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SUMMARY: The *In Real Life (IRL) Act*

<u>America's social fabric is unraveling.</u>

Americans spent 17% more time alone in 2025 than in 2003, while time spent with friends fell by a shocking 56%. Rising isolation impoverishes our lives and unravels the social fabric that holds our communities and country together. Studies consistently find that quality relationships with family and friends are what matters most for people to flourish over the course of their life. Social isolation increases the risk of premature death by 29%, with higher risk for heart disease, stroke, dementia, and suicide.

As a democracy, our trust in one another to rule together has collapsed. In 2007, 57% of Americans trusted the wisdom of the American people in making political decisions, compared to 24% in 2025.

Algorithmic social media pulls us away from community and into our screens, and addiction is their business model. The more we scroll alone, the more ads they sell. When scientists paid Americans to deactivate Facebook in a controlled study, they found that doing so caused people to spend less time online and more time with family and friends. They also found that deactivating Facebook made people happier and reduced political polarization.

Meanwhile, the places and institutions that cultivate trust and connection wither away. Membership has fallen for churches, unions, and service clubs. Municipalities slashed funding for sports and recreation, as Wall Street turned youth sports from a community anchor into another price gouging profit center.

The *IRL Act* breaks the cycle of isolating screen addiction and funds the local places that bring us together.

<u>A two-pronged solution: (1) implementing a digital advertising tax.</u>

The *IRL Act* pushes big tech companies away from business models based on screen addiction by taxing digital advertising on algorithmic social media. The biggest social media corporations would pay a 50% rate on digital advertising revenues over $10 billion, with lower rates for revenues below that threshold and a $500 million exemption so the tax only applies to large platforms.

Publishers like newspapers, television, and websites that are not algorithmic social media would not pay the tax. Even social media companies can avoid the tax by turning off their addictive algorithm, like the chronological feed that Facebook used to have that will now be an option for teenagers under Meta's recent legal settlement with states. Big social media conglomerates can also pay lower rates by breaking up into smaller companies.

A two-pronged solution: (2) establishing a Social Capital Fund.

The *IRL Act* deposits revenues from the digital advertising tax into a Social Capital Fund, which is distributed to local communities for the institutions, programs, and physical spaces that bring their residents together in common cause. These funds can revive rec sports programs and beautify local parks or other public spaces. Communities can support the arts and host festivals. The Fund can help parent teacher organizations at public schools and support programs that teach how to use technology responsibly.

The Social Capital Fund can keep the doors open at places that bring people together, such as public libraries and locally owned small businesses. Communities can fund programs and services open to the whole community offered by membership organizations like clubs, unions, and religious institutions within constitutional limits. Funding can also help spread the word about groups to join and places to volunteer.

Three-quarters of the Social Capital Fund goes directly to local and tribal governments using the same formula as the existing Community Development Block Grant. The remaining 25% is awarded competitively to the highest-impact programs proposed by local governments, tribes, charities, or membership organizations. The Department of Housing and Urban Development administers the Fund, evaluates the programs it supports, and highlights best practices for communities to learn from each other.

Supporters

The *IRL Act* is endorsed by the Foundation for Social Connection Action Network, Percent for Place Coalition, Kaboom, Public Knowledge, National PTA, Trust for Public Land, East Coast Greenway Alliance, Local Initiatives Support Coalition, Project for Public Spaces, Capita, Say Yes to Recess Foundation, National Recreation and Park Association, Sierra Club, Opportunity Finance Network, and New City Parks.