



Exploring green investment interest in Islamic finance: The case of Indonesian Green Sukuk among university students

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ABSTRACT

Background: The escalating frequency of natural disasters in Indonesia, particularly hydrometeorological hazards, underscores the urgency of sustainable financing instruments that integrate environmental responsibility with Islamic ethical principles. The Indonesian Green Sukuk (IGS) represents such an instrument, yet little is known about the factors influencing young investors' interest in it. Building on the Theory of Consumption Value (TCV), which comprises functional, social, religious, emotional, and knowledge dimensions, this study examines how these values shape students' green investment interest. **Methods:** A quantitative correlational design was employed using cross-sectional data collected from 178 Universitas Gadjah Mada (UGM) students through an online questionnaire with a five-point Likert scale. Data were analyzed using ordinal logistic regression to test the influence of value dimensions, complemented by cluster tests to identify demographic variations. **Findings:** The results show that among the five TCV dimensions, only knowledge value significantly affects investment interest (odds ratio = 3.22, $p < 0.05$). Functional, social, religious, and emotional values were not significant. Cluster tests further reveal variations in investment interest based on gender, faculty affiliation, and income level, suggesting that demographic factors also play a role. **Conclusion:** Investment interest in IGS is primarily driven by cognitive understanding of its mechanisms, benefits, and sustainability impacts, rather than by functional, social, religious, or emotional considerations. Enhancing financial literacy is therefore essential to increase students' engagement with sustainable Islamic financial instruments. **Novelty/Originality of this article:** This study contributes to the literature by applying TCV in the context of Islamic green finance among university students, a demographic often overlooked in prior research. It introduces the Integrated Greenvestment Class as an innovative literacy program to foster a generation of young investors who are financially literate, sustainability-oriented, and guided by Islamic ethical values in their financial decision-making.

KEYWORDS: Green Investment Interest; Indonesian Green Sukuk (IGS); Theory of Consumption Value (TCV).

1. Introduction

Indonesia is currently facing a profound ecological crisis, as evidenced by the increasing frequency and severity of natural disasters primarily driven by global climate change. In the first half of 2025, the National Agency for Disaster Management/*Badan Nasional Penanggulangan Bencana* (BNPB) (2025) recorded 1,685 disaster events across the country, with 98.84 percent classified as hydrometeorological hazards directly linked to

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climatic variability. In contrast, geological disasters such as earthquakes and volcanic eruptions accounted for only ten cases, representing 0.60 percent of the total (BNPB, 2025). These patterns, as illustrated in Figure 1, underscore the urgent need for comprehensive and integrated climate mitigation and adaptation strategies to strengthen Indonesia's environmental sustainability and socio-economic resilience.

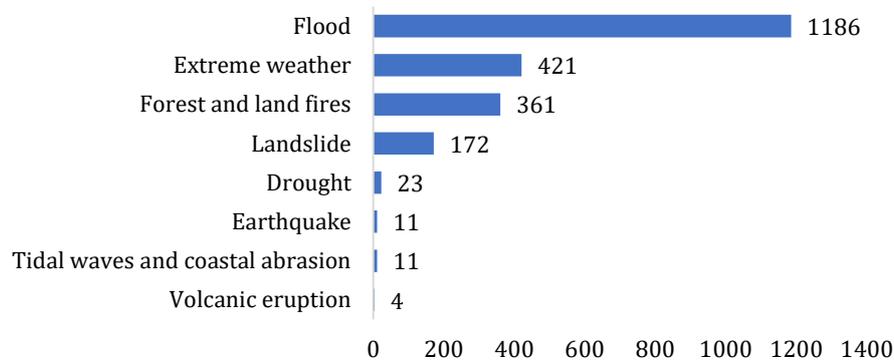


Fig. 1. Proportion of disaster events in Indonesia by type (January–June 2025) (BNPB, 2025)

In addition to scientific and policy-oriented interventions, addressing the ecological crisis necessitates ethical and spiritual reflection. Within Islamic teachings, humanity is entrusted with the role of *khalifah fi al-arḍ* (vicegerent on earth), bearing a moral obligation to uphold balance and ensure the sustainability of God's creation. This principle of stewardship affirms that environmental preservation is not solely a technical responsibility but a fundamental dimension of faith and moral accountability. The Qur'anic emphasis on this responsibility is exemplified in the verse that warns of the consequences of human negligence and excessive exploitation, underscoring the imperative to restore harmony between human activity and the natural world as an expression of religious duty. According to QS. Ar-Rum:41, environmental degradation in Muslim societies often reflects a spiritual disconnect, where nature is no longer viewed as a sacred trust (*amānah*) but as a resource to exploit. Such theological framing reinforces the view that ecological responsibility is deeply embedded within spiritual consciousness, urging believers to align their actions with divine principles of justice, balance, and compassion.

