



Economic analysis of mental health services and programs at University of Michigan

September 7th, 2017

Dear U-of-M Colleagues:

Thank you for collaborating in the 2016-17 Healthy Minds Study to collect survey data about student mental health at University of Michigan. 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 34% 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 43,651 students, this translates to approximately 14,841 total students with a mental health problem. Among these students, an estimated 49% have received recent mental health services, whereas 51% have not. This translates to approximately 7,569 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 a large literature documenting the effectiveness of therapy and medication for depression, anxiety disorders, and other common conditions. Campus counseling services, as one example, lead to large reductions in symptoms and improvements in functioning, according to analyses by the Center for Collegiate Mental Health (CCMH). In your Healthy Minds data, satisfaction rates are near 82% among students who used campus mental health services, suggesting that your services are effective, as in the CCMH data. In addition to direct service by clinical professionals, there is growing evidence that a range of programs, interventions, and initiatives led by campus professionals can help prevent mental health problems, or prevent them from getting worse, among people who are not yet at clinical levels of depression, anxiety, or other conditions.

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 and preventive initiatives 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. Or similarly, suppose that an evidence-based prevention program was implemented or expanded to benefit 1,000 students who are at risk of depression or other mental health problems. We project that services or programs like these would lead to the retention of 8.2 students per year who would have otherwise departed without graduating.¹ This could save approximately \$509,870 in tuition revenue for the institution,² and perhaps more importantly would increase the total expected lifetime earnings of these students by more than \$1,630,435.³ Note also that mental health is correlated with higher satisfaction in college and higher reported likelihood of



donating as a future graduate, based on data in the Healthy Minds Study. These benefits greatly exceed the projected costs: on average, providing high-quality mental health services and campus-wide prevention and support programs, to these students would cost considerably less than \$1 million.⁴ Thus, we can conclude, based on available data, that the economic case for investment in the emotional well-being of students is favorable.

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

Sincerely,

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¹ 1000 students * 4.1% attrition rate among students with mental health problems * 0.6 relative reduction in attrition

² 2 yrs * \$31,272 weighted-average of annual tuition amount per student * 8.2 students retained

³ \$100,000 earnings per year of college education (from economic research) * 2 years college education * 8.2 students retained

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