THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY | Green Finance Research Project

Survey on HKUST Students' Views on Green and Sustainable Finance

Summary of Findings

November 2023

Executive Summary

Hong Kong is currently focused on enhancing the green and sustainable finance (GSF) competencies of existing finance professionals. However, training the younger generation is also essential for building a long-term talent pipeline. This survey study aims at providing a general understanding of university students' awareness, interests, and career aspirations towards GSF, in order to identify the best ways to promote GSF and provide better learning opportunities to them.

Key findings from the survey are summarized as follows:

- **Students' level of awareness of GSF can vary widely depending on discipline of studies.** 98% of environmental science students have demonstrated awareness of GSF, while only 41% of students studying other science subjects are aware of GSF. Overall, 68% of all surveyed students have heard of "*green and sustainable finance*". However, 20% of the surveyed students are not aware of any GSF products and concepts at all.
- **Environmental science and business students demonstrated a better understanding about GSF than students from other disciplines.** 85% of environmental science students and 68% of business students were able to identify the correct definitions of GSF, while students studying humanities and social science, engineering, and science (except environmental science) who provided the correct interpretations of GSF were below 60%.
- **Students' level of study appears to be correlated with their awareness, understanding, and interests in GSF.** Postgraduate students demonstrated more awareness (81% vs. 63%) and better understanding (77% vs. 61%) of GSF as well as a greater inclination (82% vs. 58%) towards acquiring GSF knowledge than undergraduate students.
- **The majority of students expressed their interests in receiving GSF information.** Nearly 80% of students who are aware of GSF displayed a strong interest in receiving GSF information, underscoring their desire for continued engagement in this area. *"GSF concept and development"*, *"green financial products"*, and "*GSF professional certification and skills framework*" are the top 3 topics that most students are interested in hearing about.
- **Students' desire for GSF education is not being met.** Close to 80% of the surveyed students believe that GSF education would benefit their future careers, yet only 30% think they are receiving it at the university. This highlights a significant gap between the students' desire for GSF education and the provision of GSF topics in the current curriculum.
- **Two-thirds of the students are interested in careers in GSF, but hesitant due to lack of relevant skills and limited opportunities.** 66% of students expressed an interest in working in the GSF industry, driven by the potential for professional growth (76.8%) and the opportunity to generate financial returns while promoting sustainability (63.9%). However, concerns about lacking GSF skills and experience (67.8%) and limited career opportunities (27.3%) deter them from pursuing green finance careers. Only 13% have heard of and applied for GSF internships.

Examples of ways to nurture talents in this space:

- Make GSF a required component of the curriculum and introduce more elective courses dedicated to topics on sustainability, ESG and GSF.
- Organize seminars and events, and encourage student-led initiatives, societies, and clubs focused on sustainability and responsible investing to foster a community of like-minded individuals.
- Make use of social media for bite-sized learning.
- Establish academia-private partnerships to provide learning opportunities such as internships and capstone projects.

Introduction

Green and sustainable finance (GSF) has been expanding rapidly for the financial industry. A key challenge for GSF development is the global shortage of talent in this field. Hong Kong, as one of the most important international financial centers, is also struggling with the short supply of qualified GSF professionals.

According to *The 2021 Sustainable Financing and Investing Survey*, the shortage of expertise or qualified staff is the leading reason of institutional investors in Asia being held back from fully pursuing environmental, social and governance (ESG) based investment.[1] In a more recent survey conducted by the HKUST Business School, approximately 80 percent of top financial executives expressed that hiring talents for green and sustainable finance was most difficult comparing to other job functions.[2]

Hong Kong is currently focused on enhancing its GSF competencies of existing finance professionals. A comprehensive approach to talent development should consider both the interim and continuous supply of talents into the future, which is much needed in Hong Kong to build a talent pipeline that can sure the long-term success and sustainability of GSF.

Following our December 2022 report, *The Hong Kong Green and Sustainable Finance Talent Development and Strategy*, where we outlined the desired skill areas and knowledge progression path for GSF professionals and our recommendations on building the talent pipeline, we see the need to gather the views from current university students that can lead to the provision of adequate learning opportunities for our future generation of GSF professionals.

[1] HSBC (2021), *The 2021 Sustainable Financing and Investing Survey*. https://www.gbm.hsbc.com/en-gb/campaigns/sfi-survey
[2] HKUST Business School (2022), *The Hong Kong Green and Sustainable Finance Talent Development and Strategy*. https://bm.hkust.edu.hk/en-us/media-resources/overview/publications/reports/issue:10/

Methodology

We conducted an online survey in April and May 2023 to gather inputs from HKUST students about their awareness and understanding of GSF, and their interests and intention to pursue a career in GSF. The survey was designed following a phase of desktop research and literature reviews. Respondents were recruited through various promotion channels at the university. The sample consists of 354 students enrolled in HKUST at the time of the survey.

73% are undergraduate students and 27% are in the postgraduate level. They represent a diversity of academic disciplines with a count of 68 different majors. The majority are Business and Management students (40%), followed by Science (16%), Engineering (14%), Environmental Science (12%), Other interdisciplinary studies (11%) and Humanities and Social Science (8%).[3]

