

The Monopoly of the College Board and the Lack of Effectiveness of Standardized Tests

Noah Solomon

AP Language & Composition, Period 4

Ms. Hickey

27 April 2019

Over a thousand years ago, the Sui Dynasty of Imperial China created the Civil Service Examination. In order to become an officer of the government, civilians would have to pass this exam and prove their intelligence. This exam marked the revolution of many concepts. First, the exam marked the shift from aristocracy to meritocracy. No longer were government positions given to the wealthy, but they were given to the hard-working scholars that proved themselves on the civil service exam. Second, the exam marked the shift towards widespread education. Becoming a government officer was associated with a high social status. Therefore, if civilians wanted to move to a higher social class, they would have to get educated and pass the exam. The exam and the high social status created a standard for all of the common people of the Sui dynasty to aspire towards. Third, the exam conceived the idea of standardized testing. Everybody takes one test—the same test—to prove who is intelligent and who is not. By holding everyone to the same standard, everyone is directly compared to one another, so it is simple to pick out the most intelligent people. However, what if everyone is not held to the same standard? What if one person's standard does not align with another person's standard? What if the company administering the test gets a commission every time you have to retake it? Due to the inherent monopoly of the College Board, standardized testing has become less effective and less relevant to today's education system.

There are many standardized testing companies, such as McGraw-Hill, Pearson, ACT, and the College Board. Pertaining to college entrance exams, students usually choose to take either the ACT (administered by American College Testing) or the SAT (administered by the College Board). The market share is nearly even; in 2018, 2 million students took the SAT while 1.91 million students took the ACT (Anderson). Because the SAT is directly competing for test

takers with the ACT, test fees are kept relatively low - \$47.50 for an SAT test and \$46 for an ACT test. However, in order to earn college credit, there is really only one test that students can take: the Advanced Placement test. Also known as AP tests, the College Board develops and administers these exams which are taken by millions of students at the end of every academic year. The College Board is not competing with any other company for Advanced Placement exams, and this becomes apparent in test pricing. Each AP test costs \$94, nearly double the cost of an SAT or ACT exam. If a student is taking more than one AP class, their testing fees can quickly grow to hundreds of dollars. The College Board's high AP test costs propose two problems. First, students of lower socioeconomic status are prevented from taking these tests if they cannot afford them. This is a large inequity issue that is widespread across the country. Second, a lack of competition for AP tests allows the College Board to generate hundreds of millions of dollars in revenue every year. The College Board is legally structured as a non profit organization, so ideally, their budget is balanced and all of their revenue is cancelled out by expenses. But, according to studies of The College Board's financial reports, their budget is not balanced as it should be.

Conceptually, the College Board makes logistical and practical sense. It is a third-party company that administers exams which help colleges to evaluate applicants. However, the nature of operating as a company has led to many flaws in their company. According to Nonprofit Quarterly, "For the period from July 1, 2010 to June 30, 2011, according to its most recent available Form 990, the College Board had \$720.65 million in revenues (96.5 percent of which were program service revenues) and expenses of \$684.98 million, yielding what Tierney would describe as a "profit" of 9.9 percent (he says that the College Board's "profit" in 2009 was 8.6

percent)” (Cohen). Although 9.9 percent seems like a small profit, when it comes to hundreds of million dollars, 9.9 percent is an incredibly large profit - especially taking into consideration the College Board’s *non-profit* status. In addition to a large yearly profit, high-level executives are making extremely large annual salaries. The College Board’s president in 2012 “made more than \$1.5 million, including incentive and deferred compensation; 22 other employees earned at least \$200,000” (Meserve). Based on the stated characteristics, the College Board is acting more as a corporation than as a non-profit. There is a large executive board with irregularly high salaries (relative to the industry that the College Board is in, which is education). There is a large yearly profit, despite nonprofit status and tax breaks. There are a multitude of attempts of upselling the customer to buy more services that they might not need. Overall, the College Board is generating a profit when they should not be, and operates as a for-profit corporation.

Part of the reason that the College Board produces a profit every year is that they take explicit actions to charge extra for their services, which increases inequalities already present in the industry. StudyPoint, an SAT tutoring service, breaks down the College Board’s extra fees that may be charged to test-takers. First, if students want to take the SAT with an essay, they are charged an extra \$17. Second, they charge \$15, \$29, and \$51 for phone registration, late registration, and waitlist registration respectively. Third, they charge \$29 to change the testing date. Fourth, they charge \$12 for every school that students choose to send their scores to - if students are applying to 5 to 10 schools, this cost can be \$60 to \$120. (StudyPoint). All of these services are provided on top of the test fees, which as aforementioned can approach high values. Additionally, these extra fees are not inclusive of test preparation products such as practice tests, textbooks, and flashcards. These services are not charged based on the value of the product, but

based on the demand for the product. For example, if a student registers late for an SAT, it does not cost the College Board any amount of money to add them to the testing room. However, the student is forced to pay whatever amount of money that the College Board asks for in order to register - in this case, it is an extra \$29. Additionally, with test preparation products, students from a higher economic class are able to better prepare for tests because these students can buy test preparation textbooks, flashcards, etc. No longer are students tested based on their knowledge of content, but they are tested based on their ability to pay for add-ons. The aristocracy of the education system is as abundant as ever.

