity.

Henseler et al. (2015) proposed an HTMT threshold of 0.90 for conceptually similar constructs and 0.85 for conceptually distinct constructs. A value above these thresholds indicates potential issues with discriminant validity. Table 5 shows that the HTMT value is below 0.90 which

indicates good discriminant validity. This means constructs are empirically distinct from each other and discriminant validity for this study is met.

Table 5
Heterotrait-Monotrait Ratio

Factors	ATI	GII	GIK	PBC	SN	GIK x ATI	GIK x SN	GIK x PBC
ATI								
GII	0.706							
GIK	0.549	0.731						
PBC	0.333	0.528	0.511					
SN	0.343	0.309	0.241	0.554				
GIK x ATI	0.099	0.115	0.095	0.209	0.114			
GIK x SN	0.108	0.138	0.057	0.029	0.044	0.298		
GIK x PBC	0.223	0.199	0.112	0.188	0.111	0.363	0.443	

Source: Field Survey, 2025

High correlations between indicators of different constructs indicate that the constructs are not well-defined, which can result in unreliable or misleading conclusions. It is crucial for the difference between an item's loading on its intended construct and its loading on any other construct to be substantial. This ensures the measurement model's discriminant validity (Farrell, 2009).

Table 6 displays the components with the highest loadings on their respective constructs, with the highest values highlighted. As each construct exhibits higher loadings on its intended components compared to others, discriminant validity is confirmed. If an indicator loads higher on other constructs, it is unsuitable. Thus, the cross-loading output verifies discriminant validity in the measurement model.

Table 7 provides an overview of the path coefficients within the structural model under analysis. The path coefficients indicate the strength and direction of the relationships between the variables. As stated by Hair et al., (2019) range of the coefficient lies between -1 and 1, where 1 indicates a positive linear relationship, -1 indicates a negative linear relationship, and 0 indicates no linear relationship between the variables.

So, for the relationship between attitude toward investment and green investment intention is 0.394, indicating a moderately strong positive relationship. Similarly, the coefficient for subjective norms and green investment intention is -0.006, showing a negative but slightly weaker relationship. In contrast, the relationship between perceived behavioral control and green investment intention is 0.182, suggesting a moderate positive relationship.

Table 6
Cross Loadings

Factors	ATI	GII	GIK	PBC	SN	GIK x ATI	GIK x SN	GIK x PBC
ATI1	0.640	0.417	0.282	0.223	0.187	0.001	0.107	0.061
ATI2	0.740	0.391	0.241	0.145	0.085	-0.030	0.153	0.138
ATI3	0.709	0.452	0.313	0.198	0.298	-0.092	0.052	0.236
ATI4	0.799	0.465	0.411	0.279	0.233	-0.129	0.013	0.180
ATI5	0.814	0.447	0.342	0.195	0.212	-0.094	0.066	0.123
ATI6	0.781	0.425	0.325	0.152	0.203	-0.062	0.055	0.181
GII1	0.417	0.597	0.243	0.187	0.168	-0.059	-0.026	0.119
GII2	0.449	0.778	0.392	0.348	0.241	0.074	0.128	0.121
GII3	0.475	0.800	0.497	0.348	0.152	0.041	0.063	0.121
GII4	0.468	0.830	0.517	0.363	0.155	0.102	0.123	0.140
GII5	0.376	0.735	0.426	0.334	0.272	0.109	0.126	0.167
GIK1	0.219	0.372	0.690	0.311	0.180	-0.000	-0.069	0.001
GIK2	0.276	0.425	0.784	0.230	0.151	-0.057	-0.017	-0.003
GIK3	0.384	0.459	0.790	0.267	0.117	-0.143	0.012	0.099
GIK4	0.370	0.391	0.657	0.316	0.120	0.034	0.042	0.171
PBC1	0.211	0.277	0.181	0.645	0.473	0.106	-0.025	-0.134
PBC2	0.247	0.383	0.330	0.817	0.463	0.212	-0.009	0.085
PBC3	0.180	0.353	0.359	0.792	0.266	0.148	0.009	0.138
PBC4	0.112	0.265	0.247	0.750	0.228	0.173	0.022	0.112
PBC5	0.212	0.220	0.213	0.561	0.156	0.014	-0.025	0.120
SN2	0.232	0.270	0.234	0.428	0.811	0.110	0.011	0.004
SN3	0.204	0.116	0.012	0.270	0.732	-0.030	-0.059	-0.165
SN4	0.209	0.143	0.044	0.294	0.706	0.129	0.037	-0.046
SN5	0.149	0.156	0.181	0.302	0.661	0.073	0.020	0.103
SN6	0.177	0.160	0.110	0.258	0.634	-0.014	0.011	0.030

