

On a wing and a prayer

By Cate Devine

I DIDN'T expect to like Alvin Hall. After all, the self-styled financial guru has a \$1.5 million apartment in Manhattan, works on Wall Street, makes a fortune running seminars for financial institutions around the world, writes books giving financial advice and is also a private collector of valuable contemporary art.

In the UK the 55-year-old is an almost constant presence on BBC TV and radio advice programmes. I doubted that someone so focused and so successful in melding the free market mentality to his own advantage could possibly do anything other than demotivate a representative of the hoi polloi such as myself.

But when we meet at his favourite London hotel, I'm surprised to discover that I warm to him immediately. He's already posing vigorously for our camera and emitting a girly falsetto giggle every few minutes.

When he stops politely to introduce himself, it's with an endearing blush. He offers to change his bright pink shirt for another in a different colour: mint green, perhaps, or blue? So we all troop up to his hotel room and, while he's sifting through the options with our photographer, he offers me a box to open. Inside is an antique Victorian necklace he's just purchased in India while filming for BBC World "because I loved it and because I knew it was good".

It's made of diamonds, rubies and emeralds. "Who did I buy it for? Why, myself of course," he says, shrieking a perfect Blanche DuBois. "I'm having it valued the minute I get back to Manhattan and I'll probably display it at home. It's certainly not for wearing."

Yet all of Hall's Brooks Brothers shirts and suits are at least 10 years old. "That's the beauty of investing in good quality," he says, refreshing his Mac make-up in the mirror with a dampened sponge.

All this is said without boasting or preening. Vanity, he will tell me later, alongside envy, is proscribed in his Southern Baptist family. He's simply clocked that we're on a tight schedule and in any case he's due back at the Beeb to record a two-part Radio 4 series, Money Grab, about the rise in the UK corporate pay and bonus culture.

He's been up since 5.30 and has already filmed a breakfast television slot. He's earning a personal fortune (six figures annually plus a comfortable pension pot, accrued entirely from his own savings), and believes passionately that we can create our own financial destiny by taking responsibility for our own "money behaviours". Phew. All this in the

space of five minutes. I feel stressed already. I've also learned that he'd never dream of buying a second home, that he books and pays for all his flights, theatre and opera tickets, and would actually love to sell his flat and live, Diane von Furstenberg-style, in a hotel apartment for life. "I like to keep my life simple," he says.

Alvin Hall is a mass of contradictions yet his middle name could easily be Prudence. He believes that we could all be like him. Perhaps that's why, with money the new national obsession, he's so popular. He's even been called a psychologist and a magician.

He entreats us all to pay off our debts and start saving now, so that we can take back control of our lives. "Build up emergency funds for the worst-case scenario, because that gives you options in the bad times," he says. "I'd advise building up a three, six or better still a nine-month emergency fund." The British "laissez-faire" attitude to money - using plastic, focusing on the short term and believing that tomorrow will look after itself - is dangerously out of date. "Now, more than ever before, responsibility for our financial future begins and ends with us".

Easier said than done, surely, given that many of us face redundancy, zero interest rates on savings, and the other associated joys of being in a long-term global recession. But Hall insists: "We should always make what-if plans. Even those facing redundancy have an option: look to your nest egg now or, if you haven't done that, then you have one task in hand - stop being bitter and get on with getting a job. But the top priority for everyone is to start saving. The sooner we begin to accrue even the smallest amount, the sooner we give ourselves options."

He freely admits his advice is old-fashioned. "It's bottom-line common sense," he says. "My advice is classic and doesn't change. People have to learn to adapt it to their lives. Many didn't learn the basics because their parents never told them, or because it wasn't part of their education."

In Scotland, he sees an older generation of wise and prudent savers ceding gradually to "a younger generation that's just like everyone else".

"Scots are very canny with their money, more so than elsewhere in Britain," he says. "Older Scots in particular don't think that money is magical. Rather, they look at it in a very level-headed way. It's a shame younger people aren't learning from them.

"I've had some great ideas from my visits there," he says. "One lady at a book launch in Glasgow had read my advice about opening a trust fund for her grandchild, but she told me she had had a better idea - she'd opened an ISA in her own name so that she got the tax benefits AND kept control of the money until she decided to give it to him. I thought that was a brilliant idea."

In general, however, too many of us want money to remain magical because it's always something that someone else has.

"A lot of people get money through very hard work and application of their talents in a very specific way," Hall says. "When they're outside of those accomplishments other people tend to say, oh if only I had the luck of that person'. But we're only trapped by money when we're spending every cent we've got - and more."

There is a bit of the evangelist about Hall, and he readily agrees. It appears he's seen the worst, has managed to pull himself out of it, and is keen to share the experience for others' benefit.

He was born in Tallahassee, Florida, the oldest of seven siblings, and grew up in dire poverty on a subsistence farm run by his mother and grandmother. His father died when he was 11 - Alvin barely knew him and doesn't even have a photograph - and he was the only member of his family to go on to tertiary education (he got a BA in English at Bowdoin College in Maine and an MA in American literature at the University of North Carolina). But he was unemployed after graduating, and started dabbling in stocks and shares. Eventually, aged 30, a college room-mate suggested he could help develop courses for his father's firm, a training company on Wall Street. That's when he started saving for the future, and he's never looked back. When he got his first bonus cheque, he blew most - but not all - of it on a dream cruise.

