

How to Regulate Social Media in the United States?

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Introduction:

In the last two decades, technology has rapidly advanced, impacting different aspects of our lives, while regulation has struggled to keep up. The quick rise of online platforms happened so rapidly that we as a society absorbed their content without fully understanding damages they could cause. Platforms like MySpace and Facebook were created in the early 2000s but differed from the way they are structured today. Back then, social media seemed like the next logical step in technological innovation, another outlet for people to share their lives and maintain relationships. The turning point for engagement on social media tools was in 2009 when the app developers shifted from a system of chronological posts, where the newest posts of your “friends” were at the top and went down in order of release. Facebook created features that allowed users to “like” posts, “share” them or “retweet” them. These features allowed the company to keep data on what the user was interested in, and then use that information to spew a feed tailored to the user, also known as an algorithm.¹ By 2013, these tools were fully developed, and the game of social media was altered with a new dynamic of hyper-virality. In this policy paper, the question of how the United States government should regulate social media will be explored. By reviewing existing evidence on the harmful effects of social media, particularly on the mental health of youth, and breaking down existing regulation framework, it will conclude with a final policy recommendation that combines an educational campaign, a ban on the “addictive” feed, and mechanisms that open companies up to liability.

The Problem with Social Media

The way that social media has impacted teenagers sheds light on why there is a dire need for regulation.

Since the early 2010s, when social media platforms began to expand and develop, rates of depression and mental health issues have skyrocketed among adolescent girls. Specifically, young girls from ages 10-14 have been affected the most, as the rates of hospital admission for self-harm doubled from 2010 to 2014. As social media grew, girls notably became the heaviest users of these platforms, as 80 percent of high school students said they used a social media platform daily, and 24 percent said they were online “almost constantly.” These findings establish a timeline between declining teenage mental health and the rise of social media use. For young girls, studies show that girls who use social media heavily are 2-3 times more likely to say that they are depressed than girls who use it lightly or not at all.²

The widespread use of photo-editing tools like FaceTune and filters on social media platforms has significantly contributed to body dysmorphia among teenage girls. These tools allow users to alter their appearance, creating an idealized version of themselves that is often impossible to achieve in reality. This discrepancy between their online and real-life appearance can lead to a “mismatch” effect, where teens feel immense dissatisfaction with their natural

¹ Haidt, J. (2022, April 11). *Why the Past 10 Years of American Life Have Been Uniquely Stupid*. The Atlantic. <https://www.theatlantic.com/magazine/archive/2022/05/social-media-democracy-trust-babel/629369/>

² Haidt, J. (2021, November 21). *The Dangerous Experiment on Teen Girls*. The Atlantic. <https://www.theatlantic.com/ideas/archive/2021/11/facebooks-dangerous-experiment-teen-girls/620767/>

looks. Studies have shown that this can result in lower self-esteem and an increased likelihood of pursuing cosmetic surgery to match their edited images.³

The hyper-curated nature of social media posts—where users selectively share moments that portray their lives as more exciting or perfect than they actually are—can lead to feelings of inadequacy and dissatisfaction among teenagers. When teens are constantly exposed to these idealized representations of life, they may start to believe that their own experiences and appearances fall short, fueling anxiety, depression, and a general sense of dissatisfaction with their own lives. This phenomenon has been linked to increased levels of emotional distress, body dissatisfaction, and unhealthy comparison behaviors.⁴

In a study conducted at the University of Pennsylvania, where one group of students, both boys and girls, were randomly assigned to use social media as usual for 3 weeks, and the other was meant to limit social media use to ten minutes, per platform per day, the limited use group showed significant reductions in loneliness and depression over three weeks compared to the control group.⁵ These studies provide direct evidence that platforms like Instagram are a direct cause, not just a correlate, of bad mental health among all teenagers. This problem does not just strike teenagers. In a study done by Matthew Gentzkow on the Welfare of Social Media, his research found that when a random group had Facebook deactivated for four weeks before the 2018 midterm election, the participants had subjective improvement in their well-being and substantially reduced post-experiment demand.⁶

