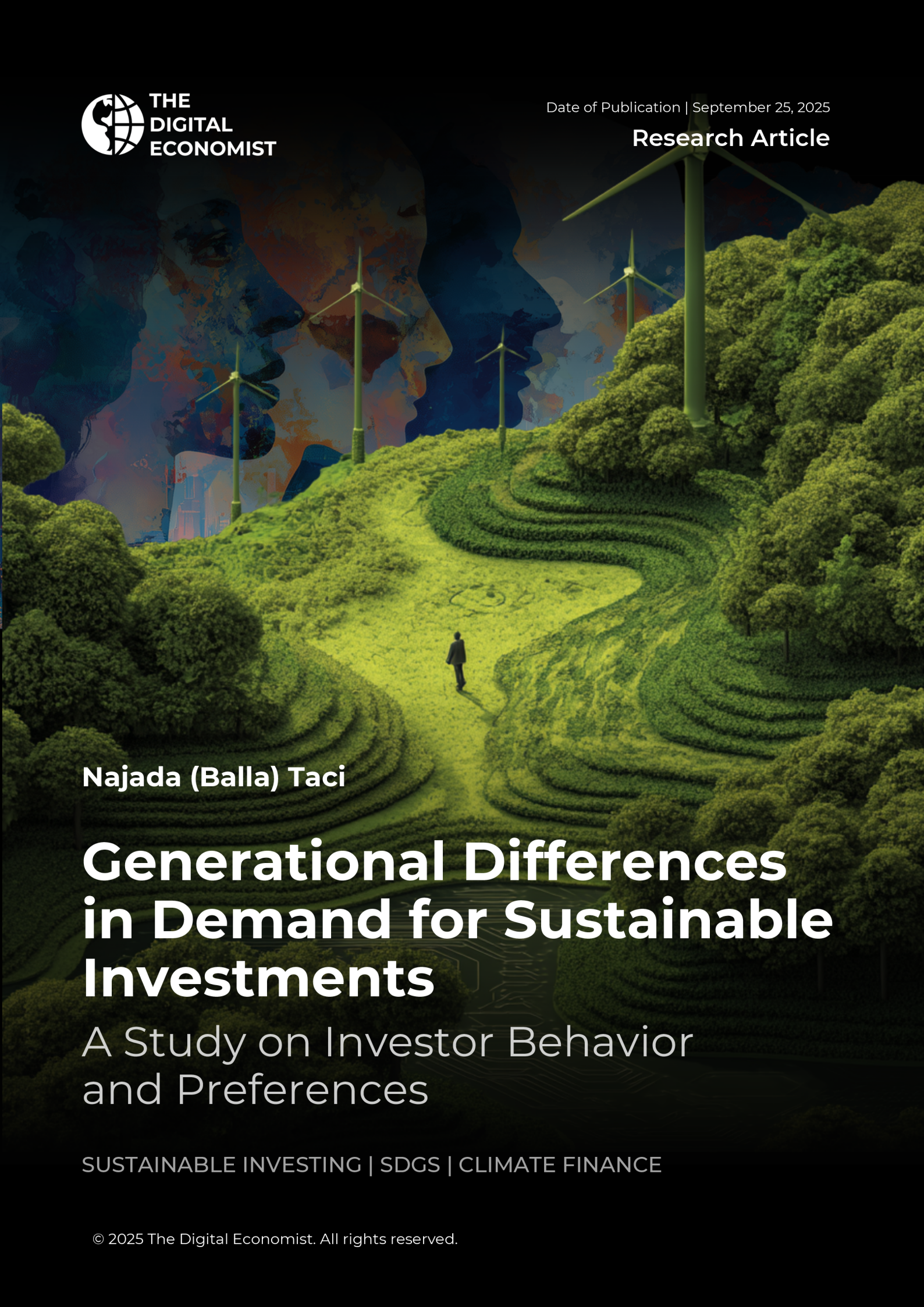




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Generational Differences in Demand for Sustainable Investments

A Study on Investor Behavior
and Preferences

SUSTAINABLE INVESTING | SDGS | CLIMATE FINANCE



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Introduction

Sustainable investing, which incorporates environmental, social, and governance (ESG) factors into investment decision-making, has emerged as a transformative force in global finance. As awareness of climate change, social equity, and corporate accountability grows, investors increasingly seek opportunities that align their portfolios with these values. Financial markets are responding with a proliferation of sustainable investment products, yet there remains significant variation in how different generational cohorts engage with these opportunities.

This topic is especially important because investment capital is a powerful lever for driving positive environmental and social change. If sustainable investing is to achieve its full potential, it is critical to understand who participates in it, what motivates them, and what barriers they face. By identifying generational patterns in sustainable investment behavior, financial institutions and policymakers can better tailor their outreach, educational programs, and product offerings, ensuring that sustainable finance reaches a broader audience.

This research brings new insights by systematically comparing the preferences, motivations, and constraints of baby boomers, Generation X, millennials, and Generation Z. While sustainable investing is often discussed broadly, far fewer studies break down how attitudes and behaviors differ across these cohorts. This generational lens adds depth and specificity to sustainable finance literature.

It is especially timely to discuss this topic now, as regulatory frameworks such as the EU Sustainable Finance Disclosure Regulation (SFDR) and the European Union taxonomy for sustainable activities create new standards and reporting requirements, transforming the investment landscape (European Commission 2023). Meanwhile, geopolitical shifts, climate policy debates, and increasing evidence of climate-related financial risks are pushing sustainability higher on both the public and private investment agendas. Understanding how different generations respond to these structural shifts is crucial for accelerating sustainable investment flows.

The broader significance of this research lies in the global ambition to shift capital toward sustainable, responsible, and inclusive growth, in line with frameworks such as the United Nations Sustainable Development Goals (SDGs). Generational perspectives are critical to ensuring that sustainable finance supports just transitions and long-term resilience.



There are also contextual specificities and peculiarities worth noting. Generational cohorts differ in financial education, institutional trust, and experiences of major economic disruptions from the 2008 financial crisis to the COVID-19 pandemic. These formative influences shape their investment values, priorities, and risk perceptions, making a generational lens essential for designing effective sustainable investment products and policies.

The main objective of this research is to examine how sustainable investment preferences vary among baby boomers, Generation X, millennials, and Generation Z, and to identify the factors driving each generation's interest and participation in sustainable investing.

The research questions guiding this study are as follows:

- How do sustainable investment preferences differ among generational cohorts?
- What motivates each generation to participate in sustainable investments?
- What barriers prevent greater adoption of sustainable investing for each generation?
- How do macroeconomic and regulatory factors shape these generational differences?

To answer these questions, this paper employs a mixed-methods approach, combining primary survey data with secondary trend analysis. By analyzing motivations, values, and barriers to sustainable investing across generations, the study offers critical, actionable insights. Ultimately, the findings will support evidence-based decision-making for financial professionals, policymakers, and investors, contributing to a more sustainable and inclusive financial ecosystem.





1. Literature Review

1.1 Background on Sustainable Investing

Sustainable investing has grown significantly over the past few decades, driven by a mix of social awareness, regulatory pressure, and the recognition that environmental, social, and governance (ESG) factors can impact financial performance. Initially, the idea of “socially responsible investing” (SRI) in the 1960s and 1970s was based on avoiding certain sectors (e.g., tobacco, firearms, fossil fuels) to align investments with ethical values. Over time, this exclusionary approach evolved into what is now known as sustainable or ESG investing, which integrates a broader set of non-financial criteria into the investment decision-making process.

