

Financial Decision-Making in the Era of Sustainability: Barriers and Pathways to Responsible Investment

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ABSTRACT

The heightened emphasis on sustainability has significantly altered the manner of financial choices, by both individual, institutional and market. The idea of responsible investment making the environmental, social and governance (ESG) aspects a part of financial decision-making is becoming more and more addressed as one of the ways to establishing the long-term value and socio-economic stability. However, there are a few obstacles that prevent the transition to sustainable finance, which include financial and sustainability illiteracy, information asymmetry, the perception that there is a trade-off between returns and responsibility, regulatory arbitrage, and investor behavioral bias. In this paper, the author evaluates the key problems that hamper adoption of responsible investment and put in place the key pathways needed to be operational before sustainable financial decision-making can be achieved. The paper presents arguments on how the policy structures, technological advancement, ESGs reporting frameworks, and investor education can contribute to better sustainable returns on investment based on the literature available and the current financial practices. The findings highlight the importance of establishing the financial targets by making ethical, environmental, and social considerations towards ensuring the growth of sound financial systems and inclusive economies..

Keywords: Financial Decision-Making; Sustainable Finance; Responsible Investment; ESG (Environmental, Social, and Governance); Behavioral Finance; Investor Awareness; Long-Term Value Creation

1. INTRODUCTION

Although the concept of sustainable finance is gaining increasing popularity, responsible investment still is not a widespread practice across all markets and categories of investors. There are major impediments affecting many individuals and institutions in their attempt to integrate sustainability in their financial decisions. These issues are a lack of awareness about the concepts of ESG, the absence of a standardization of sustainability metrics, the problem of greenwashing, regulatory fragmentation, and behavioral biases which can be risk aversion and preference of the status quo. Also, the myths about the performance of sustainable investments remain the reason behind the lack of confidence among investors, especially those in the emerging economies where the level of financial literacy is unevenly distributed.

Simultaneously, there are a number of channels that are opening up which can hasten the shift towards responsible investment. Policy interventions, better ESG disclosure systems, financial technology developments, and investor education are increasingly becoming important in closing the sustainability gap between ambitions and definite financial actions. Banking institutions are now embedding

ESG requirements in portfolio management and regulators coupled with international organizations are facilitating transparency and responsibilities by referring to sustainability reporting standards. These trends point to the fact that sustainable finance should play a role in long term economic resilience and inclusive growth.

It is on this background that the current study would like to discuss the financial decision making during the sustainability era through the identification of what act as the major obstacles to responsible investment and how the successful adoption of the same can be realized. The paper aims to make a contribution to the increasingly developing literature on sustainable finance as well as offer practical implications to investors, policymakers and financial practitioners on the importance of pursuing responsible and sustainable investment practices.

2. OBJECTIVE

To examine the level of awareness about sustainable and responsible investing among investors.

To identify key factors influencing financial decision-making in the era of sustainability.

To analyze major barriers faced by investors in adopting sustainable investment practices.

To explore pathways and strategies that can promote responsible and sustainable investment decisions.

3. LITERATURE REVIEW

Literature available on sustainable and responsible investing indicates a further move towards making financial decisions based not only on the desire to generate profits but also on the Environmental, Social, and Governance (ESG) factors. According to Aggarwal et al. (2025), ESG investing has evolved as a strategic business model that balances the overall financial performance with the ethical and sustainability approach of the business in the long run. Their systematic review finds the development of investor awareness, but equally significant obstacles to adoption at the same time, it is identifiable as the inconsistencies in ESG measurement and disclosure practices.

Wang (2025) addresses the process and effect of the ESG investing and adds that despite the sustainable investments becoming prevalent in most countries around the world, investors remain skeptical to this instrument of investment because of the perceived risks and uncertainties surrounding the returns. Some studies, such as Friede et al. (2015) have empirical evidence that ESG integration does not always have an adverse impact on financial performance and in most instances it might increase risk-adjusted returns. Nevertheless, the grounds of behavioral biases and lack of financial literacy still play a role in investor hesitation, especially when it comes to new and young investors.

Other obstacles that include information asymmetry, greenwashing, standardization, and poor regulatory frameworks are also the subject of recent studies. Roy and Vasa (2025) also emphasize that overcoming these issues can be achieved through the use of financial technology and better ESG disclosures and increase their transparency and accessibility. Moreover, Dikshit and Nerlekar (2025) state that intent to invest in ESG products is also highly dependent on investor awareness and education, which supports the need to organize training and policy facilitation.

In general, the available literature shows that the level of awareness about sustainable investing is growing, but real implementation is limited by the informational, behavioral, and institutional barriers. The paper is based on previous studies since it empirically investigates the concept of investor awareness and perceptions, and obstacles to responsible investment in the framework of the sustainability-related financial decision-making.

4. METHODOLOGY

The importance of the study is that the study contributes to the knowledge of financial decision-making in efficiency in the age of sustainability, especially as an individual investor. With the growing popularity of sustainable finance, it is necessary to evaluate the extent to which investors have gone.

understand the concepts of ESG and the level to which sustainability affects their behavior when it comes to making investments. The given study offers useful information about the lack between awareness and the true adoption of responsible investment practices.

The study is also closely applicable by the policymakers and regulators since the researchers identify the perceptions of investors toward the absence of standardized ESG data, greenwashing, and the absence of government incentives. The study has practical implications on the financial institutions and advisors, as it reveals the main aspects that affect investment choices, including risk perception, expectations of returns, ethical issues, and peer pressure. The knowledge of these factors may assist in creating superior ESG products, enhance communication strategies and create specific investor education programs. The literature on sustainable finance is developing, and the study makes empirical contributions by examining a limited research area in the segment of young and emerging investors. It can also be used to inform future studies on the topic of ESG awareness, behavior finance and responsible investment decision making in developing economies.

5. RESEARCH DESIGN

The study adopts a descriptive and analytical research design to examine investor awareness, attitudes, and decision-making behavior related to sustainable and responsible investing. The descriptive approach helps in understanding demographic characteristics and awareness levels, while the analytical approach enables identification of relationships between ESG awareness, perceptions, and investment behavior.

a) Data Collection

The research design is a primary data research, which was conducted through the use of a structured questionnaire. The questionnaire was formulated to include the demographic profile, the experience of the respondents in investing, their awareness of ESG investing, their perception of the risk and return, ethical considerations, and perceived barriers to sustainable investing. The Likert scale was used to capture responses so that the quantitative analysis can be carried out. The journals, research articles and also published literature were also consulted to provide secondary data that could help in supporting the theoretical framework.

b) Sample and Sampling Method

The sample will include 156 respondents, mainly consisting of the students, working professionals, and investors. The sampling technique that was used was convenience sampling because of the constraints of time and accessibility. The demographic data reveals that most of the respondents fall within the age bracket of below 25 years, students, graduates or postgraduates and lacked experience in investments. Even though this will give us a good idea about young and upcoming investors, it also shows that less representation of the most experienced investors was performed.

Data Analysis

The collected data were analyzed using quantitative techniques. Descriptive statistics such as frequency and percentage analysis were used to interpret demographic variables and response patterns. Inferential statistical tools, including correlation analysis and hypothesis testing, were employed to examine relationships between ESG awareness and investment understanding. Statistical analysis was carried out using SPSS and MS Excel, ensuring systematic and reliable interpretation of results.

