

The gospel according to Alvin

The woman on our television screens with the neat brown hair, settles on the sofa and voices her fears: "I'm worried about the children," she says, "and about losing the house."

The man in the sharp, black blazer and reassuringly friendly red sweater leans forward. "I'm here to help you work through this," he says.

The man is Alvin Hall, the American presenter of BBC2's award-winning show *Your Money or Your Life*. The woman is Wendy, the subject of the first programme in a new 12-week series, and she desperately needs his help.

After 12 years of marriage her husband has walked out of their cosy suburban semi, leaving her with two children, all the bills and half the income she previously had.

What makes her situation worse is that in all her married life she never once opened a letter or a bill and had no knowledge of how much money was in their joint current account. Her dilemma seems even more incredulous when you discover that this woman is a university-educated VAT inspector.

Get through it

Throughout the programme, Hall encourages Wendy to stop spending and "focus, focus" on her supreme goal of saving the house. It is almost as if he is encouraging her to repeat a religious mantra. As he delivers his 'Moment of Truth' analysis of her psychology, the viewer feels as if they are privy to a private counselling session.

Wendy's eyes fill with tears as she

Alvin Hall, presenter of BBC's *Your Money or Your Life*, has broken the mould of financial gurus. Sharp talking and straight shooting, he tells Elaine Mitchell what life has taught him

recognises in his words what she has been trying to deny. "You have been passively complicit in your old and your new situation," he tells her. "You have tried to live up to an ideal. You have never been just Wendy."

Is this programme voyeuristic? Yes, a little. But Hall's probing into the psyche of his guests, whether they face divorce, bankruptcy or redundancy, seems necessary if he is to empower them to take control of their personal finances.

With personal debt in the UK

"British people believe they are entitled to a certain degree of irresponsibility"

escalating to an all-time record of £500 billion (including mortgages), it is a lesson many of us need to learn. So why is it that so many of us feel out of our depth when controlling our finances?

"People don't want to know," Hall says with emphasis. "The most common excuse I hear is: 'I'm no good at maths', but personal finance is about simple adding and subtraction, not complicated equations."

He believes that most of us have the skills to balance our cheque books, but, like Wendy, we choose to be "deliberately dumb".

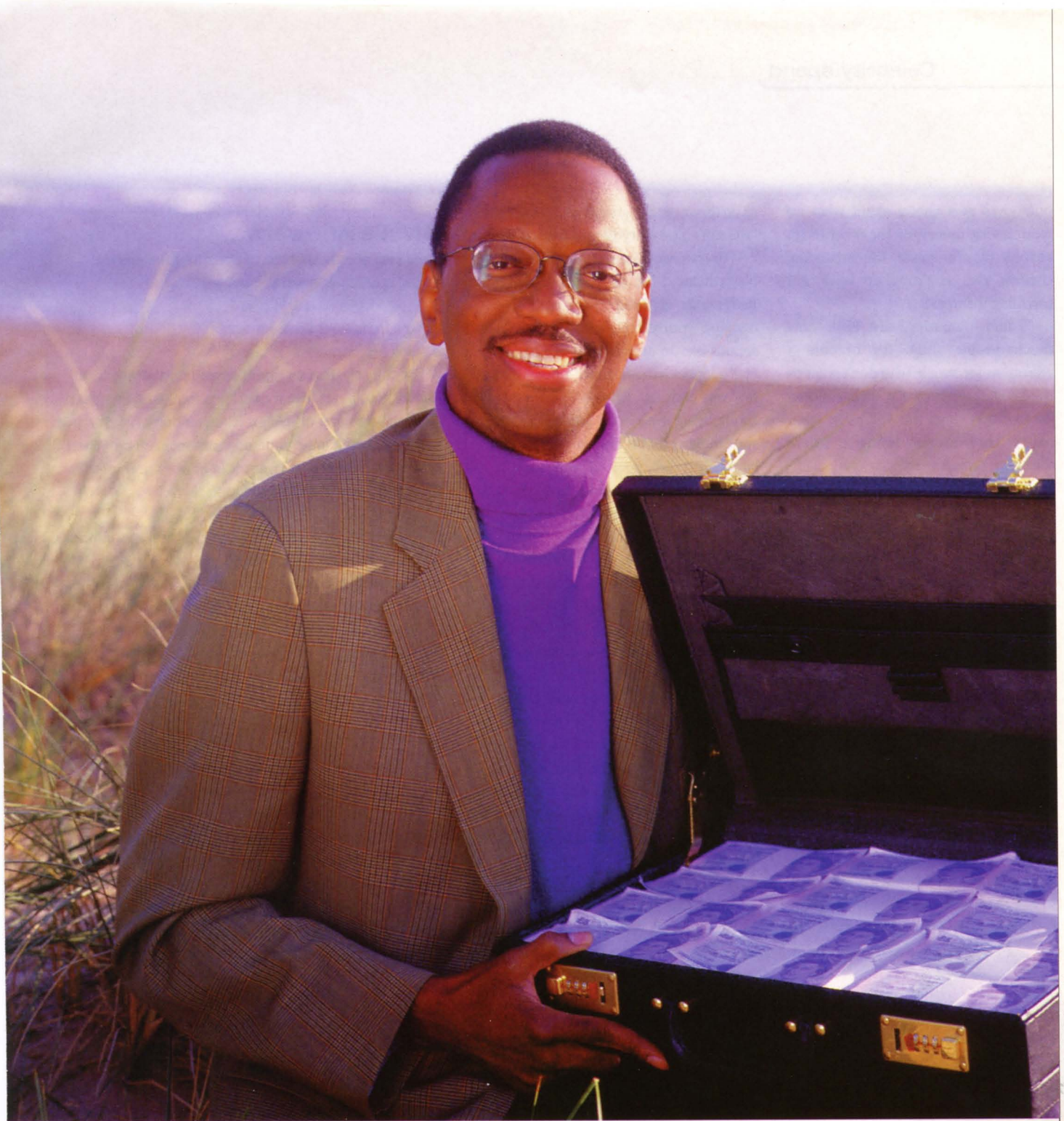
He says this attitude is more prevalent in the UK than the USA. "I don't want to sound horrible," he laughs, "but people here believe they are entitled to a certain degree of irresponsibility. They say: 'I deserve a holiday because I work hard', when actually working does not entitle you to luxuries you can't pay for. In the States, if you're that irresponsible, you end up on the bread line"