ظَهَرَ الْفَسَادُ فِي الْبَرِّ وَالْبَحْرِ بِمَا كَسَبَتْ أَيْدِي النَّاسِ لِيُذِيقَهُمْ بَعْضَ الَّذِي عَمِلُوا لَعَلَّهُمْ يَرْجِعُونَ

“Corruption has appeared on land and sea because of what the hands of people have earned, so that He may let them taste part of what they have done, that perhaps they will return [to righteousness]” (QS. Ar-Rum: 41)

In line with these ethical commitments, the Government of Indonesia, through the Ministry of Environment and Forestry/*Kementerian Lingkungan Hidup dan Kehutanan* (KLHK), issued the Enhanced Nationally Determined Contribution (ENDC) in 2022 as an update to its previous climate pledge and as the foundation for the Second NDC, scheduled for submission by March 2025 under the Paris Agreement. The ENDC raised Indonesia's greenhouse gas emission reduction targets to 31.89 percent through domestic efforts and 43.20 percent with international support, reaffirming the national commitment to achieving net-zero emissions by 2060, as outlined in the Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR) 2050 (KLHK, 2022). Achieving these ambitious goals, however, requires substantial financing, estimated at USD 247.2 billion by 2030 (Climate Policy Initiative, 2025). Within this context, Islamic finance instruments such as the Indonesian Green Sukuk (IGS) offer a strategic solution that not only addresses the

financing gap but also embodies a transformative approach consistent with both sustainability objectives and Islamic ethical principles.

The Indonesian Green Sukuk, established under Fatwa No. 137/DSN-MUI/IX/2020 concerning sukuk issuance, functions as a Shariah-compliant financing instrument that promotes sustainable development objectives aligned with the six foundational dimensions of *Maqāsid al-Sharī'ah*: preservation of religion (*ḥifz al-dīn*), life (*ḥifz al-nafs*), intellect (*ḥifz al-'aql*), lineage (*ḥifz al-nasl*), wealth (*ḥifz al-māl*), and the environment (*ḥifz al-bi'ah*) (MUI, 2020). As illustrated in Figure 2, this framework positions IGS as a mechanism that integrates religious obligations with ecological sustainability, reflecting the growing recognition of environmental stewardship within contemporary Islamic jurisprudence. Empirical studies by Musari & Hidayat (2023) and Fitrah & Soemitra (2022) demonstrate that Green Sukuk effectively channel capital into strategic sectors such as renewable energy, waste management, and sustainable transportation, all of which contribute to *maṣlahah 'āmmah* (public good). Moreover, IGS supports the achievement of seven United Nations Sustainable Development Goals (SDGs), including clean water and sanitation, affordable and clean energy, sustainable cities and communities, responsible consumption and production, climate action, life below water, and life on land (Neiba & Singh, 2024; Piratti, 2018).



Fig. 2. Framework *maqāsid al-sharī'ah* in the IGS

IGS is commonly structured under the *wakālah* contract, a mandate agreement in which the investor (*muwakkil*) delegates authority to the sukuk issuer (*wakil*) to manage the funds (Pasar Modal Syariah, 2022). This structure is grounded in Fatwa DSN-MUI No. 52/DSN-MUI/III/2006 and serves as the basis for financing environmentally oriented projects. Notable examples include the development of solar panels in the Selayar Islands (South Sulawesi), waste management facilities in Piyungan (Yogyakarta), and the construction of the Light Rail Transit (LRT) system in Palembang (South Sumatra). These initiatives demonstrate the practical implementation of IGS in advancing sustainable infrastructure while adhering to Shariah principles. As Musari & Hidayat (2023) and Ali et al. (2023) explain, the *wakālah* structure in Indonesia's Sovereign Green Sukuk enables efficient fund allocation for climate-resilient projects while maintaining compliance with *maqāsid al-sharī'ah*, particularly in promoting public welfare (*maṣlahah*) and environmental stewardship. Figure 3 illustrates selected projects financed through the IGS scheme, highlighting its operational role in supporting Indonesia's green transition.



Fig. 3. Selected projects financed through the IGS scheme

In addition to financing large-scale sustainable projects, IGS offers accessibility and affordability for a broad range of investors, including those with limited capital. As a state-backed Islamic financial instrument, it is grounded in Shariah principles that prohibit *gharar* (excessive uncertainty), *maysir* (speculation), and *ribā* (interest-based transactions), and is certified by the National Sharia Council of the Indonesian Ulama Council/*Dewan Syariah Nasional Majelis Ulama Indonesia* (DSN-MUI). Within this context, students at Universitas Gadjah Mada (UGM) represent a strategic segment of potential ethical investors. Supported by institutional efforts to promote financial literacy and environmental awareness, they demonstrate growing interest in Shariah-compliant instruments such as IGS. Understanding this interest is essential for assessing how younger generations may engage with green finance and contribute to the long-term development of sustainable investment ecosystems (Amir et al., 2024).

This study adopts the Theory of Consumption Value (TCV) as the primary analytical framework to examine investment interest in IGS. TCV identifies five key dimensions—functional, social, emotional, religious, and knowledge-based—that influence individual preferences and perceptions (Sheth et al., 1991). In the context of Islamic finance, these values are particularly relevant, as investment interest is shaped not only by financial considerations but also by ethical, social, and spiritual motivations. Applying TCV to IGS enables a multidimensional understanding of how young investors perceive both economic benefits and moral responsibilities embedded in sustainable financial instruments. Empirical studies have demonstrated the relevance of these value dimensions in shaping interest in Green Sukuk. For instance, Faisal et al. (2023) found that all five TCV dimensions significantly influenced investor preferences, based on a PLS-SEM analysis of 300 respondents. However, existing research has largely focused on general investor populations in western Indonesia, overlooking the perspectives of younger, educated individuals such as university students.

