

CBFS Executive Advisory Board

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Economic Forecast and Interview

with Tim Boothe, President, Bridge Bank

By Sam Hall, Student, San Jose State University



Pictured Sam Hall (left) and Tim Boothe (right)

Sam: What attracted you to banking early in your career?

Tim: I was always interested in banking. I was a business economics major at UC Santa Barbara, and right after graduating moved to Boston looking for a job. I began working at Merrill Lynch in the late 80s, but decided to move back to California and got a job working at Plaza Bank. I moved around, working at Heritage Bank for a time, and in 2001 joined Bridge Bank as a founding officer, where I have worked ever since.

Sam: What skills should students have in order to get a good job in the industry?

Tim: I believe that a good work ethic is essential to be a good employee in the industry. You must also be able to communicate effectively, because a big part of banking is developing a relationship with clients. You must also understand the fundamental aspects of financial statements, and be able to apply what you learn in class to the real world.

Sam: What excites you in banking today?

Tim: Over the last ten years there has been tremendous advancement in cash management and the payments industry. It is going to be very interesting to see what happens in the next decade, in that technology is evolving so quickly. I am also excited about the services that we can provide to our business clients, and the role that we play in making their American Dream a reality, by approving a client for their first commercial loan, and developing a relationship with them that can last decades as they work to grow and sustain their business.

Sam: What are some challenges facing banking now?

Tim: The main challenge facing banks right now is the rise of non-bank competitors. A significant concern with these institutions is that they are not regulated like traditional banks. The potential concern is that these new competitors may not be able to pass stress tests when the next downturn in the economy hits. Because they are gaining more and more market share in both the consumer and commercial segments, if they fail when the next downturn occurs, it will be detrimental to these companies, and the economy. Another challenge that commercial banks face today is trying to keep up with the pace of technology. We believe that it is vital to master new technologies, and make it easier for our clients to bank with us, thereby providing them with an easy, efficient user experience.

Sam: What do you believe the next downturn in the area will be?

Tim: One possible area of concern could be the pace at which the Fed is raising interest rates; keeping the current pace of these rate hikes could potentially create an imbalance in the economy, and that in turn could lead to the next economic downturn.

Sam: How severe do you think the next downturn will be?

Tim: It's hard to imagine a downturn more severe than what we witnessed in 2008, and in general if you look across the market, you don't see the same type of reckless behavior that ultimately led to the Great Recession. Which hopefully means that the severity of the next downturn would be far more subdued. That being said, if an imbalance gets big enough in the economy, the repercussions could be critical.

Sam: What will be the next driver of development in the area?

Tim: Metadata and machine learning are going to be the next drivers of the industry. As you can see from companies like Amazon who are perfecting metadata, the rewards are endless. Metadata helped them establish their operation and supply chain management, which is the most efficient system today. Automation is already taking place, from making cars to taking your order at McDonalds, and I believe that this trend will continue.

Sam: What will be the next technology revolution?

Tim: AI is going to play a huge role in the next decade. It is still in its early development, and many people can already see its vast applications. Technology is now moving at such a fast pace that it is difficult to say where the next tech revolution will take place.

CBFS PURPOSE: Founded in 2008, the purpose of the Center for Banking and Financial Services (CBFS) is to build a vital partnership between San José State University's Lucas College and Graduate School of Business and local financial institutions. In particular, the focus of the center's efforts is to create a link between talented SJSU students and the banking and financial services industry. This is especially important as there may be a discrepancy between the career opportunities in the financial sector and students' understanding of those opportunities. As a result, the partnerships built by the center benefit SJSU, its students and the companies represented on the CBFS Executive Board.

Past Events

2018 Heritage Bank of Commerce Credit Analyst Certificate



From left to right, top row, Winning Team J (award \$4,000) - Jonathan Danielson, Spriha Garg, Richa Joshi, Jonathan Tapia, Margo Butsch (EVP&CCO Heritage Bank), Toby Cordone (SVP&Regional Manager Heritage Bank), Stoyu Ivanov (CBFS Director), Tijana Rajkovic (CBFS Assistant Director), Runner-up Team P (award \$2,000), Hector Naranjo, Blake Allen, Michelle Flamm, Marko Pavisic. Sitting: Matthew Huynh, Sam Hall, Amanda Baker, Michelle Stark, Magali Campero, Adela Tapia, Morgan Kilmartin, Jason Garabetian.

Upcoming Events

1. Networking Success from the Executive Suite

March 6, 2019; 4:30pm-6:15pm

Student Union Ballroom

Joint event with TechCU and SJSU Alumni Association

2. CBFS Scholarship Ceremony

April 17, 2019; 4:30pm-5:50pm

Boccardo Business Complex (BBC) 032

3. SJSU Economic Summit

May 30, 2019; 8:15am-10am

Student Union Ballroom

Presented by Bridge Bank in association with Hopkins & Carley

Student Managed Investment Funds

Our students manage approximately \$113,000 (donated by Nancie Fimbel, Ed Van Deman, Financial Navigator Inc. and CBFS) in two funds in our Bloomberg Lab BBC303 with 15 Bloomberg Terminals (3 donated by San Jose Water Company). The total return from inception until 10/31/2018 of the two funds is 41%.

	Start Value	End Value	Return
Large Cap Fund			
(Inception Date 3/13/2014)	\$50,100.26	\$78,593.11	57%
Small Cap Fund			
(Inception Date 3/31/2017)	\$30,100.26	\$34,405.90	14%
Combined Portfolio	\$80,200.52	\$112,999.01	41%

Student Testimonial

"As the Banking and Investment Association's Chief Investment Officer for two semesters, I earned valuable experience working with a group of officers managing one of the largest business organizations on campus, serving over a hundred student members. My role with the BIA helped me develop an extensive network of like-minded students, professors, and business professionals, in addition to providing me with opportunities to strengthen my leadership and interpersonal skills. My involvement with the BIA allowed me to obtain a \$1000 Union Bank Scholarship Award of Excellence from the Center for Banking and Financial Services and helped me land an analyst position at a leading publicly traded financial institution in Silicon Valley. I highly recommend the Banking and Investment Association to any student interested in advancing their professional experience through a diverse and highly engaging business environment."

Dimitry Zadorozny

The Newsletter was prepared at San Jose State University by: *Dr. Stoyu Ivanov*, Nancie Fimbel Investment Fellow, Associate Professor and Director of the Center for Banking and Financial Services; *Dr. Tijana Rajkovic*, Assistant Professor and Assistant Director of the Center for Banking and Financial Services; *Sam Hall*, Student, and *Zinnia Martinez*, Student.