Source: Field Survey, 2025

Table 7
Path Coefficients

	Beta Coefficient	Sample Mean	STDEV	t-stat	P Values	CI (2.5%)	CI (97.5%)
ATI -> GII	0.394	0.395	0.050	7.838	0.000	0.358	0.608
SN -> GII	-0.006	-0.001	0.041	0.140	0.889	-0.083	0.078
PBC -> GII	0.182	0.182	0.046	3.946	0.000	0.092	0.273
GIK -> GII	0.334	0.334	0.050	6.726	0.000	0.234	0.431
GIK x ATI -> GII	0.081	0.079	0.040	2.017	0.044	0.001	0.158
GIK x SN -> GII	0.063	0.059	0.039	1.606	0.108	-0.018	0.135
GIK x PBC -> GII	-0.012	-0.011	0.047	0.252	0.801	-0.099	0.086

Source: Field Survey, 2025

Moreover, the interaction between GIK and ATI on GII is 0.081, indicating a small but significant moderating effect, while the interactions of green investment knowledge with subjective norm on green investment intention is 0.063, indicating a weak positive moderation. This suggests that as GIK increases, the influence of SN on GII slightly strengthens. However, the low coefficient value

and confidence interval suggest that GIK does not have a strong moderating effect on this relationship. In contrast, the interactions between green investment knowledge and perceived behavioral control on green investment intention is -0.012, indicating weak negative moderation. This suggests that as GIK changes, it does not significantly strengthen or enhance the influence of PBC on GII. These relationships are statistically significant based on the t-stat and p-values, with confidence intervals (CI) confirming the precision of the estimates.

Table 8 shows high coefficients of determination (R-square) for the structural model, 0.505 for Green Investment Intention (GII). These values indicate that the model explains 50.5% of the variance in GII, demonstrating moderate explanatory power. The t-stats are significant (p-value = 0.00) at 15.403 for GII, confirming robust relationships between the latent variables and observed variables. Confidence intervals (CI) from 0.454 to 0.583 for GII support these findings, highlighting the influence of theory of planned behavior on green investment knowledge and green investment intention in Gen Z investors.

Table 8
Model Predictive Capacity

	R-square	Sample Mean	STDEV	t-stat	P Values	CI (2.5%)	CI (97.5%)
GII	0.505	0.519	0.033	15.403	0.000	0.454	0.583

Source: Field Survey, 2025

Table 9
Hypothesis Testing

Hypothesis	Path	Beta Co-efficient	P Values	Hypothesis
H1	ATI -> GII	0.394	0.000	Supported
H2	SN -> GII	-0.006	0.889	Not Supported
H3	PBC -> GII	0.182	0.000	Supported
H4	GIK x ATI -> GII	0.081	0.044	Supported
H5	GIK x SN -> GII	0.063	0.108	Not Supported
H6	GIK x PBC -> GII	-0.012	0.801	Not Supported

Source: Field Survey, 2025

Discussion

This study aimed to explore the factors influencing green investment intention among Gen Z investors, focusing on the moderating role of green investment knowledge. The findings highlight that knowledge of green investments plays a critical role in shaping investment intentions, with a positive attitude towards green investments significantly influencing the intention to invest, consistent with prior studies (Osman et al., 2019; Mahardhika & Zakiyah, 2020). However, the relationship between subjective norms and investment intention was found to be insignificant,

suggesting that Gen Z investors prioritize personal financial knowledge and self-research over social influences, as noted by Kumari et al. (2022). Furthermore, a significant positive relationship was observed between perceived behavioral control and green investment intention, indicating that those who feel more confident in their financial knowledge are more likely to invest in green assets, supporting the Theory of Planned Behavior (Ajzen, 1991). Green investment knowledge was found to moderate the relationship between attitude and investment intention, strengthening the positive impact of attitude, but did not significantly affect subjective norms or perceived behavioral control. These findings suggest that enhancing financial literacy and awareness about green investments is crucial for encouraging sustainable investment behavior among Gen Z investors, who increasingly rely on digital sources and personal knowledge rather than traditional social influences.