This study addresses that gap by focusing on students at Universitas Gadjah Mada, a group with high financial literacy and environmental awareness. By examining the values that influence their investment interest in IGS, the research aims to extend the application of TCV within Islamic green finance and offer insights into the role of youth in advancing sustainable development through faith-based financial instruments (Wang et al., 2019). Accordingly, this study seeks to explore the value dimensions that influence investment interest in Indonesian Green Sukuk among UGM students. It is hypothesized that each value dimension—functional, social, emotional, religious, and knowledge-based—positively affects students' interest in investing in IGS. By doing so, the research contributes to a deeper understanding of ethical investment behavior among educated youth and informs strategies to strengthen Indonesia's sustainable finance ecosystem.

2. Methods

2.1 Research design

This study employed a correlational research design to examine the investment interest of Universitas Gadjah Mada students in a Shariah-compliant green financial instrument, namely the Indonesian Green Sukuk. Investment interest was operationalized through five value dimensions: functional, social, religious, emotional, and knowledge based. A quantitative approach was adopted, with data collected cross-sectionally at a single point in time.

2.2 Population and sample

The target population consisted of active Universitas Gadjah Mada students in the year 2024. A probability sampling method was applied to ensure equal selection opportunities for all members of the population. This method aligns with the quantitative approach of the

study and is expected to yield a representative sample. Student participation was voluntary and preceded by informed consent to ensure ethical compliance.

2.3 Data collection technique

The study was conducted in 2024 using primary data obtained through an online questionnaire distributed via Google Forms. The questionnaire comprised several sections, including respondent profiles and items corresponding to the research variables. A five-point Likert scale was used to measure responses, ranging from 1 (“strongly disagree”) to 5 (“strongly agree”).

2.4 Data process

Upon data collection, the researcher conducted data cleaning using Google Spreadsheet, which included exclusion and simplification procedures. The exclusion process aimed to remove invalid entries, such as faculty names not officially recognized within Universitas Gadjah Mada’s academic structure, for example, entries listing the Faculty of Religious Studies, which is not part of UGM. As a result, three responses were excluded, yielding a final sample of 178 respondents. The simplification process was then applied to consolidate faculty origins into four representative categories: FEB (Faculty of Economics and Business), SV (Vocational School), Saintek (science and technology cluster excluding SV), and Soshum (social humanities cluster excluding FEB and SV). This classification enhanced the representativeness and structure of the dataset, allowing for more robust and interpretable analysis.

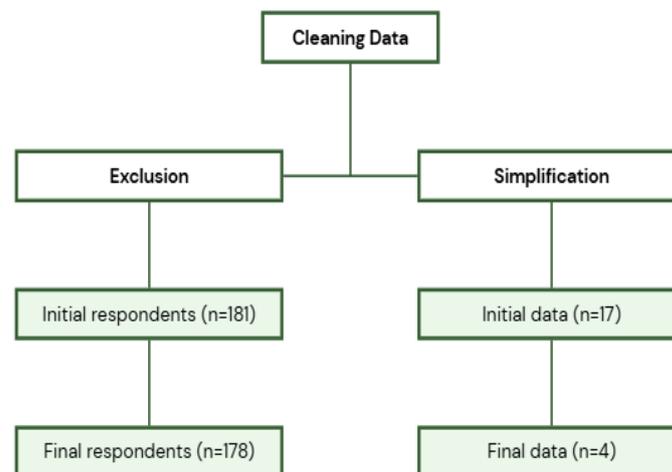


Fig. 4. Data cleaning process

Subsequently, the researcher employed Stata 17 to model the relationship between independent variables and students’ levels of investment interest in the Indonesian Green Sukuk using ordinal logistic regression. Although the reference study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) to estimate latent variables, ordinal logistic regression was deemed more appropriate given the ordinal nature of the dependent variable and the analytical focus on interest-level tendencies. This model enables the estimation of the likelihood that respondents fall into a particular level of investment interest or higher, under the assumption of proportional odds across categories.

Prior to regression analysis, reliability testing was conducted using Cronbach’s alpha to ensure internal consistency of the data, thereby validating its suitability for further statistical examinations. Robustness checks were also performed to assess the stability of model estimates in the presence of potential violations of classical assumptions, such as

multicollinearity and heteroskedasticity. In addition, the researcher conducted subgroup analyses based on key demographic characteristics, particularly gender and faculty background. Stratified logit models were applied to explore whether the influence of independent variables on investment interest varied across these clusters. This approach provided deeper and more contextual insights into the dynamics of green investment interest among university students.

2.4 Research model

Based on the theoretical framework, this study examines the influence of the five value dimensions within the Theory of Consumption Value (TCV) on UGM students' green investment interest toward the Indonesian Green Sukuk (IGS). The proposed research model is specified as follows Equation 1.

$$\text{Interest in investing in Indonesian Green Sukuk} = \beta_0 + \beta_1 \text{NF} + \beta_2 \text{NS} + \beta_3 \text{NR} + \beta_4 \text{NE} + \beta_5 \text{NP} + \epsilon \quad (\text{Eq. 1})$$

In this model, β_0 represents the constant (intercept), while β_i denotes the coefficient of each value dimension. The variables include NR for religious value, NE for emotional value, NF for functional value, NP for knowledge value, and NS for social value, with NM indicating investment interest as the dependent variable. The term ϵ refers to the error term (residuals), capturing unexplained variations in the model.