The modern rise of sustainable investing gained momentum in the early 2000s, as investors began to recognise that ESG factors could directly affect financial performance, resilience, and risk management. Events like the 2008 financial crisis and increased awareness of climate change further fueled demand for investments that consider both societal and environmental impacts. As ESG data became more accessible and investor interest increased (Amel-Zadeh and Serafeim 2018), companies and funds began more systematically incorporating ESG considerations into their practices (Friede, Busch, and Bassen 2015), evaluating elements such as carbon emissions, diversity policies, and board independence.

Today, sustainable investing is recognized as a strategy that not only seeks to generate positive impact but also aims to enhance long-term value (Morgan Stanley Institute for Sustainable Investing, May 21, 2024). Large institutional investors and asset managers such as pension funds, mutual funds, and insurance companies are increasingly focusing on ESG factors in their investment decisions. This shift is driven not only by growing investor demand for responsible investing but also by evolving regulatory frameworks that promote greater transparency and accountability.

One key regulatory framework is the **European Union’s Sustainable Finance Disclosure Regulation (EUR-Lex)**, which mandates financial market participants to disclose how they integrate ESG risks and impacts into their investment strategies. This regulation aims to combat greenwashing, strengthen investor confidence, and advance the flow of capital toward sustainable investments.



This integration is transforming the investment landscape and is expected to continue reshaping it as investors and stakeholders demand more sustainable and responsible financial practices.

However, the rapid industrialization of emerging economies and continued high levels of consumption in developed countries suggest that, without coordinated action, resource depletion will intensify in the decades ahead (World Economic Forum, Sustainable Development, March 4, 2024). For example, the growing scarcity of sustainable drinking water is now viewed as a potential driver of future conflicts—much like oil was in previous decades (Unesco World Water Development Report 2024). The core challenge for businesses and economies is to balance resource optimization with economic growth. While both are critical, they represent distinct goals that do not always align. Economic growth traditionally implies increased production and consumption of goods and services, which often leads to higher resource consumption.

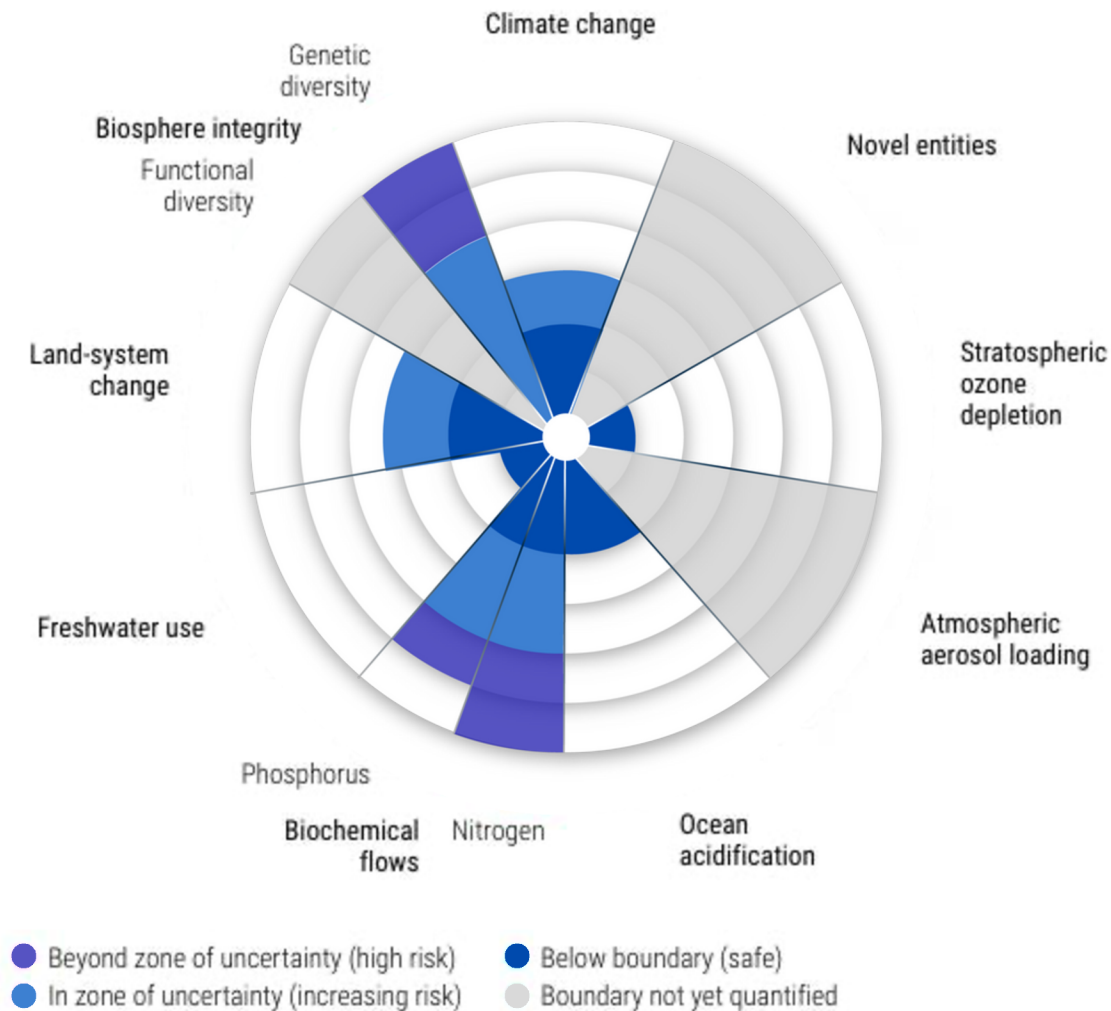
On the other hand, optimizing resource use involves using natural resources more efficiently and sustainably to minimize waste and environmental harm. The key, therefore, is to decouple economic growth from resource depletion—allowing economies and businesses to expand without proportionally increasing their consumption of finite resources. Achieving this requires innovations in technology, shifts in business models, and changes in consumer behavior to support a more sustainable future.

In other words, the goal is to use the earth's natural resources efficiently meeting current needs without depleting them to ensure their availability for future generations. This concept aligns closely with the principles of sustainable development as defined by the Brundtland Commission (1987), which emphasizes meeting the needs of the present without compromising the ability of future generations to meet their own needs (WCED 1987). Furthermore, research on the circular economy framework highlights strategies to minimize waste and maximize resource reuse to achieve this balance (Geissdoerfer et al. 2017). Studies in ecological economics emphasize the importance of decoupling economic growth from resource depletion to ensure long-term sustainability (Jackson 2017).

The task of transitioning from linear systems of thinking and production is undoubtedly complex, but circular innovation is gaining momentum. Solutions are emerging across sectors that aim to counter the negative effects of overconsumption (Ellen MacArthur Foundation 2013). By leveraging the capitalist system in a more sustainable way, companies are not only surviving but also thriving, benefiting from increased efficiency in recycling, waste management, and lower supply costs. These circular practices also reduce capital expenditures (CAPEX) while also offering greater visibility and control over suppliers and supply chains.



1.2 Planetary Boundaries



Source: Stockholm Resilience Center. Stockholm University, 2015.