His philosophy, which he hopes to pass on to his financially troubled guests, is recognisably American. Again and again he talks about self-reliance, about gradually accumulating savings to act as a 'comfort zone' between yourself and the vagaries of an uncertain, often cruel, world.

He's clearly a man with a purpose, courted as a financial trainer and the author of such books as *Getting Started in Stocks*, *Getting Started in Mutual Funds* and *Money for Life*. Yet he is no stuffed shirt. He is friendly, warm and humorous and, above all, seems genuinely caring.

Lessons from life

Hall was born 45 years ago into a family of farmers in rural Florida. He worked his way through college, where he studied English, followed by an MA in American Literature. Up until 1982 he admits that he was irresponsible with money. Then, while working in



photography: BBC Archives

television public relations, he received his 'wake up' call.

"I was very unhappy in my job," he says. "My boss was hideous, but I couldn't leave because I was in so much debt. It was then I decided to approach earning money from a completely intellectual standpoint."

Luckily, Hall's old college roommate offered him a job on Wall Street in his family's firm. Here he learned about stocks and bonds and how to accumulate wealth. He wasn't in debt anymore but had only modest savings.

Then one day the company was sold from underneath him. Harsh reality dawned. "I thought: 'If the family of one of my closest friends could do this to me, then I had better accumulate a bigger financial cushion for myself.'"

"If I could figure this out," he says, "then anyone can. You just have to change your mind set."

For many people this would involve a change in priorities from the pursuit of immediate gratification to the controlled quest for a nest egg. As Hall points out, a wardrobe full of clothes ▶

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only gives us a choice about what we wear. Saving money, on the other hand, enables us to make life-enhancing choices, such as giving up work and travelling the world.

"I find it amazing," says Hall, "how much people shop. It's become a recreation for people who don't want to think. They overbuy for their children because they think this will make them happy. They are also trying to relieve their own unhappiness."

For Hall shopping is, however, inherently unsatisfying because it takes away our ability to control our long-term destinies. It also sets a terrible example to our children. Indulging their material whims only sets them on the road to financial irresponsibility and possible ruin.

As a Baptist, Hall is passionate about parental responsibility. It is the parent's duty, he argues, not the school's, to teach children how to manage their own money. "People who say personal finance should be taught in schools are probably the same ones who think we should give children sex education," he says.

