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Pls-Sem Approach To Examine The Perspectives Of Gen Z Pertaining To Sustainable Investment: A Study In Ncr, India

Dr. Lalit Kumar[1]
[1]Associate Professor, School of Management, IILM University, Greater Noida
Email ID : lalit.jindal79@gmail.com

ABSTRACT

Purpose: The scope of this research is to, first, analyse the changes in sustainable investments' dynamics and secondly, to examine this issue mainly from the position of Generation Z; university and college students from the Delhi–UP region. The study explores some factors that influence students towards sustainability investment comprising the perceived financial benefit, parent involvement, and resemblance of investment to the students' values.

Design/Methodology/Approach: Data was obtained from respondents by filling a structured survey questionnaire, administered to 396 college students. In this study, SEM was used to establish the connection between RA, PV, PER, and sustainable SI behavior. The model concerned the student's disposition regarding environmental, social, and governance factors in investment decisions.

Findings: The results suggest that RA and PV are related to PER directly and positively. In addition, personal values (PV) directly and positively influenced sustainable investment (SI) behavior as well as perceived returns (PER). The role of ESG factors in ensuring young individuals' investment decisions is brought out in the study.

Practical Implications: This study provides concerns for the exploration of the emerging trends of sustainable investment among Generation Z students which is useful for the financial institutions, the education sector, and the policymakers to develop the right products in terms of investment products that are important to the youthful population and patronizing education programs that are suited to their benchmark.

Originality/Value: This study offers a novel conceptual framework that focuses on how Gen Z students perceive risk, financial rewards, and ESG integration about sustainable investments. The study adds to the body of knowledge on environmentally friendly finance by providing a thorough examination of the elements that influence young people to make socially conscious investments...

Keywords ESG, Financial Returns, Gen Z, Perceptions, Personal values, Risk assessment, Sustainable Investment.

1. INTRODUCTION:

Sustainable investing is a vital way of financial decision-making, merging environmental, social, and governance (ESG) factors into investment plans. This dramatic shift shows the changing views on the function of finance in dealing with global issues and is mainly affected by the values and choices of Generation Z (Gen Z). Examination of sustainable investing showcases its expanding significance in financial markets worldwide. A report by Clark et al. (2016) underlines the increasing execution of sustainable investing methods, with global sustainable investing assets hitting $30.7 trillion in 2018. This number signifies a notable part of expertly managed assets globally and demonstrates a more comprehensive pattern toward including ESG considerations in investment decision-making techniques. In addition, empirical proof reveals that sustainable investing fits with investors' values and produces competitive financial performance. Analysis by Khan et al. (2021) illustrated that firms with greater ESG ratings tend to showcase decreased stock return uncertainty and more risk-adjusted returns, indicating the financial significance of sustainability factors.

Moreover, policies and industry standards in turn legalize a greener financial approach towards investment. The SFDR (Sustainable Finance Disclosure Regulation) of the EU and the TCFD (Task Force on Climate-related Financial Disclosures) are the two key frameworks of rule that increase transparency in holding accountable sustainable investing.

The progressing opinion on sustainable investment signifies the fact that society at large is moving in the direction of giving the natural environment and the community higher priority in the economic machinery. The results of research co-authored by Maas et al. (2019) showed that millennials as well as Gen Z, who are leaders of the revolution, are the key to the transformation of the world with the most extensive advocacy of a more careful corporate behavior and sustainability. Wiedmann et al. (2020) noted that there is an increase in consideration of

ESG factors during the decision-making process by investors, who aim to incorporate ethics and sustainability considerations into their portfolios. This showcases also a changing belief system that provides a close relationship between a business's performance and sustainability outcome, redefining the traditional perception of risk and returns.

In addition, the COVID-19 pandemic showed the necessity of being resilient and sustainable in terms of the impact caused by the shocks in the system. Investors have become more sensitive to ESG risks as per Schaltegger et al. (2021) studies, with most calling for more sustainable investment measures that are affordable and more adaptable. The folks who are practically younger digital natives who form a cohort with strongly represented values and preferences, call them Generation Z and their approach to capital and the market is certainly distinct. Research backs the concept that members of Gen Z are particularly engaged in social and environmental challenges where a distinctive feature is climate change, social justice, and corporate responsibility on specific matters.

Also, Gen Z's computer facility and their social media competency help them to demand a change and watch carefully what big corporations do. Research reveals too, how Gen Z becomes levers and engines of change in corporate behavior and investment category landmarks. Furthermore, the Gen Z asset features their worldview and experience, for example, growing up during the dark period of the 2008 financial crisis and also the visible effects of climate change, which shape their orientations to finance and investment. Dalal and Thakar (2019) study carried out a panel exploring ESG factor features in various Indian companies' comparison to the corporate financial performance. It also sheds light on the relationship between sustainability practices and financial outcomes making us aware of the tie between environmental, social, and governance factors (ESG).