Fig. 1 Science-based planetary boundaries

In 2009, a team of internationally renowned scientists introduced the Planetary Boundaries (PBs) framework that identified nine critical processes that work in unison to regulate and stabilize life on earth. These include climate change, ocean acidification, ozone depletion, biochemical flows, freshwater use, land system change, biosphere erosion, novel entities (such as human-engineered chemicals, materials, or organisms), and atmospheric aerosol loading (see fig.1).



Using data that linked human activity to environmental change, the team quantified boundaries for each process, defining thresholds within which human development can occur safely, and beyond which lie high-risk zones with potentially catastrophic and irreversible outcomes for planetary health. Though developed separately, the IPCC's 1.5-degree Celsius target for limiting global surface temperature rise functions as a type of boundary of this kind guiding global policy, business, and investments. According to recent scientific studies (Katherine Richardson, Johan Rockström et al., *Science Advances*, September 13, 2023), human activity has already pushed five out of the nine boundaries into a zone of high risk and uncertainty. These include climate change, biodiversity loss, nutrient flows, land-use change, and the spread of novel entities, such as plastic. The risks for businesses and investors are substantial, including dramatic supply chain disruptions, shifting consumer preferences, new and extensive regulatory compliance, increased costs, and raw materials scarcity. While many of these risks are often associated with climate change, it is important to recognize that business exposure extends across all nine planetary systems. Successful, future-proof strategies will require companies to focus not only on reducing carbon emissions but also on identifying and addressing the broader ecological thresholds their operations affect.

1.3 Scientific Evidence and Shifting Investment Priorities: An Intergenerational Perspective

Recent research, most notably the 2023 update to the Planetary Boundaries framework by Richardson et al., offers a stark assessment of humanity's impact on earth's critical systems. Published in *Science Advances*, the study titled "Earth System Boundaries" (Richardson et al. 2023) concludes that five of the nine planetary boundaries have already been transgressed, placing the earth in a state of high uncertainty and risk. These include climate change, biosphere integrity, land-system change, biogeochemical flows (nitrogen and phosphorus), and novel entities (e.g., plastic pollution and synthetic chemicals).

By quantifying the link between human activity and systemic environmental degradation, the research provides a scientifically grounded framework for understanding ecological tipping points. This evidence forms a critical backdrop for analyzing evolving investor behavior, particularly generational differences in sustainable investment preferences. Multiple surveys and reports, including the Morgan Stanley Institute for Sustainable Investing (2021) and BlackRock's Global Investor Pulse (2022), show that millennials and Generation Z demonstrate significantly greater concern for environmental and social issues in their financial decisions compared to



older generations. According to the CFA Institute's 2022 ESG Survey, 75 percent of millennial investors consider environmental impact a "very important" factor in portfolio construction, compared to just 32 percent of baby boomers. This intergenerational divergence reflects not only value differences but also a more fundamental shift in how environmental risk is perceived. For younger investors, research such as Richardson et al. (2023) and the original Planetary Boundaries framework developed by Rockström et al. (Nature 2009) and Steffen et al. (Science 2015) validates a worldview in which environmental limits are non-negotiable and financial systems must operate within those ecological constraints. The transgression of planetary boundaries is increasingly understood as a material financial risk, not just an ethical or reputational concern. This includes the following:

- Climate instability and its impact on real assets and insurance
- Biodiversity loss affecting supply chains and food systems
- Regulatory shifts (e.g., carbon pricing, ESG disclosure laws)
- Market volatility linked to ecological collapse

While older generations may adhere to traditional risk-return models, younger generations increasingly demand investment strategies aligned with long-term planetary sustainability. This shift is evident in the growing flows into ESG funds, green bonds, and impact investments—driven by a generation that sees finance as a mechanism for systemic change. In conclusion, the convergence of robust planetary science and generational investment trends is reshaping the future of capital allocation. As data on ecological thresholds becomes more urgent and granular, the financial preferences of younger generations are pushing markets toward greater sustainability, transparency, and alignment with the biophysical limits of our planet.





1.4 The Doughnut Economy



Source: Kate Raworth, Oxfam, 2017

Fig. 2 The doughnut—the key to optimal economic growth

Maintaining earth's natural systems is only part of the sustainability challenge. True sustainability encompasses more than preserving natural capital and respecting ecological boundaries; it also involves protecting and nurturing human capital. The doughnut economy, developed by Oxford economist Kate Raworth, offers a conceptual framework to achieve this balance. It integrates respect for planetary boundaries with a commitment to a social foundation, as outlined by the UN's Sustainable Development Goals (SDGs). These goals aim to ensure that everyone has access to life's essentials, including food, shelter, education, and health care. In short, the doughnut framework asserts that sustainable economic development must



neither overshoot ecological limits nor fall short of meeting basic human needs. The optimal space for both people and the planet lies within the doughnut (see fig. 2). Moreover, the framework acknowledges that sustainable growth is complex and cannot be captured by simple variables or smooth, upward trajectories. It calls for a deeper understanding of the friction and trade-offs that arise from the interplay between social and ecological systems.

1.5 Finance: A Catalyst for Sustainable Prosperity

While direct government intervention remains crucial in shaping equitable and resilient economies, the role of finance as a catalyst for sustainable success is increasingly recognized. Targeted investment, especially when guided by environmental, social, and governance (ESG) criteria, plays a vital role in redirecting capital flows toward sustainable business models, technologies, and sectors. At its core, the financial system is designed to allocate capital efficiently not only to the most profitable companies today but, more importantly, to those best positioned for long-term viability and resilience. In this context, assessing a company's sustainability performance is no longer a niche concern; it is fundamental to future-proof investment strategies.

For example, efforts to reduce energy consumption in manufacturing not only mitigate environmental impact but also yield tangible cost savings and operational efficiencies, enhancing a company's bottom line. The spectrum of sustainability-related factors now integrated into investment analysis is broad and growing. It includes the following:

- **Environmental factors:** carbon emissions, water usage, waste management, pollution control
- **Social factors:** employee safety, labor standards, talent retention, and diversity and inclusion
- **Governance factors:** board composition, executive compensation, risk management, transparency

These indicators serve as both risk filters and opportunity markers, enabling investors to identify companies that are innovating, adapting, and building value in ways aligned with a rapidly changing global economy and increasingly constrained planetary systems. In this evolving landscape, finance does more than fund economic growth—it actively shapes what kind of growth is possible, and for whom. By embedding sustainability into capital allocation decisions, financial actors can contribute meaningfully to a transition toward a low-carbon, inclusive, and regenerative global economy.



1.6 Generational Influence

Generational analysis is essential in understanding the diverse attitudes toward sustainability in finance because each generation's values, experiences, and economic conditions shape its approach to investing. These factors influence both individual and institutional investment trends, affecting how ESG principles are integrated into financial markets. Here are some key reasons why generational analysis is valuable:

Baby boomers (born 1946–1964), Generation X (born 1965–1980), millennials (born 1981–1996), Generation Z (born 1997–2012).