Figure 1. Level of studies of the respondents

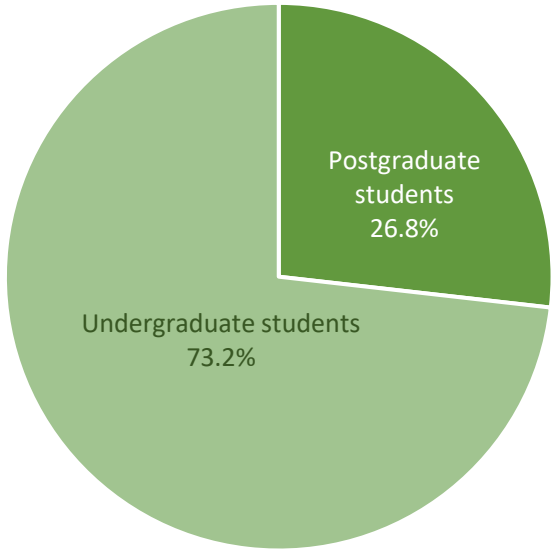
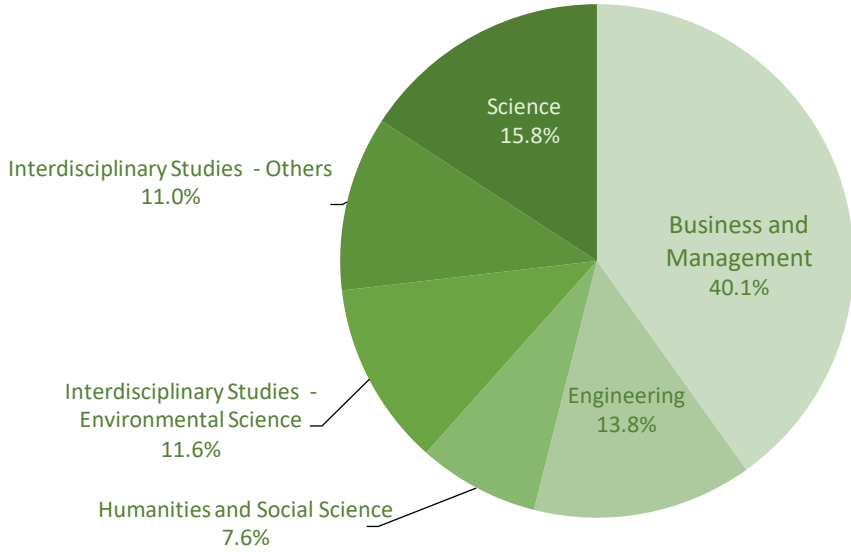


Figure 2. Discipline of studies of the respondents



[3] Interdisciplinary studies at HKUST is a special academic zone that offers four undergraduate programs and seven postgraduate programs in technology and management, environment and sustainability, and public policy. "Environmental Science" Includes the following programs under HKUST's Academy of Interdisciplinary Studies: Environmental Science and Management (EVSM), Environmental Management and Technology (EVMT), and Environmental Science, Policy and Management (ESPM). "Other interdisciplinary studies" refers to interdisciplinary studies at HKUST excluding Environment Science.

Students' Awareness of Green and Sustainable Finance

Over two-thirds of the surveyed students (67.8%) have heard of green and sustainable finance. Among the postgraduate students, 81.1% indicated that they have heard of GSF, compared to only 62.9% among those in undergraduate studies.

Figure 3. Have you heard of Green and Sustainable Finance (GSF)?

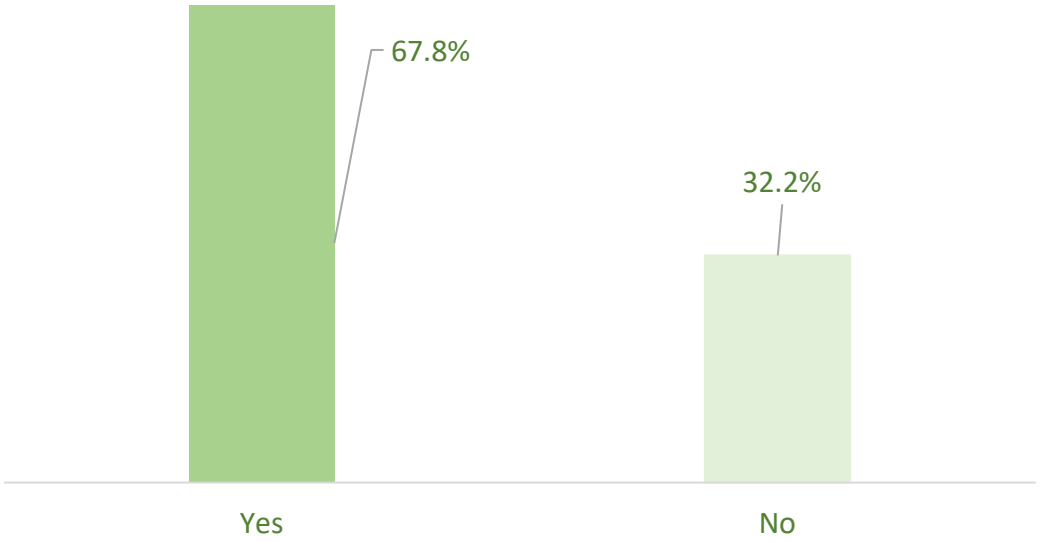
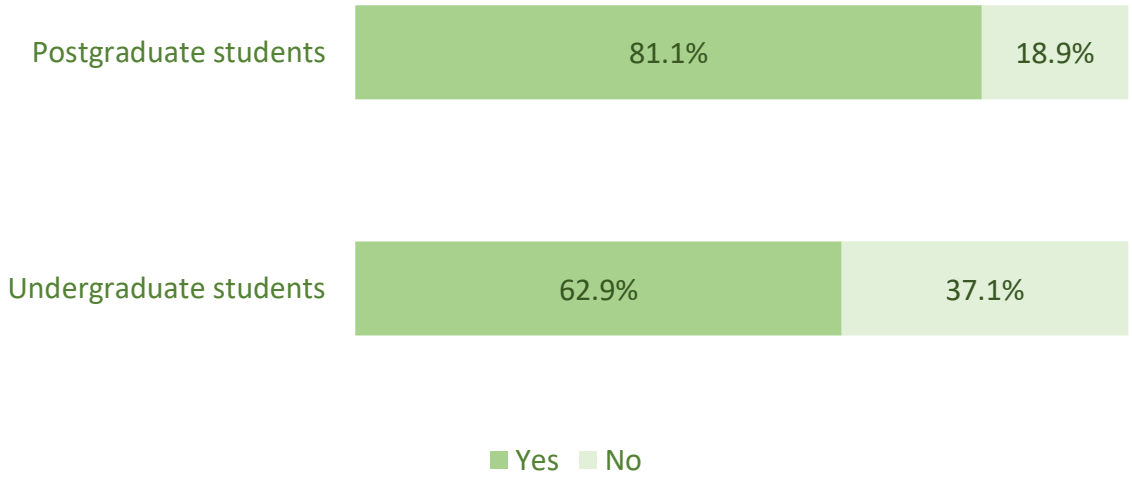


Figure 4. Awareness of GSF among HKUST students by level of study



Environmental science majors and humanities and social science majors showed the highest awareness of GSF (97.6% and 85.2% respectively), as they may have more exposure to concepts related to GSF such as sustainable development, environmental policy, and social justice in their studies. Additionally, students in these disciplines may have more interest in issues related to social and environmental sustainability and be more likely to seek out information on GSF. On the other hand, only 42.9% of engineering majors and 41.1% of science majors are aware of GSF. There may be a need to increase awareness among these students and provide more opportunities for them to learn about GSF concepts and practices.