Investment Experience

		Freq uenc y	Perc ent	Valid Percen t	Cumula tive Percent
Va lid	Less than 2 Years	131	84.0	84.0	84.0
	2-5	16	10.3	10.3	94.2
	6-10	8	5.1	5.1	99.4
	More than 10	1	.6	.6	100.0
	Total	156	100. 0	100.0	

Interpretation:

The table above represents the number of respondents according to their experience in investments. It is clear that the most dominant category is a large majority of 84.0, who had a less than 2 years' experience. This implies that the majority of the respondents are relatively new to the investment and they might be at an early learning phase or experimentation.

The less significant segment 10.3% are with 2-5 years' investment experience, which implies there is a small group of people having moderate familiarity and exposure to investment activities. The sample is also characterized by a small number of experienced investors, with an even smaller number, 5.1% in the 6-10 years' experience category. The number of respondents with experience of over 10 years is only 0.6 percent which shows that there is little representation of the most experienced investors.

All in all, the data shows that the respondent population is mostly made up of inexperienced investors and only a small number of the respondents have long-term experience in investments. As a result, the results of the study are bound to be affected more by the attitude of new or less-experienced investors instead of the highly experienced market participants.

I am aware of the concept of sustainable or ESG (Environmental, Social, Governance) investing

		Freq uenc y	Perc ent	Valid Percen t	Cumula tive Percent
Va lid	Strongly Agree	36	23.1	23.1	23.1
	Agree	61	39.1	39.1	62.2

Neither Agree Nor Disagree	50	32.1	32.1	94.2
Disagree	8	5.1	5.1	99.4
Strongly Disagree	1	.6	.6	100.0
Total	156	100. 0	100.0	

Interpretation:

The table above shows the level of awareness of the concept of sustainable or ESG (Environmental, Social, and Governance) investing among the people whom the researcher interviewed. It is evident that most of the respondents show their awareness of ESG investing. In particular, 23.1 and 39.1 percent of the respondents strongly agree and agree respectively that they are aware of the concept, which constitute 62.2 percent of the total sample. It shows that people are relatively aware, which may be explained by greater mentioning of sustainability and responsible investing in both academic, professional, and media platforms.

A significant percentage, 32.1, does not agree or disagree, which implies the neutral position. Such group might possess a shallow or shallow knowledge on ESG investing and might need more information or exposure to make a definite opinion.

Conversely, the proportion of people who say that they are not aware is also low at 5.1% and those who strongly disagree are 0.6% and make up 5.7%. This means that there are only a few respondents who have zero knowledge about ESG investing.

Generally, the information indicates that the understanding of sustainable/ESG investing is quite high among the respondents, and there is a significant group of people who do not distinguish between the concepts, which indicates the possible need to develop the awareness and education programs to ensure the comprehensive knowledge of ESG investing.

I understand how ESG factors can influence investment performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	28	17.9	17.9	17.9
	Agree	67	42.9	42.9	60.9
	Neither Agree Nor Disagree	47	30.1	30.1	91.0
	Disagree	13	8.3	8.3	99.4
	Strongly Disagree	1	.6	.6	100.0
	Total	156	100.0	100.0	

Interpretation:

Sustainable investments can deliver competitive financial returns

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	19.9	19.9	19.9
	Agree	67	42.9	42.9	62.8
	Neither Agree Nor Disagree	49	31.4	31.4	94.2
	Disagree	8	5.1	5.1	99.4
	Strongly Disagree	1	.6	.6	100.0
	Total	156	100.0	100.0	

Interpretation:

The above table reflects the views of the respondents on whether sustainable investments may play a competitive role in providing financial returns. It is noted that most of the respondents are positively perceived. To be more precise, 19.9% of the respondents strongly agree, 42.9% agree, which makes 62.8% of the sample. It means that the majority of the respondents are sure that sustainable investments can give similar results as traditional investment opportunities, which means the increased trust in ESG-oriented investment strategies.

A significant percentage, 31.4, do not agree and do not disagree, which is some level of uncertainty or the insufficient knowledge about the financial performance of sustainable investments.

The percentage of those who disagree is quite small and only a group of 5.1 agreeing and 0.6 strongly disagree constitutes 5.7 percent of the respondents. This implies low doubt regarding the profitability of sustainable investments.

On the whole, the data reveals that the majority of the respondents view sustainable investments as financially viable, but a significant neutral sample also notes that they should be more educated and informed about the potential returns.

I regularly follow information or news related to ESG and green finance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	11.5	11.5	11.5
	Agree	49	31.4	31.4	42.9
	Neither Agree Nor Disagree	64	41.0	41.0	84.0
	Disagree	17	10.9	10.9	94.9
	Strongly Disagree	8	5.1	5.1	100.0
	Total	156	100.0	100.0	

Interpretation:

The table above shows respondents' level of agreement with the statement. It is evident that a significant portion of respondents hold a neutral stance, with 41.0% selecting neither agree nor disagree. This suggests that many participants are uncertain or lack a strong opinion regarding the statement.

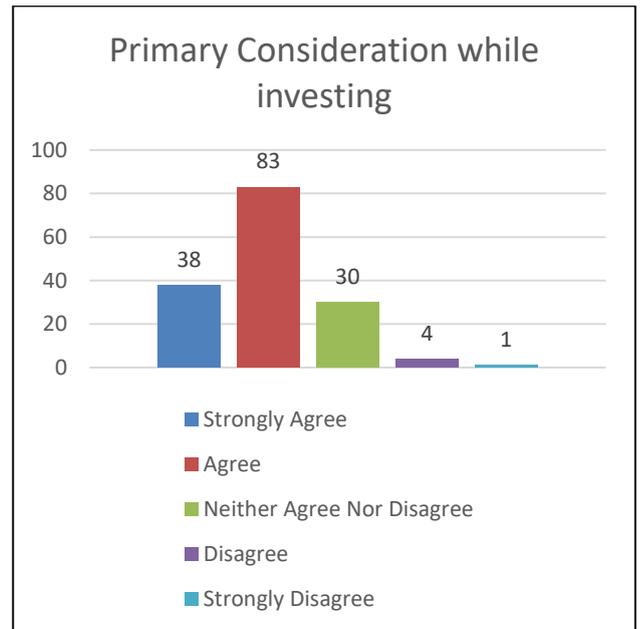
Among those expressing a clear viewpoint, 11.5% strongly agree and 31.4% agree, together forming 42.9% of respondents. This indicates that a moderate portion of the sample supports the statement.

On the other hand, 10.9% disagree and 5.1% strongly disagree, totaling 16.0%, reflecting a relatively smaller segment of respondents who oppose the statement.

Overall, the data indicates that neutral or undecided opinions dominate, while agreement is present but less pronounced, and disagreement remains minimal. This pattern suggests that respondents may require more information, clarification, or experience related to the topic to form stronger opinions.

My investment decisions are influenced by the ethical or environmental impact of the company.

		Freq uenc y	Perc ent	Valid Perc ent	Cumul ative Percent
V al id	Strongly Agree	28	17.9	17.9	17.9
	Agree	71	45.5	45.5	63.5
	Neither Agree Nor Disagree	43	27.6	27.6	91.0
	Disagree	10	6.4	6.4	97.4
	Strongly Disagree	4	2.6	2.6	100.0
	Total	156	100.0	100.0	



Interpretation:

The above table shows the perception of the respondents on whether investing in an organization depends on the ethical or environmental performance of a company. Most of the respondents demonstrate a positive tendency with 17.9% strongly agreeing and 45.5% agreeing which constitutes 63.5% of the sample. This shows that most respondents are making investment decisions that are ethical and environmental in nature and therefore their awareness on responsible and sustainable investment is increasing.

An interesting number of 27.6 percent do not agree or disagree, implying that such respondents might have ethical or environmental considerations, but they do not believe that it has a strong impact on their investment patterns.