- **Diverse Priorities and Values:** Each generation has grown up with different societal challenges, from climate change to social justice issues. For example, millennials and Gen Z, who are highly conscious of sustainability, prioritize it as central to their investments, often placing impact above pure returns. Older generations may value stability and established funds over sustainability, though they are beginning to consider it as a way to leave a legacy.
- **Shaping Market Demand:** Different generations meet distinct market demands. Younger generations, particularly millennials and Gen Z, increasingly look for investment options aligned with their environmental and social values, pushing firms to develop ESG products and services. This demand drives firms to rethink how they create and market sustainable investment options, making ESG factors more prominent in portfolios.
- **Influence on Corporate Behavior:** As the influence of younger generations grows, companies are incentivized to adopt sustainable practices to attract investment from millennials and Gen Z, who prioritize companies with responsible ESG practices. This generational shift in investor expectations pressures companies to improve their sustainability metrics, potentially enhancing long-term resilience and value.
- **Adoption of New Financial Technologies:** Younger generations, particularly Gen Z, are digital natives who use fintech platforms to access and evaluate sustainable investments. Their comfort with technology means that sustainable investing platforms and transparency tools are increasingly popular, supporting new ways to monitor and assess ESG impact. Older generations, meanwhile, tend to prefer established, traditional financial services.



2. Methodology

This research investigates generational differences in attitudes and behaviors toward sustainable investments. A mixed-methods approach was employed, combining primary data collection through a survey (see here: <https://forms.gle/t24SBF9cTFn9AFF2A>) with secondary data gathered from existing literature and market reports.

2.1 Primary Data Collection

Primary data was collected through a structured online survey, designed to capture generational perspectives on sustainable investing. The instrument included quantitative items measuring investment knowledge, familiarity with sustainable investment concepts, key motivations and barriers, and future expectations. It featured Likert-scale questions, multiple-choice items, and multiple-response options to gather a comprehensive view of attitudes and behaviors.

The survey targeted individuals with investment experience across multiple age groups. A purposive sampling strategy was used, with invitations distributed through investment-related networks, financial discussion forums, and professional communities. The final sample comprised 350 respondents, grouped into four generational cohorts: twenty-five to forty, forty-one to fifty-five, fifty-six to seventy, and seventy-one years and older. Participants included students, employed and self-employed individuals, and retirees, ensuring a broad range of perspectives.

Data were collected anonymously via Google Forms. Descriptive statistics and frequency distributions were used to analyze responses and identify patterns across generational groups.

2.2 Secondary Data Collection

Secondary data was collected through a systematic review of academic publications, industry reports, and institutional datasets related to sustainable investing. Key references included market trend reports by the Global Sustainable Investment Alliance (GSIA 2021), which provide a breakdown of global sustainable assets under management by regions and investor type, as well as generational attitudes toward sustainability (Morgan Stanley 2019).



Additionally, academic studies exploring millennial and Gen Z sustainable investment preferences (Barest 2021; Lee and Yoon 2022) were reviewed to identify key motivations, perceived barriers, and the influence of social values. These studies consistently show that younger investors place greater emphasis on environmental and social impact compared to older cohorts although persistent barriers such as information asymmetry and concerns about greenwashing fears remain persistent (Amel-Zadeh and Serafeim 2018).

Institutional resources from the CFA Institute (2020) and Principles for Responsible Investment (PRI 2022) were also incorporated to contextualize the evolution of the sustainable investment landscape, and the role of investing education is building ESG familiarity. Together, these sources supported the triangulation of primary data findings with broader market trends and developments in ESG product offerings.

2.3 Ethical Considerations

Participants were informed of the purpose of the study, assured of the confidentiality of their responses, and provided informed consent prior to participation. No personally identifiable information was collected, and all data were analyzed in aggregate form.





3. Results and Discussion

3.1 Demographic Profile

The survey sample comprised 350 respondents across four generational cohorts. The majority of respondents were aged twenty-five to forty (45.7 percent), followed by the forty-one to fifty-five group (27.6 percent) and the fifty-six to seventy group (16.2 percent), with a smaller proportion over seventy-one years (see fig. 3). In terms of employment status (see fig. 4) most participants reported being either employed or self-employed, with relatively fewer respondents identifying as retired or students. This suggests the sample largely consisted of individuals actively engaged in investment-related activities and decision-making.

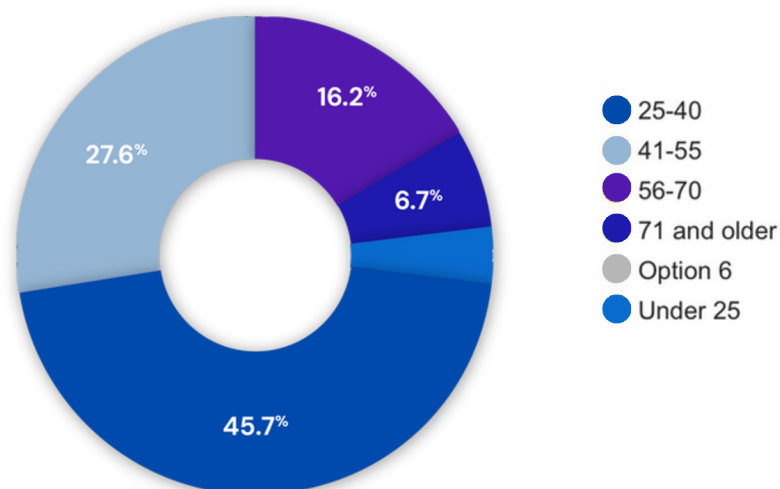


Fig. 3 Proportion of respondents by age group

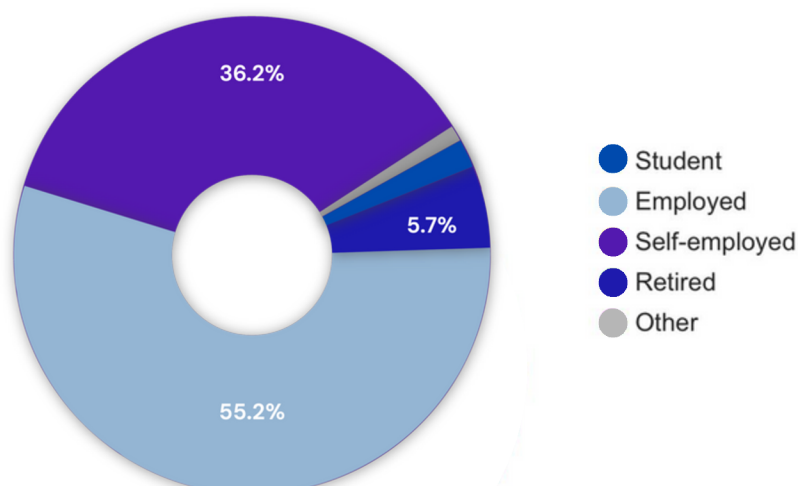


Fig. 4 Employment status



3.2 Investment Knowledge and Familiarity

When asked about their primary sources of investment knowledge (**see fig. 5**), respondents most frequently cited financial advisers (29.5 percent), followed by family and friends (27.6 percent), and social media (23.8 percent). This demonstrates that while professional advisers remain a key channel, informal networks and online platforms also play a growing role in investor education, particularly for younger generations (Lee and Yoon 2022).

Regarding familiarity with sustainable investing (see fig. 6), 64.8 percent of participants described themselves as “somewhat familiar” while 23.8 percent considered themselves “very familiar.” Only 11.4 percent reported being unfamiliar with sustainable investing. These findings are consistent with prior research (Morgan Stanley 2019), indicating growing awareness across generational cohorts, though with clear room for increased education and outreach.