Beyond mental health struggles, as teenagers spend their time constantly on social media, the dopamine receptors in their brains are reduced as they experience continuous small pleasures. This systematic change to their brain function reduces their ability to focus for longer periods of time and increases irritability. When students can no longer exert prolonged mental effort, they can't pay attention in class without getting that boost from their devices. Studies show that heavy phone users that are compelled to go on social media during class have lower GPAs.⁷ This has a future impact on how those students will function within the workplace in the

³ *The Link Between Social Media and Body Image Issues Among Youth in the United States*. (n.d.). Ballard Brief. <https://ballardbrief.byu.edu/issue-briefs/the-link-between-social-media-and-body-image-issues-among-youth-in-the-united-states>

⁴ Raffoul, A. (2023, September 14). *Exploring the effect of social media on teen girls' mental health*. News. <https://www.hsph.harvard.edu/news/hsph-in-the-news/exploring-the-effect-of-social-media-on-teen-girls-mental-health/>

⁵ Hunt, M. G., Marx, R., Lipson, C., & Young, J. (2018). *No More FOMO: Limiting Social Media Decreases Loneliness and Depression*. *Journal of Social and Clinical Psychology*, 37(10), 751–768. <https://doi.org/10.1521/jscp.2018.37.10.751>

⁶ Allcott, H., Braghieri, L., Eichmeyer, S., & Gentzkow, M. (2020). *The Welfare Effects of Social Media*. *American Economic Review*, 110(3), 629–676. <https://doi.org/10.1257/aer.20190658>

⁷ Haidt, J. (2023, June 6). *Get Phones Out of Schools Now*. The Atlantic. https://www.theatlantic.com/ideas/archive/2023/06/ban-smartphones-phone-free-schools-social-media/674304/?utm_medium=cr&utm_source=email&utm_content=automated&utm_campaign=new_trial_onboarding_Jonathan_Haidt

future, unable to motivate themselves or stay concentrated. Even larger than that, the youth become less attuned to physical human interaction, stunting development and worsening their ability to be social and form community.

Recasting the Issue:

The mental health crisis among teenagers, particularly adolescent girls, highlights a significant market failure in the social media industry. Platforms like Instagram and TikTok have created an environment where negative externalities—such as increased rates of depression, anxiety, and body dysmorphia—are not just byproducts but central to their business models. These companies profit from the very engagement that exacerbates these mental health issues, leading to a coordination problem where individual decisions to use social media, driven by immediate gratification and social pressures, result in collective harm. The winners in this scenario are the social media companies, which see increased user engagement and advertising revenue, while the losers are the teenagers who suffer the long-term consequences of deteriorating mental health.

Without government intervention, this market failure will persist, deepening the social and economic costs associated with poor mental health outcomes among the youth. The externalities extend beyond individual well-being to broader societal impacts, including reduced educational attainment and future workforce productivity, as teenagers struggle with concentration and motivation. The coordination problem also means that even if some individuals or families recognize the harm and reduce social media use, the broader trend and associated harms continue unabated. Therefore, there is a dire need for regulation that addresses these market failures by imposing standards that protect users, especially vulnerable populations like teenagers, from the harmful effects of these platforms.

Policy Options:

Different countries and states have approached regulating the issue of the effect of social media on society.

1. The European Market - The EU's Digital Services Act

In April 2022, the European Union came to an agreement in the formation of the Digital Services Act. The policy is meant to force Facebook, YouTube, and other services into combating misinformation, disclosing how their services amplify divisive content, and stopping targeted online advertisements based on a person's ethnicity, religion, or sexual orientation.⁸ There are a few methods in which it does that: the removal of illegal content like hate speech or dodgy services sold online, implementing methods for a user to turn off recommendation algorithms, making companies add ways for users to flag illicit content, a ban on "dark patterns" that manipulate users into buying things they don't want or need, and protecting users under the age of 17 from digital ads. Furthermore, the act makes these companies legally accountable for

⁸ Satariano, A. (2022, April 22). *E.U. Takes Aim at Social Media's Harms With Landmark New Law*. The New York Times. <https://www.nytimes.com/2022/04/22/technology/european-union-social-media-law.html>

actions from fake news to manipulation of shoppers.⁹ Google and Meta face yearly audits for “systemic risks” linked to their businesses, while Amazon would confront new rules to stop the sale of illegal products. Finally, these companies are obligated to conduct an annual risk-assessment report, reviewed by an outside auditor, with a summary of the findings made public.¹⁰

