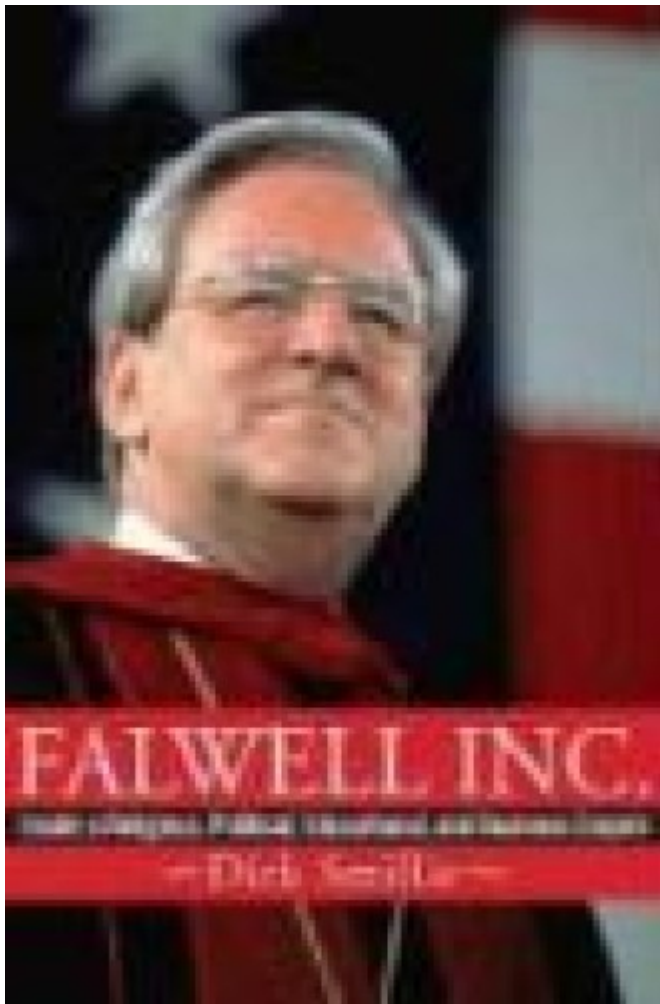


Falwell Inc.: Inside a Religious, Political, Educational, and Business Empire

reviewed by [John Killinger](#) in the [June 16, 2009](#) issue

In Review



Falwell Inc.: Inside a Religious, Political, Educational, and Business Empire

Dirk Smillie

On a recent visit to Lynchburg, I discovered the Liberty Channel on cable TV. It mainly features old Jerry Falwell videos, current services led by his son Jonathan (who, incidentally, uses a lot of stage props in his sermons, a kind of show-and-tell for imagination-challenged Christians), and teaching films by Liberty University professors. The second time I tuned in, I saw a vintage Falwell lecture called "Managing Your Finances." There he was, as an earlier, slenderer image of himself, the familiar bumptious motivational speaker with the strident voice and staccato delivery, proclaiming two important secrets of successful money management: one, you have to tithe (it's not an option), and two, you must not spend more than you take in, or "your shortfall will be your downfall."

I found this interesting considering what Dirk Smillie says in *Falwell Inc.*, an account of Falwell's high-rolling financial enterprises. Even after Falwell began attracting what Smillie calls superdonors--oil billionaire Nelson Bunker Hunt, insurance moguls Arthur Williams and Art DeMoss, cotton magnate Bo Adams and poultry farmer Don Hershey--he was still "spending his newfound millions as fast--or faster--than they came in." Like his great prototype Charles E. Fuller of *The Old Fashioned Revival Hour*, he operated in a "chronic cycle of debt" and was often desperate to find money to pay his bills. Conservative Christians usually eschew gambling, writes Smillie, but Falwell seemed to take an incredible risk on almost everything he did.