This research aims to grasp a holistic idea of Gen Z's views on an investment component that is made on an environmentally sensitive basis. Table 1 explains various perspectives of Gen Z:

Table1: Perspectives of Gen Z

Perspective	Symbol	Explanation
Risk Assessment	RA	To examine how Gen Z perceives the level of risk associated with sustainable investments, considering uncertainties related to environmental, social, and governance factors and their impact on investment decisions.
Financial Returns Perception	PER	To assess the extent to which Gen Z believes sustainable investments yield lower financial returns compared to traditional investments and explore the evolving perceptions in the current financial landscape.
Alignment with Personal Values	PV	To assess the influence of aligning personal values with sustainability goals on Gen Z' interest in incorporating ESG factors into their investment decisions.
Factors affecting Sustainable Investment	SI	To examine the motivational factors driving sustainable investment practices among Gen Z.

Based on the research objectives, research questions are given as follows:

Q1: How do students perceive the level of risk associated with sustainable investments, considering potential uncertainties related to environmental, social, and governance factors?

Q2: To what extent do students believe sustainable investments yield lower financial returns compared to traditional investments?

Q3: What is the impact of the alignment of personal values with sustainability goals on students' interest in incorporating ESG factors into their investment decisions?

Q4: Which key factors significantly influence students' investment decisions in the domain of sustainable investments?

2. REVIEW OF LITERATURE

Over the last few years, sustainable investing has proven to be a major development in the financial world, as this practice demonstrates an increasing number of investors and financial professionals taking into account ESG factors in their investment decisions. This method, using the terms socially responsible investment or ESG investment is a method of generating financial returns by addressing the broader societal issues and challenges apart from history. The rise in consciousness about such environmental issues as climate change, social disparity, and corporate governance gives rise to investors who want to match their portfolios with the values and their outlook to become a positive force for change.

This paper has as an objective to discover the development of financial investments for sustainable causes, paying attention to judging the student's attitudes and questions about sustainable finance methods. By critically reviewing journals and other studies, this review aims to pay attention to key elements such as financial gain expectations, risk mitigation, and intrinsic value matching. Also, it focuses on factors that drive individuals to sustainable investment practices. The research area on stewardship investments consists of various investigations that generate multi-fold knowledge of public opinion, students' university financial behaviors, and the drivers of investors' choices in alternative sources of energy.

The study by Ali (2011) embodied experimental research that aimed to predict investors' intention to invest in the first instance, and then adopt attitude as a mediator. This research is likely the psychological components that impact investors' choice process a focus. Yadav and Pathak (2017) analyzed the purchasing decision process with regard to environmental issues in a developing country, probably applying and extending the theory of planned behavior that helps to understand the factors impacting green purchase choices. Šaşın and Erkal's (2017) research focused on understanding university youth's attitudes toward environmental sustainability by emphasizing the essence of knowing the student's points of view for promoting sustainable practices. Studies by Gamel et al. (2017) on the aspects surrounding renewable installations investment would be of great help in understanding the factors overriding retail investors' opinions towards it. The extent of the meaningful impact of transparency in ESG data on investment choices, policies of the realm of spheres of regulation, and long-term environmental consequences is illustrated in this paper.

Akhtar & Das (2018) branched off from the ETP to understand which participants to draw investment intentions in Indian stock markets by looking into which psychological, social, and environmental factors contribute to the investing decision-making process of the investors including the young generations. Apostolakis et al. (2018) examine the determinants of the behavior of pension beneficiaries in line with offering them a socially responsible and impact investment portfolio. Along with that, the study highlights how socially responsible and impact investment decision-making is viewed and action is taken in the context of a pension. Rahman & Bristy (2018) examined investors' perceptions of investment in the stock market in Bangladesh, particularly around Khulna city. The publication possibly took the socio-economic and cultural backgrounds into account and how these factors guide and influence investors' perspectives and choices of the region.

