



## Economic Analysis of Mental Health Services at University of Michigan (*example*)<sup>1</sup>

DATE

Dear {school contact name},

Thank you for collaborating in the Healthy Minds Study (HMS) to collect survey data about student mental health at University of Michigan (UM). This memo summarizes how the survey findings and other research can be used to estimate the economic impact of mental health services and programs at your institution.

**Quantifying the “need”.** An estimated 33% of students at UM are experiencing at least one significant mental health problem, such as depression, anxiety disorders, suicidal thoughts, self-injury, or symptoms of eating disorders. This translates to approximately 14,000 total students with a mental health problem. Among these students, an estimated 40% have received recent mental health services, whereas 60% have not. This translates to approximately 8,400 total students with untreated mental health problems.

**Benefits of services and programs.** While many of these students would get better without intervention, mental health services greatly improve their chances, based on hundreds of randomized trials of standard treatments.<sup>2</sup> For example, counseling services at colleges and universities lead to large reductions in symptoms and improvements in functioning, according to analyses by the Center for Collegiate Mental Health. In your HMS data, satisfaction rates are over 80% among students who used your campus mental health services in the past year, suggesting that the services are in fact beneficial.

**Translating benefits into student retention and economic returns.** Mental health problems such as depression are associated with a two-fold increase in the risk of student departure from an institution (Eisenberg et al., 2009). Increasing the availability of evidence-based services or preventive programs can reduce this risk and increase student retention. For example, at UM, suppose that clinical services were expanded to reach 1,000 of the students who currently have untreated mental health problems. This would not only improve the wellbeing of hundreds of students; we project it would lead to the retention of 20 students<sup>3</sup> who would have otherwise departed without graduating. This could save approximately \$1.2 million<sup>4</sup> in tuition revenue for the institution, and would increase the total expected lifetime earnings of these students by more than \$4 million.<sup>5</sup> On average, providing high-quality mental health services to these students would cost approximately no more than \$1 million.<sup>6</sup> Note also that mental health is correlated with higher satisfaction in college and higher reported likelihood of donating as a future graduate (HMS 2010).

We hope you find this analysis helpful, and we would be glad to answer any questions.

Sincerely,

Daniel Eisenberg, PhD and the Healthy Minds Network team, [www.healthymindsnetwork.org](http://www.healthymindsnetwork.org)

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<sup>1</sup>This is an example of a customized memo prepared for University of Michigan.

<sup>2</sup>Hoffmann, S.G., Smiths, J.A.. 2008 J Clin Psychiatry, 69(4), 621-632.

<sup>3</sup>1000 students \* 10% dropout rate \* reduction of dropout rate by factor of 0.2

<sup>4</sup>2 years \* \$30,000 tuition \* 20 students

<sup>5</sup>\$100,000 earnings \* 2 years college education \* 20 students

<sup>6</sup>1000 students \* \$1,000