The College Board's monopoly on the standardized testing market is, evidently, a large problem that plagues the education system. Additionally, in recent years, standardized testing as a whole has become obsolete and irrelevant to the education system. Concordia University of Portland explains the history of the SAT which pertains to its irrelevant nature. According to CU Portland, "The SAT that we know today was first introduced in 1926 by the College Board. It contained 315 questions covering areas like vocabulary, analogies, and math proficiency, fairly similar to what modern students have to do" (The Room 241 Team). In seven years, the SAT will hit its hundredth year anniversary. This might be seen as a milestone, but unfortunately, it marks 100 years of the same type of test in an ever changing education system. The skills that students needed 100 years ago are nowhere near the skills they need today. 100 years ago was before the internet, before the personal computer, before the smartphone. The early nineteenth century was a time where the closest source of information was the library. Today, virtually anyone can find out any piece of information in a matter of seconds. When the SAT was created, the higher education system needed a way to organize and evaluate millions of students in order

to predict their success at a college or university. However, today, types of jobs and fields of industry have grown exponentially. The Association for Supervision and Curriculum Development explains the difficulty of this issue: “In view of the nation's substantial curricular diversity, test developers are obliged to create a series of one-size-fits-all assessments. But, as most of us know from attempting to wear one-size-fits-all garments, sometimes one size really can't fit all” (Popham). In other words, the College Board (and other test developers) are tasked with creating an assessment that evaluates the entire country on the same standards. There are two problems with this approach. First, as aforementioned, the tracks of study that students will pursue are different for each student. A student who is going to study engineering cannot be compared to a student who is going to study law. Second, even for core curriculum classes such as English, not every class is taught the same. Some teachers might place an emphasis on Shakespeare while other teachers might place an emphasis on Jane Austen. If the SAT has a passage written by Jane Austen, the students of the second teacher would be predisposed to perform better because they have learned the background of Jane Austen and have experience with her work. Moreover, the differentiation of study and of careers, although untestable by a standardized assessment, is beneficial to the development of a well-rounded individual.

According to the American Enterprise Institute, there have been numerous studies that “are finding that school choice programs can improve high school graduation rates, college attendance, and earnings—without producing gains in test scores” (McShane). These “choice programs” improve the overall success of a student because they allow a student to start pursuing a path before they need to make a decision about that path. In college, students need to choose a major, and this is a very important decision because many of their classes will be based on that

major. Therefore, if students can learn about different fields of study before college, they can narrow down their interests so that they are ready when they need to pick a major (and eventually, a job). Ultimately, the concept of a standardized test has become insignificant to the nature of choosing a path of study and path of career.

As further proof of the irrelevance of standardized testing, these tests have already started to become less relied upon and are trending towards becoming antiquated. NEA Today, the official news site of the nation's largest teaching labor union, surveyed many of its members on the effectiveness of statewide standardized tests. Their study found that "a vast majority of these educators – 70 percent – do not believe their primary state assessment is developmentally appropriate for their students. Only 13 percent agreed that the NCLB-required state standardized test their students took met that standard" (Walker). Teachers are arguably the most connected individuals (out of anyone else in the education system). The teachers know the content better than anyone else, and they also know the students better than anyone else. If the majority of teachers do not think state standardized tests are accurate in measuring student success, it is likely that there is a problem with these state standardized tests. In New Mexico, the governor went so far as to ending the administration of statewide standardized testing, as explained by the Washington Post: "Grisham [the governor] on Wednesday ordered the state's Public Education Department to begin the process of ending the state's use of the Partnership for Assessment of Readiness for College and Careers standardized test, which was created by a multistate consortium funded by the administration of President Barack Obama...The PARCC consortium once had 26 member states, but after numerous defections, only a handful are left" (Strauss). At this point, it is unknown whether the state will decide on a new type of standardized test, or

simply continue without any form of standardized testing. Regardless, the actions of this New Mexico governor are representative of a national trend away from the PARCC test, which was initially adopted by half the country but widely abandoned for a multitude of issues. Similarly, in North Carolina, the state superintendent has indicated that the state will be moving away from standardized testing over the next few years. As quoted by ABC11, the superintendent states, “We will be working with local superintendents and state leaders to reform the system of over-testing. That way, we can give the teachers the time to do what they entered the profession to do - teach” (Perchick). Within many states, members of the education system are looking to reform standardized testing in order to reflect modern-day career paths and choices. The trend of the country away from statewide standardized tests shows that standardized testing as a whole is becoming more outdated, and new solutions may arise soon. Moreover, many highly ranked schools have excluded standardized tests from their applications. This allows the schools to accept students with a more open mind and see them as a person rather than just a number. Some of these schools are University of Chicago, Bowdoin College, Bates College, and Wake Forest University (Niche). All four of these schools are ranked within Niche’s top 5 test-optional schools. Similar to the rest of the nation, these highly selective schools are trending away from standardized tests, which is indicative of a future without standardized tests as part of a college application. These tests are still abundant within the higher education system; however, that may change in the near future.

