



Responding to the social and economic drivers of youth mental health

POLICY LAB

Over the past decade there has been a significant rise in the proportion of young people experiencing mental ill-health. Over the same period a number of recent 'megatrends' have changed our economies, environment, and the way we connect with each other. These megatrends include climate change, changes in employment security and economic conditions, expectations of greater education, and the ubiquity and impacts of social media.

Recognition of the impact of these megatrends on young people's mental health has attracted interest from government decision makers and the broader community. Existing research evidence for a causal relationship between these megatrends and the mental health of young people, and mitigating interventions does not yet provide clear policy direction. Policy responses will need to incorporate trial and evaluation approaches to balance the need to support young people and build the evidence base.



Five policy directions to guide policymakers in responding to the social and economic drivers of youth mental health were developed through a facilitated Policy Lab. Young people, researchers, policy advisers and government stakeholders from across the youth and mental health sectors drew on the available evidence to discuss how these megatrends

are impacting young people in Australia. From this discussion participants formulated policy directions based on current lived and learned experience. This report presents the key points of discussion and outlines policy directions for Australian governments. The options available to governments range from broad measures to targeted steps.

Drivers of youth mental health

Young people experience a disproportionately higher level of mental ill-health compared with older Australians, with most lifetime experiences beginning before the age of 25,(1, 2) and the prevalence rate is increasing.(3-5) This suggests that something greater, beyond factors that fluctuate individually, is contributing to increased mental ill-health. A number of societal shifts and megatrends have coincided with this extended period of worsening mental health. These include economic factors (e.g. the GFC, cost-of-living crisis and increased housing costs) and young people's social experiences (e.g. social media, COVID public health measures, and experiences of loneliness).

There is broad recognition, including in the community, of the worsening crisis in youth mental health, and the need for action to reverse this trend. Two-out-of-three people surveyed in Australia think the mental health of young people is worse now than in previous generations. There are, however, generational differences in what people think is driving this crisis. Baby Boomers attribute it to the use of social media and smartphones (76 per cent), alcohol and other drug use (51 per cent) despite declining trends) and approximately a quarter (26 per cent) think that young people are less resilient. Generation Z also recognise that social media is an issue - while they recognised benefits too - and along with Millennials also point to the impact of the increased cost of living.(6)

To better understand the issues and identify policy responses, Orygen with the Policy Institute, King's College London convened a Policy Lab. Through structured workshop activities participants sought to answer the following question:

Given our limited understanding of how recent societal trends are affecting young people's mental health, what actions can we take now to prevent or mitigate their impact?



Policy Lab model

A Policy Lab is a structured workshop designed to firstly explore the issues, questions, and evidence around a specific policy question; and then to focus on possible answers to the question and the mechanisms available to translate this into policy advice.(7) A feature of the model is the participation of policymakers from relevant public agencies. Their participation is intended to focus policy formulation on what is feasible for government and to build relationships with those who have evidence to contribute. Participants attending the Policy Lab represented lived, laboured and learned experience.(8)

The aim was to think broadly about the relevant issues and what is practically achievable through public policy in the short to medium term, focusing in particular on interventions in social media and economic areas, while bearing in mind the limitations of currently available data and evidence. A briefing pack was provided to participants prior to the Policy Lab which described the question, the available data and research on the relationship between economic factors and social media on youth mental health and the evidence for related interventions. At a high level, this included the following:

Economic

Evidence indicates there is an association between both socioeconomic status and mental health,(9) and between increased income or financial support and lower levels of psychological distress.(10, 11) The focus, location and approach to providing financial counselling and support all need to be considered.(12-15) The impact of increasing intergenerational inequalities (e.g. housing affordability) on youth mental health also needs to be considered.

Social media

There is mixed evidence for the mental health benefits of supporting young people to reduce, restrict or modify their social media engagement, including limited evidence for the benefits of banning smartphones in school. (16, 17) Interventions have largely had an individualist focus, such as digital literacy and online safety, and cyberbullying programs; but the effectiveness of this focus is inconclusive. (18-20) The potential benefits of social media for supporting youth mental health also needs to be considered.(21)



Identifying issues and prioritising actions

A wide range of issues were identified and categorised into action areas by participants. While the briefing pack focused specifically on the issues of social media and economic insecurity, early conversations highlighted the need to include a loss of social connection as a recent trend, with young Australians now reporting higher rates of loneliness than older people.(22) In looking at the key issues and potential actions, participants were encouraged to consider the response to these issues on a continuum from individualist (where responsibility for the issue rests in a failing of the individual) to structuralist (the issue is a result of the failure of the system) approaches.

The actions jointly identified by participants show an emphasis on the role for regulation and reform. This reflected the participant group's self-identified leaning toward structuralist responses to addressing mental health issues and the role of societal megatrends on youth mental health outlined from the available evidence.

Social media

The discussions highlighted the complexity of considering both:

- the level and nature of the negative impact to young people's mental health and wellbeing from social media use; and,
- the positive and protective aspects of these platforms in connecting young people to safe spaces to express their identity, to communities of support and to reliable and accessible information.

