

WILLINGNESS TO INVEST AND DONATE FOR GREEN PROJECT IN INDONESIA



Compiled from Sub-Department of Energy Economy and Financing, Purnomo Yusgiantoro Center

INTRODUCTION

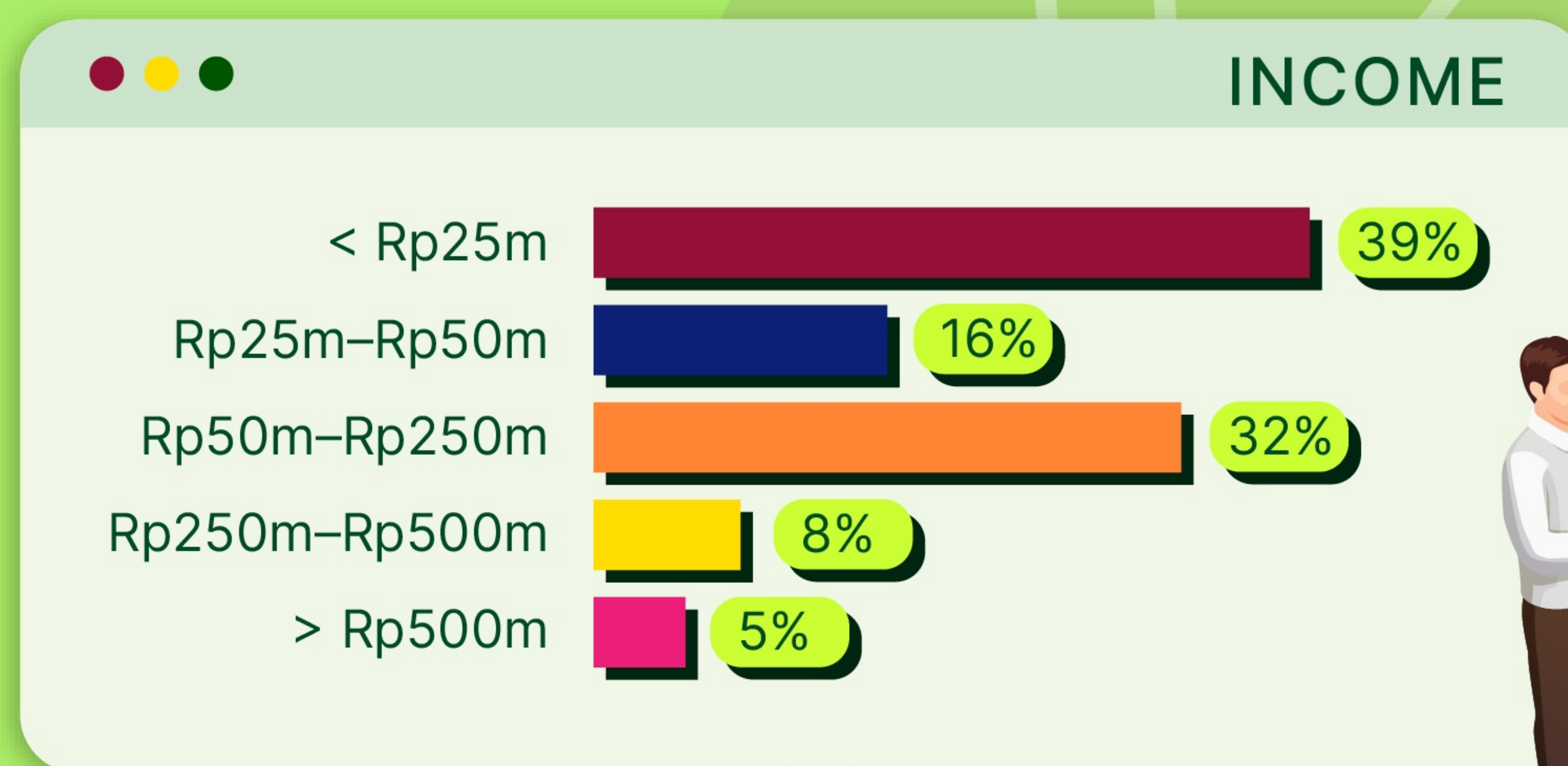
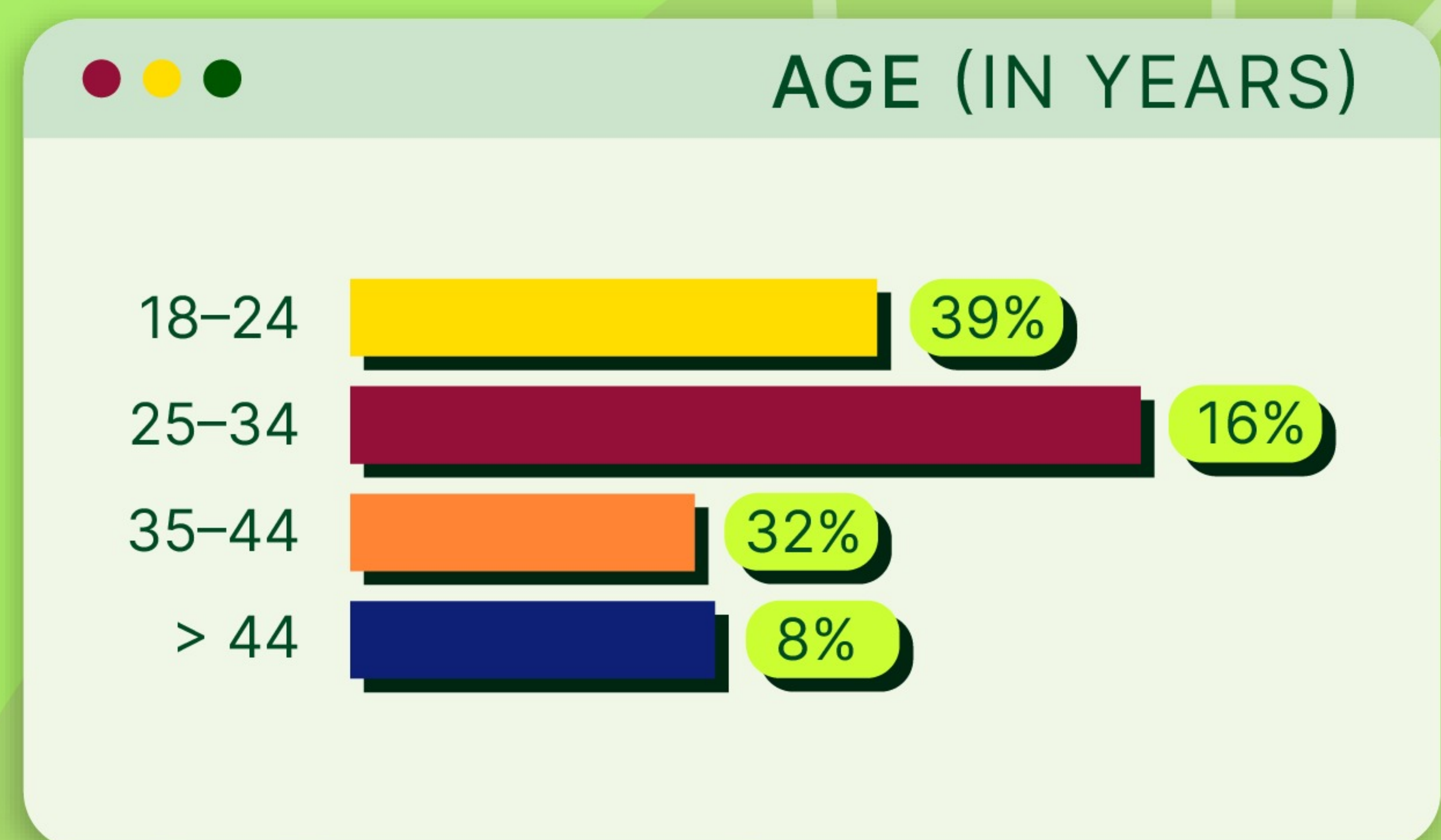
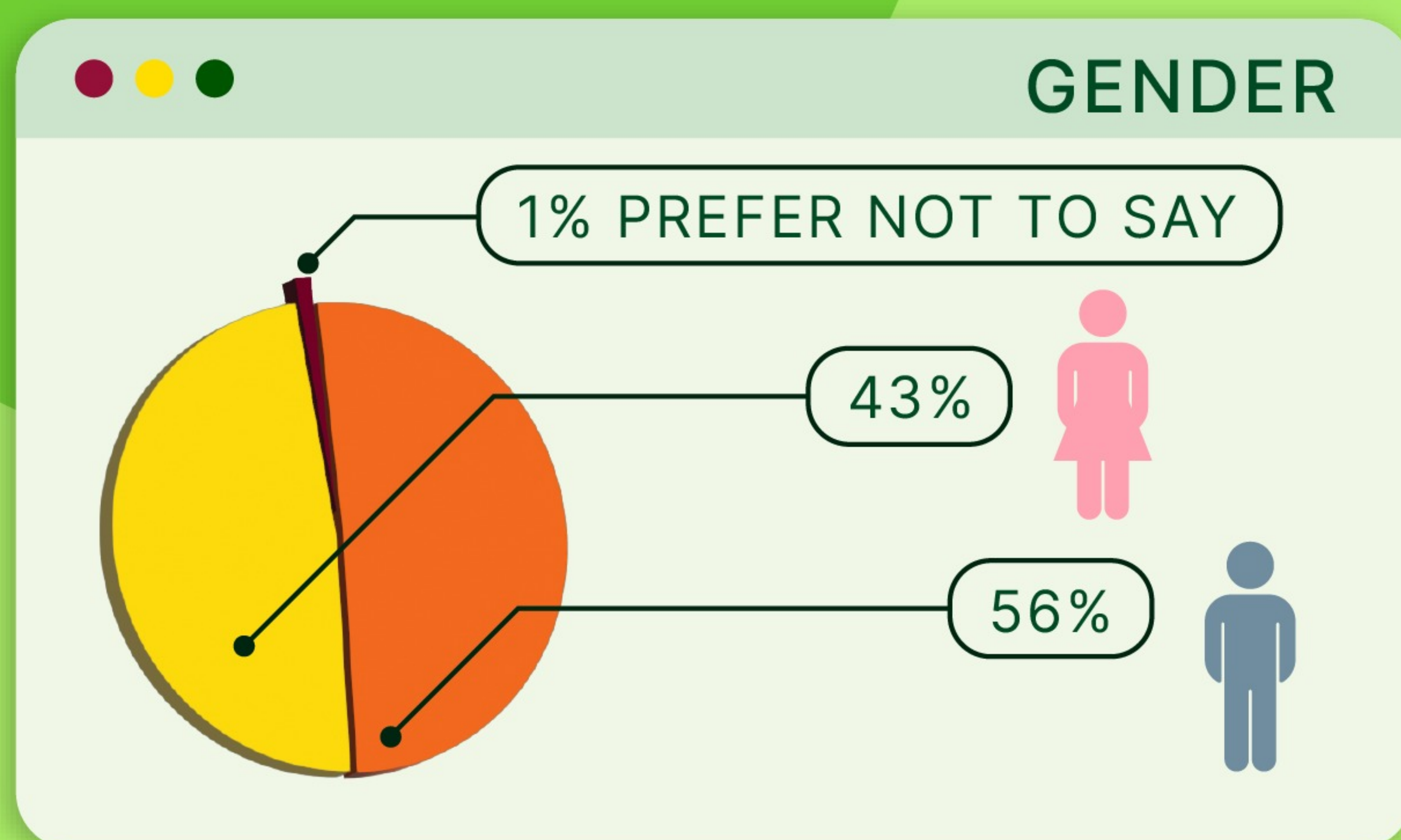


