

# FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

March 5, 1963

## Fifth Progress Report on MICR Program

To All Banks in the Second  
Federal Reserve District:

Enclosed is a copy of a press statement and its related statistical tables summarizing the results of the fifth semiannual survey undertaken to gauge the level of participation by banks throughout the nation in the Magnetic Ink Character Recognition program of The American Bankers Association. Also enclosed is a separate table showing, in greater detail, participation in the program by banks in the Second Federal Reserve District.

The record of Second District banks has for the fifth successive time shown rapid improvement both as to the number of banks participating in the MICR program and as to the volume of preprinted checks that are circulated by these banks. At the present time, there are only four banks in this District that have not taken part in this program, and it is our hope that these banks will do so as quickly as possible.

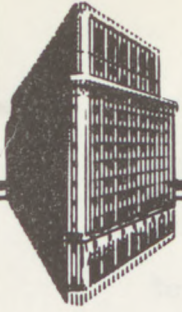
The current survey indicates that, of the average check volume handled daily by the Federal Reserve Bank of New York, 83.4 per cent of all checks now bear preprinted ABA routing numbers. This compares with 67.5 per cent six months ago and 53.0 per cent one year ago.

While the level of participation has been most encouraging, the success of the MICR program depends not only on the volume of checks in circulation with preprinted ABA routing numbers, but also, to a large degree, on the volume of checks with the dollar amounts encoded at the time they are dispatched for collection. To insure to the banking community maximum realization of the program's benefits, it is our hope that an increasing number of first banks of deposit will begin to encode the dollar amounts on checks before such checks are sent through the nation's check collection system.

ALFRED HAYES,  
President.

Enclosures





# STATEMENT for the Press

Federal Reserve Bank of New York  
New York 45, N.Y.  
REctor 2-5700 - EXT 156

No. 124

FOR RELEASE: WEDNESDAY, MARCH 6, 1963

The number of checks bearing magnetic ink identifications of the banks on which they are drawn now approximates almost eight in ten in comparison to five in ten one year ago, the Federal Reserve System reported today.

This is the finding of the fifth semiannual survey undertaken by the Federal Reserve System to measure commercial bank progress in the MICR (magnetic ink character recognition) program of The American Bankers Association. The survey was based on a daily average of almost fourteen million checks sent by Federal Reserve Banks to 15,891 banking offices.

Marcus A. Harris, Chairman of the Federal Reserve System's Subcommittee on Collections, reported that an all-time high of 78.7 per cent of all checks collected through Federal Reserve Banks contained preprinted magnetic ink symbols; this figure compares with 68.3 per cent six months ago and 54.6 per cent one year ago. Furthermore, 99.7 per cent of all banking offices receiving checks from Federal Reserve Banks have redesigned and issued some preprinted checks.

The magnetic ink symbols were devised by The American Bankers Association some years ago to provide for electronic high-speed processing of checks. The fact that only about 47 banking offices in the country to which Federal Reserve Banks send checks had not begun to preprint identification symbols on their checks by last month is testimony to virtually complete acceptance of the program by the banking community, Mr. Harris said.

(M O R E)



All the banks in eight Federal Reserve Districts are now preprinting at least some of their checks. The four exceptions are the Federal Reserve Districts of New York, Atlanta, Dallas, and San Francisco, and in each case the number of banks that are using the magnetic ink code is well in excess of 98 per cent. The greatest percentage of preprinted checks is now being handled in the Third (Philadelphia) District, with 86.7 per cent, followed closely by the Twelfth (San Francisco) District with 85.0 per cent and the Fourth (Cleveland) District with 84.2 per cent. The biggest improvement occurred in the Second (New York) District with an increase of 15.9 per cent since August 1962.

Geographically, all banks located in 42 states and the District of Columbia are now preprinting some of their checks; the largest proportion currently is found in Delaware, with 95.8 per cent, followed closely by Rhode Island with 91.2 per cent, Washington with 89.5 per cent, and Oregon with 88.2 per cent.

Mr. Harris commented further that it was the Federal Reserve System's hope now that commercial banks would give serious attention to the need for encoding the dollar amount on checks placed in the collection stream. The success of the MICR program depends ultimately on the willingness of banks to promote "dollar encoding," he said.

The attached tables give information on preprinted checks, by Federal Reserve District and by state, including the District of Columbia and Puerto Rico and the Virgin Islands.