Even before this, at the age of 24, Hall's tastes were refined. As a college English teacher, he had Waterford crystal, Wedgwood crockery and Christofle silverware in his apartment, and only wore Armani. But he hasn't had to replace the hardware, and has since learned to take control of his ongoing obsession with clothes.

He puts a bit into his retirement pot every month. He can earn up to \$50,000 per day by delivering an all-day interactive training session to 300 financial wizards, but says he's worked extremely hard to make it happen and never, ever takes anything for granted.

"When 9/11 happened I didn't work again for five months because there was no work in training in financial markets. When my biggest client, Lehmann Bros, went under I had to go out like a streetwalker and look for new work. So now, I always imagine the worst-case scenario and force myself to build up what I call a what-if' account. I never rest on my laurels. It could all come crashing down tomorrow. So I regard every class or programme as new opportunity to convince people I'm good."

Hall's dogged pursuit of money appears decidedly individualistic, but he insists he is not a republican or Tory. "I think Margaret Thatcher really did release free-market capitalism in Britain, and opened up the country to the growth of the last few decades," he says, "but as these things morph they can often take on darker elements, such as corporate greed and pernicious practices by credit card companies. When you hear me talk about money I might sound very republican because I believe in self-empowerment, but in reality I'm more of a leftie." He baulks at the term "socialist" but only because it's British rather than American, and eventually plumps for "practical, liberal Democrat".

"My pursuit of money has nothing to do with my attitude to other human beings," he says. "I think you can be involved in capitalism and not cherish money more than people." He gave up practising his religion when he left home, but says its fundamental ethos of living a virtuous life is still in him.

"But I've taken it to a more humanistic level," he explains. "I try to be nice, not to be mean to people, and to view them as I would myself." He gives tens of thousands of dollars to charity every year and has named several friends, educational establishments, and arts institutions as benefactors in his will.

What I find most fascinating about Hall is that he has learned to change what he calls his "money personality". He has turned around his own relationship with cash so that he is in control of it, rather than the other way round. He has learned to avoid his own personal weakness of the "70% off sign in Bergdorf Goodman", and believes we all have it within us to do the same.

To change our mindset, he suggests we all give ourselves the one-day challenge. "Try not to spend a single penny for a whole day once a week, outwith the expenses associated with going to work. Do without that magazine or that new T-shirt or that expensive sandwich. Once you've mastered that, it's a good feeling because you feel you can be enough in control to pull back from the edge."

Next, we should all start keeping a money diary over 30 days, marking down what we spend on what, and how it feels - much like those who use a food diary to control their eating. "I'm a real fan of this and I do it myself," he says. "The key part of this diary is noting your emotions when you're spending that money every day. At the end of 30 days, you'll begin to see the things that stimulate or prompt you to spend badly. It will really help you prioritise and to think about what will give you longest-term satisfaction.

"It's as much about the amount as the emotions. Then you get to know yourself and how to control your spending. In this type of economy, when things are shrinking and there's a lot of uncertainty about, you need to be in control."

When we learn our money personality better, we'll be able to take advantage of luck and good fortune when it comes along and we won't want to squander it.

Bizarrely, perhaps, Hall also advises us to get fit. Researchers have uncovered surprising connections between good health and financial success, he says, in which a modest weight loss is accompanied by an average increase of 37% in personal wealth. "No-one really knows why healthier people do better financially," he says. "Perhaps being slimmer and feeling stronger and more energetic creates improved self-esteem which perhaps in turn reduces the need to binge-spend' as a way of beating the blues."

Taking control of ourselves means we can work on two fronts at the same time: on what's going to make us the happiest today while thinking about what would give us longest-term satisfaction.

"You begin to choose that over something that's short-term and ephemeral."

Thankfully, Hall doesn't believe in not spending. Everybody should give themselves pleasure - but only in relation to accomplishment. "Tie your savings to a goal that will let you spend," he says.

For example, saving all year and submitting his income tax bill before the deadline means he can take a holiday, or buy tickets for a concert. He doesn't fly first class and go out to dinner twice a week. "You don't have to have everything."

He believes we all have demons inside us that are unleashed in the face of sudden wealth.

"People change radically in the face of astonishing amounts of money," he says. "You see this in people who start to earn or win £100,000. They act as if they have half a million. It's as if the demon that was latent has been given the freedom to come out. That's all about our perception of our worth relative to money. In order to get over that you have to know yourself very, very well."

Does Hall know himself very well? "I've changed totally," he says. "In the early days I pursued quality. When you're young you spend to know yourself. Today I describe myself as a prudent user of money. At the end of the day, I'm still just a farm boy."

He hands me back the £20 Scottish bank notes we've used in our photo shoot, and he's off to his next appointment.

It's only then, as he bids a friendly farewell, that he notices with an ear-piercing shriek what I saw the minute I met him: he's wearing his oldest, broken-down shoes.

Plan Now, Retire Happy by Alvin Hall is available now (Hodder & Stoughton)

8:38pm Saturday 8th August 2009