Fewer portions, 6.4% disagree and 2.6% strongly disagree, which represents 9.0, show that there is a slight resistance to the point that ethical or environmental effects influence decision making in investment.

Financial return is my primary consideration while investing.

Interpretation:

The above table shows how respondents feel about the issue of whether financial return is their main consideration during the process of investing. It is also evident that most of the respondents are more concerned with financial returns. In particular, 24.4% strongly agree and 53.2% agree, and this sums up to 77.6% of the sample. This implies that profitability is the driving force to investment decision of majority of the respondents, which show its orientation to financial profits.

A lesser portion, 19.2% is neutral, neither agree nor disagree, implying an indifferent attitude, financial return can be considered significant but it is not the only factor.

A small percentage of the respondents, 2.6% disagree and 0.6% strongly disagree, amounting to 3.2% do not see financial returns as the major factor.

All in all, the data indicate that financial gain is the primary factor in investment decision-making to most of the population but a small level and counter-neutral group might also incorporate other variables, including ethical or sustainable considerations, in the investment decisions.

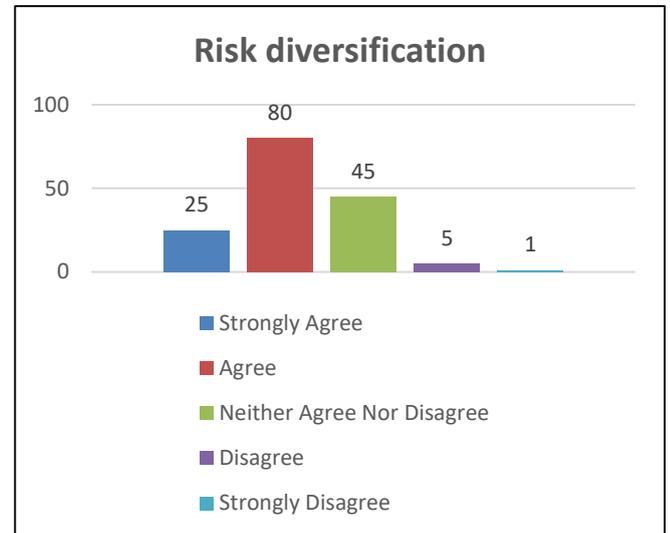
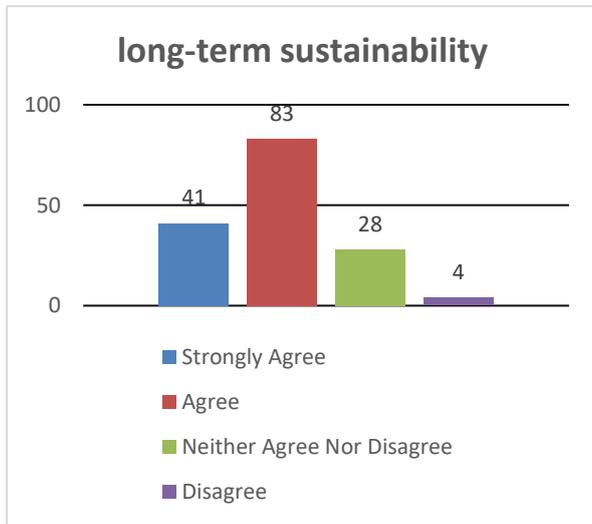
		Frequ ency	Perc ent	Valid Percent	Cumulati ve Percent
V al id	Strongly Agree	38	24.4	24.4	24.4
	Agree	83	53.2	53.2	77.6
	Neither Agree Nor Disagree	30	19.2	19.2	96.8
	Disagree	4	2.6	2.6	99.4
	Strongly Disagree	1	.6	.6	100.0
	Total	156	100.0	100.0	

I consider long-term sustainability of the company before investing.

		Freq uenc y	Perc ent	Valid Percent	Cumulat ive Percent
V al id	Strongly Agree	41	26.3	26.3	26.3
	Agree	83	53.2	53.2	79.5
	Neither Agree Nor Disagree	28	17.9	17.9	97.4

	Disagree	4	2.6	2.6	100.0
	Total	156	100.0	100.0	

	Strongly Disagree	1	.6	.6	100.0
	Total	156	100.0	100.0	



Interpretation:

The above table indicates the opinions of the respondents on whether they consider long term sustainability of a firm before making investment. This factor is highly rated by most of the respondents with 26.3% strongly agreeing and 53.2% agreeing, with a total of 79.5% representing the sample. This means that majority of the respondents consider the sustainability and future viability of a company to be an important factor in their investment decision making as the respondents are concerned with the significance of stable and long-term business practices.

The smaller percentage, 17.9, do not agree or disagree implying that long-term sustainability can be taken into consideration, but is not a decisive factor to them.

The percentage of those who do not agree is only 2.6 which shows that there is little resistance to the idea of applying long-term sustainability to investment options.

Generally, the statistics point towards the idea that long-term sustainability is a significant factor in the respondents, which indicates the increasing importance of the sustainable business practice in the investment decision-making.

Risk diversification influences my investment choices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	25	16.0	16.0	16.0
	Agree	80	51.3	51.3	67.3
	Neither Agree Nor Disagree	45	28.8	28.8	96.2
	Disagree	5	3.2	3.2	99.4
	Total	155	100.0	100.0	

Interpretation:

The table above indicates the views of the respondents as to whether diversifying risks affects their investment decision. Most of the respondents do recognize the significance of diversification with 16.0% strongly agreeing and 51.3 percent agreeing with it, constituting a total of 67.3 percent of the respondents. This implies that majority of investors view diversification of their investments in various assets or industries as a major strategy of minimizing the risks and securing their capital.

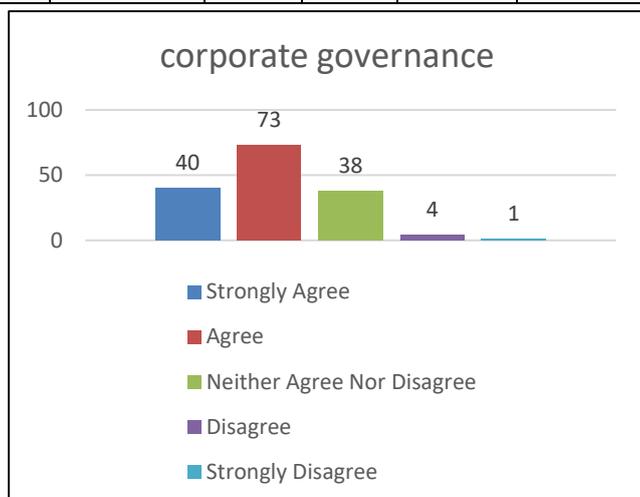
A significant percentage, 28.8, do not agree or disagree, which indicated that they might be aware of diversification but they are not a key consideration when making investment choices.

Divergent in risk diversification is not perceived by a small portion of respondents and, thus, 3.2% disagree and 0.6% strongly disagree (4.8) does not make significant impact on the decision of respondents.

I prefer investing in companies with strong corporate governance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	40	25.6	25.6	25.6
	Agree	73	46.8	46.8	72.4
	Neither Agree Nor Disagree	38	24.4	24.4	96.8
	Disagree	4	2.6	2.6	99.4
Total		155	100.0	100.0	

	Strongly Disagree	1	.6	.6	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above illustrates respondents’ preference for investing in companies with strong corporate governance. A majority of respondents show a positive inclination, with 25.6% strongly agreeing and 46.8% agreeing, together accounting for 72.4% of the sample. This indicates that most investors consider good corporate governance practices—such as transparency, accountability, and ethical management—as an important factor in their investment decisions.