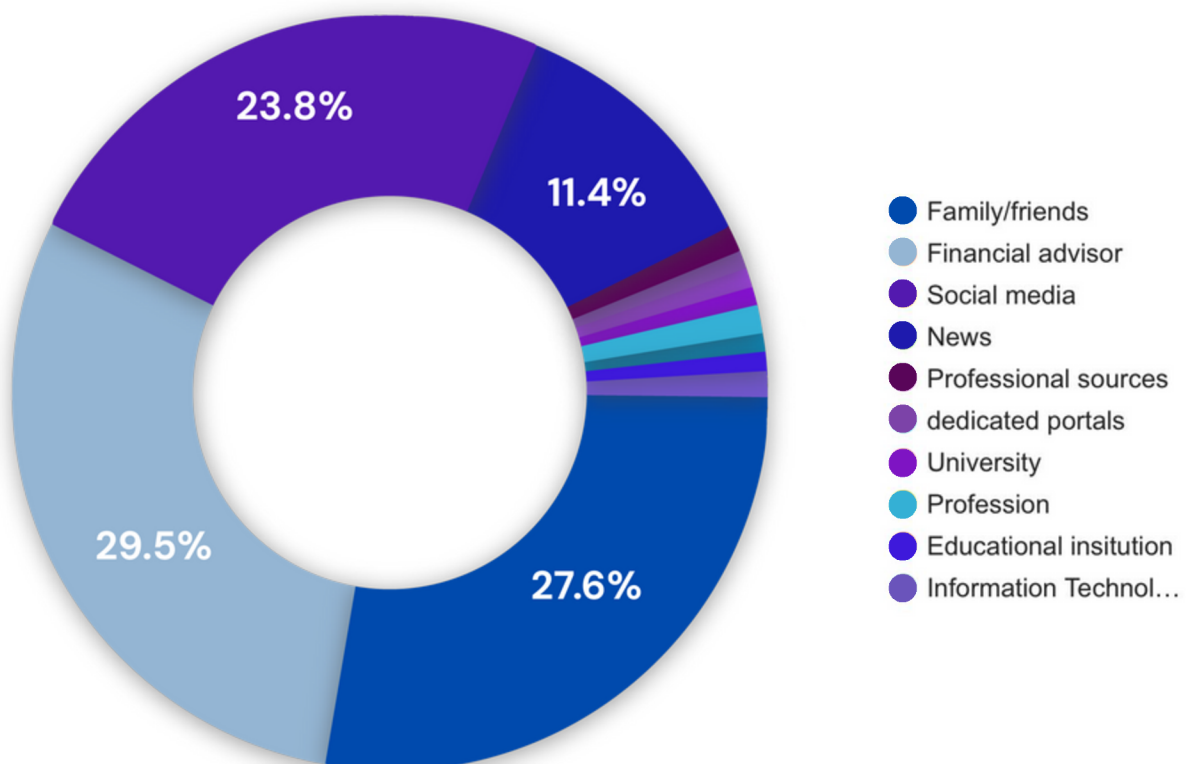


Fig. 5 Primary sources of investment knowledge

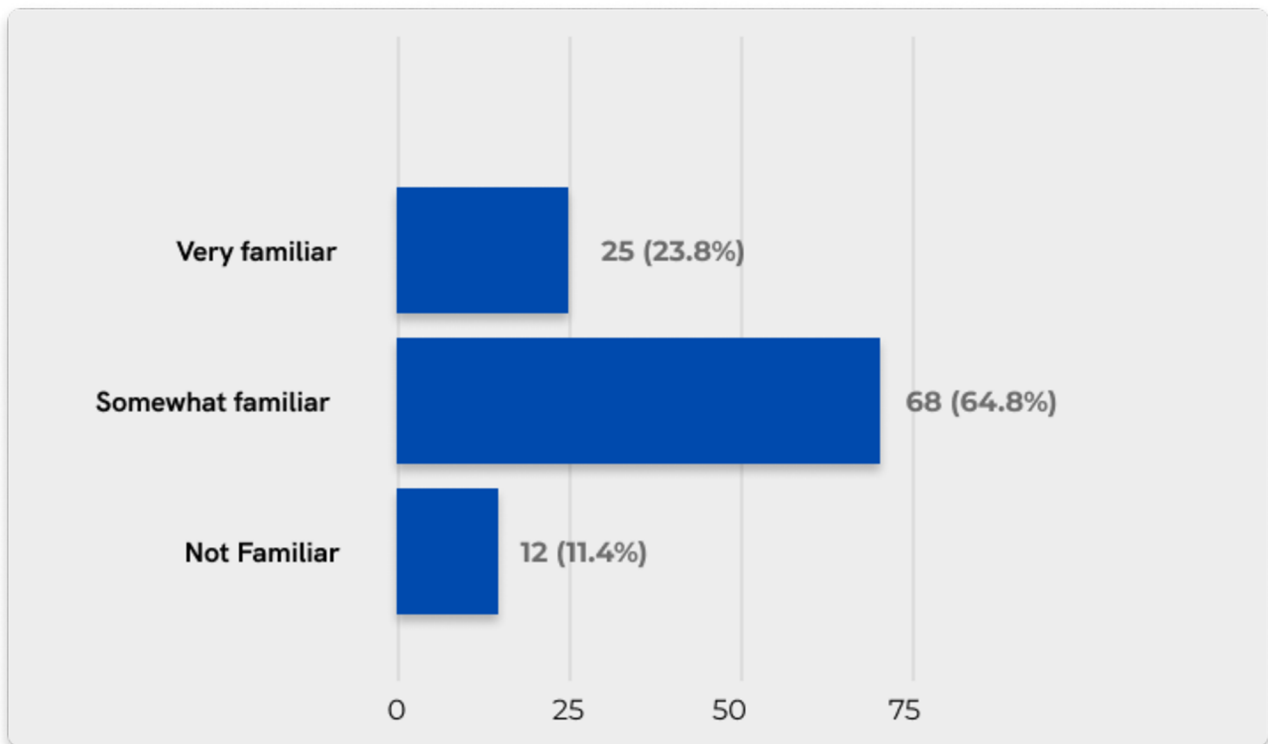


Fig. 6 Familiarity with sustainable investing

3.3 Barriers to Sustainable Investing

The most significant barriers reported were lack of knowledge or resources (52.4 percent), difficulty accessing sustainable investment products (40 percent), and concerns about lower returns or higher risk (27.6 percent) (see fig. 7). High costs or fees were also cited by 24.8 percent of respondents. These barriers align with previous literature highlighting investor perceptions of greenwashing, complexity, and product availability challenges (Amel-Zadeh and Serafeim 2018; PRI 2022). Addressing these perceived obstacles is therefore essential to further promote sustainable investing adoption.

