Jerry Falwell's Legacy: A Thriving Liberty University

A crimson-colored "LU," emblazoned in 11-foot letters on a forested mountainside against a backdrop of white limestone, tells students and their families they have arrived at Liberty University. The cacophony of construction across the 7,000-acre campus it overlooks suggests that the once-struggling **Christian college** has not only arrived but also plans to stick around.

Dormitories built in the 1970s have been torn down to make room for high-rise residence halls. Soon to be completed is a $50 million library in which robots will retrieve books. The campus master plan calls for more seating in the football stadium, a sign of Liberty's aspirations to one day participate in Division 1 bowl games.

"We haven't achieved all of our goals yet, but we're well on our way," says Jerry Falwell Jr., who took over as Liberty's chancellor when his father, the Rev. **Jerry Falwell** Sr., died at his desk in 2007. The elder Falwell, a nationally known **televangelist** and prominent political figure, lived just long enough to see the Baptist college he founded in 1971 start down the road to prosperity, his son says.

Most private nonprofit colleges have remained cautious with their budgets amid lingering economic uncertainty, but Liberty University is in the midst of a $400-million, four-year spending spree. Its endowment this year topped $1 billion. And its business strategy, including competitive tuition and attention to customer service, is earning praise from financial analysts. Moody's this month upgraded Liberty to one of its highest credit ratings.

"It is quite an unusual picture," says Karen Kedem, a vice president and senior analyst for Moody’s Investors Service, a credit-rating agency. Liberty is ”continuing to see robust revenue growth, a stark contrast in what we’re seeing at a majority of our universities.”

The secret to Liberty’s financial health? One is that it keeps costs down by hiring most instructors on contract; only law faculty earn tenure. Another is what Standard & Poor’s calls the school’s “robust and successful” online program. This year, it enrolled 92,500 online students. Campus enrollments this fall are just shy of 13,000.

Liberty also keeps costs down for families. Tuition and fees this year for students living on campus total $20,768—up 4 percent from last year’s $19,968, but still below last year’s average tuition and fees. According to the nonprofit College Board, average tuition and fees last year were $29,056 for private nonprofit schools.

Falwell says the online and residential programs complement each other. The online division, which operates in a former Sears department store, accounts for 61 percent of the university’s revenue but just 44 percent of expenses, Standard & Poor’s says.

The online surplus goes toward campus upgrades, and the residential campus gives credibility to the online program. Many online students, who tend to skew older, may never set foot on campus. But they can participate in graduation exercises and other campus activities. Some programs include weeklong “intensive” courses on campus.

In its early days, Liberty paid the bills mostly with donations from parishioners at Thomas Road Baptist Church, where Falwell Sr. was pastor, and from viewers of his popular national television ministry. The school sank into debt in the early 1990s after sex scandals involving televangelists **Jim Bakker** and **Jimmy Swaggart** dealt a blow to the evangelical

Christian broadcasting industry. Falwell says Liberty paid off the last of its debt in 2007 using the elder Falwell's life insurance policy.

Today, Liberty attracts students from 50 states and more than 95 countries to its online and on-campus programs combined. It has hosted campus visits by conservative national figures, including 2012 Republican presidential candidate **Mitt Romney** and some of his GOP contenders, including Donald Trump. Young America's Foundation, a non-profit national group for **conservative Christians**, calls Liberty one of the nation's top 10 conservative colleges.

Liberty's financial practices have drawn scrutiny. Some **Christian colleges** won't accept government aid—to "avoid the hassles of government control," according to the website for one such school, Hillsdale College in Michigan.

That's not the case at Liberty, whose students this year received what campus officials estimate to be $775 million in federal aid, including loans and grants.

When a local paper published federal aid data a few years ago, Roanoke Times blogger Dan Casey opined that "**Jerry Falwell** must be rolling in his grave," given that he "was never a big proponent of federal government."

Moody's notes that Liberty "has faced challenges in the past to its tax-exempt status" because of its "distinct political interests and religious activities."

Falwell argues that the federal money goes to students, not the college, and that most of it was "used by students to pay their living expenses. "This is a common practice among students nationwide who take out federal student loans," he says.

He and provost Ron Godwin would prefer Liberty get more attention for its student-loan default rate—7.1 percent last year, about half the 13.4 percent national average. They tout the quality of the education they offer, including a 25 to 1 student-faculty ratio, and stress the school's Christian heritage.

During a recent campus visit, tour guide Alyssa Hammond, 22, told students and parents, "Every class is going to be tied back to the Bible. Every class will open with a prayer."

Liberty also has invested heavily in recreational activities, including a synthetic ski slope that operates year-round, an ice rink and dozens of opportunities for sports.

Mike Strobel, 24, a former Marine now studying business, says the emphasis on community, along with the opportunities for personal, academic and spiritual growth, were all factors in his decision to enroll.

"I'm blessed to be at this school," he says.