A notable portion, 24.4%, neither agree nor disagree, suggesting a neutral stance where corporate governance may be recognized but does not strongly influence their choices.

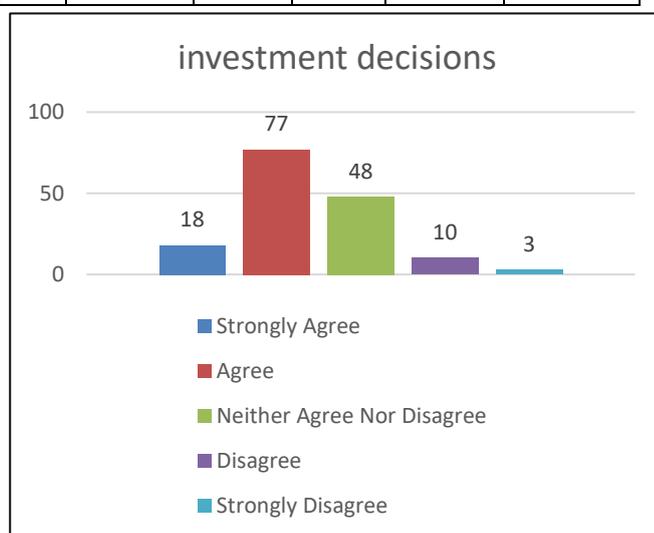
Only a small minority, 2.6% disagree and 0.6% strongly disagree, totalling 3.2%, do not consider corporate governance as an important factor in investment decisions.

Overall, the data indicates that strong corporate governance is a key consideration for the majority of respondents, reflecting the increasing awareness of its role in sustainable and responsible investing.

Recommendations from advisors or peers influence my investment decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	11.5	11.5	11.5
	Agree	77	49.4	49.4	60.9
	Neither Agree Nor Disagree	48	30.8	30.8	91.7

	Disagree	10	6.4	6.4	98.1
	Strongly Disagree	3	1.9	1.9	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents’ level of agreement with the statement. It is observed that a majority of respondents have a positive viewpoint, with 11.5% strongly agreeing and 49.4% agreeing, together forming 60.9% of the sample. This indicates that most respondents support or align with the statement.

A considerable portion, 30.8%, neither agree nor disagree, reflecting a neutral stance. This suggests that a significant number of respondents may be uncertain or require more information before forming a clear opinion.

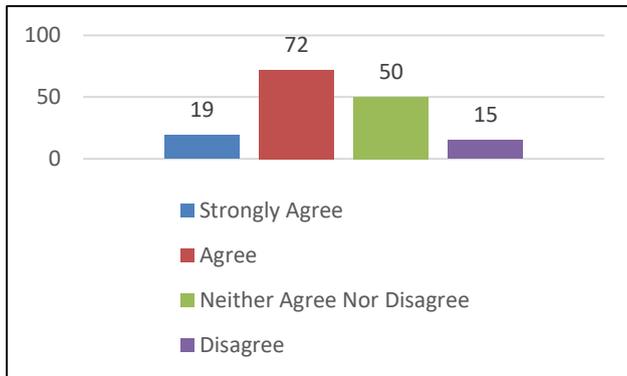
A smaller segment of respondents, 6.4% disagree and 1.9% strongly disagree, together totalling 8.3%, express disagreement, indicating limited opposition to the statement.

Overall, the data suggests that positive agreement dominates, while neutrality is notable and disagreement is minimal, highlighting general support for the statement among respondents.

I am willing to accept slightly lower returns for environmentally responsible investments.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	19	12.2	12.2	12.2
	Agree	72	46.2	46.2	58.3
	Neither Agree Nor Disagree	50	32.1	32.1	90.4
	Disagree				

	Disagree	15	9.6	9.6	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above shows respondents' willingness to accept slightly lower financial returns in favor of environmentally responsible investments. A majority of respondents are inclined toward supporting sustainable investing, with 12.2% strongly agreeing and 46.2% agreeing, together accounting for 58.3% of the sample. This indicates that many investors are ready to prioritize environmental responsibility even if it means accepting marginally lower returns.

A significant portion, 32.1%, neither agree nor disagree, reflecting neutrality. This suggests that while these respondents may be aware of sustainable investing, they are hesitant to compromise on financial returns without further consideration.

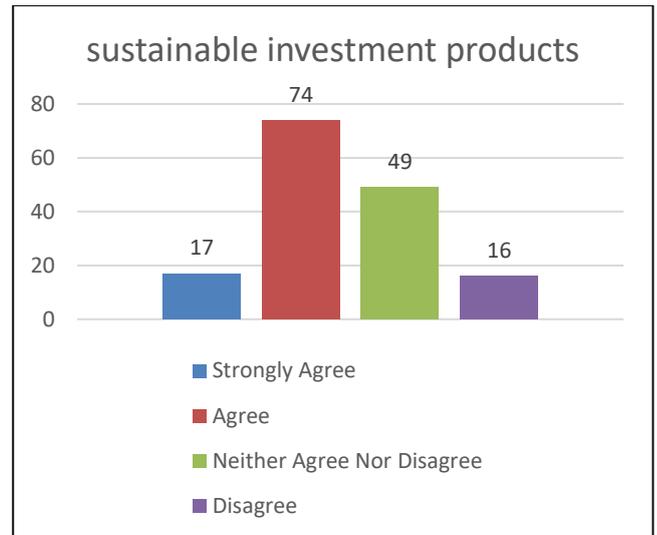
A smaller segment, 9.6%, disagree, indicating reluctance to trade off returns for environmental benefits.

Overall, the data indicates that a majority of respondents are supportive of environmentally responsible investments, demonstrating growing awareness and ethical considerations in investment decisions, although a notable neutral group suggests that some investors still weigh returns more heavily.

There is insufficient information about ESG or sustainable investment products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	10.9	10.9	10.9
	Agree	74	47.4	47.4	58.3
	Neither Agree Nor Disagree	49	31.4	31.4	89.7
	Disagree	16	10.3	10.3	100.0
	Total	156	100.0	100.0	

	Total	156	100.0	100.0	
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Interpretation:

The table above illustrates respondents' views on whether there is sufficient information about ESG or sustainable investment products. A majority of respondents perceive a lack of information, with 10.9% strongly agreeing and 47.4% agreeing, together forming 58.3% of the sample. This indicates that most investors feel that information about sustainable investment options is limited or not easily accessible.

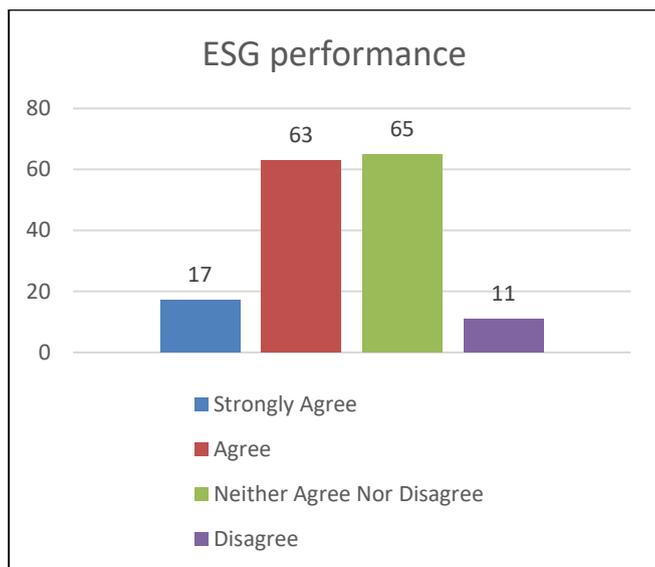
A notable portion, 31.4%, neither agree nor disagree, suggesting that some respondents are uncertain about the availability of information or have mixed experiences in accessing it.