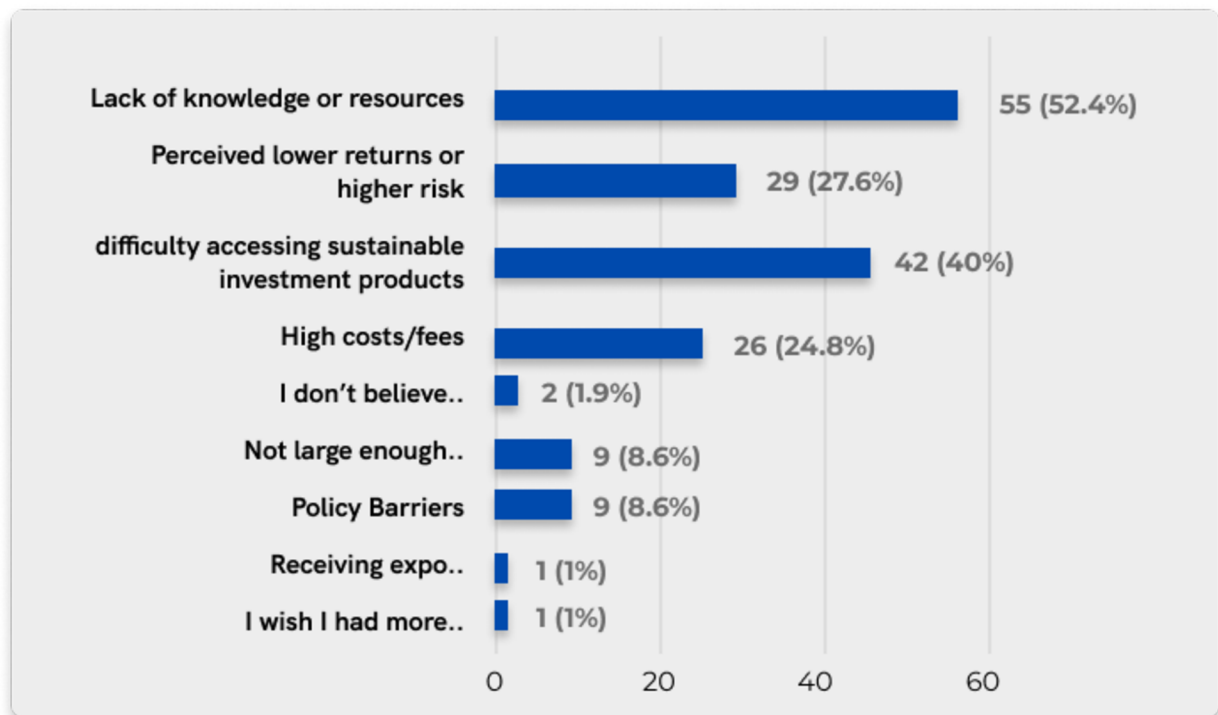


Fig. 7 Barriers to sustainable investing

3.4 Motivations for Sustainable Investments

Respondents cited multiple motivations for considering sustainable investments (see fig. 8). Alignment with personal values emerged as the leading driver (48.6 percent), followed closely by financial return potential (45.7 percent) and the desire to create a positive environmental or social impact (38.1 percent). These results echo the findings of Barest (2021), who noted that value alignment and a sense of social responsibility are critical motivators, especially among younger investors, although financial performance expectations remain highly relevant.

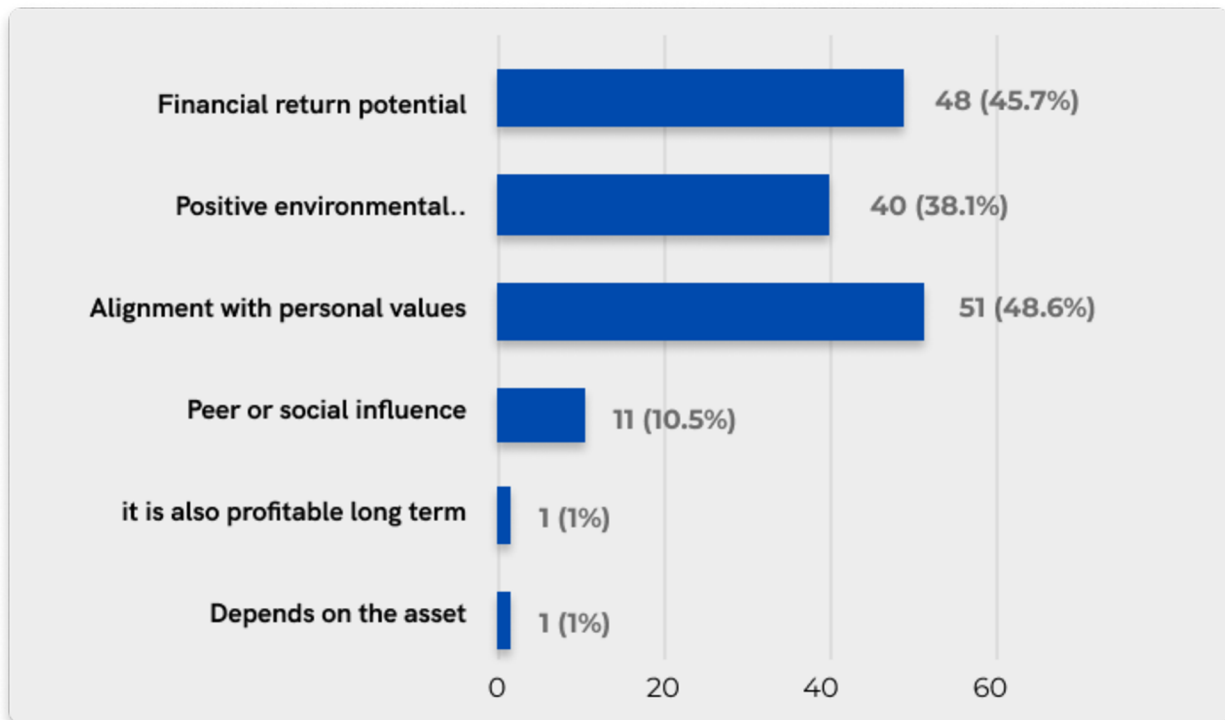


Fig. 8 Motivations for sustainable investing

3.5 Future Outlook and Intentions

When asked about the future outlook for sustainable investing, 53.3 percent of respondents expect a moderate increase while 45.7 percent anticipate significant growth over the next decade (see fig. 9). This reflects a broadly optimistic view of sustainable investment expansion, in line with GSIA (2021) projections of continued growth of ESG-oriented assets globally.

In terms of personal investment intentions, 54.3 percent of respondents reported being somewhat likely to increase their allocation to impact investing funds while 25.7 percent expressed interest in ESG funds, and 23.8 percent in stocks of sustainable companies (see fig. 10). These responses suggest a continuing trend toward diversified sustainable investment products, with impact investing standing out as a particularly strong area of interest.