In their research, Chen et al. (2019) conducted a cross-culture study on socially responsible investing of Generation Z by college students; investigating the difference in college student's attitudes and behaviors towards socially responsible investing from Taiwan and the United States. Ranasinghe & Ekanayake (2019) constructed a conceptual model explaining non-market factors in the investing decisions of Generation Z and underscored the idea of the new generation's distinct features and preferences in financial issues to show the different generations. Chateur et al. (2020) studied the influential factors on the recycled clothing intentions of the young generation; which revolves around the sentiments that young people reason before going for sustainable fashion clothing. Rouzbeh's (2019) study focused on intervention and strategies to combat disruptive behavior in education, as it related to both Generation Z and the millennial generations. Raju and Patra (2020) focus on the Indian context and the investor perceptions of the investment decision-making specific situation when the word 'Andhra Pradesh' was taken into account. This research looked at factors at work that make up an investor's internal feelings and subsequent behaviors based on location i.e. state/region in India. Baihaqqy (2020) studied the investment decisions of the different generations of investors concerning the Indonesian Stock Exchange as the case study. This paper tried to look into the question of whether factors like age or life span of generations have any influence on the respective preferences towards investments. Yen and Lu (2020) examined people's standpoints on green investing for sustainable cities in Taiwan, and what was discovered were positive views of sustainability funds among the population. Nugraha and Radadi (2021) presented initial research on the younger generation's intentions toward stock investment within an emerging market in the article. This study policy may have dwelt on one or the other impact of investing among the young target group, which has become a viewpoint for the understanding of the changing investing phenomenon. Wijaya and Afgani (2021) focused on Generation Z in the city of Bandung, specifically on their stock investment enthusiasm. Given this, the researchers should consider what factors are behind the stock investment interest among Generation Z in the stock market.

Moreover, Agrawal & Hockerts (2021) are most likely to have an overview of the impact investing area as well as propose their research courses related to how younger generations such as millennials and Generation Z are on the different sides of the discussion on impact investing issue. Bulut et al. (2021) examined whether and how environmental concern impacts conscious green consumption in the post-millennial generation and perceptions of green-washing function as a moderator. The main body of this investigation focused on the correspondence between environmental views and young customers' choice-making.

Aljifri (2022) conducted an empirical study for investors in the stock market and focused on the effects of overconfidence on firm valuation. The research spotlighted the impact of psychological dimensions (such as fear, greed, and uncertainty on investment decisions and markets). Suryani et al (2022) carried out factor analysis to investigate investment intents for millennials and Generation Z consumers thus bringing them new perceptions towards the drivers and considerations which steer the decisions of investments in this age group. According to Casalegno et al. (2022), the research could investigate the underlying motives of green and sustainable purchase behavior by different generational

groups probably by measuring and evaluating the different ways in which different demographic groups perceive and create green and sustainable consumption practices. Nag & Shah (2022) employed the empirical research methodology to observe how the financial literacy of Gen Z Indian investors is involved in their investment activities in the equity market. These researchers found that there is an important finding that there is a robust positive relationship between the financial knowledge level and stock market participation among Gen Z investors. The article assessed the role of educating the investor population within this group in ensuring that they make prudent investment choices. Consolandi et al. (2022) investigated the financial importance and extent of ESG (Environmental, Social, Governance) materiality in asset pricing; their work is likely to shed some light on whether ESG factors matter to stock returns and whether they impact the financial performance of the firm.

Yee et al. (2022) discovered that various elements sway people's intentions towards investing in renewable energy in Malaysia. Among these determinants were mental state towards renewable energy, subjective norms, belief in one's ability to change, and environmental consciousness. Empirical research indicated that those people who are of positive disposition to renewable, believe that others also think in a similar way, believe that they can make their own decisions and are environmentally passionate are more likely to invest in renewable energy projects. Rathee and Aggarwal (2022) examined the impact of investors' inclinations regarding the initiatives they choose to fund. The study's exclusive goal was to assess the influence of investors' decisions made in the Indian market. Furthermore, the study aimed to determine which venture ends up being the most popular area for investment, which instrument is best for impact investments, and what factors influence investors' decision-making when selecting investment portfolios in the Indian impact investment market. The study showed that when choosing to invest for impact, investors give priority to the stage of the investment that has the highest importance value. This is based on their behavioral inclination to make impact investments. Impact investors tend to fund social initiatives that solve social issues in the most creative ways. The healthcare industry is the most popular place to invest, followed by the agricultural and educational sectors.

Sisodia and Maheshwari (2023) investigated the extensive databases of Web of Science and Scopus for the period of 2002–2022. The study attempted to bridge the gap between the interpretation and diversification of sustainable finance meaning, and it also brings this understudied topic of sustainability aim to the attention of people throughout the world. Tiwari et al. (2023) conducted a bibliometric analysis of the research on ESG investments. The report sheds light on how ESG investing has changed over time, within enterprises, and between nations. The bibliographic coupling produced seven clusters: ESG rating influence, ESG investment drivers, ESG risk and return, preferences for ESG investments, ESG investments under shocks, and consumption of ESG information. The findings suggested that ESG investing offers a different approach to managing the trade-off between risk and profit.