A survey conducted by PYC found that around half of the citizens are willing to invest and donate to green projects, including renewable energy.

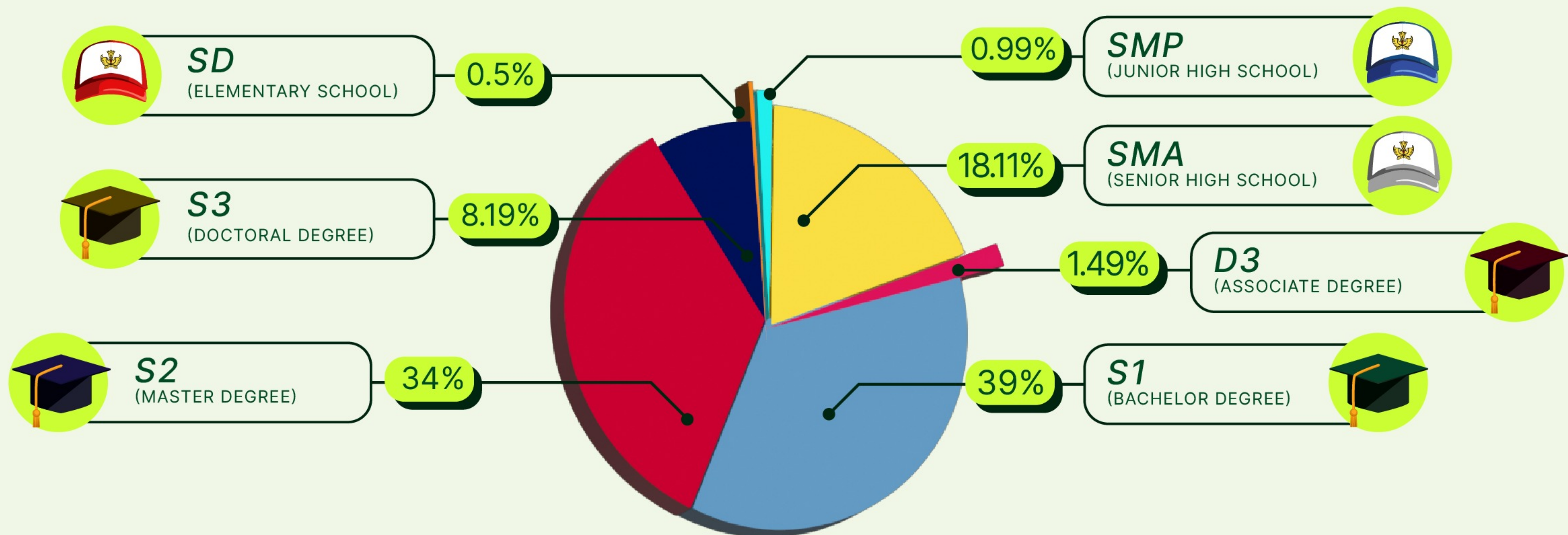
In this study, green projects are classified as climate change, wildlife and animal welfare, and renewable energy projects. The survey is conducted to make people understand better about the public willingness to invest and donate to green projects.