As shown in Figure 6, the top three channels through which students usually obtain information on GSF are academic publications (53.3%), courses or lectures (48.3%) and social media (47.1%).

Figure 5. Awareness of GSF among HKUST students by discipline of study

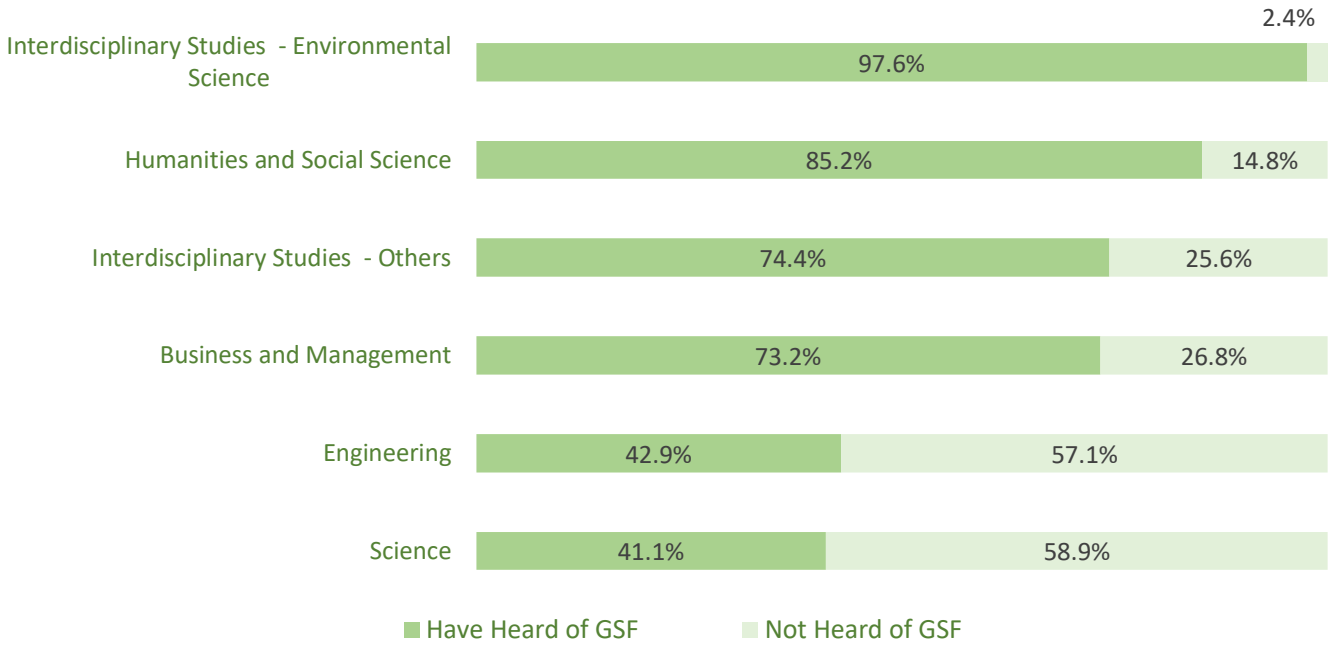
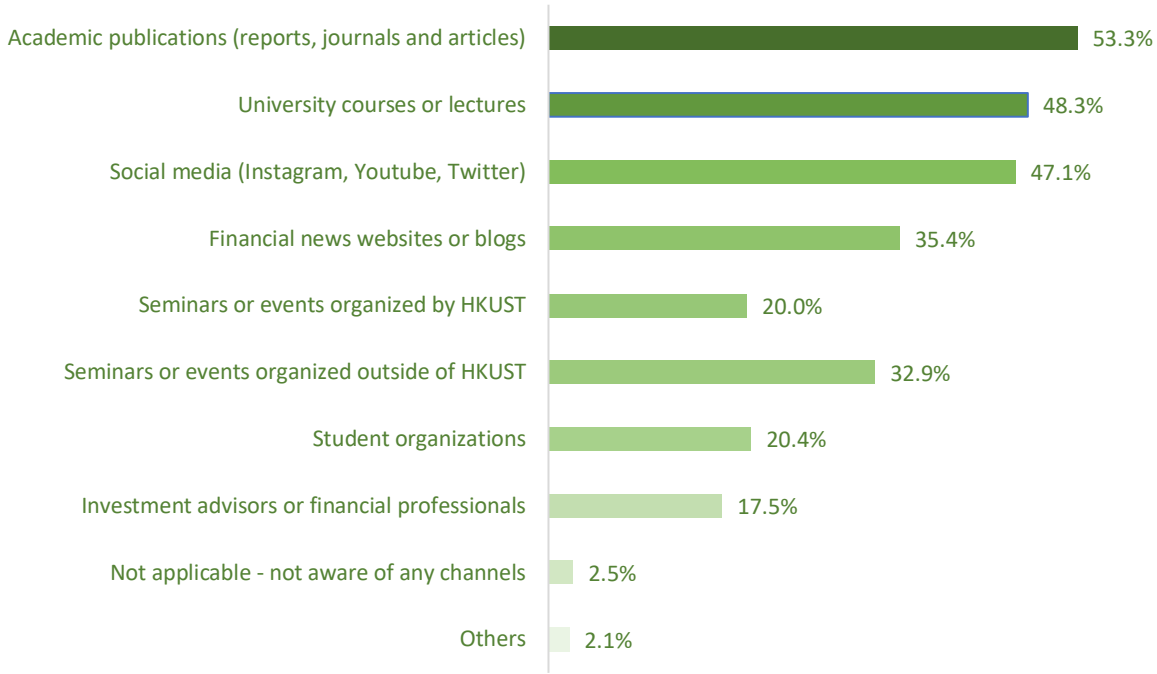


Figure 6. What channels do you usually obtain GSF information from?