The College Board’s monopoly is in no way hidden or discreet. In their publicly available finance reports, it is shown that they are net profiting multiple millions of dollars every year. This high profit is the result of a lack of regulation and a monopoly in the industry. Every step of

a standardized test such as the SAT or AP tests – preparation, taking the test, and sending scores – is managed by the College Board, and every step has a cost associated with it. These attempts at selling more services are part of a larger scheme by the College Board to save the industry of standardized testing. However, the industry has already begun its decline. States are moving away from standardized tests, and so are highly selective colleges/universities. The future of the education system is unknown; nonetheless, a future without standardized testing is evidently feasible.

## Works Cited

- Anderson, Nick. "SAT Reclaims Title of Most Widely Used College Admission Test." *The Washington Post*, WP Company, 23 Oct. 2018,  
[www.washingtonpost.com/education/2018/10/23/sat-reclaims-title-most-widely-used-college-admission-test/?utm\\_term=.53f175592693](http://www.washingtonpost.com/education/2018/10/23/sat-reclaims-title-most-widely-used-college-admission-test/?utm_term=.53f175592693).
- Cohen, Rick. "Is the College Board a NINO (Nonprofit in Name Only)?" *Nonprofit Quarterly*, 16 Apr. 2015,  
<http://nonprofitquarterly.org/2012/10/16/is-the-college-board-a-nino-nonprofit-in-name-only/>
- McShane, Michael Q, et al. "Do Impacts on Test Scores Even Matter?" *American Enterprise Institute*, 19 Mar. 2018,  
[www.aei.org/publication/do-impacts-on-test-scores-even-matter-lessons-from-long-run-outcomes-in-school-choice-research/](http://www.aei.org/publication/do-impacts-on-test-scores-even-matter-lessons-from-long-run-outcomes-in-school-choice-research/).
- Meserve, Jack. "The SAT May Have Been Changed To Help The College Board Maximize Revenue." *Business Insider*, Insider Inc, 7 Mar. 2014,  
<https://www.businessinsider.com/the-sat-may-have-been-changed-to-help-college-board-maximize-revenue-2014-3>
- Perchick, Michael. "State Superintendent Calls for Fewer Standardized Tests." *ABC11 Raleigh-Durham*, ABC, Inc., 16 Jan. 2019,  
[abc11.com/education/state-superintendent-calls-for-fewer-standardized-tests/5091077/](http://abc11.com/education/state-superintendent-calls-for-fewer-standardized-tests/5091077/).
- Popham, W. James. "Why Standardized Tests Don't Measure Educational Quality." *ASCD*, Mar.

1999,

[www.ascd.org/publications/educational-leadership/mar99/vol56/num06/Why-Standardize-d-Tests-Don't-Measure-Educational-Quality.aspx](http://www.ascd.org/publications/educational-leadership/mar99/vol56/num06/Why-Standardize-d-Tests-Don't-Measure-Educational-Quality.aspx).

Strauss, Valerie. "New Mexico's New Governor Ending PARCC Standardized Testing to Evaluate Students, Teachers." *The Washington Post*, WP Company, 4 Jan. 2019, [www.washingtonpost.com/education/2019/01/04/new-mexicos-new-governor-ending-parcc-standardized-testing-evaluate-students-teachers/](http://www.washingtonpost.com/education/2019/01/04/new-mexicos-new-governor-ending-parcc-standardized-testing-evaluate-students-teachers/).

The Room 241 Team. "Do Standardized Tests Accurately Show Students' Abilities?" *Concordia University-Portland*, 5 May 2018, <http://education.cu-portland.edu/blog/news/do-standardized-test-show-an-accurate-view-of-students-abilities/>.

Walker, Tim. "Survey: 70 Percent Of Educators Say State Assessments Not Developmentally Appropriate." *NEA Today*, National Education Association, 9 Mar. 2016, [neatoday.org/2016/02/18/standardized-tests-not-developmentally-appropriate/](http://neatoday.org/2016/02/18/standardized-tests-not-developmentally-appropriate/).

"SAT Test Registration Fees." *StudyPoint*, [www.studypoint.com/ed/sat-test-registration-fee/](http://www.studypoint.com/ed/sat-test-registration-fee/).

"2019 Best Test Optional Colleges." *Niche*, 2019, [www.niche.com/colleges/search/best-test-optional-colleges/](http://www.niche.com/colleges/search/best-test-optional-colleges/).