The methods of enforcement for this policy include an estimated 230 new workers who are hired specifically to enforce the new laws. Individual countries in the union have to define specific forms of hate speech they want removed, and there are tiered rules that place the toughest obligations on the 17 companies designated as the largest.¹¹ If it is detrimental that a company isn’t doing enough to address problems identified by the auditor, the company could face financial penalties up to 6 percent of global revenue and be ordered to change business practices. There is also a key element of the prospect of reputational damage to a company, with the aspects of the act that involve reports published publicly, opening companies up to exposure.¹²

2. Educational Campaign that treats social media as an addictive drug

As previously stated, social media has negatively impacted the function of the developing brains of teenagers and has severely worsened their mental health, similar to a way in which other “addictions” to certain entities, like drugs or alcohol, can. There is an argument to be made that since these goods are addictive, specifically because of their algorithms, we must put the onus back onto society to regulate them. We have done this before in combating previous drug epidemics. This can look like pouring money into advertisements, campaigns, collaborating with schools to keep social media out of the classroom and out of the social dynamic. This can be modeled after Governor Spencer Cox of Utah’s plan, who released commercials meant to empower parents and expose the dangers of social media, while giving them tips to protect their children.¹³ It might be effective to mandate the recall of certain amplification techniques if they proved harmful, the way the Food and Drug Administration can recall a drug with serious toxic side effects.

3. Legislative action that addresses social media as “addictive”

In June of 2024, the New York State Senate passed the SAFE Act, the Stop Addictive Feeds Exploitation for Kids Act. An addictive feed is defined as one that recommends, selects, or prioritizes media based on information associated with a user or their device. The bipartisan

⁹ EXPLAINER: How sweeping EU rules would curb tech companies. (2022, January 20). AP NEWS. <https://apnews.com/article/technology-business-european-union-europe-media-bc1fb6dd6035a4eed17dae2d2600b968>

¹⁰ O’Carroll, L. (2023, August 25). *How the EU Digital Services Act affects Facebook, Google and others*. The Guardian. <https://www.theguardian.com/world/2023/aug/25/how-the-eu-digital-services-act-affects-facebook-google-and-others>

¹¹ *5 things Europeans will notice when they sign into their social media*. (2023, August 25). Euronews. <https://www.euronews.com/next/2023/08/25/eu-digital-services-act-5-things-that-will-change-when-you-sign-into-your-social-media-account>

¹² Kelly, S. M. (2024, February 13). *Outside the US, teens’ social media experiences are more tightly controlled* | CNN Business. CNN. <https://www.cnn.com/2024/02/13/tech/social-media-regulation-outside-us/index.html>

¹³ Hudson, V. (2023, August 3). *How Gov. Cox’s new social media awareness campaign seeks to “empower parents.”* Deseret News; Deseret News. <https://www.deseret.com/utah/2023/8/3/23817843/social-media-awareness-campaign-empower-parents-gov-spencer-cox/>

support that the bill had in New York speaks to the political viability of such a policy, as both sides of the aisle joined to pass the bill with flying colors. The trade group NetChoice which represents many social media companies has challenged state laws claiming 1st amendment violations.¹⁴ The effectiveness of banning recommended algorithms on a user's addiction to the app can be revealed through a study done by Meta in 2020 on the impact to a social media companies' revenue. In the study, 7,200 US adults on Facebook and 8,800 on Instagram had their algorithm deactivated and replaced with a classic timeline. Finding themselves less engaged with the app, they exited those platforms for competitors like Youtube and TikTok.¹⁵ This highlights the incentive a company has to try and avoid a policy like this by all means, and if implemented correctly, the real impact this could have on user engagement. The consequences of noncompliance to this policy are that a company found in violation would have 30 days to correct the issue or face remedies of up to \$5000 per user under the age of 18.