Smillie, a senior reporter for *Forbes* magazine, has provided what will probably stand for all time as the best overall picture of the Falwell financial machine and the famous evangelist's penchant for betting the farm. He had completed his assignment to write about Falwell's business affairs when Falwell died in May 2007. Then his editor gave him a year off to turn the financial essays into a book, employing his previously cultivated sources in Lynchburg (principally Jerry Falwell Jr. and Ron Godwin, the elder Falwell's right-hand man) to add segments dealing with the Falwell family history and developments at both Thomas Road Baptist Church and Liberty University since Falwell's death.

The overall result is a highly informative tome by a hard-working reporter who knows how to exhume facts and then express them with extraordinary clarity. Smillie has tracked down an amazing array of figures related to Falwell's deals, and he documents the trail of recklessness that marked the preacher's adventures. His writing is sprinkled with glittering bons mots: Fundamentalism is "the Christian

equivalent of faith on the wrong side of the tracks.” Liberty University’s crack debate teams are “the Jedis of Liberty.” A Led Zeppelin concert Falwell stumbled into in Seattle because it was out-decibeling a nearby rally of his own “must have been a Dante-like spectacle.”

The only flaws I noted in an otherwise brilliant performance have to do with Smillie’s tendency to accept his informants’ puffery, such as how many Lynchburgers belong to their church (a lot fewer than a third of the town’s 68,000 inhabitants, as they claim) and how gallantly impervious Falwell was to criticism because he always considered it “really just attacks on the Lord.” It is hard to fault Smillie for this, though, because it is all but impossible for an outsider to separate fact from the fiction generated by the Falwell camp.

To Smillie’s credit, his meticulous research sometimes does enable him to dispute Falwell’s own reports, and when that happens he doesn’t hesitate to say so. For example, his check of Arbitron figures disclosed that Falwell’s viewership in 1980 was closer to 1.5 million than the 25 to 50 million Falwell and his associates claimed. And when the evangelist reported in 1992 that he had been bailed out of a particularly tight spot by two former Liberty fund-raisers, Jimmy Thomas and Daniel Reber, Smillie says it was “probably the biggest whopper Falwell ever told” because the money actually came from Sun Myung Moon’s Unification Church in a deal “almost certainly brokered by Ron Godwin,” who left Falwell in 1987 to work for Moon at the *Washington Times* but returned in 1999.

With an acumen born of numerous similar investigations, Smillie tracked down Falwell’s enrollment in Epsilon Data Management’s computer-databased marketing program in 1976 (he was the first televangelist to sign up with the Harvard MBA-led team) and discusses how this connection influenced Falwell’s approach to mail solicitations, particularly in the use of such wedge issues as feminism and homosexuality. It was also under EDM’s guidance that Falwell developed the threat to kill future broadcasts, which quickly became a hallmark of televangelists’ appeals. Whenever the threat was employed, the daily take ran anywhere from \$50,000 to \$1 million, and Falwell religiously phoned his accountant Donald Moon every day at 2 p.m. to ask, “Don, what’s the deposit?”

Tracking recent developments, Smillie notes that one of Liberty University’s biggest moneymakers now is its online instructional program. In 2007, only its second year, the school’s online registration was 27,000 students, making it one of the top ten

distance-learning schools in the U.S. and earning Liberty a profit of \$30 million out of a \$72 million gross. It took the university's residential program 30 years to reach only a third of that size. Given the fact that residential instruction is far more expensive than its online counterpart, it isn't hard to predict what Liberty's future emphasis will be.

Most Lynchburgers, still bedazzled by memories of their illustrious son, proudly report that both Liberty University and Thomas Road Baptist Church seem to be thriving under the control of Falwell's progeny. When the elder Falwell died, Jerry Jr. ("J-J") inherited his dad's roll-the-dice entrepreneurial spirit and Jonathan ("John Boy") his undeniable talent for preaching. At least that's what J-J told Smillie.

Many Lynchburg citizens also speak admiringly of the way the elder Falwell paid off Liberty University's IOUs and part of his church's debts with a personal life insurance policy that netted about \$35 million when he died. If one didn't mind sounding uncharitable, one might say of Falwell, as Shakespeare's Malcolm remarked about Macbeth, that "nothing in his life became him like the leaving of it."