Building upon previous work, Zoltan et al. (2023) concentrated on mapping the financial attitudes of university students and their contribution to establishing sustainable personal finance and its impact on the development of good financial behaviors. The series of these studies helps to gain findings that clearly or strongly support sustainability as an investment concern. These findings simultaneously form the new paradigm of sustainable investments. The idea's risk appetite, their view of whether the investment will ensure their financial well-being for the future and the degree to which they feel at one with their cause of investment gain a new significance. Herein lays one of the other major discoveries of these studies: the feasibility of aligning economic objectives with sustainability aims.

Such investors, particularly the youth, and the students in college, for instance, are forward-looking with a long-term goal of making their money, but also with an additional purpose. Such purpose includes not only the growth of their wealth but also other positive effects on the environmental impact as well as social aspects. Such alignment of financial and sustainability goals means more than just a casual trend—it is a part of the broader movement towards values-based investing.

Moreover, the research emphasized the significance of education and information to investors dealing with sustainability. University students in effect spearhead the financial change of the future and exert a consequent beneficial influence. By incorporating sustainability elements into the financial education programs of universities, students can be given the chance to be proactive investors who are guided by sustainability principles. In addition to this, efforts directed towards developing comprehensible ESG reporting standards and increased investment alternatives that are sustainable can help to drive up the adoption of sustainable investment strategies.

Research works done across the entire zone from stakeholders' point of view, up to stockholders' attitudes, and students' and public views, led to more discussions about better responsible finance practices; thus, the role of stakeholders in making the financial system more sustainable and equitable was identified as crucial.

As per the review of literature, many studies have already been conducted to examine the Gen Z perspectives and their attitudes towards stock market investments and sustainable investments. But very little work has been administered as far as Gen Z of the Indian continent is concerned. The novelty of this study is that the study has been carried out in NCR, India which comprises the colleges of U.P. and Delhi.

Constructs and Variables

In carrying out the investigation, various constructs and variables have been formulated as per the objectives of the study. Table 2 represents the same.

Table2. Constructs, Variables and their Codes

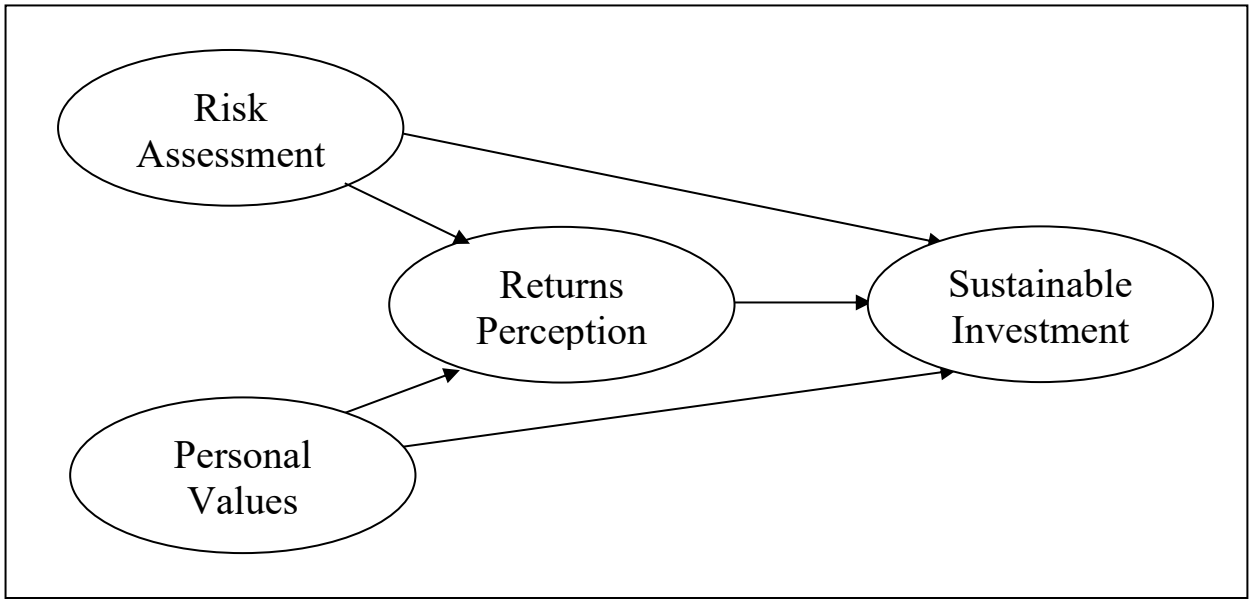
Constructs & Variables	Codes	Reference
Risk Assessment (RA)		
Environmental factors contribute to the perceived risk in sustainable investments.	RA1	Eccles & Klimenko (2013)
Social factors, such as community relations and labor practices, influence the perceived risk in sustainable investments.	RA2	
Confidence in assessing the governance practices of companies impacts the evaluation of risk in sustainable investments.	RA3	
External events, like climate-related incidents, affect the perceived risk in sustainable investments.	RA4	
Consideration is given to adopting risk mitigation strategies specific to sustainable investments, such as diversification across sectors with strong Environmental, Social, and Governance (ESG) practices.	RA5	
Financial Returns Perception (PER)		
The financial returns of sustainable investments are rated highly compared to traditional investments.	PER1	Clark et al. (2016)
Incorporating specific sustainability factors in investments can contribute to long-term financial gains.	PER2	
There is confidence in understanding the potential financial returns from sustainable investments.	PER3	
Media and educational institutions influence the perception of financial returns in sustainable investments.	PER4	
There is willingness to consider sustainable investments if provided with evidence that they can yield competitive or higher financial returns than traditional investments.	PER5	
Alignment with Personal Values (PV)		
Aligning personal values positively influences investment decisions, particularly in areas like environmental consciousness, social responsibility, and ethical considerations.	PV1	Agrawal & Hockerts (2021)
It's important for investments to reflect personal values and ethical considerations.	PV2	
There is increased motivation to explore sustainable investments when they align with personal values.	PV3	
Sustainable investments are prioritized over traditional ones if they align better with personal values.	PV4	
The alignment of personal values with sustainability goals can positively impact the overall market perception of sustainable investments.	PV5	
Factors affecting Sustainable Investments		
The transparency of ESG data is important in influencing investment decisions in sustainable assets.	SI1	Ranasinghe & Ekanayake (2019)
Regulatory initiatives promoting sustainable investments influence decision-making processes.	SI2	