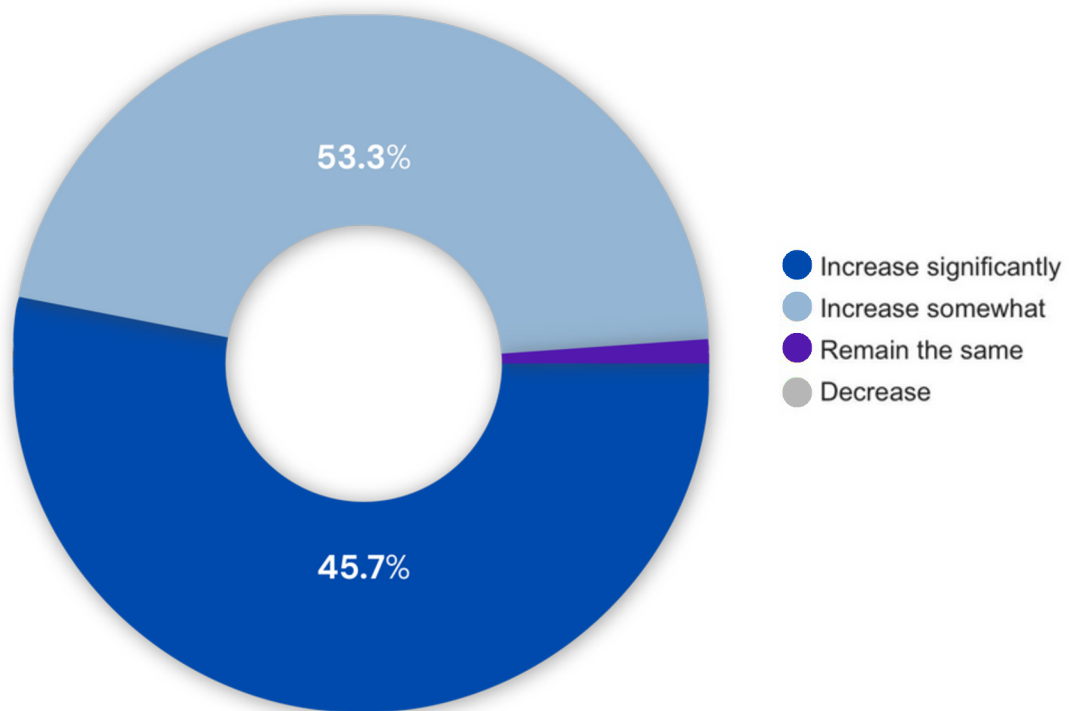


Fig. 9 Future outlook of sustainable investing

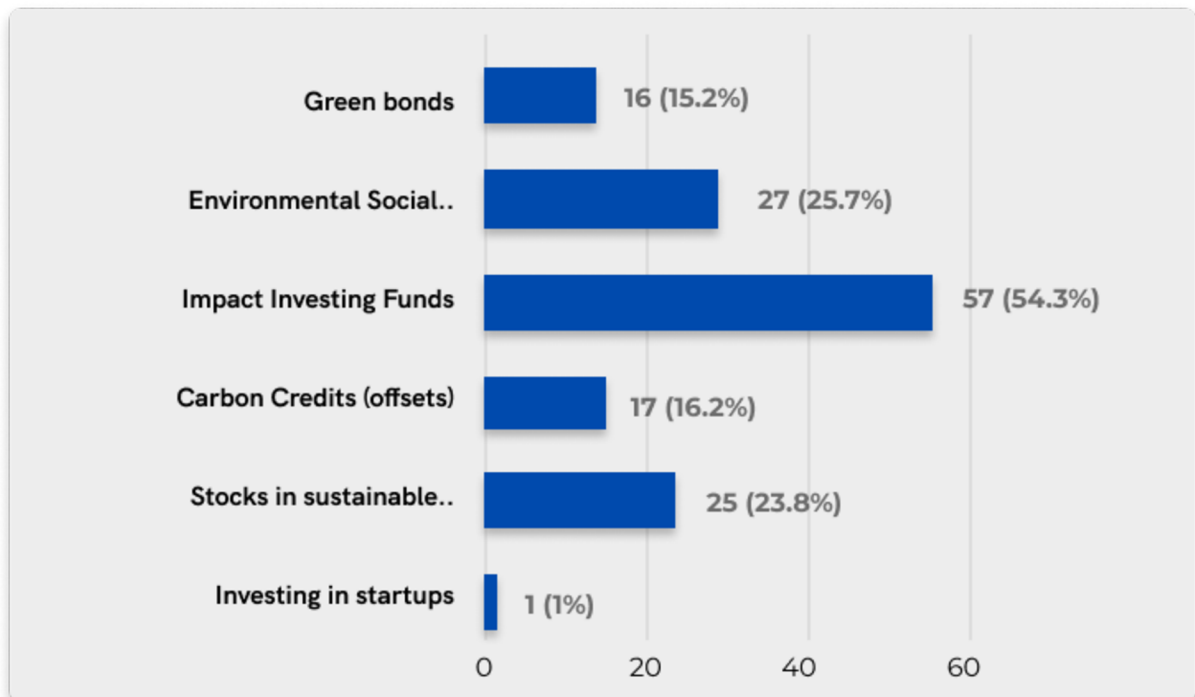


Fig. 10 Personal investment intentions



3.6 Subgroup Analyses

3.6.1 Age-Based Analysis

A subgroup breakdown of respondents revealed notable generational patterns:

- **Age twenty-five to forty cohort (45.7 percent of respondents)**

This group demonstrated the highest familiarity with sustainable investing, with 78 percent reporting they were “somewhat familiar” or “very familiar.” Their primary sources of investment knowledge leaned toward social media (35 percent) and family/friends (32 percent) while financial advisers were less frequently consulted compared to older age groups. In terms of motivations, 60 percent of this group cited alignment with personal values as a key driver, reflecting a values-based investment orientation. They also showed the greatest willingness to increase allocations to impact investing funds (62 percent) and stocks in sustainable companies (41 percent).

- **Age forty-one to fifty-five cohort (27.6 percent of respondents)**

This group displayed moderate familiarity, with 65 percent reporting “somewhat familiar” and 18 percent “very familiar.” Financial advisers were the most cited source of investment knowledge (40 percent). Their main barriers were difficulty accessing sustainable investment products (45 percent) and perceived lower returns (35 percent). Motivations in this cohort were balanced between positive environmental/social impact (43 percent) and financial return potential (47 percent), suggesting a hybrid motive combining values and traditional performance.

- **Age fifty-six to seventy cohort (16.2 percent of respondents)**

Familiarity levels declined in this group, with only 55 percent describing themselves as “somewhat familiar” and 12 percent “very familiar.” They strongly relied on financial advisers (52 percent) and traditional news outlets for investment knowledge. Barriers were more pronounced, with 60 percent citing lack of knowledge/resources and 42 percent worried about higher risk. Their motivations were dominated by financial return potential (54 percent) while positive environmental/social impacts were less influential (28 percent).

- **Age seventy-one plus cohort (small proportion)**

Data for this group was limited, but they showed the lowest familiarity overall, with 40 percent reporting “not familiar” with sustainable investing. This subgroup also had higher skepticism about the long-term viability of ESG investments, with more respondents expecting sustainable investing to “remain the same” or “decline” compared to younger respondents.



These patterns confirm findings in the literature (Lee and Yoon 2022; Morgan Stanley 2019), suggesting younger generations are more comfortable with sustainable investment concepts and show stronger value-based motivations, while older investors prioritize stability and financial returns.

3.6.2 Employment Status Analysis

Employment status also revealed interesting differences:

- **Employed/self-employed respondents:** Representing the majority of the sample, this group showed high interest in sustainable investment products, with 58 percent reporting plans to increase allocation in the next five years. They cited financial advisers and professional networks as key knowledge sources and expressed moderate concerns about greenwashing and fees.
- **Students:** While a smaller proportion of the sample, students reported higher reliance on social media (48 percent) and personal research (35 percent) for investment knowledge. Their motivations were heavily value-driven, with 72 percent prioritizing positive social/environmental impact. However, barriers such as lack of resources (65 percent) and limited product access (58 percent) were also the highest in this group.
- **Retired respondents:** This subgroup showed the least familiarity with sustainable investments, with 38 percent reporting “not familiar,” and a lower willingness to adjust their portfolios. Their primary motivation remained financial security and preservation of wealth, and 50 percent expressed skepticism about sustainable investing delivering adequate returns.

3.6.3 Subgroup Trends

Overall, the subgroup analyses underscore the following:

- Younger investors are leading the transition to sustainable investing, driven by values and social impact, but face barriers around financial resources and product access.
- Middle-aged investors combine a focus on returns with a moderate appetite for sustainability, depending on product quality and transparency.
- Older investors remain cautious, requiring more education and trust-building to overcome their risk perceptions.