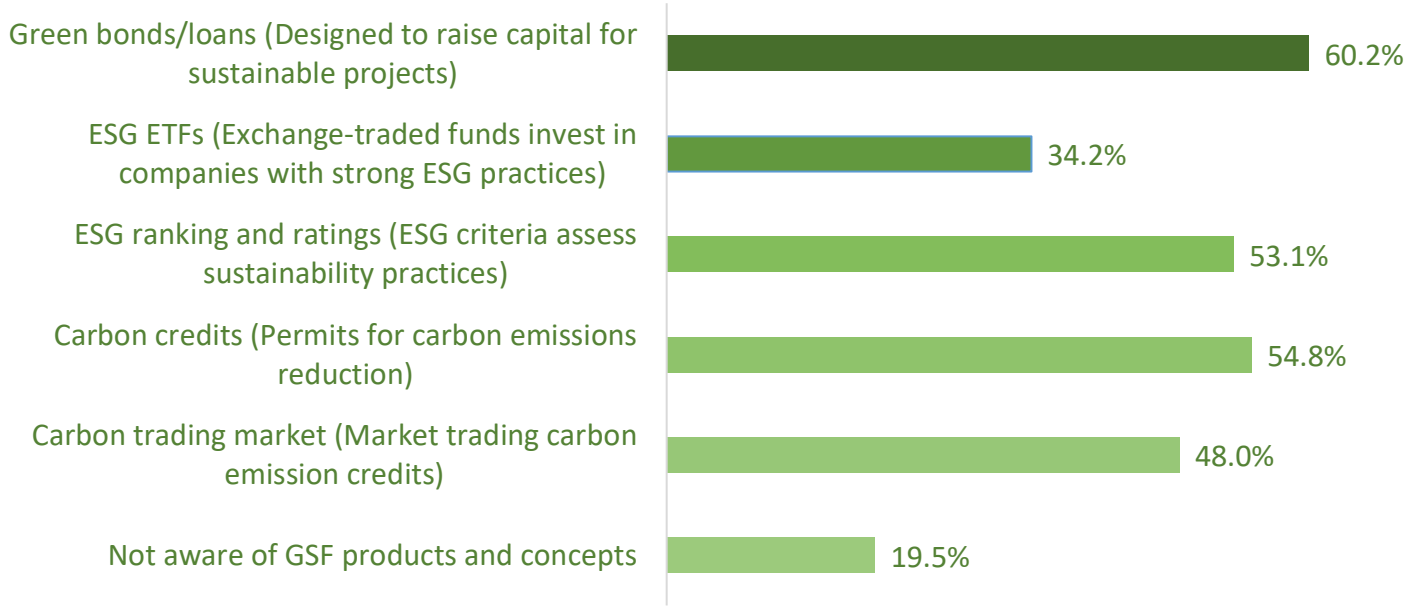


Only those who have heard of GSF need to answer this question.
Respondents can select more than one option.

Students' Understanding of Green & Sustainable Finance Concepts

We presented a list of GSF products and concepts to students, as shown in Figure 7. The most recognized GSF products and concepts among the students are green bonds and loans (60.2%), carbon credits (54.8%) and ESG ranking and ratings (53.1%). Less than half of the students have heard of carbon trading market (48%) and only 34.2% have heard of ESG ETFs. 19.5% of the students indicated they were not aware of any GSF products and concepts at all.

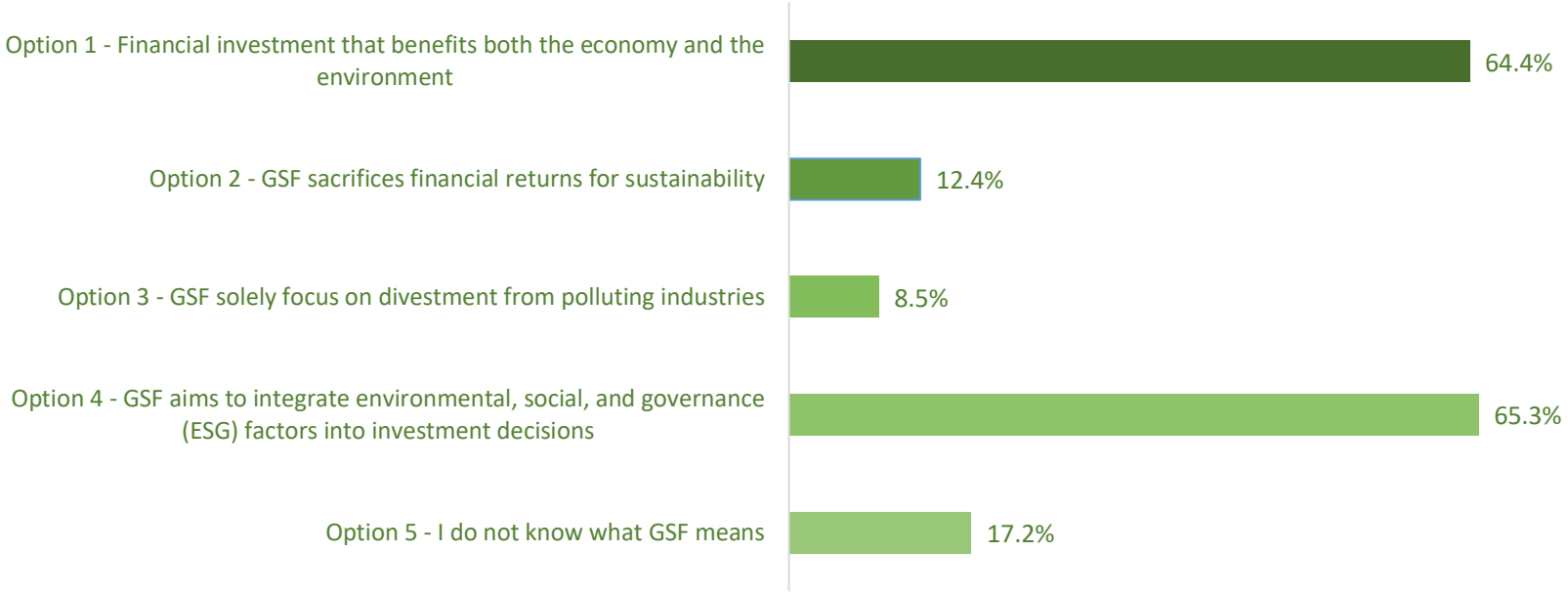
Figure 7. Have you heard of the following GSF products and concepts?



