

College board: modern monopoly

Business



PROBLEM: College Board exercises a near total monopoly on the SAT testing service (which is essentially mandatory for students applying to college) as well as the PSAT and AP tests. Although the alternative of the ACT test exists, the SAT and ACT are hardly comparable to one another, meaning that the SAT holds all of the market share for that type of test. When observed from this point of view, the College Board is a total monopoly. On top of its pseudo-legal monopoly power, the company claims to be a “ non-profit” organization, and maintains this status by using legal loopholes and using their excessive profits to fund political lobbying to protect their monopoly from legal entanglements rather than spending the money on its professed “ charitable mission” of helping students get into college, the original reason the organization was founded. In case one didn’t realize, Non-Profit doesn’t mean that they don’t make money, it simply means they use all of their money to “ Compensate” their employees.

(the CEO was “ compensated” \$800, 000 in 2009). Non-Profit status allows them to be tax exempt as well. They are the largest testing company in America, and they don’t pay a cent in taxes. The situation created by the College Board puts students at a severe economic disadvantage, promotes unfair education practices, wastes money on political and corporate goals that could be used for education, and at best remains extremely un-American both morally and economically as it exploits the people it pretends to help, and inhibits free market capitalism, a key American principle.

SOLUTION: The College Board’s role as the only widely available testing service should be delegated to a government bureau, where the ridiculous monopoly prices could be either reduced to market price, subsidized, or

retained for the purpose of supplementing the education budget by being reinvested in the education system, where the money is truly needed. *This site is extremely informative, and provided the facts that I used in the essay, <http://www.aetr.org/college-board-2009.php>