

Stairway to Heaven: The Behavioral Economics of Prosperity Televangelism

This project examines behavioral economic aspects televangelists, such as that of Robert Tilton. During the late 1980s, Tilton was well-known, regarded by many as an eccentric, even comical, crackpot. Yet, he was reportedly making \$80 million per year in donations. Critics argued that Tilton’s “prosperity gospel” preyed upon the sick and poor.

In 1991 *ABC News’ PrimeTime Live* ran an investigative report, “Men of God,” which exposed Tilton’s and other televangelists’ tactics to a wider audience. Although Tilton fought to discredit the reporting, his popularity and earnings ultimately declined.



Closer examination reveals that Tilton’s strategy for soliciting contributions – in addition to a lot of yelling – is intelligent and calculated, and exhibits applications of consumer theory and behavioral economics. Concepts include: diminishing marginal utility, credence goods, free riders, price discrimination, *post hoc* fallacy, and mental accounting.

The project includes selected video clips of Tilton’s sermons along with brief analysis. The product may be an anthology piece or an exercise for an intermediate microeconomics class.