Respondents can select more than one option.

To explore whether students understand what "*green and sustainable finance*" means, we presented them with a list of options which includes two correct and two incorrect definitions of GSF and allowed students to select multiple options. The results show that generally environmental science and business students have a better understanding of GSF than students from other disciplines. 85.4% of all respondents who identified the correct definitions were environmental science students (85.4%), followed by business students (67.6%).

Figure 8. What does the term "green and sustainable finance" mean?



Respondents can select more than one option.
Option 1 and option 4 are correct definitions of green finance.[4]
Option 2 and option 3 are incorrect and represent common misconceptions about green finance.[5]

[4] European Union. *Overview of Sustainable Finance.* https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance_en
[5] DBS Bank. (2021, September 21). *Fact or fiction: we bust 4 myths of ESG investing. DBS Live more, Bank less.* https://www.dbs.com/livemore/money/fact-or-fiction-we-bust-4-myths-of-esg-investing.html

With green and sustainable finance being at the crossroad between environment and business, students who study these disciplines were expected to display a better understanding of GSF comparing to students of other majors and this turned out to be the case. As shown in Figure 9, Environmental Science and Business and Management have the most (85.4%) and second most (67.6%) students able to identify the correct definitions of GSF. However, it is worth noting that there is close to 20% difference between students in these two majors. The difference between students in Environmental Science and non-Environmental Science disciplines range from 17.8% to 28.3%.

Consistent with students' awareness of GSF, postgraduate students had a higher rate (76.8%) of selecting the correct definitions than undergraduate students (61.4%). The results indicated that the level and discipline of study appear to be contributors to students' understanding of GSF. However, other factors such as personal interests could also be at play.

Figure 9. Understanding of "Green and Sustainable Finance" among HKUST students by discipline of study

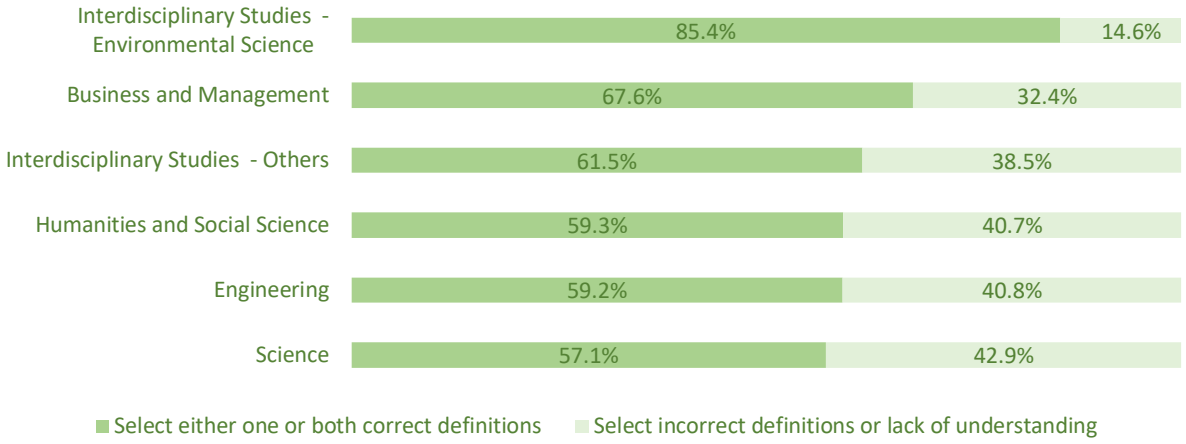
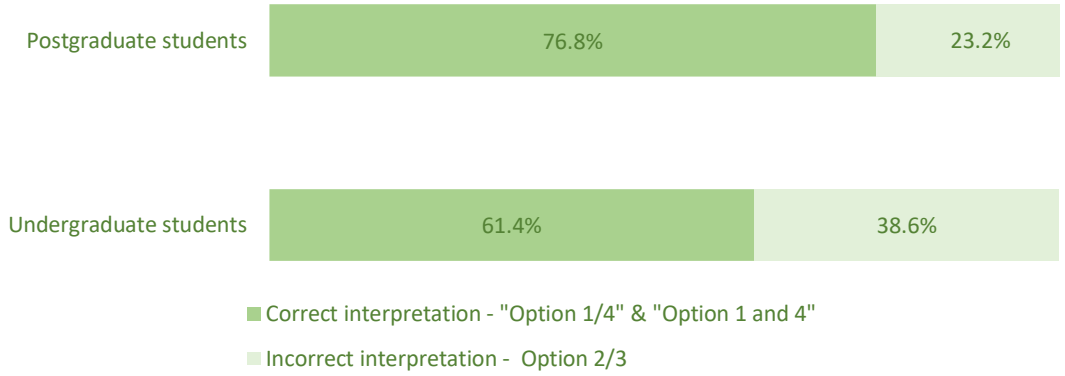


Figure 10. Understanding of GSF Definitions among HKUST Students by level of study



Students' Interests in Green and Sustainable Finance

There is a general interest in GSF among the majority of the students (64.7%), as reflected by their interests in receiving GSF information. Their top reasons for such interests are *"learn about sustainable investment options"* (77.3%), *"keep up with GSF trends"* (66.8%) and "*assess investment impact on society and environment*" (50.2%). On the other hand, those who are not interested in receiving GSF information had selected *"lack of understanding of GSF and investment opportunities"* (54.4%) and *"not interested in sustainable investing"* (42.4%) as their top reasons.