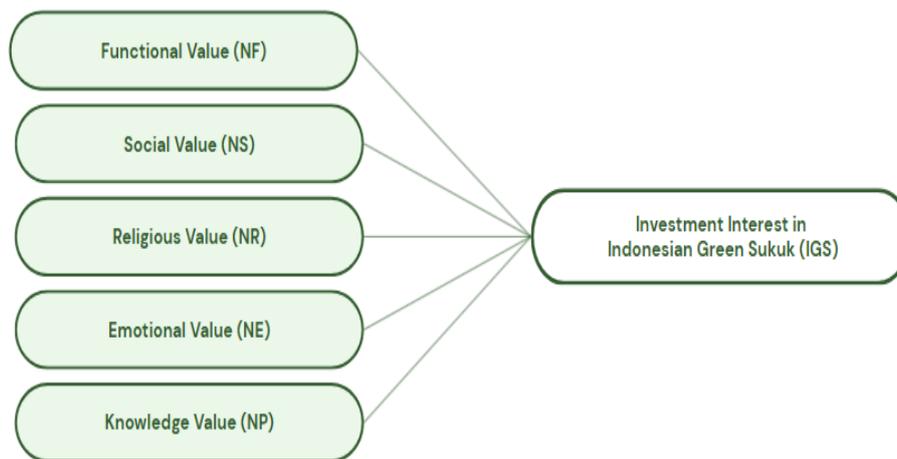


Fig. 5. Data cleaning process

3. Results and Discussion

3.1 Data description

Table 1 summarizes the demographic characteristics of the 178 respondents, covering gender, faculty origin, place of residence, and income level. The sample was predominantly female (74.72%) and concentrated in the Faculty of Economics and Business (57.30%). Most respondents resided in Sleman Regency (61.24%), reflecting the proximity to Universitas Gadjah Mada's main campus. In terms of income, more than two-thirds reported a monthly allowance below IDR 1,000,000, while only a small fraction (3.93%) earned above IDR 3,000,000.

Table 1. Respondents Profile

Description	Frequency	Percentage (%)	Cumulative (%)
Gender			
Male	45	25.28	25.28
Female	133	74.72	100.00

Faculty Origin			
Faculty of Economics and Business	102	57.30	57.30
Vocational School	19	10.67	67.98
Cluster of Social Sciences and Humanities Faculties (excluding FEB and SV)	18	10.11	78.09
Cluster of Science and Technology Faculties (excluding SV)	39	21.91	100.00
Place of Residence			
Sleman Regency, D.I.Yogyakarta	109	61.24	61.24
Bantul Regency, D.I.Yogyakarta	25	14.04	75.28
Yogyakarta City, D.I.Yogyakarta	23	12.92	88.20
Gunungkidul Regency, D.I.Yogyakarta	1	0.56	88.76
Kulon Progo Regency, D.I.Yogyakarta	2	1.12	89.89
Outside D.I. Yogyakarta	18	10.11	100.00
Income Level			
Income < IDR 1,000,000	113	63.48	63.48
IDR 1,000,000 ≤ Income < IDR 2,000,000	44	24.72	88.20
IDR 2,000,000 ≤ Income < IDR 3,000,000	14	7.87	96.07
Income ≥ IDR 3,000,000	7	3.93	100.00

The demographic profile of respondents reveals that the majority were female, representing 74.72% of the sample, nearly three times the proportion of male respondents. This indicates a strong representation of women in the survey and highlights their potential role as future contributors to the development of sustainable Islamic finance instruments such as the IGS.

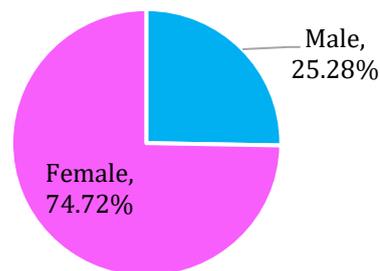


Fig. 6. Gender Distribution of Respondents

In terms of faculty distribution, students from the Faculty of Economics and Business (FEB) accounted for the largest share of respondents at 57.3%. They were followed by students from the Science and Technology cluster (*Saintek*), the Vocational School (*SV*), and the Social Sciences and Humanities cluster (*Soshum*). This distribution reflects the dominance of economics and business students in the sample, which is consistent with their exposure to financial and investment-related studies.

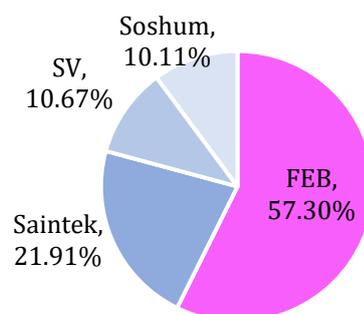


Fig. 7. Faculty distribution of respondents

Regarding place of residence, most respondents reported living in Sleman Regency, which also hosts Universitas Gadjah Mada's main campus. Smaller proportions resided in Bantul, Yogyakarta City, Kulon Progo, and Gunungkidul, while a minority came from outside the Yogyakarta area. This pattern demonstrates the centrality of Sleman as the primary residential area for UGM students.