RESPONDENTS' DEMOGRAPHIC

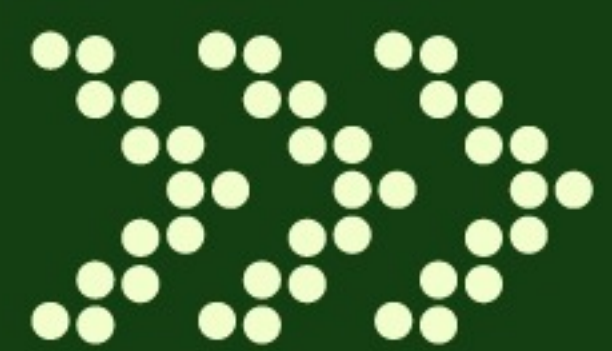
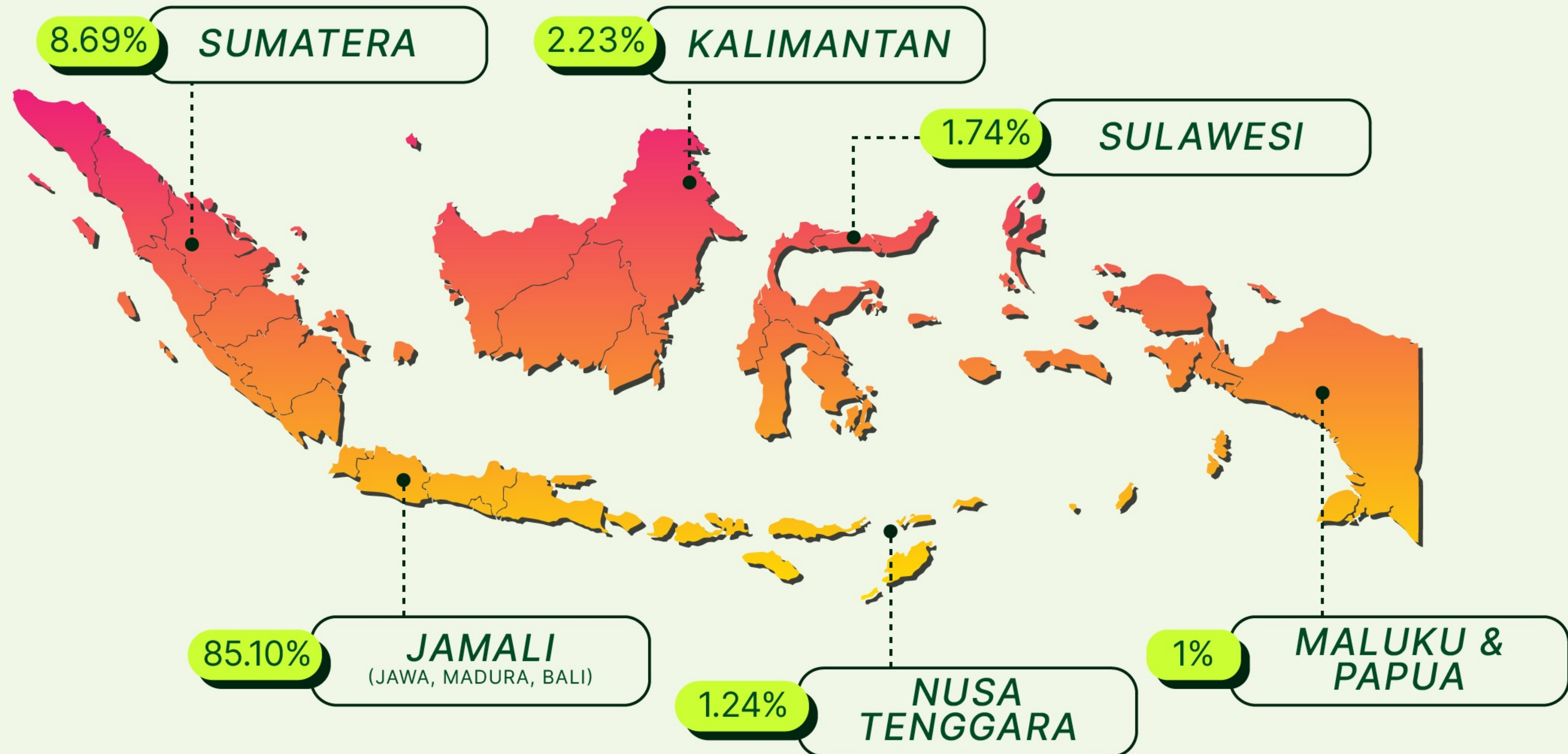
Data from 400 respondents have been collected to gain insights into the motivation and preference of early adopters in gen X, Y, and Z to invest and donate to green projects.



HIGHEST LEVEL OF EDUCATION



DOMICILE



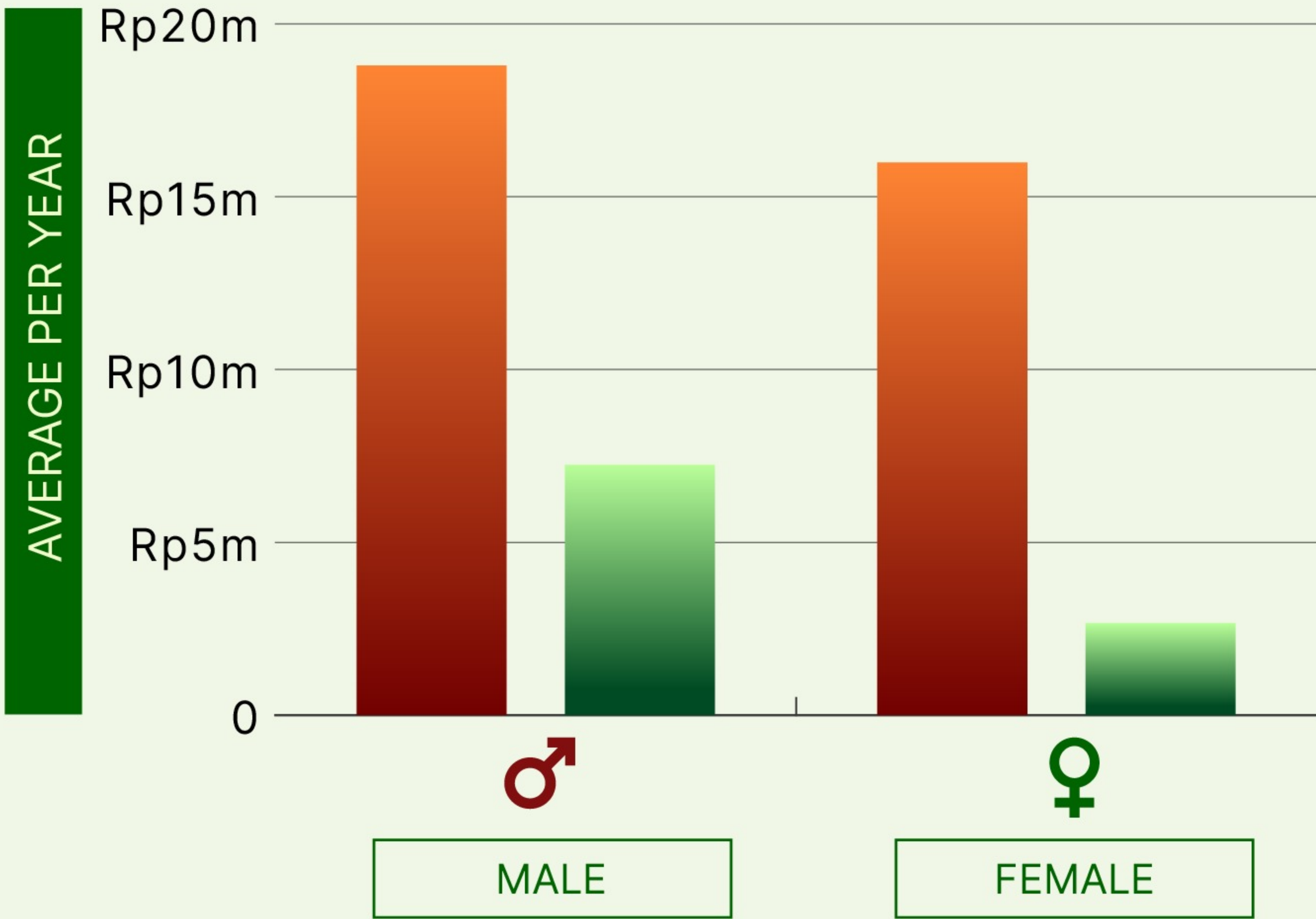
GENDER VS WILLINGNESS TO INVEST/DONATE



Individual investors prefer to have a **high ROI** rather than a low-profit investment with environmental and social benefits.