Figure 11. Are you interested in receiving GSF information?

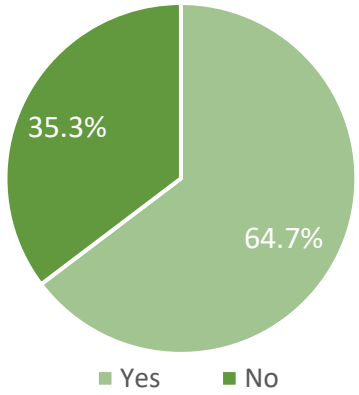


Figure 12. Why are you interested in receiving GSF information?

Statement	No. of students selected
Learn about sustainable investment options	177 (77.3%)
Keep up with GSF trends	153 (66.8%)
Assess investment impact on society and environment	115 (50.2%)
Align investments with personal values	79 (34.5%)
Others	7 (3.1%)

Respondents can select more than one option.

Figure 13. Why are you NOT interested in receiving GSF information?

Statement	No. of students selected
Lack of understanding of GSF and investment opportunities	68 (54.4%)
Not interested in sustainable investing	53 (42.4%)
Concerns about financial returns of GSF investment	28 (22.4%)
GSF does not align with personal values or beliefs	14 (11.2%)
Others	5 (4%)

Respondents can select more than one option.

Overall, students who have heard of GSF displayed more interest in receiving GSF information (78.2%) than those who haven't heard of GSF (21.8%). Postgraduate students also expressed a higher interest in receiving GSF information (82.1%) than undergraduate students (58.3%). The positive correlation found between students' interests in receiving GSF information and whether students have heard of GSF and their level of studies indicate that more exposure to GSF may enhance students' interests in the topic.

Figure 14.
Interest in receiving GSF information and awareness of GSF among HKUST Students

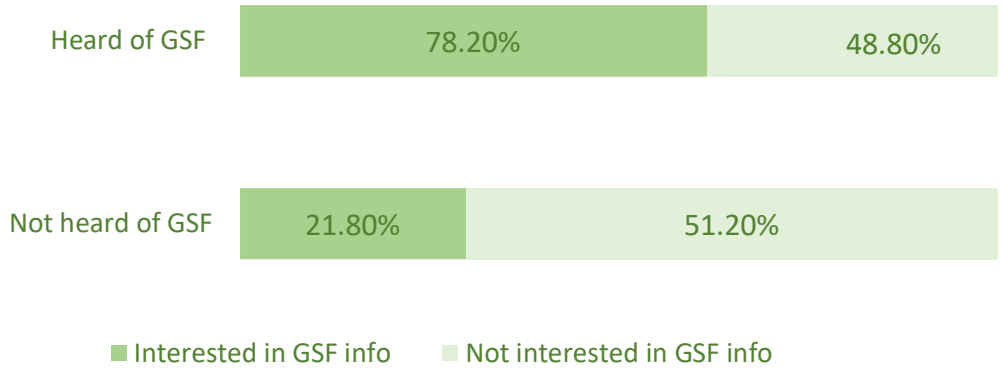
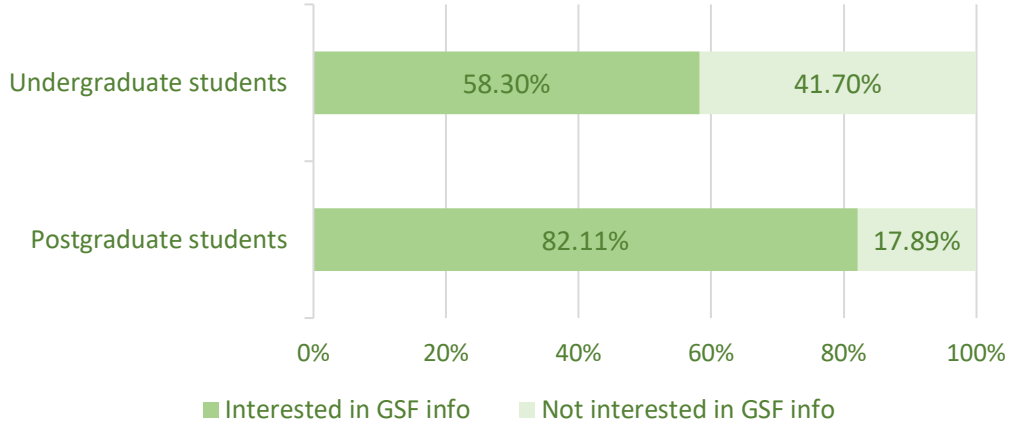


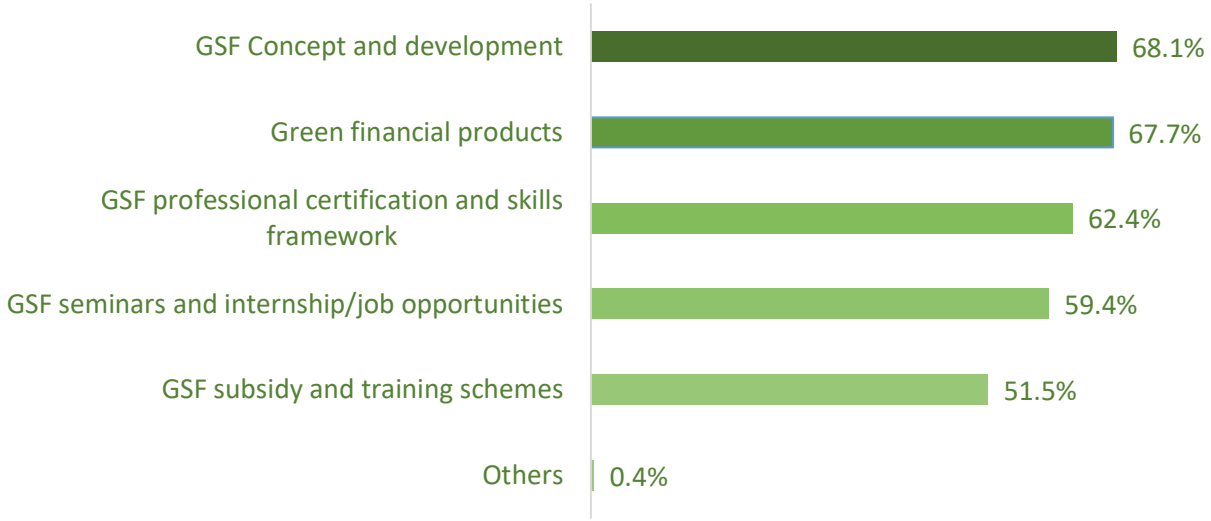
Figure 15.
Interest in receiving GSF information and Level of study among HKUST Students