4. Enforcing Commercial Age-Verification Methods

There are a series of bills across many US states, such as Florida, Arkansas, and Georgia, that propose implementing some sort of age-verification technology onto these apps. In Florida, the bill would ban social media for users under 14 and require consent for ages 14 and 15, all verified with age verification.¹⁶ Arkansas would require third party vendors to perform age verification checks.¹⁷

5. Creating liability for apps and online platforms that recommend content to minors that can negatively affect their mental health

In December 2023, the Kids Online Safety Act was introduced in the United States Senate that holds social media companies legally responsible for the mental health damages incurred by their apps. This incentivizes platforms to provide g minors with options to protect their information, disable addictive product features and opt out of personalized algorithmic recommendations. The way it is enforced is that if platforms do not adequately shield children from certain types of content, the bill would open the door for lawsuits against the platforms.¹⁸ It is predicated on a contract made between platforms and their users where they must exercise "duty of care" and take reasonable steps to prevent harm to minors online.

¹⁴ *New York passes legislation that would ban "addictive" social media algorithms for kids.* (2024, June 7). NBC News.

<https://www.nbcnews.com/tech/social-media/new-york-passes-legislation-ban-addictive-social-media-algorithms-kid-s-rcna155470>

¹⁵ Guess, A. M., Malhotra, N., Pan, J., Barberá, P., Allcott, H., Brown, T., Crespo-Tenorio, A., Dimmery, D., Freelon, D., Gentzkow, M., González-Bailón, S., Kennedy, E. H., Young Mie Kim, Lazer, D., Moehler, D. C., Nyhan, B., Carlos Velasco Rivera, Settle, J. E., Daniel Robert Thomas, & Thorson, E. (2023). *How do social media feed algorithms affect attitudes and behavior in an election campaign?* *Science*, 381(6656), 398–404.

<https://doi.org/10.1126/science.abp9364>

¹⁶ Farrington, B. (2024, March 25). *Florida's DeSantis signs one of the country's most restrictive social media bans for minors.* AP News.

<https://apnews.com/article/florida-social-media-ban-desantis-fd07f61e167bd9109a83cd7355b5f164>

¹⁷ Vielkind, J. (2024, Feb 08). *U.S. News: States Propose Curbs on Social Media for Teens.* Wall Street Journal.

<https://www.proquest.com/newspapers/u-s-news-states-propose-curbs-on-social-media/docview/2923218916/se-2>

¹⁸ Tenbarger, K. (2023, December 6). *200 groups push Congress to pass Kids Online Safety Act in 2024.* NBC News. <https://www.nbcnews.com/tech/social-media/kosa-kids-online-safety-act-speech-censor-rcna128249>

Policy Criteria:

To determine which policies are effective to implement, there are two key criteria to judge each of the options on: do they curb the addictive nature of the app, and are they politically feasible?

For example, in examining policy #1, the EU model, there is a stronger focus on digital advertising and manipulation of shoppers that fails to wholly address the mental health issue. Additionally, it lacks incentive to motivate companies to follow regulation, since it is largely built around a fear of public backlash. In practice, it takes a couple of years until the first audits are even published, as social media and technology are changing and evolving at a rapid pace. It begs the question of what is keeping these companies in line right now, what incentive they have to follow these rules. In November, the European Commission said it sent requests to various social media companies demanding more information about the steps they're taking, because right now they seem minimal and the methods of enforcement aren't moving the hand of these massive, powerful companies. Finally, the structure of the policy is difficult to translate to the United States which is far more cautious about enforcement and government interference in the market. Further, the Digital Services Act focuses on unilaterally removing hate speech and misinformation would be unpopular amongst lawmakers in a country like the U.S. that has more stringent protections against restrictions on free speech or censorship.

Political feasibility is also important to consider when determining whether these policies would work because change cannot happen if there isn't proper support for effective policy. Policy option #4, commercial age verification methods do not pass the test on this criteria. The bill in Arkansas was never enforced because a judge issued an injunction on behalf of NetChoice, which calls into question the political feasibility of passing and enforcing a policy like this. Many activists have pushed back on the methods of these bills, saying it threatens the privacy of social media users.¹⁹ They argue that the ability to speak out and use the internet privately and anonymously is a fundamental human right. It is also crucial to think about the burden that is placed on parents. Is it really justified to put the onus on parents rather than the company? There are also outlier groups of kids to consider who don't have parents or guardian figures.