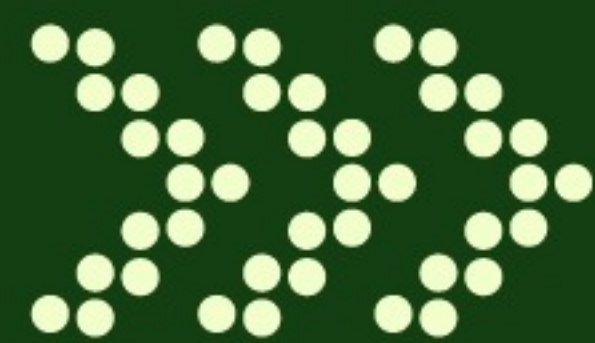
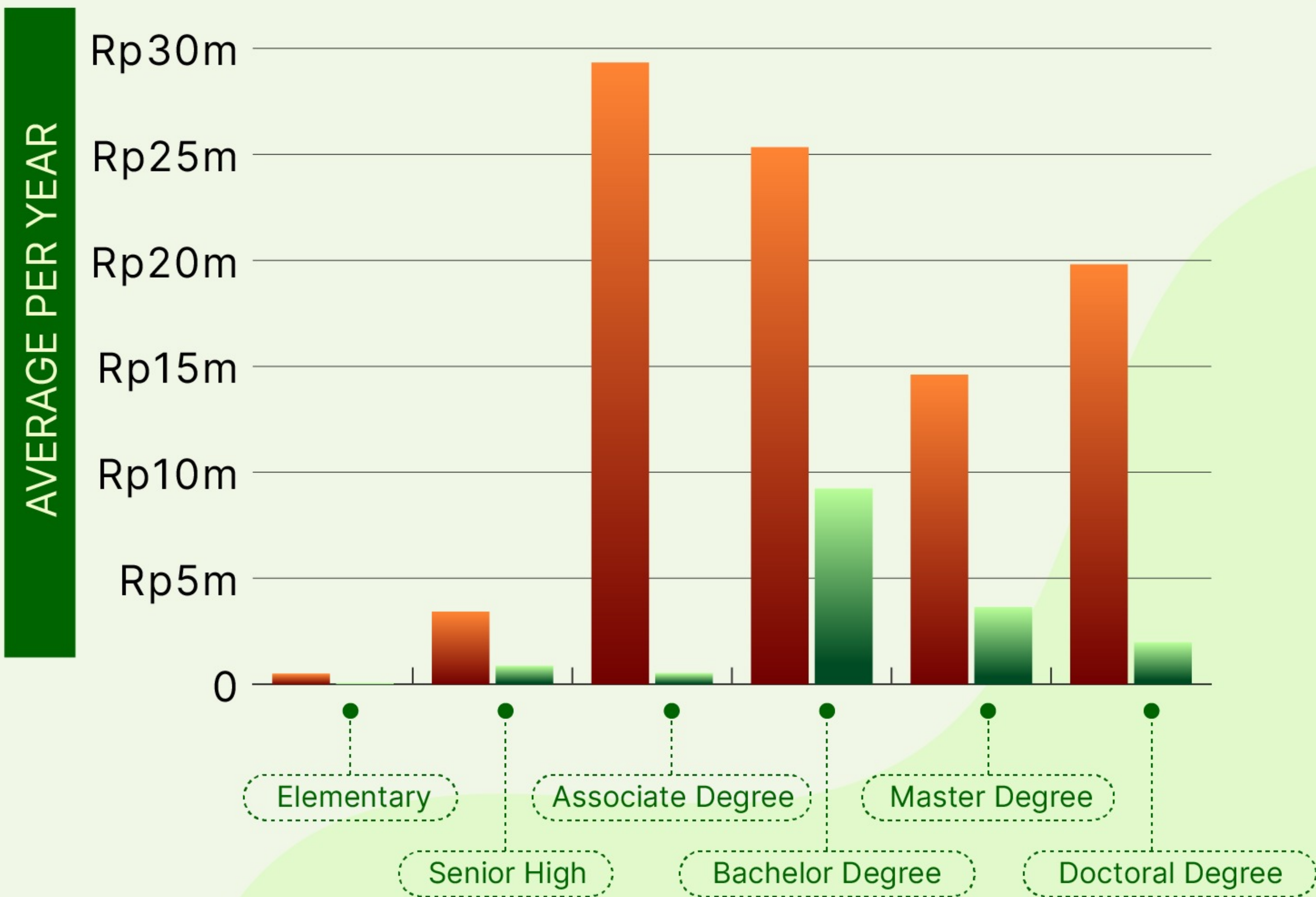
Males invest and donate more money than females in terms of quantity and frequency.



EDUCATION VS WILLINGNESS TO INVEST/DONATE



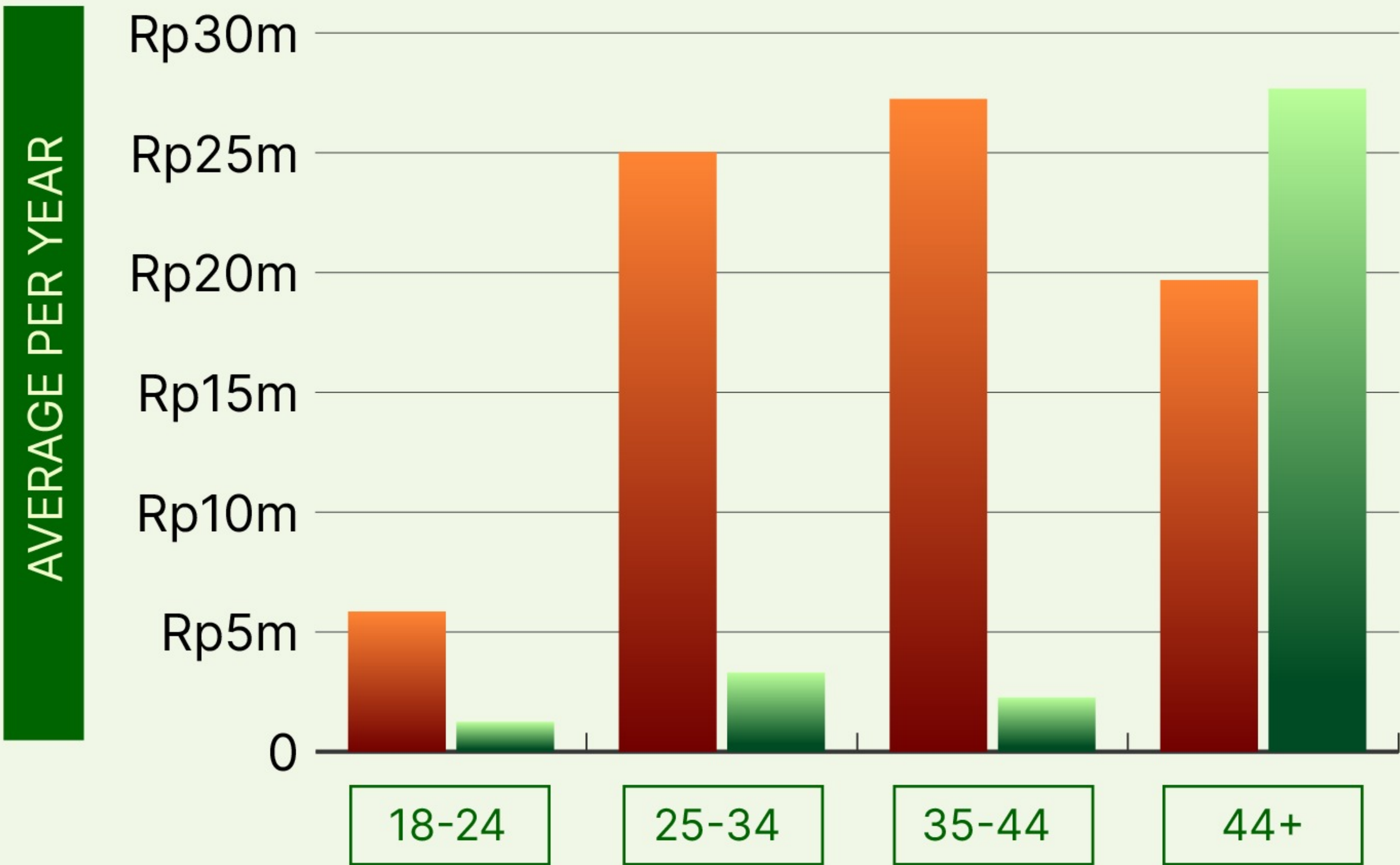
People with the level of education above an associate degree have a **significantly higher level of willingness** to invest and donate to green projects.



