



September 2016

The Economic Case for Mental Health Services at University of Michigan

Dear Colleagues:

Thank you for participating in the 2015-16 Healthy Minds Study (HMS) to collect survey data about student mental health and related factors at University of Michigan. This customized memo summarizes how your 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 26.7% of students at University of Michigan are experiencing at least one significant mental health problem, such as depression, anxiety disorders, suicidal thoughts, self-injury, or symptoms of eating disorders. From your population of 43,600 students, this translates to approximately 11,640 total students with a mental health problem. Among these students, an estimated 48.0% have received recent mental health services, whereas 52.0% have not. This translates to approximately 6,050 total students with untreated mental health problems.

Benefits of services and programs. While many of these students may get better without intervention, mental health services greatly improve their chances, based on a large literature documenting the effectiveness of therapy and medication for depression, anxiety disorders, and other common conditions. Campus counseling services lead to large reductions in symptoms and improvements in functioning, according to analyses by the Center for Collegiate Mental Health (CCMH). In your HMS data, satisfaction rates are 81.0% among students who used campus mental health services, suggesting that your services are effective, as in the CCMH data.

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, based on our research. Thus, increasing the availability of evidence-based services or preventive programs can reduce this risk and increase student retention. For example, at University of Michigan, suppose that clinical services were expanded to reach 1,000 of the students who currently have untreated mental health problems. We project this would lead to the retention of 8.5 students¹ who would have otherwise departed without graduating. This could save approximately \$491,000² in tuition revenue for the institution, and perhaps more importantly would increase the total expected lifetime earnings of these students by more than \$1.6 million.³ On average, providing high-quality mental health services to these students would cost less than \$1 million.⁴ Note also that mental health is correlated with higher satisfaction in college and higher reported likelihood of donating as a future graduate, based on HMS data.

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

Sincerely,

Daniel Eisenberg, PhD

Director, the Healthy Minds Network for Research on Adolescent and Young Adult Mental Health

www.healthymindsnetwork.org

¹ 1000 students * 4.2% attrition rate for students with a mental health problem * reduction of attrition rate by factor of 0.2

² 2 years * \$28,900 tuition * 8.5 students

³ \$100,000 earnings per year of college education (from economic research) * 2 years college education * 8.5 students

⁴ 1000 students * \$1,000 (generous estimate of treatment cost per student)