Conclusion

The empirical results reveal that attitude and perceived behavioral control significantly and positively influence green investment intention, while subjective norms show no significant effect. Furthermore, green investment knowledge moderates the link between attitude and green investment intention but does not significantly influence the relationships involving subjective norms or perceived behavioral control. These findings underscore the intricate interaction between psychological and knowledge-based factors in shaping investment behaviors.

Based on the results, attitude toward green investment has the strongest influence on green investment intention, followed by perceived behavioral control. Subjective norms, however, do not exhibit a statistically significant impact. Furthermore, green investment knowledge enhances the relationship between attitude and investment intention but does not significantly strengthen the effects of subjective norms or perceived control. This indicates that while knowledge increases awareness and positive perception, it does not necessarily influence the level of social pressure or the confidence to invest in green assets. Finally, this study is limited to psychological factors influencing green investment intention, and future research could explore additional factors such as financial incentives, risk perception, and regulatory influences to provide a more comprehensive understanding of investors' intention.

References

Ajzen, I. (1980). Understanding Attitudes and Predicting Social Behavior. *Englewood Cliffs*.

Ajzen, I. (1985). From Intentions to Actions: A theory of Planned Behavior. In *Springer eBooks* (pp. 11–39). https://doi.org/10.1007/978-3-642-69746-3_2

Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, *50*(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-t

Ajzen, I. (2002). Perceived Behavioral Control, Self-Efficacy, Locus of Control, and The Theory of Planned Behavior1. *Journal of Applied Social Psychology*, *32*(4), 665–683. https://doi.org/10.1111/j.1559-1816.2002.tb00236.x

Ajzen, I. (2005). Attitudes, Personality, and Behavior. *Open University Press*.

Aliedan, M. M., Alyahya, M. A., Elshaer, I. A., & Sobaih, A. E. E. (2023). Who is Going Green? Determinants of Green Investment Intention in the Saudi Food Industry. *Agriculture*, *13*(5), 1047. https://doi.org/10.3390/agriculture13051047

Alifiandy, M. M., & Sukmana, R. (2020). The Influence of Planned Behaviour Theory and Knowledge Towards the Waqif Intention in Contributing Waqf. *Journal of Islamic Economics and Business*, 6(2), 260. https://doi.org/10.20473/jebis.v6i2.22624

Alliance for Financial Inclusion (AFI). (2024). Nepal Rastra Bank issues a Comprehensive Green Finance Taxonomy. https://www.afi-global.org/news/nepal-rastra-bank-issues-a-comprehensive-green-finance-taxonomy/

Bamberg, S., & Möser, G. (2007). Twenty Years after Hines, Hungerford, and Tomera: A New Meta-analysis of Psycho-social Determinants of Pro-environmental Behaviour. *Journal of Environmental Psychology*, *27*(1), 14–25. https://doi.org/10.1016/j.jenvp.2006.12.002

Bandura, A. (1986). Social Foundations of Thought and Action. *Englewood Cliffs*, *NJ,* 1986(23-28), 2.

Chai, M. Y., Lee, K. N., Lee, P. S., Low, C. K., & Yeap, P. C. (2019). Factors that affect Investor's Intention to Invest in Social Responsibility Investment (SRI). *Doctoral Dissertation, UTAR.* http://eprints.utar.edu.my/id/eprint/3533

Chan, A. P. C., Darko, A., & Ameyaw, E. E. (2017). Strategies for Promoting Green Building Technologies Adoption in the Construction Industry. An International Study. *Sustainability*, *9*(6), 969. https://doi.org/10.3390/su9060969

Chan, K. H., Chong, L. L., Ng, T. H., & Ong, W. L. (2022). A model of green investment decision making for societal well-being. Heliyon, 8(8), e10024. https://doi.org/10.1016/j.heliyon.2022.e10024

Cochran, W. G. (1977). Sampling Techniques. *Johan Wiley & Sons Inc*.

