

2020

## 36<sup>th</sup> IARIW General Conference

Paper Prepared for the 36<sup>th</sup> IARIW General Conference, Oslo, Norway, August 24-28, 2020

The Impact of Social Media Usage on Productivity and Well-Being: Evidence From a  
Randomized Controlled Trial

Avinash Collis

Felix Eggers

Recent research has shown that social media services create large consumer surplus. Despite their positive impact on economic welfare, concerns are raised about the negative association between social media usage and performance or well-being. However, causal empirical evidence is still scarce. To address this research gap, we conduct a randomized controlled trial among students of a large European university in which we track participants' digital activities over the course of three quarters of an academic year. In the experimental phase, we randomly allocate half of the sample to a treatment condition in which social media usage is restricted to a maximum of 10 minutes per day. We find that participants in the treatment group substitute social media for instant messaging and do not decrease their total time spent on digital devices. Contrary to findings from previous correlational studies, we do not find any causal impact of social media usage on well-being and academic performance. Our results also suggest that antitrust authorities should consider instant messaging and social media services as direct competitors before approving acquisitions.