AGE VS WILLINGNESS TO INVEST/DONATE



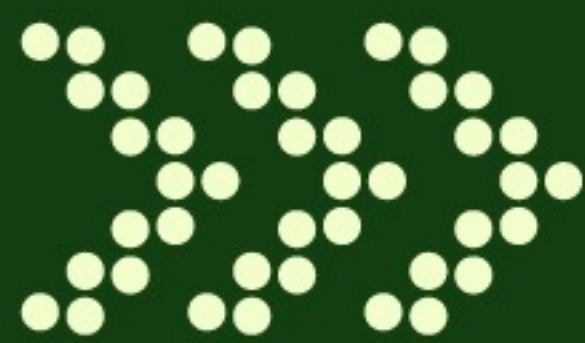
Age has a positive correlation with the willingness to invest in green projects. However, people > 44 years old are more interested in donating than investing.



INCOME VS WILLINGNESS TO INVEST/DONATE



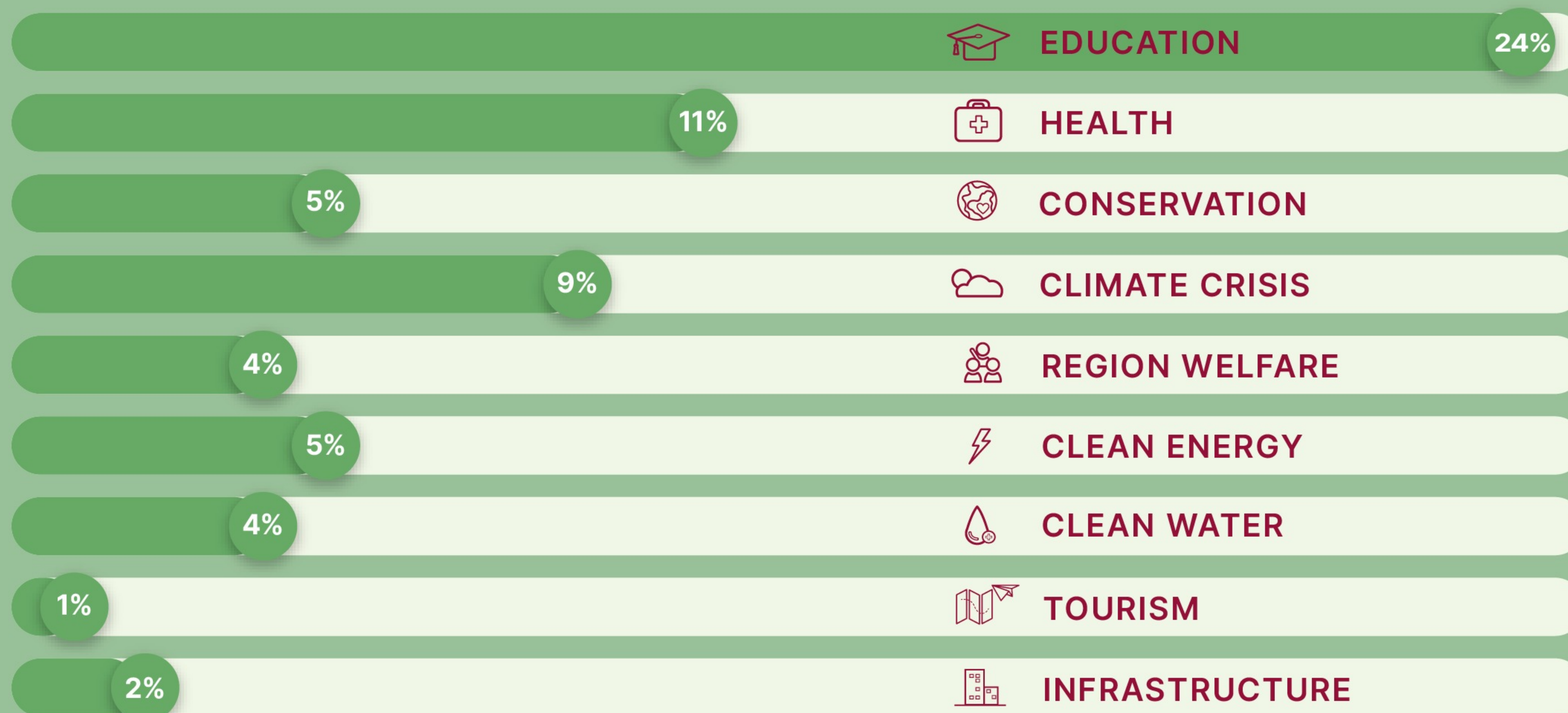
In general, people with higher income levels have a higher willingness to invest. However, there is no proof on the relationship between level of income and willingness to donate.