There is confidence in the accuracy and reliability of ESG ratings provided by third-party agencies when making investment decisions.	SI3	
The long-term impact of companies' environmental practices is considered when choosing sustainable investments.	SI4	
Seeking professional financial advice with expertise in sustainable investments is likely to guide decision-making processes.	SI5	

Conceptual Model

In this study, we proposed a conceptual model based on previous theories and a literature review. This conceptual framework examines Gen Z's perspectives toward sustainable investments. Figure 1 depicts risk assessment and personal values as the independent variables, while returns perception is an intervening variable that plays a mediator role between risk assessment and sustainable investment, and between personal values and sustainable investment. Sustainable investment is the dependent variable.

Figure1. Conceptual Model



Research Hypotheses

The hypotheses that have been formulated based on the conceptual model, are:

H_1: Risk Assessment has a significant effect on sustainable investment.

H_2: Risk Assessment has a significant effect on returns perception.

H_3: Personal Values has a significant effect on sustainable investment.

H_4: Personal Values has a significant effect on returns perception.

H_5: Returns Perception has a significant effect on sustainable investment.

3. RESEARCH METHODOLOGY

A descriptive research design is employed in this study to capture the different states of perspectives of the respondents. This research study is intended to participate in the contemporary debate on sustainable investments by providing an overall conclusion of perspectives of Generation Z. Through the analysis of perspectives such as investment returns, risks, values, and success factors one can get a deepened understanding of the issues which can later be utilized in decision-making processes, educational programs and corporate practices in the sector of the sustainable finance.

3.1 Population and Sampling

- Population: We are going to focus on the youngsters who are ultimately in the age group 18-27 years and are based in Delhi-UP. For the convenience of our research question's certainness and its people who could help us to build an accurate investment model for a sustainable future.

Sampling Technique: Practicality Sampling was used to observe the individuals, which were 396, who were clearly and readily chosen from the population.

3.2 Data Collection

Structured Survey Questionnaire: We asked questions about many facets of students' opinions on the subject to collect data on their opinions on sustainable investments. The demographics section, opinions on sustainable investments, risk assessment, personal value alignment, and a unique section on influencing variables awareness were all included in this questionnaire. **3.3 Instrumentation**

In this study, we employed a Likert scale instrument to gauge participants' confidence levels regarding specific aspects of data privacy. The Likert scale utilized values ranging from 1 to 5, each corresponding to a different level of confidence:

Value	State
1	Not confident
2	Little confident
3	Neutral
4	Moderately confident
5	Highly confident

Descriptive Ratios of Variables:

Descriptive Ratios are measured to obtain brief information on the variables under study. These meaningful proportions are vital in summarizing information, distinctive designs, and picking up insights into the characteristics of a dataset.