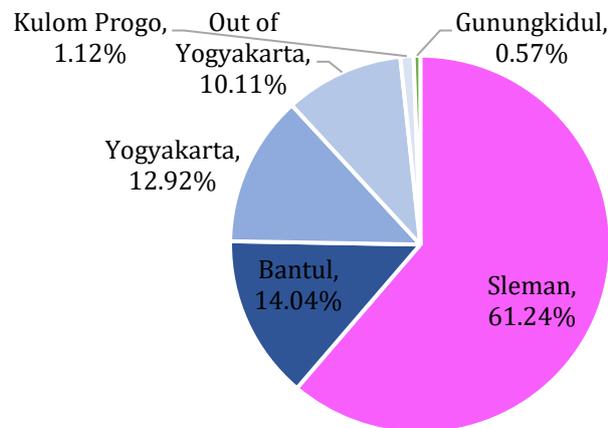


Fig. 8. Place of residence of respondents

Income levels show that more than two-thirds of respondents reported a monthly allowance of less than IDR 1,000,000. In contrast, only 3.93% had an income exceeding IDR 3,000,000. This finding underscores the limited financial capacity of most students, which may affect their investment potential and preferences, particularly in relation to accessible and affordable instruments such as Green Sukuk.

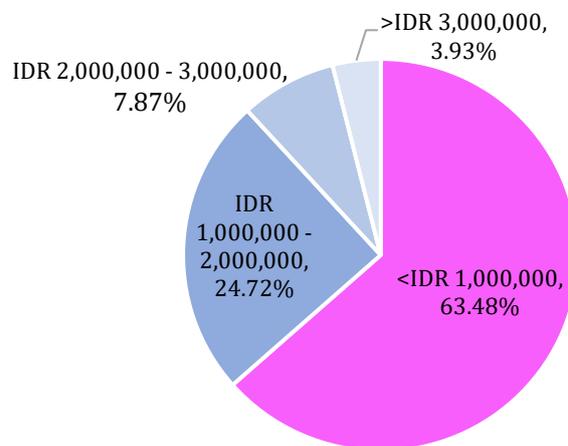


Fig. 9. Income level of respondents

3.2 Data analysis

3.2.1 Reliability test

In this study, the values of all variables were obtained from the average scores of the Likert-scale items used in the questionnaire. These values were subsequently tested using Cronbach's alpha to assess the internal consistency of the measurement results. The reliability test indicates that all variables are reliable, as their coefficients exceed the recommended threshold of 0.7, which is widely accepted in social science research as an

indicator of satisfactory reliability. This demonstrates that the items used to measure each construct are internally consistent and reflect a high degree of homogeneity.

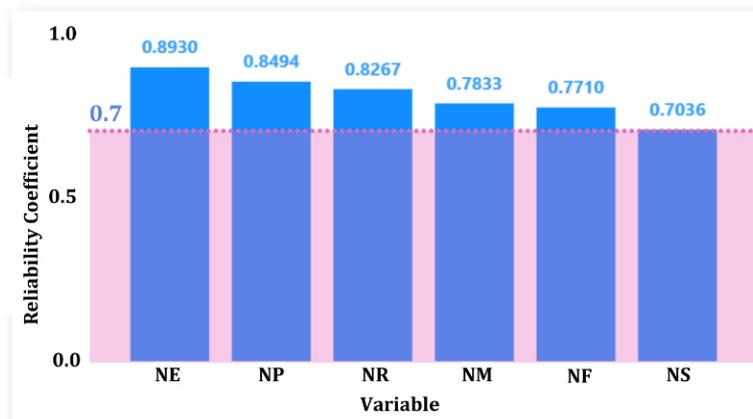


Fig. 10. Reliability test results

As Taber (2018) explains, Cronbach's alpha value above 0.7 generally indicates that the instrument possesses stable and dependable measurement quality within educational and social science contexts. Accordingly, the research instrument can be considered suitable for measuring the variables under investigation and provides confidence that the data collected are both stable and dependable. The strong reliability coefficients also enhance the credibility of the subsequent regression and cluster analyses, as they minimize the likelihood of measurement error influencing the statistical outcomes. Thus, the findings derived from this study can be interpreted with greater assurance regarding the consistency of the underlying constructions.

3.2.2 Ordinal logistic regression and robustness test

Table 2 presents the results of the ordinal logistic regression and robustness test of UGM students' investment interest toward the Indonesian Green Sukuk, explained through the five dimensions of the Theory of Consumption Value (TCV). The results show that the odds ratios remain unchanged across both tests, while the standard errors and p-values increase slightly under the robustness test. This adjustment indicates a correction for potential violations of classical assumptions, thereby improving the reliability and accuracy of the estimation results.

Table 2. Ordinal logistic regression results and robustness test

Symbol	Description	Odds Ratio	Before Robust		After Robust	
			SE	p-value	Robust SE	p-value
Dependent Variable						
NM	Investment interest toward Indonesian Green Sukuk					
Independent Variables						
NF	Functional value	0.8267	0.3111	0.613	0.3531	0.656
NS	Social value	1.3005	0.4366	0.434	0.5262	0.516
NR	Religious value	1.4147	0.4321	0.254	0.4612	0.287
NE	Emotional value	0.9311	0.2486	0.789	0.2892	0.818
NP	Knowledge value	3.2178	0.675	0.000***	0.7672	0.000***

**p-value < 0.01; *p-value < 0.05; p-value < 0.1

Among the five TCV dimensions, knowledge value emerged as the only significant predictor at the 5% level of significance. This finding demonstrates that a higher level of student understanding regarding the benefits, mechanisms, and impacts of the Indonesian Green Sukuk increases the likelihood of investment interest by 3.22 times. In other words,

greater financial knowledge enables students to more objectively evaluate risks and potential returns, thereby fostering stronger interest in participating in sustainable Islamic investment instruments. This result underscores the pivotal role of financial literacy in shaping young investors' decision-making processes. This result underscores the pivotal role of financial literacy in shaping young investors decision-making processes, consistent with Dewi (2022), who found that financial capability and awareness significantly influence investment preferences and reduce susceptibility to inappropriate or high-risk financial products.