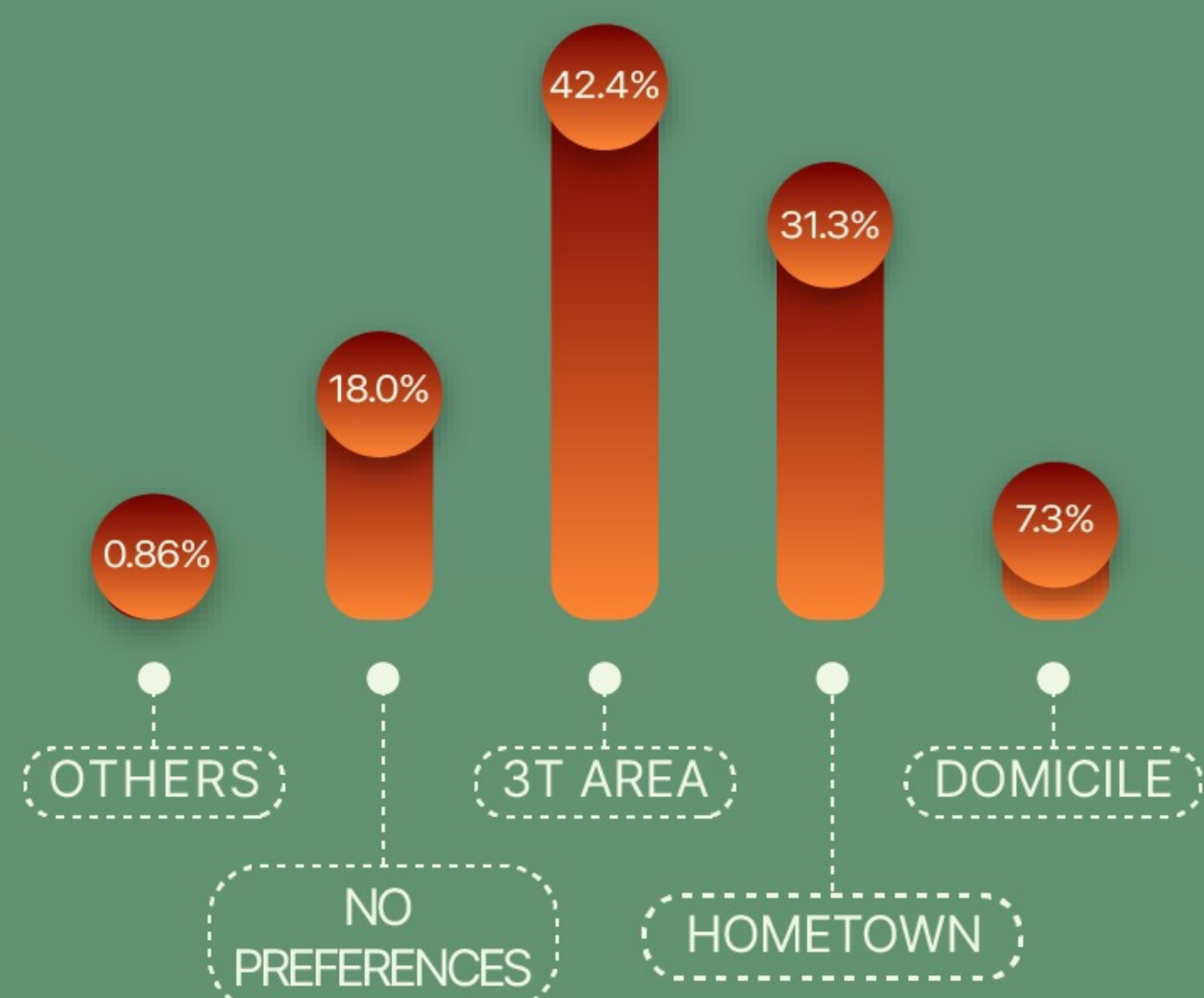
THE DISTRIBUTION OF WILLINGNESS & DONATION DISTRIBUTIONS

INVESTMENT

PROJECT TYPES



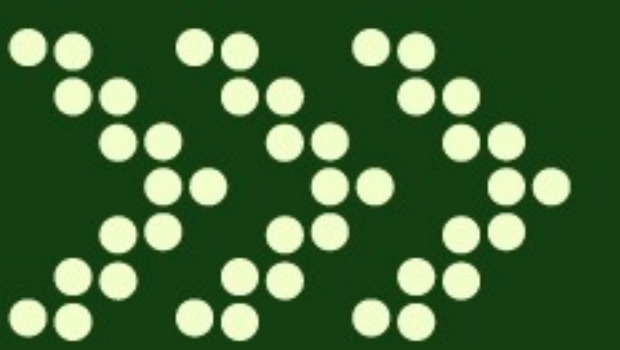
LOCATION TYPES



The respondents tend to invest and donate to the project located in **the frontier, outermost, and least developed region (3T)**.

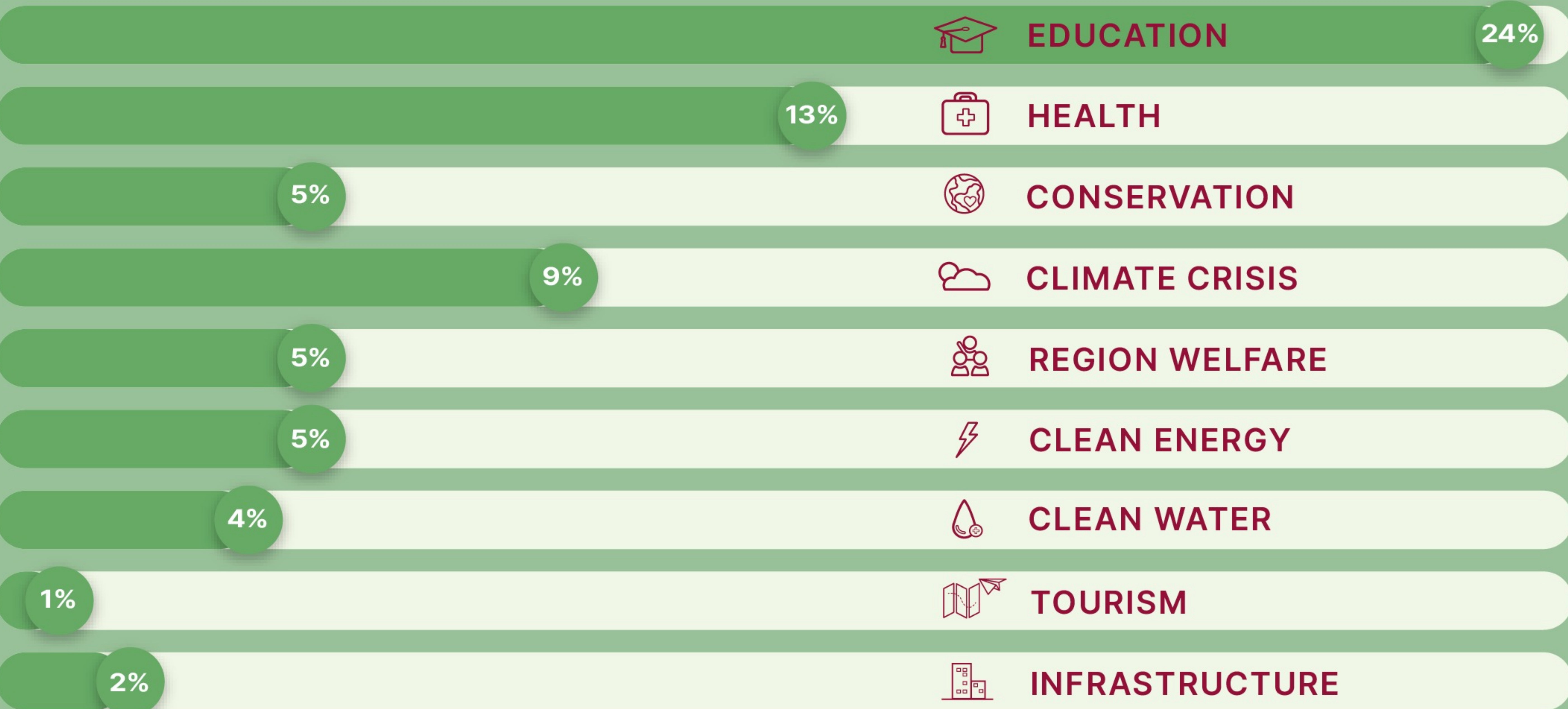


Respondents prefer to invest and donate to social projects such as **health and education**.



DONATION

PROJECT TYPES

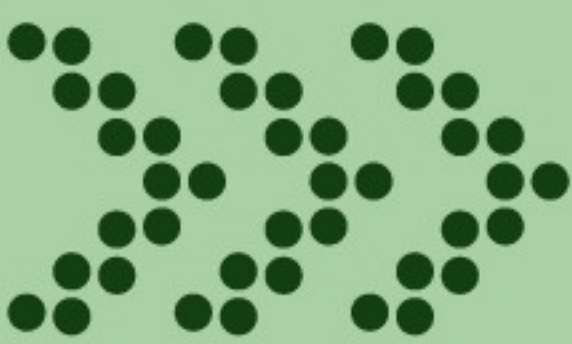
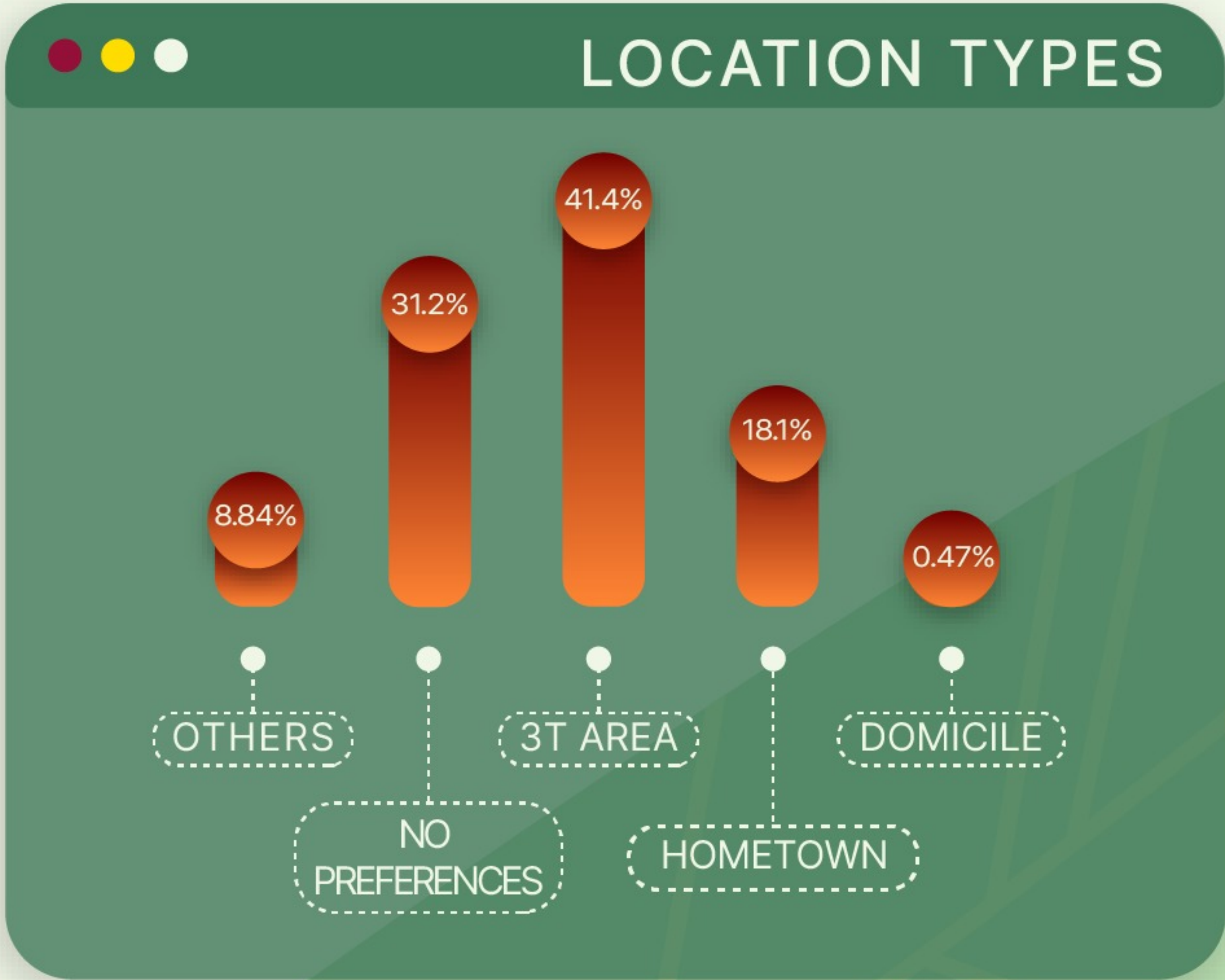


