Barclay Damon Live Presents *Cyber Sip™*
Season 5, Episode 6: "AI and Children: The Mental Health Threat"

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[Kevin Szczepanski]: And we're back. Today I want to talk with you about two worlds colliding in a way that could ultimately be helpful but right now is potentially dangerous. Those are the worlds of artificial intelligence and adolescence. What I'm about to talk with you about is based on an advisory published months ago by the American Psychological Association. And we'll link to it here so you can see it for yourself. The title of the piece is "Artificial Intelligence and Adolescent Well-Being: An APA Health Advisory." It's an advisory more relevant today than ever before. And if you're not convinced, take a look at this week's jury verdict in the case of *Kaley GM vs Meta and YouTube*. As reported in *The Wall Street Journal* this past Wednesday, March 25, a California jury awarded $3 million in damages to Kaley GM, who testified that excessive social media use that started before she was a teenager contributed to mental health issues, including anxiety, depression, and even body dysmorphia.

[Kevin]: The jury will now consider whether to award punitive damages to Kaley GM over and above that $3 million that's already awarded. Now we'll leave for another time a full discussion of the Kaley GM case, including whether courts are really the appropriate place to address these issues. But for now, let's note that AI is already embedded in how young people communicate, learn, and make decisions, from chat bots to recommendation engines to generative tools that can simulate human interaction, AI is overwhelming our kids at a time when they lack the physical development and emotional awareness to combat the side effects. The key question is no longer *whether* AI affects adolescents because it does. The question is: how and who is responsible when things go wrong? Let's start with a foundational point. Adolescence is not just a younger version of adulthood, right? We all know that. It's a distinct developmental stage. During this period, kids are more sensitive to social feedback. They're more susceptible to influence, and maybe most important of all, they're still developing impulse control and judgment. They don't have these skills the way adults do or should. Now despite this, AI systems are designed—often deliberately—to be persuasive, responsive, and engaging. So you see how these two worlds collide.

[Kevin]: It's high influence technology on one hand, and a high vulnerability population on the other. From a mental health perspective, that raises developmental concerns. From a business perspective, you should immediately see the potential for risk here. It should be screaming out at you. There's no better example than the recent jury verdict in the Kaley GM case. And you can bet that more verdicts will come. There are some 1,000 similar cases pending in the state of California alone. So let's turn back to the advisory. One of the most important insights in that APA publication is that AI is no longer just functional. It's "relational." What does that mean? Well, it means that adolescents like Kaley GM can and do interact with AI systems as if they are their companions, their advisors, even their emotional supports. And unlike adults, children are less likely to question the accuracy or intent of those AI systems. So this creates a real issue because, while AI can simulate empathy, it doesn't actually understand context, nuance, or risk in the way a human professional like a counselor or a psychologist would.

[Kevin]: So imagine this scenario: a teenager is struggling with anxiety and turns to an AI chat bot for advice. The chat bot responds in a supportive, conversational tone. It might even feel real to your child, more available and less judgmental than a real person. But here's the thing: over time, that interaction can start to replace real-world relationships. From a clinical standpoint that can interfere with emotional development, social skill formation, healthy attachment patterns. From a business standpoint, however, your product may now be functioning as a *de facto* mental health interface without the safeguards, training or compliance oversight that would normally come with that role. That gap we're talking about is where risk lives. So the next issue is accuracy, or better yet, perceived accuracy. AI systems produce responses that sound confident, structured, and authoritative. But the advisory underscores a key point: repeated exposure to information, even incorrect information, makes it more likely to be believed. Now layer that onto adolescent users who are still developing critical reasoning skills. We know our kids' brains aren't fully developed by the time they're even 21, and consider as well the data that create the highest risk: health information. We have to consider it because young people frequently seek health guidance online. If AI provides incomplete, inaccurate, or even misleading information, the consequences can be real and devastating. Misdiagnosis, delayed treatment or harmful behavioral choices. We've seen suicidal ideation mishandled in this context. You don't want that to happen. And here's where it gets scary. From a legal and operational standpoint, AI starts to look less like a neutral tool and more like unregulated guidance. The old West. Now let's talk about data, because this is where cybersecurity, privacy, and mental health converge. AI systems don't just collect data. They analyze it. They learn from it, and they infer things about users.

