Economic analysis of mental health services at University of Michigan-Ann Arbor

07/18/2019

Dear colleagues at University of Michigan-Ann Arbor:

Thank you for collaborating in the 2018-19 Healthy Minds Study to collect survey data about student mental health at University of Michigan-Ann Arbor. 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 36.5% of students at University of Michigan-Ann Arbor are experiencing symptoms of at least one significant mental health problem, such as depression, anxiety disorders, suicidal thoughts, self-injury, or eating disorders. From your population of 44,718 students, this translates to approximately 16,343 total students with a mental health problem. Among these students, an estimated 49% have received mental health services within the past year, whereas 51% have not. This translates to approximately 8,282 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 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.

Translating benefits into student retention and economic returns. Students with mental health problems, such as depression, are two times more likely than their peers to leave their 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-Ann Arbor, 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 students per year who would have otherwise departed without graduating.[1] This could save approximately $509,630 in tuition revenue for the institution,[2] and would increase the total expected lifetime earnings of these students by more than $1,608,174.[3] On average, providing high-quality mental health services to these students would cost less than $1,000,000.[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 data in the Healthy Minds Study.

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

Sincerely,

Daniel Eisenberg, Ph.D.

On behalf of the Healthy Minds Network team (healthymindsnetwork.org)

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[1] 1,000 students * 4.0% attrition rate among students with mental health problems * 0.2 relative reduction in attrition

[2] 2 yrs * $31,690 weighted-average of annual tuition amount per student * 8 students retained

[3] $100,000 earnings per year of college education (from economic research) * 2 years college education * 8 students retained

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