3.5 Structural Equation Modeling (SEM)

Since the collected data is non-normal, the usage of PLS-SEM is imperative. In this study, the proposed conceptual model, about perspectives towards sustainable investments, is analyzed. In this model, RA and PV are considered the independent variables, while PER is an intervening variable that plays a mediator role between RA and SI, and between PV and SI. SI is the dependent variable. PLS 4 (Version 4.1.01) has been used to carry out various analyses of CFA (Reliability, Validity, and Model Fitness) and Path Analysis.

4. DATA ANALYSIS AND MEASUREMENTS

4.1 Descriptive Ratios:

Table 3 depicts the descriptive ratios of the variables under study. Results show the mean value ranging from 3.147 to 3.853. The median values are 3 and 4 for all the studied variables, followed by 1 and 5 as minimum and maximum values.

Table3. Descriptive Ratios

Variable	Mean	Median	Min	Max	SD	Kurtosis	Skewness	Cramér-von Mises p value*
PER1	3.558	4	1	5	0.970	0.025	-0.412	0.00
PER2	3.484	4	1	5	0.950	0.357	-0.665	0.00
PER3	3.463	4	1	5	1.044	-0.132	-0.464	0.00
PER4	3.379	3	1	5	0.920	0.394	-0.42	0.00
PER5	3.558	4	1	5	0.970	0.042	-0.482	0.00
RA1	3.463	3	1	5	0.938	0.431	-0.436	0.00
RA2	3.326	3	1	5	0.999	-0.102	-0.377	0.00
RA3	3.284	3	1	5	0.970	-0.127	-0.532	0.00
RA4	3.516	4	1	5	0.939	0.188	-0.434	0.00
RA5	3.421	3	1	5	0.924	-0.164	-0.13	0.00
PV1	3.853	4	1	5	1.005	-0.617	-0.456	0.00
PV2	3.147	3	1	5	1.114	-0.941	0.12	0.00
PV3	3.305	3	1	5	1.134	-0.83	-0.144	0.00
PV4	3.453	3	1	5	1.150	-1.019	-0.157	0.00
PV5	3.358	3	1	5	0.983	0.082	-0.438	0.00
SI1	3.316	3	1	5	1.079	-0.621	-0.304	0.00
SI2	3.326	3	1	5	1.061	-0.18	-0.474	0.00
SI3	3.316	3	1	5	0.932	-0.373	-0.121	0.00
SI4	3.495	4	1	5	0.928	-0.122	-0.266	0.00
SI5	3.347	4	1	5	1.168	-0.867	-0.309	0.00

*Significant: p-value < 0 .05

The kurtosis values for various variables are either positive or negative, which shows that the distributions of the variables are either leptokurtic or platykurtic. Also, all the skewness values are negative which shows that the distributions of the variables are negatively skewed. Further, the Cramer-von Mises p-values are 0.00, which is less than 0.05, the significance level; confirms that the data is not normal.

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4.2 Data Reliability and Convergent Validity

Table 4 depicts the satisfactory conditions of reliability and convergent validity. All the variables have Cronbach's Alpha and Composite Reliability of more than 0.70 (Gefen et al. (2011) and Hair et al. (2022)). Apart from this, the AVEs of all the variables are more than 0.50, which is in line of the requirements of convergent validity

Table4. Reliability & Validity measurements

Variable	Cronbach's Alpha	Rho_A	Composite Reliability	Avg Variance Explained (AVE)
PER	0.757	0.764	0.837	0.508
PV	0.807	0.807	0.874	0.634
RA	0.756	0.757	0.836	0.504
SI	0.724	0.727	0.829	0.548

4.3 Discriminant validity

Table 5 depicts the Fornell-Larcker criterion to satisfy the discriminant validity. All the variables have values less than the principle diagonal values, which is a satisfactory condition of discriminant validity. Here, the principle diagonal value is the square root of the Average Variance Explained (AVE) of the respective variable.