Clean energy has not been seen as one of the preferred targets for green projects' investors and donors.



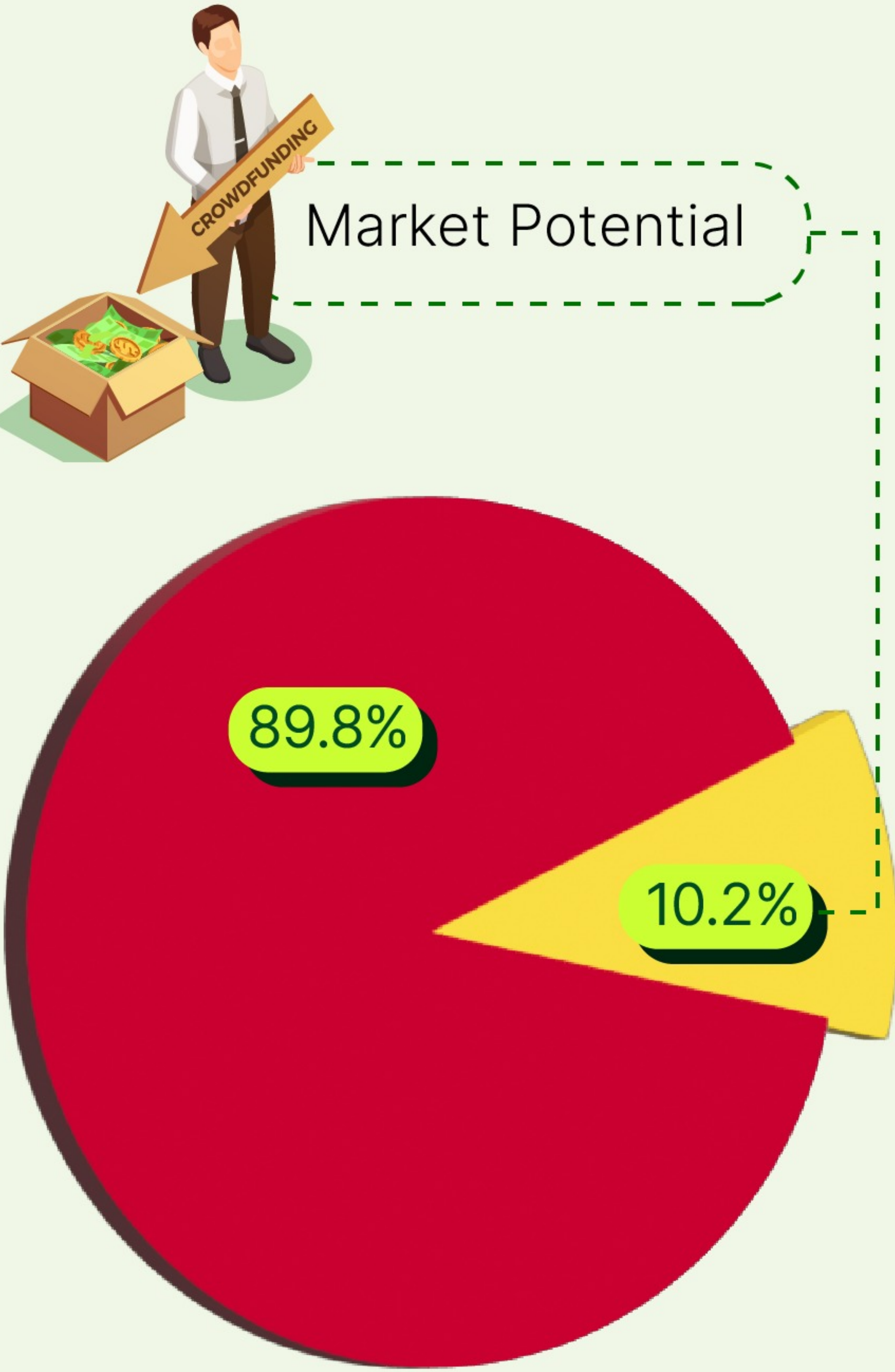
The number of people who are willing to invest and donate to clean energy is 4 times lower compare to education and health.