[Kevin]: In the case of adolescents, that can include emotional states, behavioral patterns, cognitive tendencies. So this is not just personal data. It's psychological data. And one thing the advisory makes absolutely clear is that systems interacting with adolescents should prioritize privacy and safety over commercial use. And what does that mean? Well, it means limiting targeted advertising towards our kids, avoiding exploitative personalization to our children, and being transparent to children and their parents about how the data is being used. Now for organizations, the risk is regulatory, but it's really much more than that. It's reputational and potentially existential if users or regulators conclude that you are exploiting and even monetizing children's vulnerability. Another area that the advisory highlights is the misuse of likeness. AI can now generate realistic images, voices, videos. They are startlingly real. And when those AI tools are used to manipulate or exploit children, the consequences can be severe. Right? We're talking about cyberbullying, non-consensual content, reputational damages, and significant mental health outcomes. Let me talk to you about a scenario where a student's image is used to create explicit AI-generated content and circulated among peers.

[Kevin]: That's not a fringe case or generalized example. That's something we all know about. We've all heard about it. It may have happened to your child, and it's a foreseeable use of widely available technology. For organizations, it raises questions about content controls, detection mechanisms, and response protocols. Because if your platform enables or fails to prevent that kind of misuse, the exposure could be substantial. Now, let me stop there, because it's important to note that AI is not inherently harmful. In fact, many of us have found it to be an invaluable tool in both our personal and professional lives. So even the advisory recognizes meaningful benefits, especially in education. AI can, after all, help students organize and synthesize information, support problem solving, and provide personalized feedback. In some cases, that can be very helpful. It can even enhance learning when it's used properly. We all know this, but there's a condition and here it is: AI must be the supplement, not the replacement for human thinking and development. If we overuse it, it's going to lead to over-reliance, reduced critical thinking, ultimately skill erosion, and I think even withdrawal from human connection that's so important. So the value of AI is real. But the boundaries are real too. We have to have those in place. So you might be thinking, where does that leave us? Where are these boundaries? Well, both for mental health professionals and for business leaders, I think there are a few key takeaways. And I want to talk to you about them now.

[Kevin]: First, design matters. AI systems should reflect the developmental realities of their users, including age-appropriate safeguards and reduced persuasive features. We're seeing that very issue being litigated in the cases in California, and it's not going away. Second, transparency matters. Users, especially children, should know when they are interacting with AI and understand its limitations. Third, parental and human oversight matters. Parents should understand the technology enough to help their children navigate this strange new world. And we have to have clear pathways to escalate to real people, especially in high-risk scenarios like mental health or safety situations. Fourth, data should be treated as sensitive, not just valuable, not just as something to be commoditized. That's particularly important when the data reflects psychological or behavioral traits. We're not just talking about protecting this data under HIPAA. We're talking about being sensitive to the fact that this is the data of our children, and we have to treat it with "kid gloves," literally and figuratively, in order to make sure that our children don't suffer. Finally, education matters. AI literacy for users, clinicians, and executives is no longer optional. It's required reading. We all have to do it. So for mental health professionals, this is a new clinical environment. For business leaders, this is a new category of enterprise risk. And for everyone else, for all of us, it's a reminder that AI is not just a technology issue. It's a human development issue. And we'll be talking more about this very important issue in future episodes of *Cyber Sip*. But for now, thank you so much for joining us. We're back soon with another episode.

[Kevin]: The *Cyber Sip* podcast is available on barclaydamon.com, YouTube, LinkedIn, Apple Podcasts, and Spotify. Like, follow, share, and continue to listen.