Czerwonka, M. (2014). The Influence of Religion on Socially Responsible Investing. *Journal of Religion and Business Ethics, 3(1), 21.* https://via.library.depaul.edu/jrbe/vol3/iss1/21

Dewi, C. S., Juliansyah, M. D., Anakoda, V. I., & Parikesit, B. (2024). The Role of Social Cognitive Perspective on Investment Intentions in Sharia Stocks in Indonesia. *The Eastasouth Management and Business*, *3*(1), 31–40. https://doi.org/10.58812/esmb.v3i1.266

Eyo-Udo, N. L., Agho, M. O., Onukwulu, E. C., Sule, A. K., & Azubuike, C. (2024). Advances in green finance solutions for combating climate change and ensuring sustainability. *Gulf Journal of Advance Business Research, 2*(6), 338-375.

Eyraud, L., Clements, B., & Wane, A. (2013). Green Investment: Trends and Determinants. *Energy Policy*, *60*, 852–865. https://doi.org/10.1016/j.enpol.2013.04.039

Fang, Z. (2023). Assessing the Impact of Renewable Energy Investment, Green Technology Innovation, and Industrialization on Sustainable Development: A Case Study of China. *Renewable Energy*, *205*, 772–782. https://doi.org/10.1016/j.renene.2023.01.014

Farrell, A. M. (2009). Insufficient Discriminant Validity: A Comment on Bove, Pervan, Beatty, and Shiu (2009). *Journal of Business Research*, *63*(3), 324–327. https://doi.org/10.1016/j.jbusres.2009.05.003

Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, *18*(1), 39–50. https://doi.org/10.1177/002224378101800104

Gunawan, I., Firdaus, M., Siregar, H., & Siregar, M. E. (2021). What Makes Indonesia's Sustainable Investment Better Than Shariah And Liquid? *Jurnal Aplikasi Bisnis Dan Manajemen*. https://doi.org/10.17358/jabm.7.1.202

Hair, J. F., Babin, B. J., & Krey, N. (2017). Covariance-Based Structural Equation Modeling in the Journal of Advertising: Review and Recommendations. *Journal of Advertising*, *46*(3), 454. https://doi.org/10.1080/00913367.2017.1329496

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to Use and How to Report the Results of PLS-SEM. *European Business Review*, *31*(1), 2–24. https://doi.org/10.1108/ebr-11-2018-0203

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a Silver Bullet. *The Journal of Marketing Theory and Practice*, *19*(2), 139–152. https://doi.org/10.2753/mtp1069-6679190202

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2013). Partial Least Squares Structural Equation Modeling: Rigorous Applications, Better Results and Higher Acceptance. *Long Range Planning,* 46(1-2), 1-12.

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A New Criterion for Assessing Discriminant Validity in Variance Based Structural Equation Modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Irimia-Diéguez, A., Albort-Morant, G., Oliver-Alfonso, M. D., & Ullah, S. (2023). Predicting the Intention to use Paytech Services by Islamic Banking Users. *International Journal of Islamic and Middle Eastern Finance and Management*, 17(1), 1-15. https://doi.org/10.1108/IMEFM-07-2022-0298

Jansson, M., & Biel, A. (2011). Investment Institutions' Beliefs about and Attitudes Toward Socially Responsible Investment (SRI): A Comparison between SRI and Non-SRI Management. *Sustainable Development*, *22*(1), 33–41. https://doi.org/10.1002/sd.523

Kumari, J., Senani, K., & Ajward, R. (2022). Predicting Investors' Intention to Invest in the Stock Market During COVID-19: Can We use an Extended Theory of Planned Behavior? *Journal of Asia Business Studies*, *17*(4), 681–700. https://doi.org/10.1108/jabs-12-2021-0517

Low, C. H., Yap, S. H., Cheng, E. H., & Jap, K. P. (2022). Intention to Invest in Green Stock among Malaysian Working Adults. *Journal of Business and Social Sciences*, 2022(15), 1-7. http://eprints.intimal.edu.my/id/eprint/1649

Mahardhika, A. S., & Zakiyah, T. (2020). Millennials' Intention in Stock Investment: Extended Theory of Planned Behavior. *Riset Akuntansi Dan Keuangan Indonesia*, *5*(1), 83–91. https://doi.org/10.23917/reaksi.v5i1.10268

Malzara, V. R. B., Widyastuti, U., & Buchdadi, A. D. (2023). Analysis of Gen Z's Green Investment Intention: The Application of Theory of Planned Behavior. *Pedagogi Jurnal Penelitian Pendidikan*, *6*(2), 63–84. https://doi.org/10.21009/jdmb.06.2.5