A smaller segment, 10.3%, disagrees, indicating that a minority believe adequate information is available about ESG or sustainable investment products.

Overall, the data suggests that there is a perceived information gap regarding ESG investments among most respondents, highlighting the need for better awareness, education, and transparency in sustainable investment offerings.

ESG performance data lacks standardization and credibility.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	10.9	10.9	10.9
	Agree	63	40.4	40.4	51.3
	Neither Agree Nor Disagree	65	41.7	41.7	92.9
	Disagree	11	7.1	7.1	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents' opinions regarding the standardization and credibility of ESG performance data. A significant portion of respondents perceive issues in this area, with 10.9% strongly agreeing and 40.4% agreeing, together forming 51.3% of the sample. This suggests that many investors feel ESG data may lack consistency and reliability, which could affect their confidence in making sustainable investment decisions.

A considerable proportion, 41.7%, neither agree nor disagree, reflecting uncertainty or limited knowledge about the standardization and credibility of ESG data.

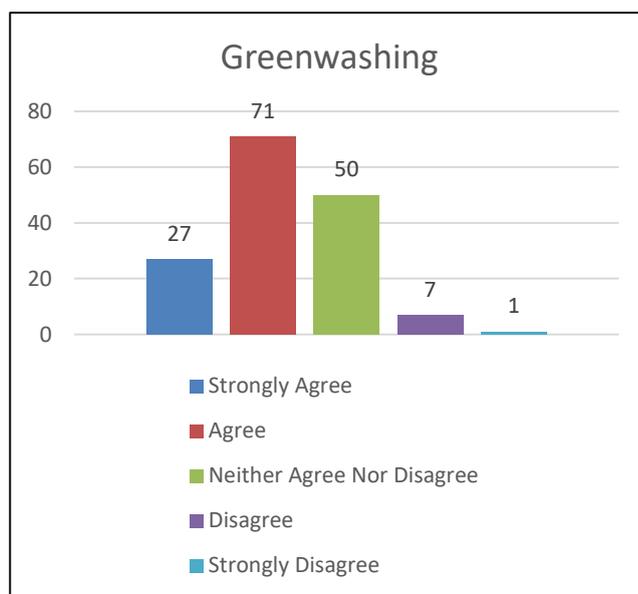
A smaller segment, 7.1%, disagrees, indicating that a few respondents believe ESG performance data is sufficiently standardized and credible.

Overall, the data indicates that more than half of the respondents perceive a lack of standardization and credibility in ESG data, highlighting the need for improved reporting frameworks and transparent disclosure standards to strengthen investor confidence in sustainable investing.

Greenwashing (false sustainability claims) reduces trust in ESG investments.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	27	17.3	17.3	17.3
	Agree	71	45.5	45.5	62.8

Neither Agree Nor Disagree	50	32.1	32.1	94.9
Disagree	7	4.5	4.5	99.4
Strongly Disagree	1	.6	.6	100.0
Total	156	100.0	100.0	



Interpretation:

The table above illustrates respondents' views on whether greenwashing, or false sustainability claims, reduces trust in ESG investments. A majority of respondents acknowledge this concern, with 17.3% strongly agreeing and 45.5% agreeing, together accounting for 62.8% of the sample. This indicates that most investors believe misleading sustainability claims can significantly undermine confidence in ESG investment products.

A notable portion, 32.1%, neither agree nor disagree, suggesting a neutral stance where respondents may be uncertain about the prevalence or impact of greenwashing.

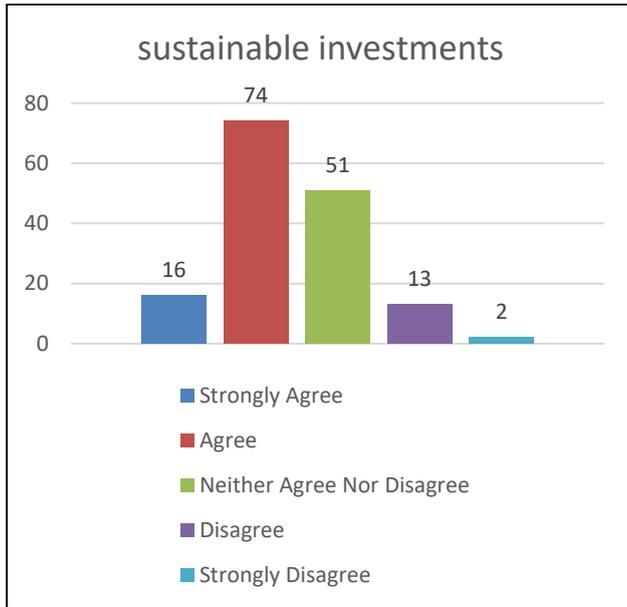
A small segment, 4.5% disagree and 0.6% strongly disagree, totalling 5.1%, indicates minimal opposition to the idea that greenwashing affects trust.

Overall, the data suggests that greenwashing is recognized as a major factor that can erode trust in ESG investments, emphasizing the need for transparent reporting and credible verification of sustainability claims to maintain investor confidence.

I believe sustainable investments involve higher risk

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	10.3	10.3	10.3
	Agree	74	47.4	47.4	57.7

Neither Agree Nor Disagree	51	32.7	32.7	90.4
Disagree	13	8.3	8.3	98.7
Strongly Disagree	2	1.3	1.3	100.0
Total	156	100.0	100.0	



Interpretation:

The table above presents respondents’ opinions on whether sustainable investments involve higher risk. A majority of respondents perceive higher risk, with 10.3% strongly agreeing and 47.4% agreeing, together accounting for 57.7% of the sample. This indicates that most investors associate sustainable investment options with relatively higher risk compared to conventional investments.

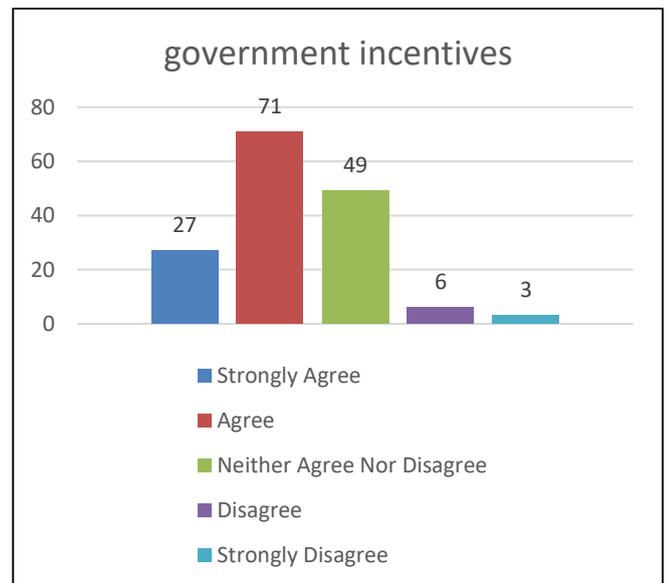
A considerable portion, 32.7%, neither agree nor disagree, reflecting uncertainty or limited experience with sustainable investment products.

A smaller segment, 8.3% disagree and 1.3% strongly disagree, totalling 9.6%, indicates that few respondents believe sustainable investments do not necessarily involve higher risk.

Overall, the data suggests that most respondents perceive sustainable investments as relatively risky, highlighting the need for better risk communication, education, and performance transparency to enhance investor confidence in ESG and sustainable investment options.

