Safeguarding Children: The Impact of Technology

In this series of articles, we have been exploring children as an oft-neglected constituency for investors when developing responsible investment engagement strategies. Over the course of the next three articles, we will look more closely at some specific areas of impact and risk that present opportunities for investors to engage persuasively for change, and where the effect on children and young people is often significant.

We are living through a new industrial age in which technology is replacing – at pace – traditional processes. That much is self-evident; in this environment, policy makers and the law struggle to keep pace with the frightening momentum of change, and no-where more so than in the impact of technology on children and young people.

A recent UNICEF Report[1] suggested a worsening crisis in the wellbeing of young people and their sense of self-worth, with the UK ranked 21 out of 36 industrialised economies. Digital connectivity continues to shape young people's lives, and whilst this has afforded access to information and education in ways never deemed possible before, debates about its negative impacts are now being heard more vocally. A recent Ofcom poll suggested that 80% of 13–17-year-olds now regularly use generative AI, with its use so pervasive there seems little to stop its onward march, even though the technology is still novel. In the UK, the age at which a child receives their first smart phone is now 11, with 44% owning one at age 9, rising to near universal ownership (91%) at age 11[2]. The routine use of social media is equally pervasive, with over half of children under the age of 13 using tools such as WhatsApp, whilst the percentage of children aged 5-7 using messaging services is thought to be as high as 65%. These findings by Ofcom, also demonstrate that industry age restriction barriers are failing to deter the alert, technologically aware child of today from accessing platforms designed to exclude the under 13s. The figures are no less surprising for other platforms: 30% of 5-7-year-olds were found to be regular users of Tik Tok and 22% were using Instagram. As a recent article noted [teenagers]…*'are less enmeshed in existing structures [and] tend to be more willing to play around with new technology[3]'*. This is a world endlessly new, endlessly fascinating and endlessly thrilling for young minds, but who are, perhaps, too ill-equipped to filter its use.

If one accepts that rolling back the tide of advancing technological change is futile, then it is incumbent on all actors to understand the benefits and risks, and seek frameworks for responsible use. In the UK a person under the age of 18 cannot sign a contract; child ownership of a smart phone is therefore, in the main, a decision point for guardians and parents (most mobile operators have rules that prevent the sale of pay-as-you-go devices to the under 16s). This is both understandable and not unreasonable; mobiles provide a means of personal contact and location tracking in a world where safety requires some vigilance; for young people texting and online messaging platforms are now the communication methods of choice, rather than the telephone or even face-to-face. In itself this is not necessarily a problem, and can be positively advantageous in networking communities of friends, affording navigational tools such as GPS mapping, as well as being a fulfilling news, educational and research tool (as early as 2009 a teenage intern at Morgan Stanley caused consternation when he wrote a research paper saying he never read a paper, watched television or listened to the radio – all habits now routinely soldered into the life of an average teen who will access everything digitally).

If the pleasures and positives of digital access among young people are a given, in what areas should investors be raising issues of concern? These would appear to arise in two areas: addiction and content saturation and illegal content and online abuse that affects mental and at the extreme, physical, wellbeing.

A widely circulated blog by an anonymous university academic recently raised the disconcerting opinion that '*most of our students are functionally illiterate*[4]' a situation, fostered in his view, by relentless digital distraction which is having a deleterious impact on cognitive concentration. In a world where AI can write an essay without the need to study and think analytically, it is credible to worry at the long-term impairment of intellectual standards. A recent OECD report found a worrying decline in the average IQ among teenagers[5], as well as drops in literacy, numeracy and critical thinking skills. This has even been backed up by Tik Tok's own research that showed use of the App leads to *'loss of analytical skills, memory formation, contextual thinking and conversational depth'.* The typical content of short-form videos has been likened, at the extreme, to the equivalent of junk food that was said to have fostered the obesity crisis.

Of equal concern is the volume of illegal content online as well as access to age-inappropriate content by young people. As we have noted, age restriction barriers have been largely ineffectual in fostering responsible access, with now routine recourse to legal tropes to remedy the absence of controls put in place by tech firms. The rise of sites such as OnlyFan which is seen as having poor and inadequate safety controls, whilst potentially acting as an online grooming site exemplifies the scale of the challenge. The Internet Watch Foundation reports no let-up in the volume of online content containing child sexual abuse, having seen a 6% increase of such imagery in 2024 (over 2023) and nearly 750,000 images taken down that contained some form of child sexual abuse content[6]. The Crime Survey for England & Wales found that around 847,000 10-15-year-olds had been subject to some form of online 'cyberbullying' such as sexting, sextortion and trolling[7]. In extreme cases this has been linked to rising adolescent levels of selfharm and suicide, as well as mental health deterioration. The online world, whilst full of attractions can be a depthless pit into which vulnerable teens can fall.

This is perhaps the most pressing and most challenging area for investors in which to engage. The technology platforms have by and large failed the young from a wellbeing perspective, whilst deriving ever more material levels of profit from their demographic. Investors have been almost silent – perhaps judging the issue to be simply too hard to tackle. We contend, however that investors should be leveraging their economic power far more to support policy makers and other actors in striving to make the online world responsible and safe.

Online resources:

Internet Watch Foundation IWF 2024 Hotline Assessment Overview: Assessing Reports & Imagery

NSPCC Keeping children safe online | NSPCC

Metropolitan Police Online child abuse | Metropolitan Police

May 2025

[1] UNICEF-Innocenti-Report-Card-19-Child-Wellbeing-Unpredictable-World-2025.pdf

[2] Ofcom: Almost a quarter of kids aged 5-7 have smartphones - BBC News

[3] Financial Times 'Lessons from how a teenager uses AI' 15 May 2025

[4] Quoted in The Times Tik Tok and AI are junk food – start dieting James Marriott 12 May 2025

[5] Ibid The Times

[6] Internet Watch Foundation Eliminating Child Sexual Abuse Online | Internet Watch Foundation IWF

[7] Crime Survey England & Wales (CSEW) Bullying and online experiences among children in England and Wales - Office for National Statistics

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