Identified actions predominantly focused on the role for government to develop stronger guidance and/or regulation for social media companies to actively minimise the risk of harm. Possible steps discussed included greater transparency of algorithms, risk assessment of new platforms, and regular monitoring. Opportunities were also identified to support young people (and those who work with them) with the information needed to look after their mental health when engaging with social media.

Economic factors

The link between economic adversity/poverty and poor mental health is well established across all age groups.(23) However, the Policy Lab discussions highlighted that the level of disposable income had declined for young people, in the context of rising rents, cost of living increases and student debt.

Again, actions discussed were predominantly focused on structural responses through increases to social service payments, tax reforms, reducing financial barriers to accessing essential health services and reducing the costs

of education. Other solutions included increasing opportunities for young people to build their financial literacy and having more opportunities for young people to advise government policymakers on the impact policy solutions could have on their wellbeing.

Social connection

While not a key issue explored in the briefing pack for the Policy Lab, a strong theme emerged in the discussions related to the rising rates of young people experiencing loneliness and the relationship with the increased prevalence in mental ill-health and distress. The complex association between social media and social connection/loneliness was identified as an intersecting issue.

Actions focused on enhancing real-world connections and interactions, the potential of shared learning between cultural groups, and creating more opportunities to connect to arts and culture, community activities, sports and volunteer organisations.

Persistent factors

The role of existing drivers of poor mental health, such as structural barriers and experiences of adverse childhood experiences, intimate partner violence, bullying and socioeconomic disadvantage was also discussed by participants. Some of these persistent factors intersect with the issues focussed on in the Policy Lab.

Policy directions

Participants identified a wide range of issues in relation to the impacts that social media, economic factors, and social connection have on young people. From this discussion potential ideas were generated for addressing these issues in the first half of the Policy Lab. Table groups prioritised these policy ideas (see Appendix) and from a collated long list, participants voted for priority options. The group identified five policy directions that were the focus of policy development in the second half of the Policy Lab.

A theme across the five policies was the importance of implementing co-design principles. Young people should be involved in the development, implementation, and evaluation of policies that will affect them.(24) Furthermore, megatrends are not just impacting young people. It is important, therefore, that policies also have a broader societal and intergenerational focus.



The policy directions are a starting point for further public conversation. They highlight areas for more research and are a prompt for government responses to address the megatrends that are impacting young people's hope for the future and likely contributing to the increasing prevalence of mental ill-health. It is evident from the Policy Lab that improving young people's mental health will require a whole-of-government response.

REGULATE

Safer, more responsible social media

Incorporate safety by design in social media algorithms to ensure **regulated age-appropriate experiences with access** and delivery independently monitored and reviewed.

Action

- Develop regulations for age-appropriate access and content on social media platforms accessible by Australians.
- Experiences in the UK and EU could provide direction for approaches in Australia.

Social connectedness

Support and evaluate community-based organisations across Australia to develop tailored programs that **enhance young people's social connections**.

Action

- Evaluations collated in a central evidence hub to support program development and implementation.

Welfare reform

Provide **sufficient economic support for young people** through independently determined welfare payment rates; removing access barriers to Centrelink; and providing stronger connections to other funded psychosocial supports (e.g. housing, employment, and counselling).

Actions

- The Fair Work Commission reviews Centrelink payments and advises on adequacy of payment levels; annually determines adjustment of payment rates.
- The Office of Youth establishes a 2025 youth advisory group to advise on social service systems and policy.

Youth specific annual wellbeing measures

Youth specific measures are required to inform public policy to improve the wellbeing of young Australians. The selection of these measures is informed by young people.

Action

- Treasury consult young people, families and organisations working with young people to **develop youth specific wellbeing measures for inclusion** in Australia's national wellbeing framework, Measuring What Matters.

Increase funding for youth mental health through a social media tax

Create a **dedicated funding stream for youth mental health** through a levy on social media companies. Utilise a trust fund model for youth mental health research and services and supporting proactive practices by social media companies.

Actions

- Explore Australian Government interest in policy direction and potential responses from social media platforms.
- Develop an advocacy campaign proposal to take to a broader group of stakeholders.

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HOW YOUNG PEOPLE FEEL INCLUDED

HELPING PAY FOR IMPACT

LOCAL CONNECTIONS

REMOVE FINANCIAL BARRIERS

Appendix

Prioritising policy ideas in terms of feasibility and impact



This is a categorised representation of continuous data collected during the Policy Lab. Some positioning on the feasibility and impact continuums were queried by Policy Lab participants in the review process. While positions have been retained to reflect the data collected, data analysis and policy direction reflect review comments.

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Disclaimer Orygen partnered with the Policy Institute, Kings College London to prepare and deliver this Policy Lab and summary report. The findings reflect the discussions and directions of a broad range of participants but do not necessarily reflect individual participant's agreement or their organisation's policy.

Acknowledgement The Policy Lab was held, and this summary report was written, on the lands of the Wurundjeri people of the Kulin Nation. Orygen acknowledges the Traditional Owners of the lands we are on and pays respect to their Elders past and present. Orygen recognises and respects their cultural heritage, beliefs and relationships to Country, which continue to be important to the First Nations people living today.

Suggested citation Orygen Institute. Responding to the Social and Economic Drivers of Youth Mental Health: Policy Lab. Melbourne: Orygen 2024.



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