

About the NCAA

1960 The National Collegiate Athletic Association was created to provide injury-related safeguards to student-athletes.

Over the past 107 years, membership has grown to almost 100,000 student-athletes represented by male and female generating revenues of over \$700,000 million dollars.

This increase in membership and revenue has led to over 400 pages of NCAA regulations.

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Let's take a quick poll

The Monopolistic Power of the NCAA

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Final Observations

- The NCAA shows characteristics of both a cartel as well as a monopoly.
- It is arguable that the NCAA's methods are what helps to keep competition fair and remain truly amateur.
- Methods help the NCAA as well as schools and athletes it affects.
- This dominating and successful organization faces little to no threats in the near future as a company due to their support and perfected system of operation.

NCAA Current Status

• 17 of 191 school athletes in the world (including every year of NCAA college and professional) are of African descent, including Division I and Division II athletes who are not professional players.

• Revenue is shared by the university.

• Revenue is shared by the university to reach the goal through their effort.

• Division I athletes are not allowed to play, but they are allowed to receive scholarship or full-time graduate stipend from the school, why to take a school and playing team.

What is a Monopoly?

Defined: The exclusive possession or control of the supply or trade in a commodity or service.

Characterized by having more market power than any other type of firm that can be categorized as similar in the products and services they offer.

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What is a Cartel?

Defined: A cartel is a group of firms with similar or identical outputs who collectively work together to create a monopoly power in a market and extract revenue.

- Or an organization of firms that decide:
- prices
 - outputs
 - market areas
 - the use and development of productive capacity
 - advertising expenditures

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1906: The National Collegiate Athletic Association was created to provide injury-related safeguards to student-athletes.

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NCAA Current Status

- 27 of high school athletes who require to be developed every year at NCAA colleges and universities.
- 60% of student athletes, including Division II and Division III athletes, are not on athletic scholarships.
- Division I athletes is a cut-throat business that holds revenue for the university.
- provide money athletes the opportunity to reach the pro level through their skills.
- Division II athletes may not receive scholarship money, but only with academic scholarship and grants.
- Division III received no athletic scholarship as full-time graduate scholarships are the fastest way to build a career and strong team.

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How the NCAA Resembles a Cartel

- sets the maximum price that can be paid for intercollegiate athletes
- regulates the quantity of athletes that can be purchased in a given time period
- regulates the demand and purpose regarding usage of the athletes
- occasionally fixes the price at which sports outputs can be sold (ticket prices at championships)
- occasionally pools and distributes portions of profits
- polices the behavior of the members and assesses fines against those members who are deemed to be in violation of rules and regulations

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How the NCAA Resembles a Monopoly

- responsible for virtually all rules and regulations
- controls monetary earnings from all of the NCAA college sports
- reserve most scholarships for higher profit programs and the most competitive schools
- virtually all competitive athletic departments at the college level are already committed to an organization, eliminating entrants to the market