"They don't want to take on the responsibility. Schools teach maths and so give children the tools to manage their finances. But it is

parents who must give their children the emotional equipment

to do this by setting guidelines, by saying: "You can't have everything you want."

His message is invigoratingly simple. Nevertheless, I feel compelled to object. Religiously stashing away cash and denying yourself life's little luxuries sounds like an austere kind of lifestyle. Hall adopts a parental tone. "I never said this was exciting," he says. "Life is not about dying with your last penny on your tongue. If you want money in the bank, then live poor. If you want a comfortable retirement then don't spend it all now. It's your choice."

Economies of choice

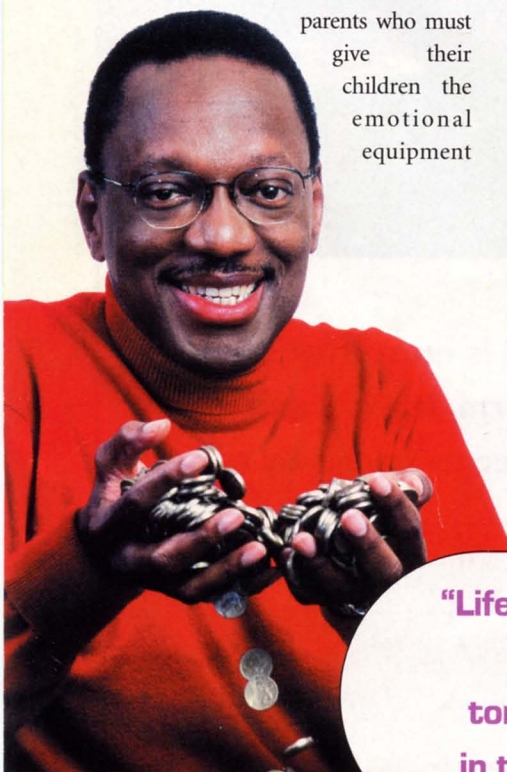
He lives his own life by this maxim. "I start each year with a fixed amount of expenses and I don't pay myself anything until I have enough money in the bank to cover them," he says.

"Only then will I give myself a little treat, like eating at my favourite restaurant. Saving time is a treat for me, so if I need to cross the Atlantic in a hurry I sometimes fly Concorde. But I've already put money aside for that. I don't buy many clothes. I have 12 suits, why do I need more?"

Hall never takes his eye off the prize of retiring at 55, yet he will always continue to work. He's not the sort to lay around on beaches, nor could he sit back and watch his nest egg disappear. His financial security will enable him to refuse jobs he doesn't want. This will be his ultimate indulgence.

After our conversation, Hall is returning Stateside. Will he take Concorde I wonder? "Not this time," he says. "If I did it all the time, it just wouldn't be a treat, would it?"

The first episode of *Your Money or Your Life* is on BBC2, Wednesday, 18 April, 8.00pm. The series runs for 12 weeks.



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Alvin's answers

Alvin Hall answers some of the most frequently asked questions from the UK public.

Q: Are Individual Savings Accounts (ISAs) a good investment?

A: "Absolutely. Put as much as you can afford into ISAs. They're not just a good product, they're great. Under the terms of a Maxi ISA, you don't have to put money into the insurance component. You can then take that money and invest it in shares and unit trusts that work well in the long term."

Q: I've left my retirement planning too late. What shall I do?

A: "Above all, avoid the temptation to get involved in 'get-rich-quick' schemes. They never work and you could end up destitute. There's no alternative to 'hunkering down', as we say in the States, cutting back on your spending and catching up on the money you should have put away earlier."

Q: I have extra cash to invest and have been thinking of seeing an independent financial consultant for advice. How can I be sure to choose a good one?

A: "Ask friends for recommendations and never give your money over to people who won't be questioned and who won't explain in a language that you can understand. I find people in the UK are reluctant to challenge professionals. Remember, they are working for you! Pick someone you feel comfortable with."

Q: Paying for our children's higher education is something we did not expect we would have to do. What do you advise?

A: "Ideally, you should put money aside for this as soon as you have a child and encourage grandparents to spend less on gifts and put more into a high-interest account or into unit trusts for the child. In the UK, you have expected free education and this is a reality check. I had to work my way through college, so I suggest you tell your children they will have to do the same. Alternatively, you could pull some of the equity from your home, but be aware that this would mean spending your own future."