Lack of government incentives discourages sustainable investing

Valid	Agree	71	45.5	45.5	62.8
	Neither Agree Nor Disagree	49	31.4	31.4	94.2
	Disagree	6	3.8	3.8	98.1
	Strongly Disagree	3	1.9	1.9	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents’ views on whether the lack of government incentives discourages sustainable investing. A majority of respondents agree with this statement, with 17.3% strongly agreeing and 45.5% agreeing, together accounting for 62.8% of the sample. This indicates that most investors feel that government support, such as tax benefits or policy encouragement, plays a significant role in promoting sustainable investments.

A notable portion, 31.4%, neither agree nor disagree, reflecting uncertainty or neutrality regarding the impact of government incentives on their investment behaviour.

A smaller segment, 3.8% disagree and 1.9% strongly disagree, totalling 5.7%, indicates that only a few respondents believe that government incentives are not a crucial factor.

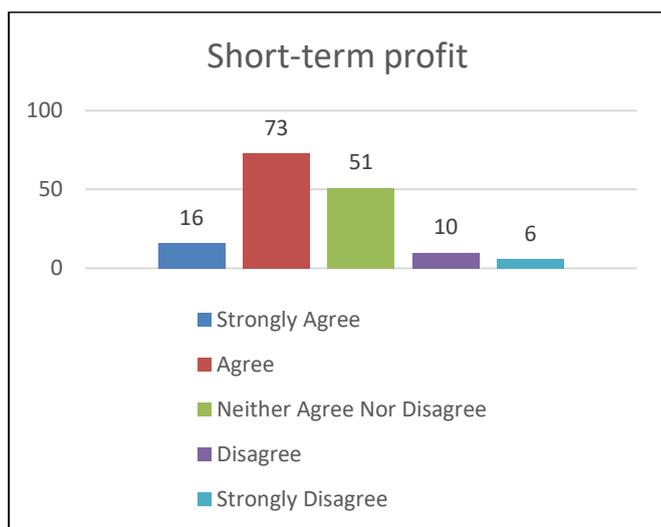
Overall, the data suggests that government incentives are perceived as an important driver for sustainable investing,

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	27	17.3	17.3	17.3

and the absence of such support may act as a barrier for a majority of investors considering ESG or sustainable investment options.

Short-term profit motives override long-term sustainability goals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	10.3	10.3	10.3
	Agree	73	46.8	46.8	57.1
	Neither Agree Nor Disagree	51	32.7	32.7	89.7
	Disagree	10	6.4	6.4	96.2
	Strongly Disagree	6	3.8	3.8	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents' opinions on whether short-term profit motives override long-term sustainability goals. A majority of respondents agree with this statement, with 10.3% strongly agreeing and 46.8% agreeing, together accounting for 57.1% of the sample. This suggests that most investors perceive

that companies often prioritize immediate financial gains over sustainable, long-term business strategies.

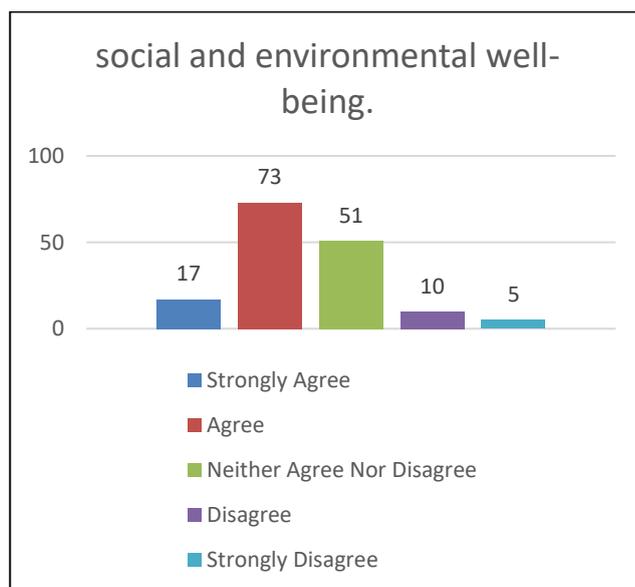
A considerable portion, 32.7%, neither agree nor disagree, reflecting neutrality or uncertainty about the influence of short-term profit motives on sustainability goals.

A smaller segment, 6.4% disagree and 3.8% strongly disagree, totalling 10.2%, indicates that only a minority of respondents believe that long-term sustainability is not compromised by short-term profit considerations.

Overall, the data indicates that short-term profit motives are generally perceived as a barrier to achieving long-term sustainability, highlighting investor awareness of potential conflicts between financial performance and sustainable business practice.

I believe sustainable investing contributes to social and environmental well-being.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree		10.9	10.9	10.9
	Agree		46.8	46.8	57.7
	Neither Agree Nor Disagree		32.7	32.7	90.4
	Disagree		6.4	6.4	96.8
	Strongly Disagree		3.2	3.2	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents' opinions on whether sustainable investing contributes to social and environmental well-being. A majority of respondents express a positive belief, with 10.9% strongly agreeing and 46.8% agreeing, together accounting for 57.7% of the sample. This indicates that most respondents recognize sustainable investing as a meaningful approach to promoting positive social and environmental outcomes.

A considerable portion, 32.7%, neither agree nor disagree, suggesting neutrality or uncertainty. This may reflect limited awareness or insufficient exposure to the measurable impacts of sustainable investments.

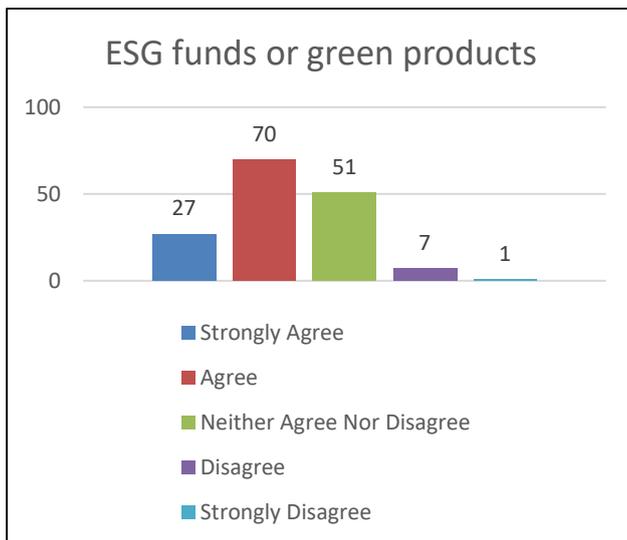
A smaller segment expresses disagreement, with 6.4%

disagreeing and 3.2% strongly disagreeing, totaling 9.6%. This indicates that only a minority of respondents are sceptical about the broader benefits of sustainable investing.

Overall, the data suggests that a majority of respondents believe sustainable investing contributes positively to social and environmental well-being, while the sizeable neutral group highlights the need for greater awareness and communication about its real-world impact

I am interested in including ESG funds or green products in my portfolio.

		Freq uenc y	Perc ent	Valid Percent	Cumulat ive Percent
Va lid	Strongly Agree	27	17.3	17.3	17.3
	Agree	70	44.9	44.9	62.2
	Neither Agree Nor Disagree	51	32.7	32.7	94.9
	Disagree	7	4.5	4.5	99.4
	Strongly Disagree	1	.6	.6	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents' level of agreement with the given statement. A clear majority of respondents express a positive opinion, with 17.3% strongly agreeing and 44.9% agreeing, together accounting for 62.2% of the sample. This indicates that most respondents support or align with the statement.