Table5. Fornell-Larcker Criterion

	PER	PV	RA	SI
PER	0.742			
PV	0.57	0.796		
RA	0.716	0.613	0.712	
SI	0.713	0.626	0.64	0.74

Table 6 represents the cross-loadings of the variables under study. In below given table, the variables PV1 and SI1 have been removed as these variables are violating the conditions of discriminant validity. The cross-loadings for the remaining variables confirm the discriminant validity among various constructs

Table6. Cross-loadings

Variable	PER	PV	RA	SI
PER1	0.718	0.331	0.576	0.503
PER2	0.755	0.537	0.5	0.554
PER3	0.736	0.379	0.489	0.609
PER4	0.694	0.352	0.485	0.52
PER5	0.658	0.421	0.504	0.451
PV2	0.381	0.76	0.44	0.497
PV3	0.511	0.815	0.536	0.503
PV4	0.421	0.84	0.511	0.479
PV5	0.488	0.768	0.461	0.51
RA1	0.475	0.372	0.688	0.42
RA2	0.523	0.393	0.645	0.548
RA3	0.555	0.435	0.763	0.476
RA4	0.411	0.422	0.718	0.378
RA5	0.55	0.55	0.738	0.422
SI2	0.58	0.556	0.487	0.735
SI3	0.475	0.388	0.478	0.667
SI4	0.587	0.435	0.453	0.756
SI5	0.545	0.458	0.477	0.797

4.4 Structural Model Analysis

To ascertain the connection between the constructs and their significance for the projection, a structural equation model (SEM) is administered. The bootstrapping method with 5000 bootstraps is carried out without making any adjustments to the sign and considering the level of significance as 0.05. Figure 2 depicts the structural model, showing the relationship between the constructs under study.

Figure2. Structural Model

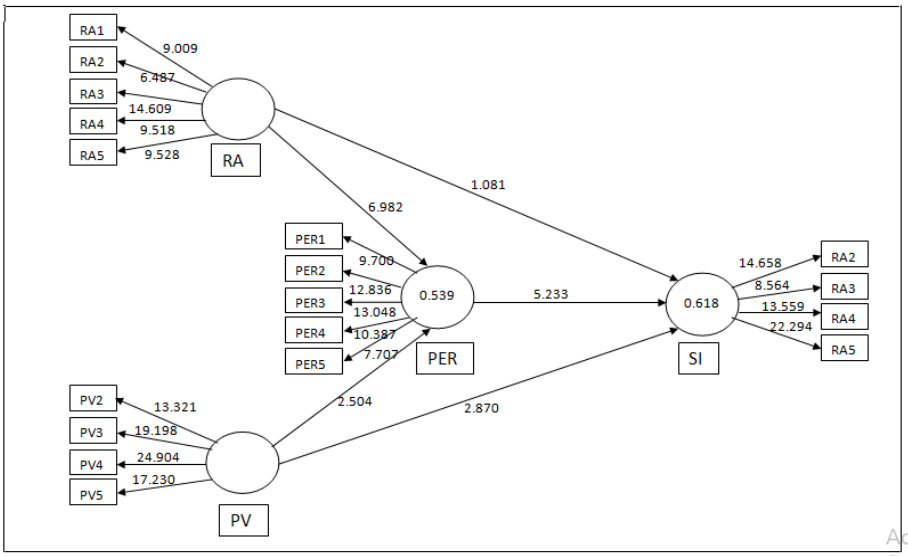

Table 7 shows the significant total indirect effects of personal values (PV) (β = 0.106, p-value = 0.031 <0.05) and risk assessment (RA) (β = 0.302, p-value = 0.000 <0.05) on sustainable investment.

Table7. Total Indirect Effects

Effect	Original Sample	St Dev	T statistic	p-value*
PV > SI	0.106	0.049	2.154	0.031
RA > SI	0.302	0.069	4.405	0

*Significant: p-value < 0 .05

The research hypothesis H_1 examines whether risk assessment (RA) has a significant effect on sustainable investment. The result reveals that risk assessment has an insignificant effect on SI (β = 0.108, t-statistic = 1.081, p-value = 0.280). Hence, H_1 is not supported.

The research hypothesis H_2 examines whether risk assessment (RA) has a significant effect on returns perception (PER). The result reveals that risk assessment has significant effect on PER (β = 0.589, t-statistic = 6.982, p-value = 0.000). Hence, H_2 is supported.

The research hypothesis H_3 examines whether personal values (PV) has a significant effect on sustainable investment. The result reveals that personal values has significant effect on SI (β = 0.268, t-statistic = 2.870, p-value = 0.004). Hence, H_3 is supported.

The research hypothesis H_4 examines whether personal values (PV) has a significant effect on returns perception (PER). The result reveals that personal values has significant effect on PER (β = 0.206, t-statistic = 2.504, p-value = 0.012). Hence, H_4 is supported.

The research hypothesis H_5 examines whether returns perception (PER) has a significant effect on sustainable investment. The result reveals that returns perception has significant effect on SI (β = 0.513, t-statistic = 5.233, p-value = 0.000). Hence, H_5 is supported.

The results have been formulated in Table 8.