Nepal Rastra Bank. (2024). Nepal Green Finance Taxonomy 2024. https://www.nrb.org.np/contents/uploads/2024/10/Nepal-Green-Finance-Taxonomy-2024-V1.pdf

Nugraha, B. A., & Rahadi, R. A. (2021). Analysis of Young Generations toward Stock Investment Intention: A Preliminary Study in an Emerging Market. *Journal of Accounting and Investment*, *22*(1), 80–103. https://doi.org/10.18196/jai.v22i1.9606

Osman, I., Maâ, M., Muda, R., Husni, N. S. A., Alwi, S. F. S., & Hassan, F. (2019). Determinants of Behavioural Intention Towards Green Investments: The Perspectives of muslims. *International Journal of Islamic Business*, 4(1), 16-38. https://doi.org/10.32890/ijib2019.4.1.2

Paramita, R. S., Isbanah, Y., Kusumaningrum, T. M., Musdholifah, M., & Hartono, U. (2018). Young Investor Behavior: Implementation Theory of Planned Behavior. *International Journal of Civil Engineering and Technology*, 9(7), 733–746.

Prajapati, D., Paul, D., Malik, S., & Mishra, D. K. (2021). Understanding the Preference of Individual Retail Investors on Green Bond in India: An Empirical Study. *Investment Management and Financial Innovations*, *18*(1), 177–189. https://doi.org/10.21511/imfi.18(1).2021.15

Ryandono, M. N. H., Wijayanti, I., & Kusuma, K. A. (2020). Determinants of Investment In Islamic Crowdfunding. Muqtasid: *Jurnal Ekonomi Dan Perbankan Syariah*, 11(1), 70-87.

Shipochka, R. (2013). Investor's Behaviour towards Green Investments and How Ireland Invests in Sustainable Green Energy Projects. Is Green the New Bubble. *Doctoral dissertation, Dublin Business School.*

Tang, D. Y., & Zhang, Y. (2020). Do Shareholders Benefit from Green Bonds? *Journal of Corporate Finance*, *61*, 101427. https://doi.org/10.1016/j.jcorpfin.2018.12.001

Thanki, H., Shah, S., Rathod, H. S., Oza, A. D., & Burduhos-Nergis, D. D. (2022). I Am Ready to Invest in Socially Responsible Investments (SRI) Options Only If the Returns Are Not Compromised: Individual Investors' Intentions toward SRI. *Sustainability*, *14*(18), 11377. https://doi.org/10.3390/su141811377

United Nations Environment Programme (UNEP). (2021). *Green investments and sustainable finance.* Retrieved from https://www.unep.org

Weinbrenner, H. L. (2023). *Impact investment intentions of Generation Z: Exploring the factors that drive young private investors to decide for environmental, social and governance (ESG) funds*. Master's thesis, Universitat de Barcelona. Universitat de Barcelona Digital Repository. https://hdl.handle.net/2445/201365

Weinbrenner, H. L. (2023). Impact investment intentions of Generation Z: exploring the factors that drive young private investors to decide for environmental, social and governance (ESG) funds.

Yadav, R., & Pathak, G. S. (2017). Determinants Of Consumers' Green Purchase Behavior in a Developing Nation: Applying and Extending the Theory of Planned Behavior. *Ecological Economics*, *134*, 114–122. https://doi.org/10.1016/j.ecolecon.2016.12.019

Yucel, O., Celik, G., & Yilmaz, Z. (2023). Sustainable Investment Attitudes Based on Sustainable Finance Literacy and Perceived Environmental Impact. *Sustainability*, *15*(22), 16026. https://doi.org/10.3390/su152216026

Yudha, A. T. R. C., Huda, N., Maksum, M., Sherawali, S., & Wijayanti, I. (2024). The Moderating Effect of Religiosity on Fashion Uniqueness and Consciousness in Halal Fashion Purchase. *Indonesian Journal of Halal Research*, 6(2), 70-83. https://doi.org/10.15575/ijhar.v6i2.34614

Zhou, J., & Jin, S. (2023b). Corporate Environmental Protection Behavior and Sustainable Development: The Moderating Role of Green Investors and Green Executive Cognition. *International Journal of Environmental Research and Public Health*, *20*(5), 4179. https://doi.org/10.3390/ijerph20054179