Policy Recommendation:

The policy recommendation must curb the addictive nature of social media and be politically feasible to be enacted by the US government. Building policy off of options #2, #3, and #5 fills each piece of criteria effectively and addresses the main harms caused by social media. The educational campaign and the legislative action that treats social media algorithms as an addictive drug, modeled after New York's SAFE Act, would work in conjunction with each other. The bipartisanship that backed the New York SAFE Act demonstrates the political feasibility of the policy and its ability to generate enough support to be effective. The main problem with the SAFE Act is that social media companies work around regulations like these by writing murky terms and conditions that give parental consent without really understanding the depth of what they are consenting to. This is meant to confuse the person signing and compel them to not read between the lines. The educational campaign targeted at both parents and teenagers

¹⁹ Vielkind, J. (2024, Feb 08). *U.S. News: States Propose Curbs on Social Media for Teens*. Wall Street Journal <http://proxy.hw.com/login?url=https://www.proquest.com/newspapers/u-s-news-states-propose-curbs-on-social-media/docview/2923218916/se-2>

combats this issue and informs parents on the ways terms and conditions are meant to cloud responsible decision-making. As a result, mass amounts of minors won't still be able to access addictive algorithms with parental consent.

Holding social media companies liable for the damages they cause, is effective at incentivizing companies to change their ways and create fewer hostile environments online. The drawback of this legislation is that there is no clearly defined type of content yet that can cause harm to a child's mental health. However, recommended in the creation of this policy, would be the formation of an agency meant to oversee the issues of implementation regarding social media policy and regulate companies on their follow-through measures. This agency should have 3 branches: one focused on adapting policy with new technology, one devoted to funding and overseeing more research into algorithms and social media, and the third focused on communications and public awareness. It is also important that academic researchers are allowed safe access to the data collected by social media companies to learn more about algorithm creation and the damages.

The claim that social media companies are not collectively liable for creating addiction among their users is implausible, to say the least. To maximize potential profit, the three top social media companies spent collectively \$57.5 billion in research and development to better understand their user base, in 2021 alone. The main hurdle that stands in the way of policy option #5 is the existence of a 28-year-old federal law called "Section 230" that holds that tech companies cannot be held liable for the content that users post to their platforms. First of all, there are First Amendment free speech rights that coexist with safety regulations. You cannot shout fire in a crowded theater. You can't hold an amplified, loud rally in front of a hospital in the middle of the night. Enforcing safety in the digital space, especially for vulnerable youth, doesn't violate the First Amendment. Second, Congress doesn't need to amend Section 230 to address the problems with harmful content on social media platforms. Instead, agencies like the Federal Trade Commission (FTC) could enforce the existing agreements that platforms have with their users. For instance, Meta (the parent company of Facebook and Instagram) already has "community standards" that prohibit activities like inciting violence, spreading misinformation, and hate speech. The FTC has the authority to hold companies accountable when they violate these terms, as they did in 2020 when Facebook was fined \$5 billion for privacy violations. The FTC could require platforms to clearly outline in their terms of service which types of content they will and won't allow, ensuring they adhere to those commitments. While the First Amendment prevents the government from directly regulating speech, it doesn't stop platforms from setting their own rules about content, which could give more responsible platforms a competitive edge.

Conclusion:

Now more than ever, it is imperative that the government gets a handle on social media in its current form, because we are about to face a more dangerous amplified threat on social media: Artificial Intelligence. AI can generate posts that fit perfectly with consumer desires, heightening the addictive nature of algorithms. It also can be weaponized by any user to create vast amounts of harmful content, meant to target and engage teenagers even more and push them



deeper into the realms of the digital sphere.²⁰ This policy recommendation should be interpreted as a call to action: we must protect teenagers and society from social media before it is too late.

²⁰ Haidt, J., & Schmidt, E. (2023, May 5). *AI Is About to Make Social Media (Much) More Toxic*. The Atlantic. <https://www.theatlantic.com/technology/archive/2023/05/generative-ai-social-media-integration-dangers-disinformation-addiction/673940/>



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