A substantial proportion, 32.7%, neither agree nor disagree, reflecting a neutral stance. This suggests that *Advances in Consumer Research*

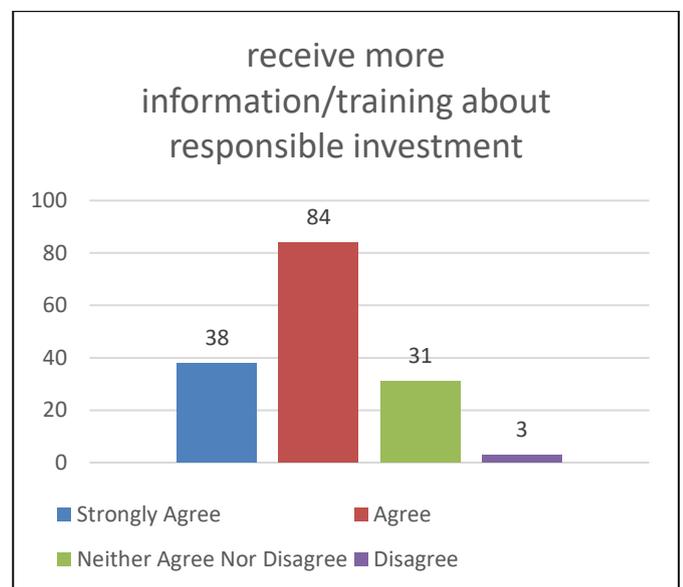
many respondents may be uncertain, lack sufficient information, or hold mixed views regarding the statement.

Only a small minority express disagreement, with 4.5% disagreeing and 0.6% strongly disagreeing, totalling 5.1%. This indicates limited opposition among respondents.

Overall, the data suggests that positive agreement dominates respondents' views, while neutrality remains notable and disagreement is minimal, highlighting general acceptance of the statement.

I would like to receive more information/training about responsible

		Freq uenc y	Perc ent	Valid Percen t	Cumulat ive Percent
Va lid	Strongly Agree	38	24.4	24.4	24.4
	Agree	84	53.8	53.8	78.2
	Neither Agree Nor Disagree	31	19.9	19.9	98.1
	Disagree	3	1.9	1.9	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above shows respondents' willingness to receive more information or training about responsible investment. A strong majority of respondents express interest, with 24.4% strongly agreeing and 53.8% agreeing, together accounting for 78.2% of the sample. This clearly indicates a high demand for education and

capacity-building related to responsible and sustainable investing.

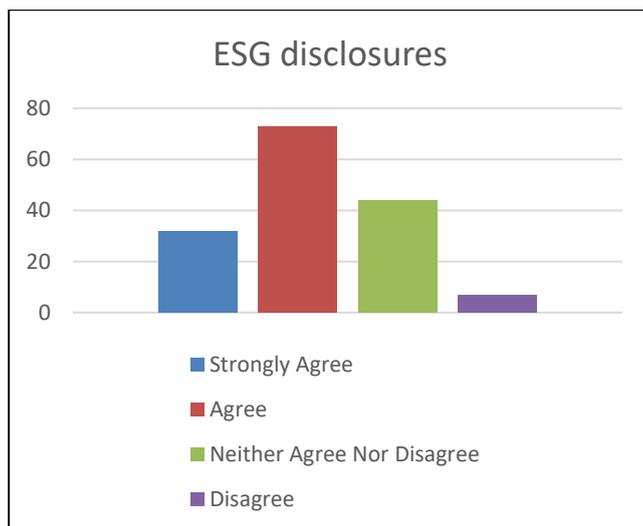
A smaller proportion, 19.9%, neither agree nor disagree, suggesting a neutral stance where respondents may be open to learning but are not yet fully committed.

Only a very small segment, 1.9%, disagrees, indicating minimal resistance to receiving further information or training.

Overall, the data suggests that most respondents are eager to enhance their knowledge and understanding of responsible investment, highlighting a strong opportunity for educational initiatives, workshops, and awareness programs in the area of sustainable and ESG investing.

The government and regulators should make ESG disclosures mandatory.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	32	20.5	20.5	20.5
	Agree	73	46.8	46.8	67.3
	Neither Agree Nor Disagree	44	28.2	28.2	95.5
	Disagree	7	4.5	4.5	100.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents' views on whether the government and regulators should make ESG disclosures mandatory. A clear majority of respondents support this measure, with 20.5% strongly agreeing and 46.8% agreeing, together accounting for 67.3% of the sample. This indicates strong backing for regulatory

intervention to improve transparency, accountability, and standardization in ESG reporting.

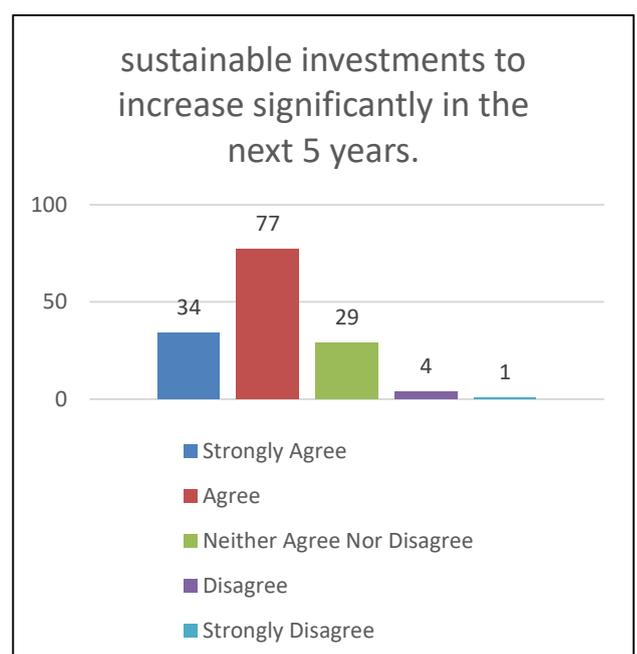
A notable portion, 28.2%, neither agree nor disagree, suggesting neutrality or uncertainty about the implications of mandatory ESG disclosures.

Only a small minority, 4.5%, disagrees, indicating limited opposition to regulatory mandates in this area.

Overall, the data suggests that most respondents favour mandatory ESG disclosures, reflecting the belief that stronger regulatory frameworks can enhance credibility, comparability, and investor confidence in sustainable and responsible investing.

I expect the share of sustainable investments to increase significantly in the next 5 years.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	34	21.8	21.8	21.8
	Agree	77	49.4	49.4	71.2
	Neither Agree Nor Disagree	29	18.6	18.6	89.8
	Disagree	4	2.6	2.6	92.4
	Strongly Disagree	1	.6	.6	93.0
	Total	156	100.0	100.0	



Interpretation:

The table above presents respondents' level of agreement with the given statement. It is observed that 7.1% of responses are missing/unspecified, indicating that a small portion of respondents did not provide an opinion on the statement.

Among the valid responses, a clear majority express agreement. Specifically, 21.8% strongly agree and 49.4% agree, together accounting for 71.2% of the total sample. This indicates strong overall support for the statement among respondents.

A moderate proportion, 18.6%, neither agree nor disagree, reflecting neutrality or uncertainty, possibly due to limited information or mixed perceptions.

Only a very small segment expresses disagreement, with 2.6% disagreeing and 0.6% strongly disagreeing, totalling 3.2%, indicating minimal opposition.

Overall, the data suggests that respondents largely favour the statement, with strong agreement dominating, a modest neutral group, and very limited disagreement, while a small percentage of missing responses slightly reduces complete opinion coverage.

