



# The Healthy Minds Network

Research Brief  
2013 Issue 1

## The Economic Case for Mental Health Services in Higher Education

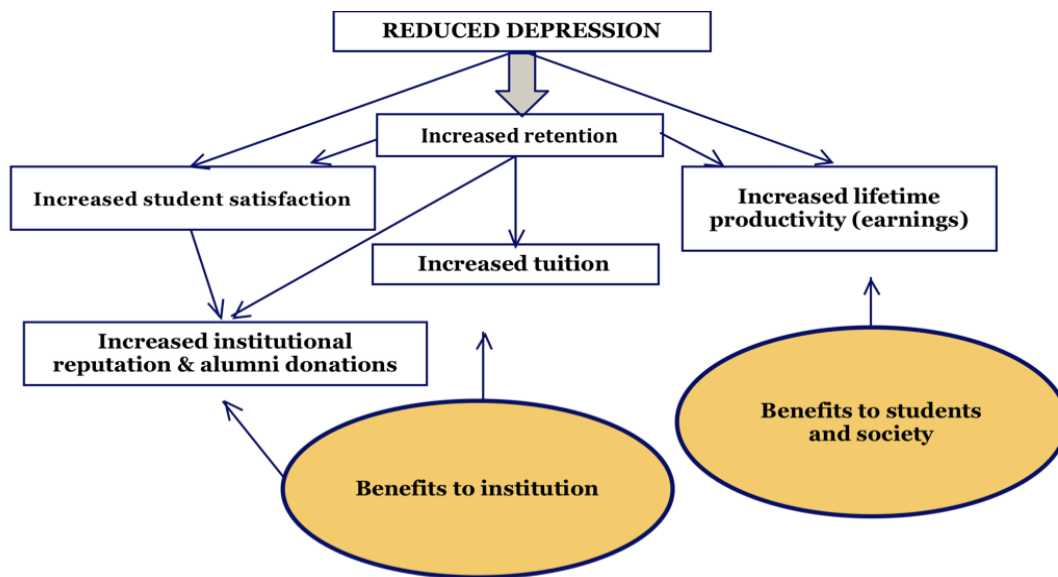
The higher education world is obsessed with outcome assessment. In this environment, it is sometimes challenging for mental health programs and services to compete for resources. Outcomes such as access to services, stigma, and symptom levels may seem *fuzzy* to administrators when compared with outputs of other units on campuses (e.g., research and tuition revenue, publications, inventions and patents, Rhodes scholars, etc.). Therefore, it can be useful to translate the benefits of mental health programs into a unit that everyone understands and appreciates: the almighty dollar.

### Empirical Evidence

In our research we have been doing just that, with the hope that this information will help mental health programs and resources attract much-needed attention.

Our first study on this issue comes from the pilot version of the Healthy Minds Study, in which the online survey was completed by a random sample of approximately 2,900 students at the University of Michigan in fall 2005. Three years later, in 2008, we collected data on the enrollment and retention of these students. We found that being depressed at baseline (as measured by the Patient Health Questionnaire-9) was associated with a two-fold increase in the likelihood of departing from the institution without graduating, even after controlling for prior academic record (test scores and grades) and other individual characteristics.

Recently we replicated this analysis with data from another institution in the Healthy Minds Study that is very different from Michigan in many ways (e.g., small, highly urban, less research-oriented, with considerably higher departure rates), and we found basically the same thing: double the risk of departure among students with significant mental health problems. We have translated this finding into an economic case for student mental health programs, as illustrated in the diagram below.



The basic idea is that improving mental health (e.g., reducing depression) can increase student retention, which translates to higher tuition revenue (financial benefit to the institution) and higher lifetime productivity and earnings for the students (economic benefit to the students and society more generally).

As an example of how these numbers play out, consider a hypothetical initiative that would provide mental health care for 500 depressed college students in a year (e.g., hiring a handful of new clinicians at a counseling center or health clinic). Based on our analysis and other research (on the effectiveness of mental health care and on the economic returns to education), we estimate that this hypothetical program would yield approximately \$1 million in additional tuition revenue (assuming a rate of \$20,000 per student-year) and over \$2 million in lifetime economic productivity for the students. By comparison, the cost of providing mental health care for 500 depressed students would be no more than \$500,000 based on standard estimates for the cost of psychiatric medication or brief models of psychotherapy.

**Thus, the economic case for student mental health services (or preventive programs with comparable effectiveness) appears solid from a narrow institutional perspective, and even more so from a general societal perspective.** *Note that this economic case does not even count the most direct benefits of mental health services and programs, the boost in wellbeing and relief of suffering.*

## Calculate your School's Return on Investment

To help examine how these calculations might play out in your school's context, we have created a relatively simple “return on investment” spreadsheet, with assumptions that can be customized—you can plug in your school’s population size, departure/retention rate, prevalence of depression, and alternative assumptions about the program’s effectiveness in reducing depression. We encourage you to check it out here:

[www-personal.umich.edu/~daneis/roi](http://www-personal.umich.edu/~daneis/roi).

## Further Reading

Arria, A.M., Caldeira, K.M., Vincent, K.B., Winick, E.R., Baron, R.A., O'Grady, K.E. (2013). Discontinuous college enrollment: Associations with substance use and mental health. *Psychiatric Services*. 64(2), 165-172.

Bradley, B. J. & Greene, A. C. (2013). Do health and education agencies in the United States share responsibility for academic achievement and health? A review of 25 years of evidence about the relationship of adolescents' academic achievement and health behaviors. *Journal of Adolescent Health*, 52(5), 523-532. doi: 10.1016/j.jadohealth.2013.01.008

Eisenberg, D., Golberstein, E., & Hunt, J. (2009). Mental health and academic success in college. *The B.E Journal of Economic Analysis & Policy*, 9(1), Article 40.

## Announcing our Webinar Series on College Mental Health

We invite you to participate in our new Webinar Series. Our first topic will focus on college mental health and academic outcomes, featuring panelists Daniel Eisenberg and Sarah Lipson from the University of Michigan; Chris Brownson, Teresa Granillo, and David Drum from the University of Texas; and Amelia Arria from the University of Maryland. The Webinar session will take place on two dates (with identical content each time): June 26, 2013 from 3-4pm EST and June 28, 2013 from 12pm-1pm EST.

**RSVP and learn more by contacting us at [healthyminds@umich.edu](mailto:healthyminds@umich.edu).**

## About the Network

The Healthy Minds Network for Research on Adolescent and Young Adult Mental Health (HMN) is dedicated to improving the mental and emotional well-being of young people through innovative, multidisciplinary scholarship. HMN addresses the connection between the mental health of adolescents and young adults and their health behaviors, physical health, and social, educational, and economic outcomes. Based primarily at University of Michigan-Ann Arbor, HMN is headed by a team of scholars from public health, education, medicine, and psychology, many of whom are affiliated with the UM Comprehensive Depression Center.