

Bulls and bears can't stop them

For 50 years, either father or son has led SMU class on investing

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By JEREMY ROEBUCK / Special Contributor to The Dallas Morning News

C.J. Brott spends six weeks explaining the complexities of the stock and bond markets to amateur investors, but his students need only look at the size of their class to gauge the economy's strength.

For 50 years, either Mr. Brott or his father, Cliff Brott Sr., has taught an investing course at Southern Methodist University, making their class the longest running in the history of the school's Continuing Education Program.

The father-son duo has lived through bull and bear markets, watched the Dow plummet and soar and has guided students ranging from "the janitor to the chairman of the board" on wise investments.

And throughout a half century, the course's enrollment has mirrored the strength of the economy with uncanny accuracy, director of continuing studies Amy Heitzman said.

Dot-com bust

"In the late '90s, their enrollment reached about 200. Just before the market started to cool off with the dot-com bust, their numbers dropped to around 50," she said. "It's our form of financial planning."

Their explanations for why the class is an economic weathervane reflect their individual personalities and divergent approaches to investing.

"People want to get involved when the market's hot," said the younger Mr. Brott, whose current six-week session runs through Wednesday. "People will always project the recent past into the foreseeable future."

When there's money to be had, his father interjected, "People are looking for tomorrow's companies."

Cliff Brott, who lives in a Richardson nursing home, started his career during the post-World War II boom. During the 1950s and early '60s, he developed an optimistic horse sense that he still employs when making investment decisions.

"I go by general principles," he said. "Everyone chews gum, so Wrigley's would be a good stock to get into."

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In 1987, C.J. Brott (right), 56, took over the class from his father, Cliff Brott Sr., 80. 'I'm very proud of [C.J.], that he could step in and keep this going,' the elder Mr. Brott said.

After leaving a teaching career in economics at Providence College in Rhode Island, the elder Mr. Brott entered the stock game at Merrill Lynch and was soon transferred to Dallas.

But he found himself drawn back to the world of curriculum and syllabi, taking on an informal course at SMU for casual investors. His laid-back approach to investing seemed to suit the knowledge level of his students.

"We had a doctor [in the class] saying you better give up smoking," he said. "I owned American Tobacco, and, well, we all saw how that turned out."

A Merrill Lynch colleague described Dallas as "the land of opportunity," and with rising local companies like Mary Kay Cosmetics and Electronic Data Systems, the '60s and '70s turned out to be heady times for Texas investors.

"In 1972, I told my class about an airline I liked called Southwest, which had gone down to \$4 [a share]," Cliff Brott said. "I think some people made some money on that one."

His son was one of those people. Fresh from an undergraduate career at the University of Texas at Austin, C.J. Brott gave his wife 10 shares of Southwest Airlines stock as a wedding present.

"I do my homework on stocks, and they had a solid business plan," he said. "I tend to be a value player."

Trained as an investment adviser amid the lousy returns of the 1970s, the younger Mr. Brott took a more conservative approach to investing. While his father made decisions by observing consumer preferences, he pored over financial records and performance.

When he took over the class from his father in 1987, he wanted to pass that same studiousness on to his students.

"It was like getting people to drink from a fire hose," he said. "It took me awhile to develop a more informal style."

But his refusal to get caught up in the 1980s bull market enthusiasm frustrated some students. In one of his first classes, an over-eager student pestered C.J. Brott about how much the market could shift in a day.

"She asked me, 'Could the market drop 100 points?' " he said. "I said, 'Lady, the market could drop 500 points in a day.' " A week later it did.

Changing times

Teaching today's investors is harder than working with students in his father's time, C.J. Brott said. Successful day traders, the availability of financial reports on the Web and a greater general knowledge of the market make everyone a self-appointed expert.

"In a barbershop conversation, everyone knows everything about the stock market," he said. "It's true, they are better educated, but human nature will never change."

Although neither of his children stands ready to take over the class when their father retires, the younger Mr. Brott cannot imagine himself doing anything else.

"I'm very proud of [C.J.]" Cliff Brott said. "That he could step in and keep this going."

"Well, I'm just very happy to be a part of it," his son responded. "It's kind of like joining the circus. You never get it out of your blood."

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