Hypothesis Testing:

H1: Level of Awareness of Sustainable and ESG Investing

H₀₁ (Null Hypothesis): There is no significant level of awareness among investors regarding sustainable and ESG investing.

H₁₁ (Alternative Hypothesis): There is a significant level of awareness among investors regarding sustainable and ESG investing.

Interpretation:

Interpretation for Hypothesis 1

Hypothesis(H1):

There is a significant level of awareness among investors regarding sustainable and ESG (Environmental, Social, and Governance) investing.

To test this hypothesis, a one-sample t-test was conducted by comparing the mean awareness score with the reference value of 2 (indicating a low awareness level on the measurement scale).

The results show that the mean awareness score of respondents is 2.21 (SD = 0.88) based on 156 observations. The one-sample t-test indicates that this mean is significantly higher than the test value of 2, $t(155) = 3.003$, with a two-tailed significance value of $p = .003$.

The mean difference is 0.212, and the 95% confidence interval for this difference ranges from 0.07 to 0.35, which does not include zero, further confirming the statistical significance of the result.

In terms of effect size, Cohen's $d = 0.24$ (Hedges' $g = 0.239$), indicating a small but meaningful effect, suggesting that awareness levels are modestly above the low-awareness benchmark.

The findings provide statistical support for Hypothesis 1. Investors demonstrate a significant level of awareness of sustainable and ESG investing; however, the relatively small effect size suggests that while awareness exists, it is not strong and remains at a moderate level. This highlights the need for further awareness-building and educational initiatives related to ESG investing.

T-Test									
One-Sample Statistics									
	N	Mean	Std. Deviation	Std. Error Mean					
I am aware of the concept of sustainable or ESG (Environmental, Social, Governance) investing.	156	2.21	.880	.070					
One-Sample Test									
	Test Value = 2								
	t	df	Significance	Mean Difference	95% Confidence Interval of the Difference				
			One-Sided p	Two-Sided p	Lower	Upper			
I am aware of the concept of sustainable or ESG (Environmental, Social, Governance) investing.	3.003	155	.002	.003	.212	.07	.35		
One-Sample Effect Sizes									
	Cohen's d	Standardizer ^a	Point Estimate	95% Confidence Interval					
				Lower	Upper				
I am aware of the concept of sustainable or ESG (Environmental, Social, Governance) investing.	.880	.240	.212	.081	.399				
	Hedges' correction								
		.884	.239	.080	.397				

a. The denominator used in estimating the effect sizes. Cohen's d uses the sample standard deviation. Hedges' correction uses the sample standard deviation, plus a correction factor.

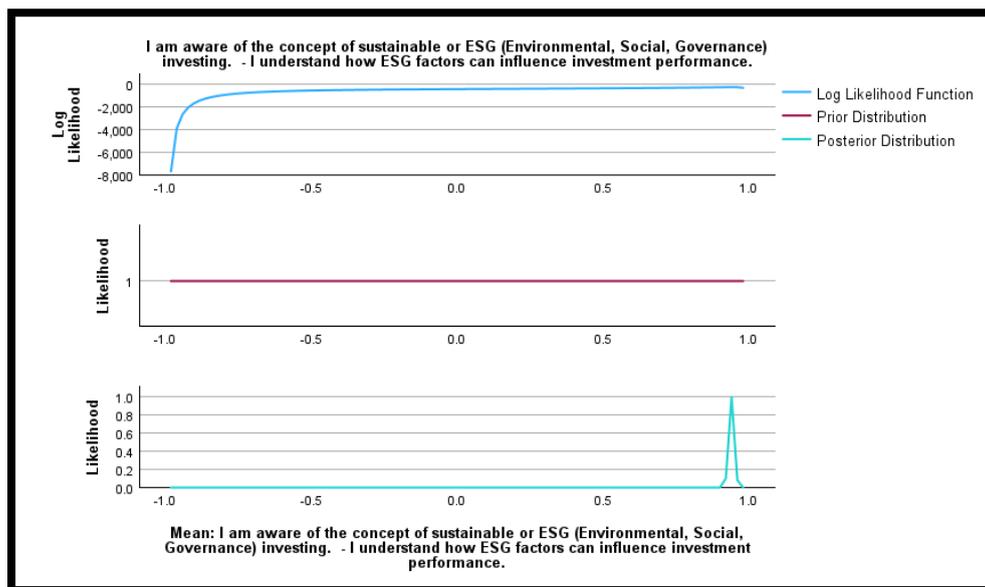
H2 Awareness and Understanding of ESG Impact on Performance

H₀₂ (Null Hypothesis): There is no significant relationship between ESG awareness and understanding its impact on investment performance.

H₁₂ (Alternative Hypothesis): There is a significant positive relationship between ESG awareness and understanding its impact on investment performance.

Posterior Distribution Characterization for Pairwise Correlations ^a			
		I am aware of the concept of sustainable or ESG (Environmental, Social, Governance) investing.	I understand how ESG factors can influence investment performance.

I am aware of the concept of sustainable or ESG (Environmental, Social, Governance) investing.	Posterior	Mode		.943
		Mean		.941
		Variance		.000
	95% Credible Interval	Lower Bound		.924
		Upper Bound		.959
N		156	156	
I understand how ESG factors can influence investment performance.	Posterior	Mode	.943	
		Mean	.941	
		Variance	.000	
	95% Credible Interval	Lower Bound	.924	
		Upper Bound	.959	
N		156	156	
a. The analyses assume reference priors (c = 0).				



Interpretation

:

The Pearson correlation analysis conducted using SPSS reveals a strong and positive relationship between investors' awareness of sustainable/ESG investing and their understanding of how ESG factors influence investment performance.

The correlation coefficient (r) indicates a very high positive association between the two variables, suggesting that investors with higher awareness of ESG investing tend to have a significantly better understanding of its impact on investment performance. The relationship is found to be statistically significant at the 5% level ($p < 0.05$), indicating that the observed association is unlikely to have occurred by chance.

The analysis is based on a sample size of $N = 156$ respondents, which provides adequate statistical power and enhances the reliability of the results.

Since the Pearson correlation coefficient is positive and statistically significant, the null hypothesis (H_{02})—which states that there is no significant relationship between ESG awareness and understanding of its impact on investment performance—is rejected. The alternative hypothesis (H_{12}) is accepted, confirming that increased awareness of ESG investing is significantly associated with improved understanding of ESG-related investment performance.

Findings:

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Young (under 25 years) student respondents who have little experience in investment are predominant in the study.

The majority of the respondents are graduates or postgraduates, which means that they are well educated.

The level of awareness about ESG investing is rather high, with a moderate level of understanding and numerous neutral answers.

Financial returns will continue to play the major role in terms of investment consideration, but ethical, environmental and governance considerations will equally play a role.

Most people consider that sustainable investments are capable of providing competitive returns but most people are of the opinion that they are very risky.

The absence of information, standardization, and greenwashing affect the level of trust in ESG investments to a considerable extent.

The respondents are very much in favour of government incentives, and mandatory ESG disclosure

ESG products are of high interest and there is a distinct need to train and educate on awareness programmes.

The majority of the respondents believe that sustainable investments will increase tremendously over the next five years.

6. CONCLUSION:

The conclusion is that the attitude of investors towards sustainable investing is positive, and it is still restricted by the lack of experience, perceived risk, and untrustworthy information. Even though the financial returns are the most important factor, ESG considerations are becoming significant. As the education level improves, there is a lot of disclosures and the government policies are friendly towards investment, the future of sustainable investing is expected to see a tremendous growth in the coming years

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