

Alvin Hall, frontman on the BBC's financial makeover series, *Your Money or Your Life*, has just finished filming the Christmas episode. "The lady was excessively generous with her Christmas presents and I was trying to put her on a budget," Hall says. "The couple were arguing about her spending, but I didn't want to be a Scrooge."

Hall may not be Scrooge, but he is certainly no spendthrift. In his TV shows, he is a cautious financial sage trying to convince debt-laden households to cut back.

The New York financial trainer applies the same principles to his own life. He pays off his debts, keeps a year's salary in a savings account for emergencies and pays 30 per cent of his income into his pension.

"I can do this because I learned the hard way," he confesses. "At one point I had 29 credit cards and couldn't afford to make the minimum payment on any of them." That was just after graduating from university when he took a job in the men's underwear section of a big department store as a way of paying off his debts. Hall has since built his own business training Wall Street traders and has completed several popular TV series. His sixth book is about to be published. "But in my head, I shall always be that poor boy from a farm in Florida, and my great fear is of slipping back there."

His latest book is a primer for investors. He admits that he had doubts about bringing out a book that recommends the stock market just as prices have fallen. "Yes, it's crashed, but now is a time to accumulate cash and invest in blue chip stocks that have been beaten down." He also believes it's a good time to practise investing on paper without committing cash.

Hall himself admits to being caught up in the technology boom. "I sold out Dell (computer) and Microsoft and got some gains, but I'm still holding Cisco because I think it's a great company."

But he swallows hard over his holding in the internet infrastructure company. "If you'd bought 100 Cisco shares in 1990 at \$40 a share and held them through April last year, you would have made \$2.3m." The company split the shares so many times that from that initial 100 shares, an investor would have been holding 28,800 shares at a value of close to \$80 each. He still owns the shares and the price is now about \$18 at a value of about \$500,000. "It's still a good investment but, once you've had that \$2m, can you relax?"

He steered clear of dotcoms because he didn't trust the hype. Until, that is, the last gasp of the dotcom boom in January last year when he bought shares in ICGE, an internet incubator company. "I've never had such nightmares about a stock," he says. "That company's name would repeat itself to me in my sleep. I literally held it for three weeks and then sold at a 20 per cent loss. If I'd held on, I would have lost 99 per cent."

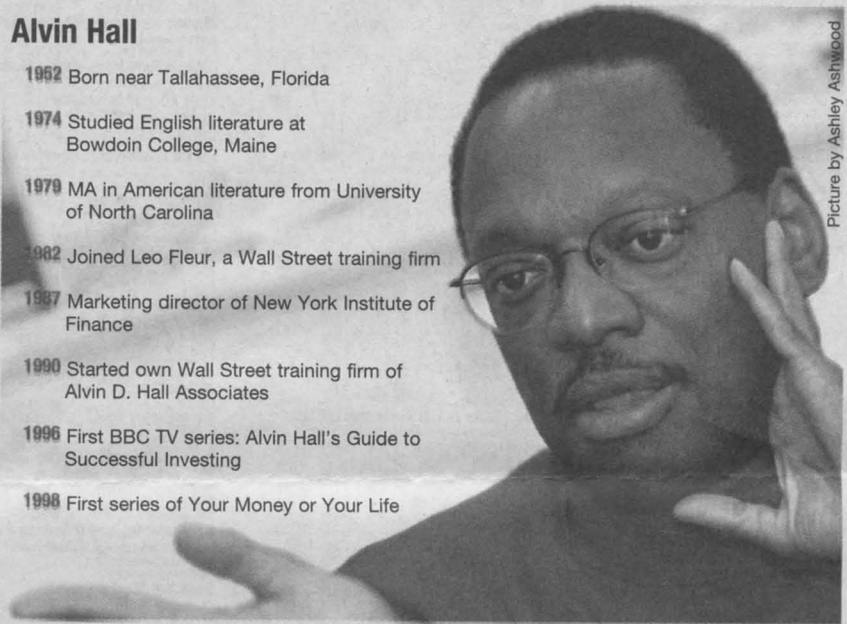
Hall believes that, if a share is causing sleepless nights, it is too risky and should be sold. In July he reorganised his portfolio to shift the focus to defensive stocks and blue chips. These include Pfizer, the drugs company;

'Now is a time to invest in blue chip stocks'

TV finance guru Alvin Hall explains his strategy for share dealing and debt management to Deborah Hargreaves

Alvin Hall

- 1962 Born near Tallahassee, Florida
- 1974 Studied English literature at Bowdoin College, Maine
- 1979 MA in American literature from University of North Carolina
- 1982 Joined Leo Fleur, a Wall Street training firm
- 1987 Marketing director of New York Institute of Finance
- 1990 Started own Wall Street training firm of Alvin D. Hall Associates
- 1996 First BBC TV series: *Alvin Hall's Guide to Successful Investing*
- 1998 First series of *Your Money or Your Life*



Picture by Ashley Ashwood

chemicals company. He retains technology holdings in IBM, Dell and Cisco.

"I've made my portfolio broader and more diverse and, so far, it's worked," he says. "It's down 7 per cent but, if I'd left it so concentrated (mainly in technology), it would be 30 per cent down."

He's currently investigating five stocks that he wants to buy. One is Johnson & Johnson, the consumer products group. "It has such a good product line with items that everyone uses - I was looking to buy at \$50, but it touched that only briefly - and now when it gets to \$55 I will buy enough to be comfortable with."

He is also looking at Microsoft, which he considers good value now that the legal battles are coming to an end, and GlaxoSmithKline, the pharmaceuticals company.

Not all investors will feel comfortable holding stocks directly, Hall advises. If people are not prepared to devote time to research, they should buy a unit trust.

His favourite strategy for investors considering the stock market for the first time is "core and explore". This involves allocating a certain amount to an index tracker fund that mirrors a stock market index and using any spare cash to experiment with some direct holdings in blue chip shares. That way, the tracker will do as well as the overall market and you may benefit from some gains from the stocks.

Hall believes there is too much mystery attached by professionals to the investment markets. "No one seems to want to explain it to the outside

simple in his book.

But he adds: "One of the great frustrations about researching this book was that the professionals could not explain things. I think people understand something halfway, and, beyond that point, they get stropy as if you are questioning their knowledge."

He believes this may be one of the reasons why British investors tend to regard the stock market as a gambling arena. "In the US, we cast our lot with companies and investors hold on to their shares, whereas in the UK it's regarded as a place for a bit of a flutter."

He finds it hard to understand the British obsession with property. "People think their money is safe there. They forget the times when house prices have fallen."

Hall believes everyone should keep plenty of money - at least three to six months' salary - readily available in a savings account, put more into their pension and manage their debts.

His own approach to debt verges on the obsessive. He recently bought a set of Hermès plates in Paris. "I'd seen them before and really liked them. It's not as if I can't afford them, but I have to cut out something to pay for them." Hall decided to give up using taxis in London and New York and travel on public transport instead.

Winning with Shares; Investing Wisely and Profitably in the Stock Market, Alvin Hall, Hodder and Stoughton (November 15), £10.