However, the findings for the other four dimensions—functional, social, religious, and emotional values—differ from those reported in earlier studies. In this analysis, these variables were not statistically significant at the 5% level, suggesting that they do not adequately explain UGM students' investment interest toward the Indonesian Green Sukuk. This indicates a relatively weak influence of perceptions regarding product utility, socio-environmental concern, adherence to Islamic principles in financial decision-making, and emotional attachment in driving investment behavior. The divergence from previous research may stem from differences in product preferences, socio-demographic contexts, and behavioral characteristics of respondents. As highlighted by Maheswari & Mittal (2017), age, life stage, and contextual factors can substantially influence investment decisions, which may explain why the determinants identified in prior studies did not exhibit the same level of significance in this sample.

3.2.3 Cluster test

In this test, male UGM students were designated as the reference group, serving as the baseline for comparison with female students. Table 3 shows that female students exhibit an investment interest 1.5 times higher than that of male students, indicating the presence of a gender effect on UGM students' investment preferences toward the Indonesian Green Sukuk. This finding suggests that gender differences play a role in shaping students' behavioral interests toward sustainable Islamic financial products.

Table 3. Cluster test results based on gender

Symbol	Description	Odds Ratio	Robust SE	p-value
Dependent Variable				
NM	Investment interest toward Indonesian Green Sukuk			
Independent Variables				
NF	Functional value	0.852	0.3602	0.705
NS	Social value	1.1946	0.4868	0.663
NR	Religious value	1.4529	0.4689	0.247
NE	Emotional value	0.9388	0.2834	0.834
NP	Knowledge value	3.2895	0.7821	0.000***
Gender	Female	1.4979	0.5233	0.247

**p-value < 0.01; *p-value < 0.05; p-value < 0.1

The observed difference in investment interest can be partially explained by variations in risk preferences. Prior studies have shown that female investors are generally more risk-averse and tend to prefer safer financial instruments that provide security and stability (Holden & Tilahun, 2022). The Indonesian Green Sukuk, with its government-backed structure and relatively low-risk profile, aligns well with such preferences, making it particularly attractive to female investors. This alignment reinforces the notion that the design of green sukuk as a low-risk sharia-compliant instrument resonates with the financial behavior of women, who often prioritize stability and ethical considerations over high but uncertain returns.

From a theological perspective, Islamic teachings portray women as beings endowed with gentleness (*الرَّفِيقِي*) and empathy, qualities that encourage cautiousness and responsibility in decision-making. This ethical dimension resonates with the objectives of

the Indonesian Green Sukuk, which not only ensures financial returns but also contributes to environmental sustainability and the achievement of the *maqāṣid al-sharī'ah*. Thus, women's empathetic nature may further enhance their affinity for financial products that are not only safe but also aligned with broader social and ecological values. As Ustaoglu (2023) notes, Islamic finance rooted in *maqāṣid al-sharī'ah* must promote social harmony, fairness, and environmental stewardship, making it particularly compatible with value-driven investment preferences often observed among female investors.

Taken together, these findings highlight that the stronger investment interests of female students are the result of both behavioral tendencies toward low-risk instruments and value-based considerations rooted in ethical and spiritual dimensions. This suggests that gender-sensitive approaches to financial literacy and investment promotion could strengthen participation in Islamic green finance, particularly by emphasizing the dual attributes of risk security and social responsibility inherent in the Indonesian Green Sukuk. Moreover, Hassan et al. (2021) argue that aligning Islamic financial products with ethical finance and impact investing principles—such as empathy, care, and sustainability—can enhance inclusivity and attract diverse investor profiles, especially women who prioritize social outcomes alongside financial returns.

Table 4. Cluster test results based on faculty origin

Symbol	Description	Odds Ratio	Robust SE	p-value
Dependent Variable				
NM	Investment interest toward Indonesian Green Sukuk			
Independent Variables				
NF	Functional value	0.8246	0.3588	0.658
NS	Social value	1.3024	0.5272	0.514
NR	Religious value	1.4567	0.4939	0.267
NE	Emotional value	0.9301	0.2914	0.817
NP	Knowledge value	3.1931	0.7517	0.000***
Faculty Origin				
SV	Vocational School	1.2903	0.6763	0.627
Soshum	Cluster of Social Sciences and Humanities Faculties (excluding FEB and SV)	0.9269	0.346	0.839
Saintek	Cluster of Science and Technology Faculties (excluding SV)	0.9818	0.3157	0.954

**p-value < 0.01; *p-value < 0.05; p-value < 0.1

In this test, students from the Faculty of Economics and Business (*FEB*) were designated as the reference group, serving as the baseline for comparison with students from the Vocational School (*SV*), the Social Sciences and Humanities cluster (*Soshum*), and the Science and Technology cluster (*Saintek*). The results indicate that FEB students display higher investment interests compared to students from Soshum and Saintek. By contrast, students from SV exhibit investment interests 1.3 times higher than those from FEB. These findings suggest that faculty origin exerts an influence on UGM students' investment interests toward the Indonesian Green Sukuk.