Employment status further differentiates barriers and motivations, highlighting the importance of tailored strategies for engagement. Students and younger professionals represent promising segments for impact investing growth, provided they are supported with educational initiatives and accessible, transparent products.



Conclusion

This study provides valuable insights into generational differences in attitudes, behaviors, and perceived barriers toward sustainable investing. The survey results, supported by relevant secondary data, demonstrate that familiarity with sustainable investing concepts is highest among younger cohorts (ages twenty-five to forty), who show stronger motivations driven by personal values and social or environmental impact (Lee and Yoon 2022; Barest 2021). In contrast, older respondents place greater emphasis on financial returns and risk considerations, exhibiting lower familiarity and greater skepticism toward sustainable investment products (Amel-Zadeh and Serafeim 2018).

Key barriers identified across generations include a lack of knowledge or resources, limited accessibility to sustainable investment opportunities, and concerns around greenwashing, risk, or higher costs (CFA Institute 2020; PRI 2022). Despite these challenges, most respondents expressed optimism about the growth of sustainable investing over the next decade (GSIA 2021), with strong interest in increasing allocations to impact investing funds and ESG-oriented products (Morgan Stanley 2019).

The findings highlight opportunities for financial institutions, educators, and policymakers to develop targeted interventions that close knowledge gaps, build trust, and expand access to transparent, affordable, sustainable investment options (CFA Institute 2020). Tailoring educational efforts, improving product accessibility, and enacting supportive policy incentives could help accelerate the adoption of sustainable finance across all generations (PRI 2022).

Future research could deepen this analysis by exploring additional sociodemographic variables (such as gender, education level, or income) and by employing longitudinal methods to track changes in investor attitudes over time. Overall, this research contributes to a clearer understanding of generational investment preferences and supports the development of a more sustainable and inclusive financial ecosystem (GSIA 2021; Morgan Stanley 2019).



Recommendations

Based on the findings of this study, several recommendations can be proposed to enhance the adoption of sustainable investing across generational cohorts:

- **Enhance Financial Education and Literacy:** Targeted educational campaigns should be developed to raise awareness and build confidence in sustainable investment products, particularly among older investors with lower levels of familiarity. Workshops, webinars, and accessible advisory resources can help address knowledge gaps and demystify ESG principles (CFA Institute 2020).
- **Improve Accessibility and Transparency of Sustainable Products:** Financial institutions should expand the range of sustainable investment options while prioritizing transparency and minimizing greenwashing risks. Clear disclosures, third-party certifications, and robust reporting standards can improve investor trust and engagement (Amel-Zadeh and Serafeim 2018; PRI 2022).
- **Tailor Sustainable Products to Generational Preferences:** Investment products should be designed to align with the distinct motivations of different age groups. For example, younger investors may value innovation and social impact while older investors may prioritize risk-adjusted returns and portfolio stability. Customizing offerings accordingly could enhance adoption across generations (Lee and Yoon 2022).
- **Encourage Policy Support and Incentives:** Policymakers can accelerate the growth of sustainable investing by introducing tax incentives, regulatory frameworks, and mandatory impact reporting. Such measures can help standardize ESG practices and reduce entry barriers for retail investors (PRI 2022).
- **Foster Collaboration Across Stakeholders:** Collaboration among regulators, financial advisers, educational institutions, and digital platforms is essential to building a cohesive and trustworthy ecosystem for sustainable investing. Cross-sector partnerships can ensure consistent messaging and deliver tailored resources to diverse investor groups (GSIA 2021).



- **Focus on Continuous Research and Monitoring:** Longitudinal studies should be pursued to track shifts in investor attitudes, behaviors, and barriers over time. A strong evidence base will enable continuous refinement of strategies and support inclusive, long-term growth in sustainable investing (Morgan Stanley 2019).



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Appendix: Survey Instrument

Generational Perspectives on Sustainable Investments

Thank you for participating in this survey!

Sustainable investing is an investment approach that considers environmental, social, and governance (ESG) factors in portfolio selection. We are interested in understanding how different age groups perceive and engage with sustainable investments. Your responses will be anonymous and used solely for research purposes.

Instructions: Please answer the following questions. Items marked with an asterisk (*) are required.

Section 1: Demographics

1. What is your age group?

- 25–40
- 41–55
- 56–70
- 71 and older

2. What is your current employment status?

- Student
- Employed
- Self-employed
- Retired
- Other (please specify): _____

Section 2: Investment Knowledge and Familiarity

3. What is your primary source of investment knowledge?

- Family/friends
- Financial adviser
- Social media
- News
- Other (please specify): _____



4. How familiar are you with the concept of sustainable investing (1–5)?

- Very familiar
- Somewhat familiar
- Not familiar

5. What sources of information have influenced your understanding of sustainable investments? (Select all that apply.)

- Financial news
- Social media
- Educational institutions
- Personal research
- Friends/family
- Other (please specify): _____

Section 3: Investment Motivations and Priorities

6. How important is sustainability to you when making investment decisions (1–5)?

- Very important
- Somewhat important
- Not important

7. What is your primary motivation for considering sustainable investments?

- Financial return potential
- Positive environmental/social impact
- Alignment with personal values
- Peer or social influence
- Other (please specify): _____

8. Which sustainable investment areas interest you most? (Select up to 3.)

- Renewable energy
- Clean technology / Carbon capture / Waste management / Recycling
- Ethical labor practices
- Sustainable agriculture
- Corporate governance
- Responsible AI / Consumer tech/wearables
- Health/Well-being/Longevity
- Sustainable infrastructure / Green real estate
- Biodiversity preservation
- Other (please specify): _____



Section 4: Investment Behavior

9. What percentage of your portfolio (or planned investments) is dedicated to sustainable investments?

- 0%
- 1–10%
- 11–25%
- 26–50%
- Over 50%

10. Which types of sustainable investment products are you most interested in? (Select all that apply.)

- Green bonds
- Environmental, Social, and Governance (ESG) funds
- Impact investing funds
- Carbon credits (offsets)
- Stocks in sustainable companies
- Other (please specify): _____

11. How likely are you to increase your sustainable investment allocation in the next 5 years (1–5)?

- Very likely
- Somewhat likely
- Not likely

12. What are the biggest barriers you face in sustainable investing? (Select all that apply.)

- Lack of knowledge/resources
- Perceived lower returns / high risks or volatility
- Difficulty accessing sustainable investment options
- High costs/fees
- I don't believe in sustainability / not a priority
- Not a large enough investment class / too early
- Policy barriers
- Other (please specify): _____

13. What would encourage you to invest more sustainably?

- More reliable information on returns
- Lower fees or costs
- More accessible investment products
- Positive impact evidence / mitigate greenwashing
- Social support for sustainable investing
- Greater policy push
- Tax incentives
- Other (please specify): _____



14. How do you think the role of sustainable investing will change in the next 10 years?

- Increase significantly
- Increase somewhat
- Remain the same
- Decrease

Thank you for completing this survey! Your insights are valuable in helping us understand generational attitudes toward sustainable investments.



Author

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We work closely with governments and multi-stakeholder organizations to change the game: how we create and measure value. With a clear focus on high-impact projects, we serve as partners of key global players in co-building the future through scientific research, strategic advisory, and venture build out.

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