



## Results of an Education Monopoly

By Deborah D. Thornton

“A non-coercive monopoly only exists as long as brand loyalty and consumer apathy keep people from searching for a better alternative.”

— Andrew Beattie, Managing Editor, Investopedia.com<sup>1</sup>

Chief Justice Earl Warren (1953-1969) wrote in *Brown v. Board of Education* in 1954 about the status of public education in the 1860s, “In the South, the movement toward free common schools, supported by general taxation, had not yet taken hold. Education of white children was largely in the hands of private groups. Education of Negroes was almost nonexistent ... It is true that public school education at the time ... had advanced further in the North, but ... Even in the North, the conditions of public education did not approximate those existing today [1954]. The curriculum was usually rudimentary; ungraded schools were common in rural areas; the school term was but three months a year in many states, and compulsory school attendance was virtually unknown.”<sup>2</sup> Education in the United States changed rapidly between 1860 and the 1950s. One significant change was the development of a government monopoly.

A monopoly by definition is a “market situation where one producer controls supply of a good or service, and where the entry of new producers is prevented or highly restricted.” The definition goes on to say that, “monopolist firms keep the prices high and restrict the output and show little or no responsiveness to the needs of their customers.” Further, “Sometimes governments facilitate the creation of monopolies for reasons of national security, to realize economies of scale, or where two or more producers would be wasteful or pointless.”<sup>3</sup> This was part of the theory behind the consolidation and standardization of public education.

The Supreme Court established in 1954 that the “separate but equal” school services provided to African American children was illegal. However, the Court did not recognize the coercive and negative nature of the overall education monopoly, with one seller of the good producing all the output.

This education monopoly is not beneficial. For example, the National Assessment of Educational Progress (NAEP) in 2007 reported that 12<sup>th</sup> grade reading achievement nationwide had declined from 1992 to 2005, by four points (292 to 288).<sup>4</sup> The percent of students scoring at or above “proficient” was 38 percent, a flat score. The percent scoring at or above “basic,” was actually lower than 1992. In math, graduates scored higher in 2009 than 2005, which is the math baseline year – increasing by three points, to 153 from 150. Only 26 percent, or 1 of 4, were considered “proficient,” with two-thirds earning a “basic” score. Importantly, racial/ethnic and gender gaps have not changed significantly over the last 19 years.

The 2009 NAEP report included a pilot program providing in-depth information for 11 states, including Iowa. Iowa was one of only five states with higher scores in both reading and math than the national average. Both the reading and math scores for Iowa students were four points higher than the national average, at 291 and 156 respectively.<sup>5</sup>

On the reading test, 79 percent scored at or above “basic” and 39 percent scored at or above “proficient,” versus the national averages of 73 and 37 percent. In math, 71 percent scored at or above “basic” compared to 63 percent for the nation as a whole. Twenty-five percent scored at or above “proficient,” the same as the national average. Iowa is doing a somewhat better job of ensuring students have at least the fundamentals of math, but doing no better than any other state at teaching higher-level math skills.

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The NAEP report is the nation's "report card." On a standard A, B, C, D scale of grades, even Iowa schools did no better than a "C" at teaching the basics of reading and math. This is not a report card our schools and teachers should want. The results of the NAEP annual report have remained flat since 1992, for almost 20 years.

The NAEP results are not an anomaly. The average composite score on the American College Test (ACT) in 2010 was 21.0, with an average English score of 20.5. In Iowa, the average composite was 22.2, with an average English score of 21.8 – again slightly higher than the national average, but not much. According to the ACT, 66 percent of all test-takers met the English readiness score in 2010. In general, only those students anticipating going to college take the ACT. Nationally, 47 percent of high school graduates take the test; in Iowa, 60 percent do.<sup>6</sup>

Only 40-49 percent of Iowa high school graduates who took the ACT met or exceeded at least three of the benchmarks.<sup>7</sup> In overall achievement, Iowa ranks ninth nationwide.<sup>8</sup> Generally, more students in Iowa think they are going to college, but they are not prepared to do college work. This reinforces the idea that we are successful in teaching the basics, but not upper level skills.