Table8. Path Coefficients

Effect	Original Sample	St Dev	T statistic	p-value*
RA > SI	0.108	0.100	1.081	0.280
RA >	0.589	0.084	6.982	0.000
PV > SI	0.268	0.094	2.870	0.004
PV > PER	0.206	0.082	2.504	0.012
PER > SI	0.513	0.098	5.233	0.000

*Significant: p-value < 0 .05

5. CONCLUSION & DISCUSSION

This study investigated the perspectives of Gen Z in Delhi-UP colleges on sustainable investments, employing a structural equation modeling approach. A total of three independent variables were administered, and one dependent variable, sustainable investment (SI). In the conceptual model, returns perception (PER) plays a mediating role between risk assessment (RA) and sustainable investment (SI), another between personal values (PV) and sustainable investment. The quantitative data analysis, supported by robust statistical tests, yielded insightful findings regarding student perceptions, risk assessments, alignment with personal values, and factors influencing their investment decisions. The results reveal

that risk assessment and personal values are having significant effect on returns perception while returns perception and personal values have significant effect on sustainable investment.

The study findings are in line with the previous works including those of Maas et al. (2019) that point to the current generation, particularly Generation Z as key to driving change especially in that which is sustainable and ethical. Regarding the identified patterns, our results are similar to the observation made by Wiedmann et al. (2020) about the generally rising trend regarding the investors' consideration of ESG factors. This implies that factors of sustainability are gradually dominating investment activities. As Clark et al. (2016) who established that there had been an overall increase in sustainable investment assets globally concluded, this signifies a much larger restructuring of the hitherto mainstream ideas about risk and return.

However, the present study departs with earlier studies in the following ways. For instance, Khan et al. (2021) showed that investors with high ESG scores have lower stock return risks, therefore suggesting a business benefit for sustainable investments. Yet, as our study reveals Gen Z students still have doubts about the financial rationality of sustainable investments, one can identify a certain gap between academic findings and young investors' attitudes.

In addition, while investigations such as Dalal and Thakar (2019) stressed on the fact that corporate sustainability practices have a direct bearing on financial performance of companies, the present study clearly identifies that risk assessment concerning ESG factors does not play any decisive role in so far as sustainable investment by Gen Z students is concerned. This discovery indicates that while ESG factors are increasingly being appreciated in other circles of investment, there is still much mileage to be covered in the education of young investors about the practical fiscal returns on sustainable investment.

A similar contrast can be seen in Bauer and Smeets' (2015) work which examines how investors view SRIs. Their study showed that investors, who focus on SRIs are likely to do that, because of ethical reasons rather than profit motive. Recent work of ours is partially consistent with this: personal values do affect sustainable investment choices of Gen Z in a meaningful way, yet the uncertainties about financial outcomes impart some truth in the suggestion that these students may need more convincing.

Also, in their meta-analysis, Friede et al. (2015) established that there is a positive relationship between ESG criteria and CFR in various studies. This is in contrast with the generally positive sentiment noted in the literature, especially with regard to financial returns, about which our respondents from across Gen Z had rather ambivalent feelings. This could be as a result of ignorance over exposure to or knowledge on the longer financial returns on sustainable investment.

Summarily, this research helps the current discussion about sustainable investing by presenting an overview of the fact that Gen Z has a favorable opinion concerning the sustainable investments, even though they have several concerns about the profitability. However, Risk assessment comprising of environmental, social and governance issues is a minor factor that students consider while choosing sustainable investments. The importance of ensuring personal values as well as the organizational goals into sustainability increases and therefore student interest in implementing ESG factors into sustainable decisions. Sustainable investment is a shift in the financial paradigms resulting from the new points of view and the impact of the Gen Z On the nature of investments there is an ongoing revolution as investors are becoming more aware of the financial impact of E, S and G factors and making sustainability the priority. Gen Z will be likely to increase this trend because its generation is characterized by great proficiency in the use of technology and social responsibility to influence a positive change through its value system in managing and investing in funds. The findings can contribute to:

Financial Inclusion: Understanding Gen Z's needs can help financial institutions develop targeted sustainable investment products and educational resources.

Sustainable Development: Increased participation from Gen Z in sustainable investing can contribute to positive environmental and social outcomes.

Marketing Strategies: Investment firms can tailor their marketing messages to resonate with Gen Z's values and priorities.

6. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Potential limitations include:

Sample bias: The sample might not fully represent the entire Gen Z population in NCR.

Cross-sectional data: The study captures a single point in time, limiting insights into dynamic investment patterns.

Future research could consider:

Longitudinal studies to track Gen Z's investment behavior over time.

Comparative studies to explore.

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