LOCATION TYPES

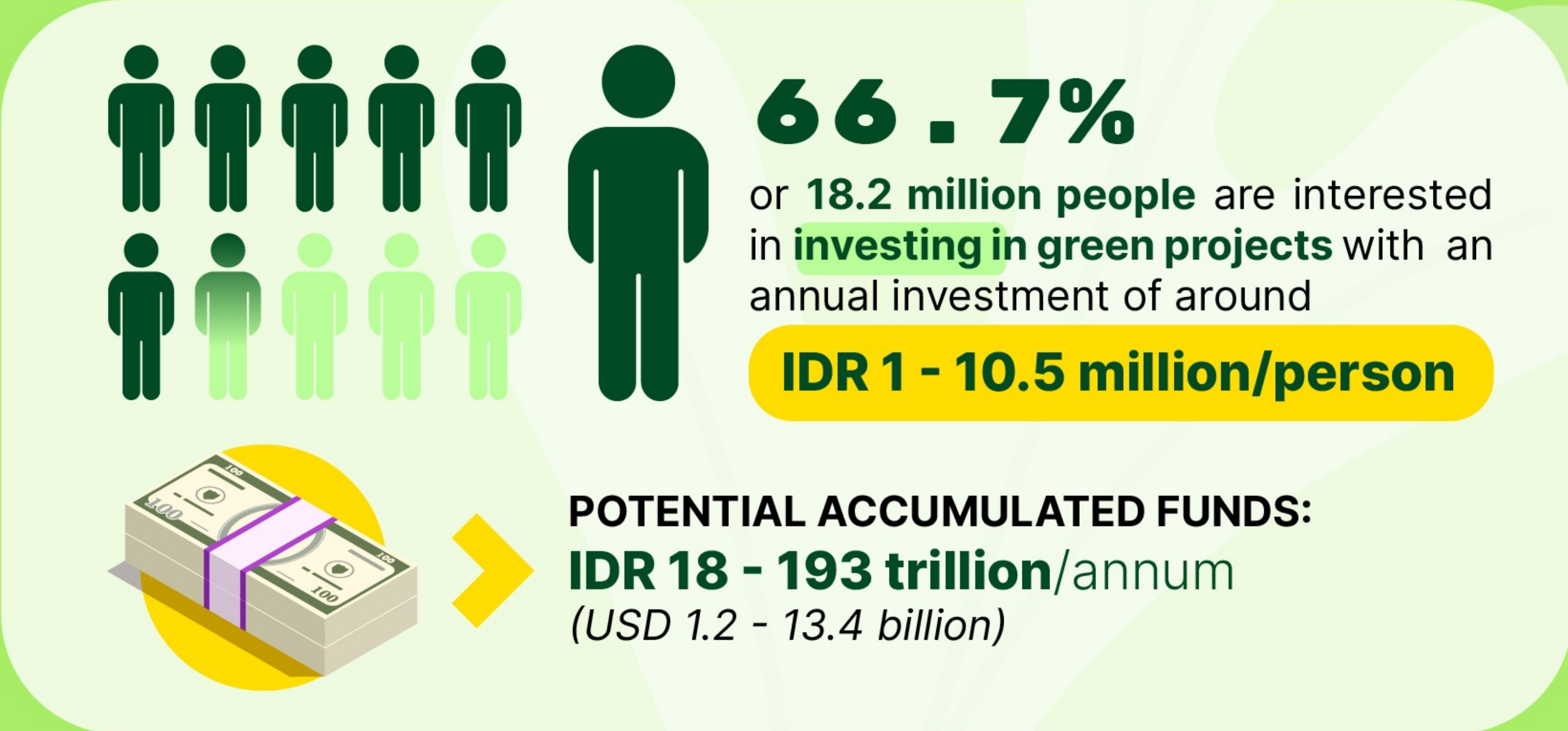


The respondents tend to choose the project which has a direct impact on society. Thus, raising awareness about the direct impact of renewable energy projects on society is important.

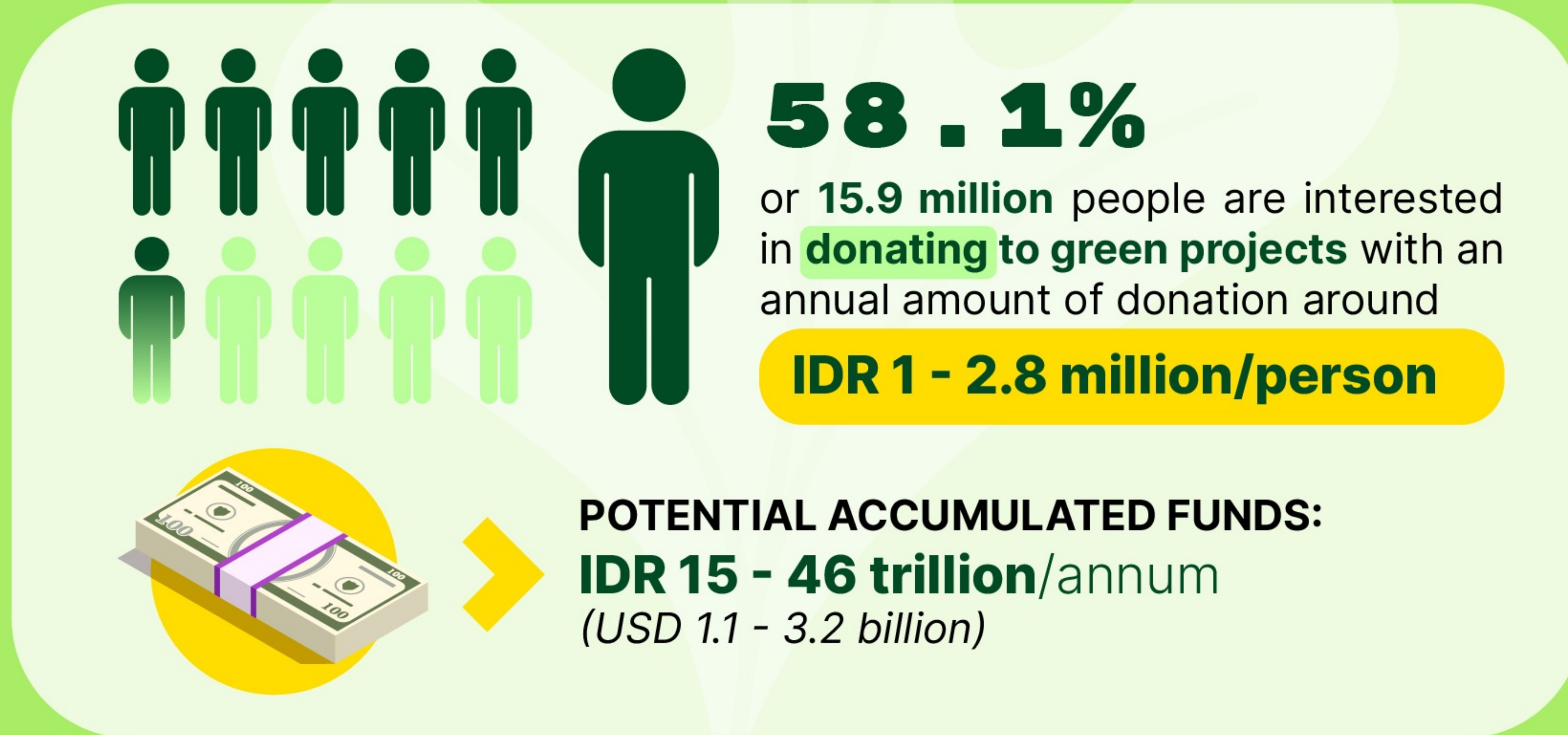
POTENTIAL OF CROWDFUNDING FOR GREEN PROJECTS IN INDONESIA



Indonesian's Population
268 million people



INVESTMENT



DONATION

ROI :
Return on Investment

3T Area :
The frontier, outermost, and least developed region
(*terdepan, terluar, dan tertinggal*)

- There is an **enormous potential of crowdfunding** as green projects' financing alternative, including renewable energy. The total investment could accumulate up to **IDR 192 trillion (USD 13.4 billion)/annum** and up to **IDR 46 trillion (USD 3.2 billion)/annum** for donation.
- The main bottlenecks are **the lack of financial literacy and platforms to facilitate public participation.**



RESEARCH REPORT

Crowdfunding Potential: Willingness to Invest and Donate for Green Project in Indonesia

doi.org/10.33116/pycrr-1

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Highlights

- Individual investors prefer to have an investment with high ROI rather than a low-profit investment with environmental and social benefits.
- Males invest and donate more money than females in terms of quantity and frequency.
- People with a level of education above an associate degree (D3) have a significantly higher level of willingness to invest and donate to green project, compared to people with a lower level of education.
- In general, people with a higher income level have a higher willingness to invest. However, there is no proof on the relationship between level of income and willingness to donate.
- The age increases have a positive correlation with the willingness to invest in green project. Nevertheless, people >44 years old are more interested in donating than investing.
- The younger generation (<44 years) tends to pick higher returns and short payback periods compared to the older generations (>44 years).
- The respondents tend to invest and donate to the project located in the frontier, outermost, and least developed region (3T) even though the majority of the respondents are from Java, Madura, and Bali.
- A social project such as health and education are preferable projects chosen by the respondents to invest and donate to, followed by the conservation, climate crisis, region's welfare, and clean energy access.
- Clean energy has not been seen as one of the preferred targets for green project investors and donors due to the poor knowledge of its direct impact on the environment and people's welfare.
- The average willingness to invest and donate is IDR 10,527,004 and IDR 2,893,079/person/annum with desired return on investment (ROI) and payback period (PP) of 5–8% 24 months, respectively.
- Respondents prefer to donate more money to reward donations than donations without reward.
- There is an enormous potential of crowdfunding as green project alternative financing, including renewable energy. The total investment could reach up to IDR 192 trillion (USD 13.4 billion)/annum and up to IDR 46 trillion (USD 3.2 billion)/annum for donation.
- The main bottlenecks are poor financial literacy and the lack of platforms to facilitate public participation.
- COVID-19 has decreased willingness to pay and invest due to income reduction and the uncertain economic recovery situation. However, it makes people pay more attention to the sustainability factor (shifting paradigm in investment).

Crowdfunding Potential: Willingness to Invest and Donate for Green Project in Indonesia
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FOR MORE INFORMATION,
READ THE FULL REPORT HERE:

bit.ly/PYCResearchReport-1



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