According to the Organization for Economic Cooperation and Development (OECD), the United States spends \$10,000 per student on primary, secondary, and tertiary education. As of 2006, we were spending over seven percent of our Gross Domestic Product on education.<sup>9</sup> Overall average teacher starting pay in the U.S. was in the top four among OECD countries, at almost \$36,000, not counting benefits. Iowa ranks 26<sup>th</sup> nationwide in per-pupil spending, at \$7,574 per pupil, according to the National Center for Education Statistics. The amount of money spent on public K-12 education in 2006 was over \$4.2 billion. This is an increase of a billion dollars, or a third, since 2000.<sup>10</sup> Yet the number of students educated by Iowa schools fell by 11,700 to only 482,584.<sup>11</sup>

We are spending a significant amount of our national treasury on education and that amount has steadily increased. However, the results have not changed for the better. Maybe parents and taxpayers need to recognize that education is a "coercive monopoly," re-think their "brand loyalty," lose some of their "consumer apathy," and start searching for "better alternatives."

*Public Interest Institute's POLICY STUDY, "Monopolizing and Derailing the Education Freedom Train,"* can be viewed at [www.LimitedGovernment.org](http://www.LimitedGovernment.org).

#### Endnotes:

<sup>1</sup>Andrew Beattie, "A History of U.S. Monopolies," Investopedia.com, <<http://www.investopedia.com/articles/economics/08/hammer-antitrust.asp>> accessed on May 23, 2011.

<sup>2</sup>*Brown v. Board of Education*, 347 U.S. 483 (1954), Supreme Court of the United States, <<http://www.nationalcenter.org/brown.html>> accessed on May 23, 2011.

<sup>3</sup>"Monopoly," Business Dictionary.com, <<http://www.businessdictionary.com/definition/monopoly.html>> accessed on May 23, 2011.

<sup>4</sup>"Executive Summary, The Nation's Report Card: Grade 12 Reading and Mathematics 2009 National and Pilot State Results," National Center for Education Statistics, November 2010, pp. 1-3, <<http://nces.ed.gov/nationsreportcard/pubs/main2009/2011455.asp>> accessed on May 26, 2011.

<sup>5</sup>Ibid., pp. 58-59.

<sup>6</sup>"2010 ACT National and State Scores," ACT, Inc., <<http://www.act.org/news/data/10/states.html>> accessed on May 26, 2011.

<sup>7</sup>"The Condition of College and Career Readiness 2010," ACT, Inc., p. 10, <<http://www.act.org/research/policymakers/cccr10/pdf/ConditionofCollegeandCareerReadiness2010.pdf>> accessed on May 27, 2011.

<sup>8</sup>"Education in America: State-By-State Scorecard," The Center for Education Reform, June 2007, <[http://www.edreform.com/\\_upload/cer\\_state\\_scorecard.pdf](http://www.edreform.com/_upload/cer_state_scorecard.pdf)> accessed on May 31, 2011.

<sup>9</sup>"Education: spending, class sizes, teachers pay and statistics compared by country," *The UK Guardian*, September 8, 2009, <<http://www.guardian.co.uk/news/datablog/2009/sep/08/education-spending-class-sizes-school-funding-teachers-statistics>> accessed on May 26, 2011.

<sup>10</sup>"Table 117, Current expenditures for public elementary and secondary education, by state or jurisdiction: Selected years, 1969-70 through 2006-07," National Center for Education Statistics, <[http://nces.ed.gov/programs/digest/d09/tables/dt09\\_177.asp](http://nces.ed.gov/programs/digest/d09/tables/dt09_177.asp)> accessed on May 6, 2011.

<sup>11</sup>"2006-07 Certified Enrollment Summary by District" and "2000-2001 Certified Enrollment Summary by District," Iowa Department of Education, <[http://www.iowa.gov/educate/index.php?option=com\\_content&task=view&id=1348&Itemid=2410](http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1348&Itemid=2410)> accessed on May 6, 2011.

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