As depicted in figure 16, students are interested in receiving a variety of GSF related information. *"GSF concept and development"* and *"green financial products"* were selected by 68.1% and 67.7% of students respectively, followed by "*GSF professional certification and skills framework*" (62.4%), "*GSF seminars, internship and job opportunities*" (59.4%) and "*GSF subsidy and training schemes*" (51.5%).

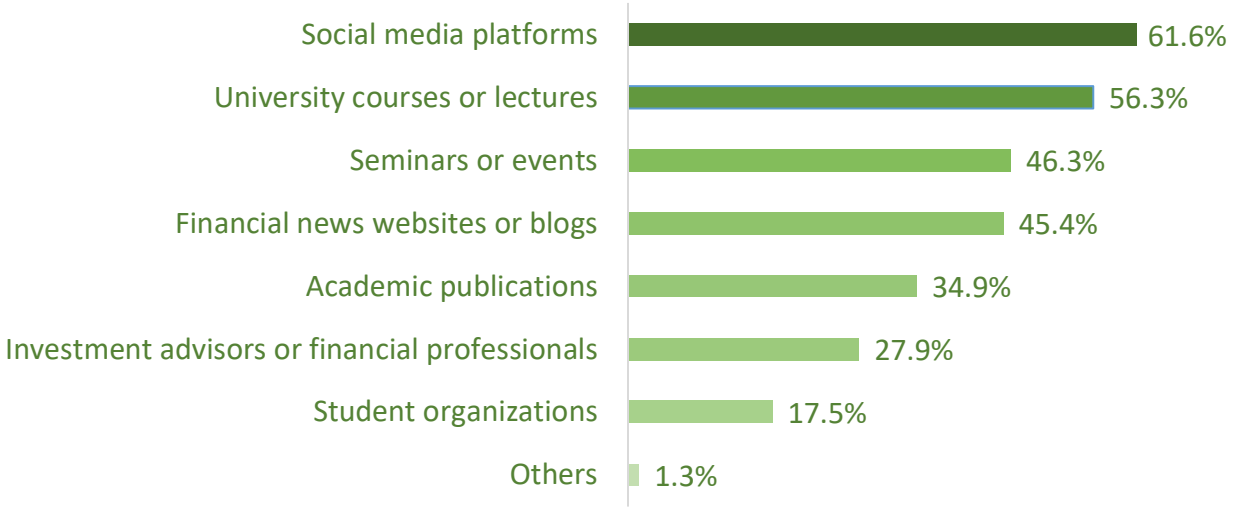
The top three channels that students would like to obtain GSF information from are social media (61.6%), university courses or lectures (56.3%), and seminar or events (46.3%).

Figure 16. Topics of GSF information students are interested in receiving



Only respondents who are interested in receiving GSF information need to answer, and they can select more than one option.

Figure 17. What are the top three channels you want to obtain GSF information from?



Only respondents who are interested in receiving GSF information need to answer, and they can select no more than three options.

Students' Views on Current GSF Education & Career Prospects

Only 30% of the surveyed students indicated having received GSF education as part of their university studies, while close to 80% of the surveyed students think GSF education would be helpful for their future career. This gap indicates that the students' needs for GSF education is not being met.

More than 45% of the respondents agree that GSF should be included in the compulsory curriculum at the university, while 34% are uncertain about it (Figure 20). There is clearly a demand for GSF education among students. Incorporating GSF components into the compulsory curriculum could help bridge the knowledge gap and increase awareness of GSF.

Figure 18. Have you received any education on GSF as part of your university studies?

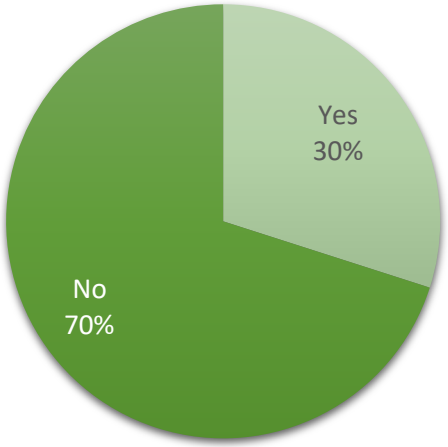
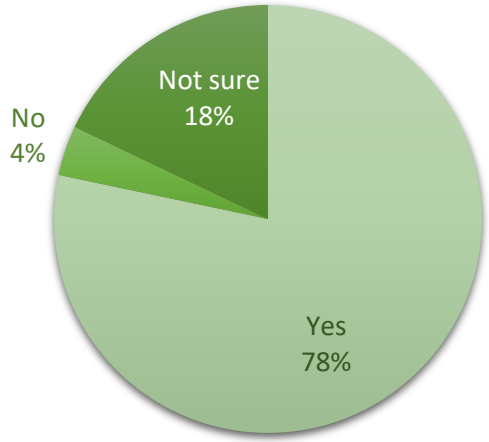
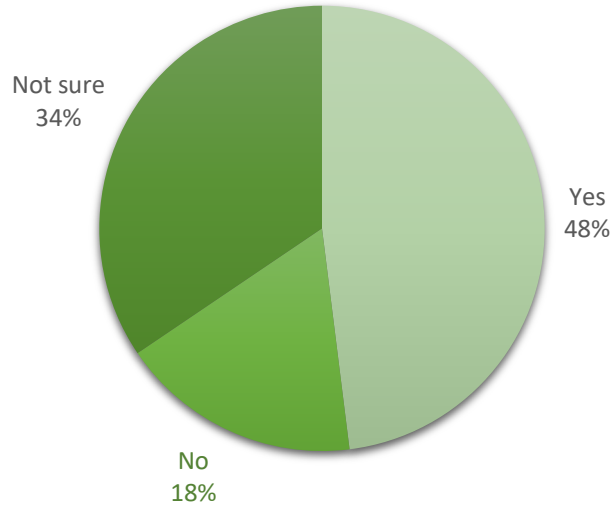


Figure 19. Do you think it is useful for your future career?