Financial literacy has been shown to enhance individuals' capacity to understand financial products (Li et al., 2020). Moreover, Islam places significant emphasis on the pursuit of knowledge, as reflected in the first revelation:

أَفْرَأْ بِأَسْمِ رَبِّكَ الَّذِي خَلَقَ

“Read in the name of your Lord who created” (QS. al-‘Alaq: 1)

Similarly, in QS. Al-Mujadilah; 11, Allah promises to elevate the status of those endowed with knowledge. This theological perspective reinforces the importance of financial literacy in shaping ethical and responsible financial behavior.

FEB and SV students possess relatively higher levels of financial literacy compared to those from Soshum and Saintek, largely due to curricular exposure to investment mechanisms and financial products. FEB offers courses such as Financial Statement Analysis (Accounting), Financial Management (Management), and Monetary Economics (Economics), while SV, through its Department of Economics and Business, provides courses such as Introduction to Islamic Finance and Investment and Capital Market Practicum. This structured exposure to investment-related subjects enhances students' conceptual understanding and practical competence in financial decision-making. Consequently, FEB and SV students exhibit stronger investment interests toward the Indonesian Green Sukuk, demonstrating the direct link between financial literacy, academic training, and sustainable Islamic investment behavior.

Table 5. Cluster test results based on place of residence

Symbol	Description	Odds Ratio	Robust SE	p-value
Dependent Variable				
NM	Investment interest toward Indonesian Green Sukuk			
Independent Variables				
NF	Functional value	0.8502	0.3561	0.693
NS	Social value	1.4682	0.5874	0.337
NR	Religious value	1.5327	0.479	0.163
NE	Emotional value	0.8148	0.2562	0.515
NP	Knowledge value	3.2551	0.7873	0.000***
Place of Residence				
Bantul	Bantul Regency, Yogyakarta	3.4107	1.2063	0.001***
Yogyakarta	Yogyakarta City	1.0719	0.3917	0.849
Gunungkidul	Gunungkidul Regency, Yogyakarta	0.4478	1.3477	0.806
Kulon Progo	Kulon Progo Regency, Yogyakarta	0.7505	0.2443	0.376
Out of Yogyakarta	Outside Yogyakarta	1.7224	1.0448	0.370

**p-value < 0.01; *p-value < 0.05; p-value < 0.1

In this test, UGM students residing in Sleman Regency were designated as the reference group, serving as the baseline for comparison with students living in Bantul Regency, Yogyakarta City, Gunungkidul Regency, Kulon Progo Regency, and outside the Yogyakarta region. Table 5 shows that students residing in Sleman exhibited higher investment interests compared to those living in Gunungkidul and Kulon Progo, yet lower than students residing in Bantul, Yogyakarta City, and outside Yogyakarta. These results indicate that place of residence plays a meaningful role in shaping UGM students' investment interests toward the Indonesian Green Sukuk. This aligns with findings from Santos-Marquez et al. (2022), who emphasize that regional income disparities in Indonesia exhibit persistent spatial effects, with lower-income districts showing slower economic convergence and reduced financial mobility.

Students living in Sleman are predominantly non-local students who rent boarding houses near campus. While this proximity reduces commuting time and offers convenience, it simultaneously raises monthly expenses such as rent, meals, and transportation, which are generally financed from students' monthly allowances. As a result, the portion of income available for investment is reduced, leading to relatively lower investment interests. This pattern reflects broader evidence that household financial obligations and cost-of-living pressures significantly constrain investment behavior among youth populations (Rofik et al., 2025).

By contrast, students residing outside Sleman are assumed to live with their families, thereby facing lower living costs. Reduced financial obligations enable these students to retain more disposable income, which can then be allocated to investment. However, students from Gunungkidul and Kulon Progo displayed even lower investment interests than those in Sleman. According to Statistics Indonesia (BPS, 2025), these regencies have the lowest regional minimum wages/*Upah Minimum Kota* (UMK) in Yogyakarta Province, limiting household income and consequently students' financial capacity. Despite potentially lower daily living costs, limited household resources restrict students' ability to invest. These findings emphasize that geographical context and regional economic disparities interact with individual financial conditions to influence sustainable investment behavior.

Table 6. Cluster test results based on income level

Symbol	Description	Odds Ratio	Robust SE	p-value
Dependent Variable				
NM	Investment interest toward Indonesian Green Sukuk			
Independent Variables				
NF	Functional value	0.8305	0.3601	0.668
NS	Social value	1.3503	0.5548	0.465
NR	Religious value	1.3866	0.4543	0.318
NE	Emotional value	0.9024	0.289	0.748
NP	Knowledge value	3.3517	0.832	0.000***
Income Level				
1	IDR 1,000,000 ≤ Income < IDR 2,000,000	0.9008	0.2523	0.709
2	IDR 2,000,000 ≤ Income < IDR 3,000,000	1.5983	0.4604	0.474
3	Income ≥ IDR 3,000,000	1.8175	1.7193	0.528

**p-value < 0.01; *p-value < 0.05; p-value < 0.1

In this test, UGM students with a monthly income of less than IDR 1,000,000 were designated as the reference group, serving as the baseline for comparison with students in higher income brackets. The results in Table 6 show that students with an income below IDR 1,000,000 exhibited lower investment interests compared to those earning more than IDR 2,000,000, but higher than students with an income between IDR 1,000,000 and IDR 2,000,000. These findings suggest that income level has a nuanced effect on UGM students' investment interests toward the Indonesian Green Sukuk.