Only respondents who have received GSF university education answer this question

Figure 20. Do you agree with including GSF in the compulsory curriculum at the university?



45% of respondents have not heard of GSF internship openings at all, while 33% have heard of such internship opportunities but not applied for any. Only 13% have heard of and applied for GSF internships.

Figure 21. Have you heard of GSF internship openings offered in Hong Kong?

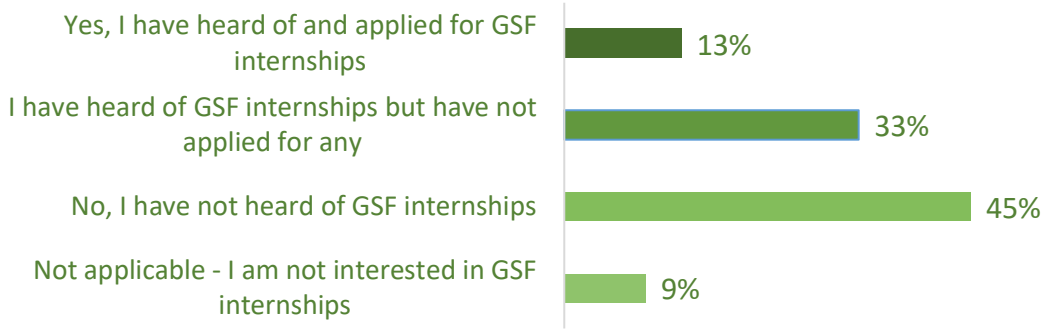
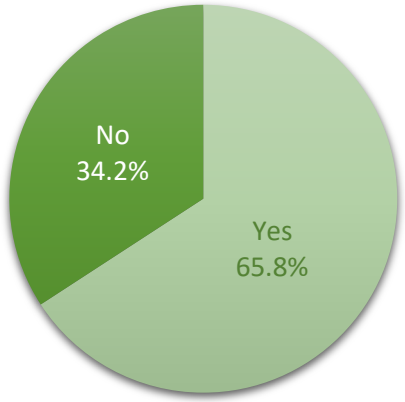


Figure 22. Are you interested in working in the GSF industry?



65.8% of the surveyed respondents are interested in working in the GSF industry. The top reasons for their interest include "*professional growth*" (76.8%) and "*generating financial returns while promoting sustainability*" (63.9%). For those not interested in pursuing careers in GSF, "*lack of skills and experience in GSF*" (67.8%) and "*limited career growth and opportunities*" (27.3%) are cited as the top reasons.

Figure 23. Why are you interested in working in the GSF industry?

Statement	No. of students selected
Professional career growth and opportunities	179 (76.8%)
Generate financial returns while promoting sustainability	149 (63.9%)
To be part of a growing and evolving field	140 (60.1%)
Align with personal values and beliefs	112 (48.1%)
Others	3 (1.3%)

Only respondents who are interested in working in GSF industry answer this question; they can select more than one option.

Figure 24. Why are you not interested in working in the GSF industry?

Statement	No. of students selected
Lack of skills or experience in GSF	82 (67.8%)
Limited career growth and opportunities	33 (27.3%)
Lack of interest in environmental issues	32 (26.4%)
Concerns about financial returns of GSF investments or projects	28 (23.1%)
Others	3 (2.5%)

Only respondents who are not interested in working in GSF industry answer this question; they can select more than one option.

Observations & Recommendations

Green finance has been gaining increasing importance in Hong Kong in recent years. It is expected to continue to play a significant role. With the increasing demand for expertise in green and sustainable finance, it is foreseeable that the talent shortage will only be more severe unless we start building a long-term talent pool early.

Education plays a key role in raising students' awareness and interests in GSF and enabling students in becoming successful GSF professionals in the future. The results from this survey study indicate that there is a gap between Environmental Science and Business students and those in other disciplines in awareness, understanding and interests in GSF. At the same time, the majority of the students have expressed interest in pursuing a career in GSF. However, the limited learning opportunities and the lack of entry-level jobs for young graduates are barriers that must be removed in order to attract more young talents into the field.

Given the urgency to combat climate change, it is necessary to provide adequate GSF education to all students. There are many ways to offer learning opportunities to students, some examples include:

- Make GSF a required component of the curriculum and introduce more elective courses dedicated to topics on sustainability, ESG and GSF. A compulsory introductory level course can raise awareness and build interests for students with limited or no understanding about climate change or other environmental sustainability issues. Elective courses should be made readily available for students who wish to explore further in these themes.
- Organize seminars and events, and encourage student-led initiatives, societies, and clubs focused on sustainability and responsible investing to foster a community of like-minded individuals.
- Make use of social media for bite-sized learning. Social media is one of the most preferred channels from which students would like to obtain GSF information. It can help reach students easily to provide them with easy-to-digest learning and quick content to arouse their interests in GSF.
- Establish academia-private partnerships to provide real-life learning opportunities to students, bridging academic study and professional practices through internships, capstone projects, etc.

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About Green Finance Research Project

Striving for both academic achievements and societal impacts, the Green Finance Research Project, entitled "Developing Hong Kong as a Global Green Finance Centre" (project no. T31-603/21-N) supported by the Research Grants Council (RGC), aims at developing research and educational programs to enhance Hong Kong as an international green finance center. It is conducted by an interdisciplinary team of scholars in business (finance, accounting, economics, and financial technology), environmental science, and public policy, as well as former policymakers and experienced practitioners. The goals are to advance the intellectual frontier of green finance by conducting a series of cohesive studies using a "Think and Do" approach to apply the findings and new knowledge created by fundamental intellectual inquiries to actual applications and experimentation in the form of technology prototypes and proof-of-concept financial product design.