Higher income levels are generally associated with greater capacity to invest, as disposable income provides both the means and the confidence to engage in financial activities. Previous studies confirm that increased income enhances individuals' ability to diversify portfolios, improves their risk-bearing capacity, and is positively correlated with investment performance (Bui et al., 2022; Li et al., 2020). Additional income therefore acts as an incentive to assume greater financial risks in pursuit of higher returns, which explains the stronger investment interests among students earning above IDR 2,000,000.

Interestingly, however, students with incomes between IDR 1,000,000 and IDR 2,000,000 demonstrated lower investment interests than the reference group. One plausible explanation is that the reference group, comprising students with incomes below IDR 1,000,000, may largely consist of those living with their families, thereby incurring relatively lower living expenses. Although their monthly allowance is limited, reduced financial obligations such as rent and food expenses allow them to retain a portion of their income for investment purposes. In contrast, students in the IDR 1,000,000–2,000,000 bracket are likely to be non-local students living independently, facing higher living costs that diminish their effective disposable income. This interpretation is consistent with behavioral finance perspectives, which emphasize that investment decisions are not determined solely by income, but also by consumption patterns, household structure, and perceived financial security (Han, 2020; Qasim et al., 2019).

3.3 Integrated greenvestment class program

3.3.1 Program overview

The Integrated Greenvestment Class Program is a sustainable Islamic financial literacy initiative designed for university students in Indonesia. The program is organized through a collaboration between the Indonesia Stock Exchange/*Bursa Efek Indonesia* (BEI), the Financial Services Authority/*Otoritas Jasa Keuangan* (OJK), the National Sharia Council of the Indonesian Ulama Council (DSN-MUI), and higher education institutions. The Indonesia Stock Exchange and the Financial Services Authority are responsible for providing knowledge regarding the mechanisms, products, and impacts of sustainable investment, while DSN-MUI is tasked with delivering expertise on Islamic finance. Together, these three institutions serve as strategic partners in supporting universities across Indonesia in the implementation of the program. This initiative aligns with the growing role of Islamic green finance in Indonesia, where instruments such as green sukuk are increasingly used to fund environmentally sustainable projects while adhering to sharia principles (Faizi et al., 2024).



Fig. 11. Framework of the integrated greenvestment class program

3.3.2 Program design and learning materials

The Integrated Greenvestment Class Program will be implemented in a hybrid format, combining online and offline delivery. Each year, the program will be held four times, with two sessions allocated to each scheme. The offline scheme will be conducted during semester breaks in January and July, requiring participants to attend training sessions in person. Meanwhile, the online scheme does not require physical attendance, as learning materials will be made accessible through Learning Management Systems such as Google Classroom and the official platforms of participating universities. This scheme will be offered throughout the semester, both in the first and second term.

The program consists of a series of learning activities, including literacy modules, case studies, investment simulations, and structured discussions tailored to the schedule and platform of each scheme. Materials will be delivered through a combination of independent and interactive learning, designed to foster both conceptual understanding and practical application of sustainable Islamic finance. The program will involve instructors from academia, capital market practitioners, and representatives of partner institutions, who will serve as facilitators as well as mentors throughout the learning process. The inclusion of ESG principles within Islamic finance education is essential to prepare future investors who are both ethically and environmentally conscious, especially in emerging markets where sustainable development goals are increasingly integrated into financial curricula (Fu et al., 2023; Timur et al., 2025).

3.3.3 Program impact

In the short term, the program is expected to improve students' literacy regarding the concepts, mechanisms, and benefits of the Indonesian Green Sukuk as a sustainable Islamic investment instrument. Through an applied learning approach, students will gain hands-on experience in analyzing green projects and conducting investment simulations. Moreover, the program will encourage the initial growth of interest in Islamic investments that are sustainability oriented.

In the long term, the program contributes to shaping a generation of young investors who are conscious of both sustainability and Islamic values in financial decision-making. This enhanced capacity is expected to strengthen the domestic investor base supporting national development financing through green instruments. Furthermore, the program has the potential to foster a collaborative ecosystem between universities, financial authorities, and Islamic institutions on a sustainable basis. Such initiatives are vital for expanding financial inclusion and climate resilience through Islamic green finance, which has shown promising potential in supporting low-carbon development pathways (Faizi et al., 2024).

4. Conclusions

This section presents the main conclusions of the study. They should be presented in concise, clear, and compact sentences based on the results and discussions, in the form of paragraphs (not with bullet points or numbering); clarify the findings of the study as a synthesis of the results of the data analysis and discussion; and highlight original findings that contribute to the development of science. The main conclusion of the study may be presented in a short conclusions section, which may be stand-alone. It should not repeat the results, instead provide significant findings and contributions of the study and the issue of this aim and scope of this journal.

Universities, in collaboration with financial authorities and Islamic institutions, need to design practical literacy programs on the Indonesian Green Sukuk. Investment simulations and case studies of green projects can enhance students' rational understanding, thereby fostering the development of young investors who are both ethical and environmentally conscious. Green financial literacy communication strategies should be tailored to the demographic profiles of students to ensure effectiveness. The government and financial authorities should support further research with broader and more diverse samples. Such efforts will strengthen the policy foundation for literacy programs targeting younger generations.

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Author Contribution

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