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## MICR PREPRINTING SURVEY BY FEDERAL RESERVE DISTRICTS

February 1963

District			No. of Banking Offices in Survey	Per Cent Pre- printing	Total Daily Average Check Volume Sent to All Banking Offices	Per Cent of Check Volume	
						Now Pre- printed	Increase Since August 1962
1	Boston	City	7	100.0	226,000	88.9	19.4
		Country	556	100.0	1,253,000	81.7	6.1
		Total	563	100.0	1,479,000	82.8	8.1
2	New York	City	56*	98.2	1,086,800	79.2	19.1
		Country	836	99.6	1,300,500	86.9	13.0
		Total	892	99.6	2,387,300	83.4	15.9
3	Philadelphia	City	20	100.0	163,600	91.1	0
		Country	652	100.0	554,600	85.4	5.9
		Total	672	100.0	718,200	86.7	3.8
4	Cleveland	City	29	100.0	251,000	88.0	12.1
		Country	1,171	100.0	816,000	83.0	10.1
		Total	1,200		1,067,000	84.2	10.6
5	Richmond	City	29	100.0	119,000	75.6	9.0
		Country	1,091	100.0	676,000	67.0	10.6
		Total	1,120	100.0	795,000	68.3	10.2
6	Atlanta	City	50	100.0	162,600	70.3	8.6
		Country	886	99.8	700,500	67.0	9.3
		Total	936	99.8	863,100	67.6	9.1
7	Chicago	City	90	100.0	380,000	78.4	13.8
		Country	2,685	100.0	1,567,000	80.7	9.8
		Total	2,775	100.0	1,947,000	80.2	10.7
8	St. Louis	City	85	100.0	135,900	67.6	8.2
		Country	1,180	100.0	510,500	61.9	12.5
		Total	1,265	100.0	646,400	63.1	11.5
9	Minneapolis	City	68	100.0	175,200	90.5	11.3
		Country	713	100.0	253,300	77.4	7.7
		Total	781	100.0	428,500	82.8	9.1
10	Kansas City	City	79	100.0	140,400	74.6	13.9
		Country	1,750	99.9	660,600	67.9	13.2
		Total	1,829	99.9	801,000	69.1	13.4
11	Dallas	City	70	100.0	102,600	74.5	18.4
		Country	1,100	99.5	565,400	61.1	5.4
		Total	1,170	99.6	668,000	63.1	7.3
12	San Francisco	City	143	99.3	235,200	84.8	3.9
		Country	2,545	98.7	1,803,200	85.0	8.0
		Total	2,688	98.8	2,038,400	85.0	7.5
Total		City	726	99.7	3,178,300	80.7	13.6
		Country	15,165	99.7	10,660,600	78.1	9.4
		Total	15,891	99.7	13,838,900	78.7	10.4

\* Excludes foreign bank agencies.

(Over)



## MICR PREPRINTING SURVEY BY STATES AND OTHER SUBDIVISIONS

February 1963

State	No. of Banking Offices in Survey	Per Cent Pre- printing	Total Daily Average Check Volume Sent to All Banking Offices	Per Cent of Check Volume	
				Now Pre- printed	Increase Since August 1962
Alabama	179	100.0	120,100	55.2	10.0
Alaska	43	93.0	12,700	78.7	29.7
Arkansas	145	100.0	64,900	52.5	11.3
Arizona	122	100.0	16,900	71.0	21.0
California	1,620	99.4	1,393,700	86.5	5.2
Colorado	175	100.0	136,800	85.9	9.3
Connecticut	138	100.0	350,800	84.4	7.1
Delaware	37	100.0	30,800	95.8	9.4
Florida	299	100.0	259,000	72.6	11.1
Georgia	137	100.0	210,000	71.9	3.0
Hawaii	83	75.9	4,700	51.1	21.7
Idaho	109	99.1	42,200	55.2	15.9
Illinois	998	100.0	1,078,200	80.4	10.8
Indiana	541	100.0	287,000	78.9	7.3
Iowa	721	100.0	205,000	69.3	16.6
Kansas	596	99.8	202,500	65.3	9.8
Kentucky	375	100.0	167,000	62.0	10.8
Louisiana	122	99.2	109,100	64.4	19.2
Maine	98	100.0	116,000	62.1	7.7
Maryland	174	100.0	221,000	81.4	7.9
Massachusetts	197	100.0	868,000	85.3	9.3
Michigan	462	100.0	430,200	81.7	5.6
Minnesota	297	100.0	258,600	87.2	10.2
Mississippi	71	100.0	60,000	55.0	8.1
Missouri	585	100.0	334,900	68.2	14.4
Montana	122	100.0	52,000	70.8	7.9
Nebraska	420	100.0	147,000	55.8	12.6
Nevada	41	100.0	13,500	73.3	13.4
New Hampshire	66	100.0	86,000	79.1	7.7
New Jersey	284	100.0	697,700	83.5	10.3
New Mexico	85	100.0	31,400	73.9	12.0
New York	651*	99.7	1,737,500	83.7	17.3
North Carolina	275	100.0	150,000	55.3	11.1
North Dakota	60	100.0	26,000	76.5	7.9
Ohio	675	100.0	699,000	84.7	10.7
Oklahoma	387	100.0	199,100	65.7	12.9
Oregon	259	100.0	143,700	88.2	9.6
Pennsylvania	889	100.0	843,900	85.8	5.9
Rhode Island	23	100.0	68,000	91.2	7.9
South Carolina	144	100.0	63,000	52.4	14.7
South Dakota	109	100.0	42,500	76.7	8.2
Tennessee	256	100.0	182,000	67.0	8.7
Texas	1,025	99.5	620,600	63.4	7.3
Utah	89	100.0	99,900	62.8	21.0
Vermont	69	100.0	69,000	82.6	6.5
Virginia	358	100.0	241,000	69.7	10.7
Washington	369	100.0	314,000	89.5	7.1
West Virginia	182	100.0	109,000	67.9	6.9
Wisconsin	646	100.0	182,200	78.2	28.4
Wyoming	56	100.0	8,000	62.5	12.5
District of Columbia	11	100.0	25,000	64.0	14.0
Puerto Rico and Virgin Islands	16	87.5	7,800	58.7	20.3
Total	15,891	99.7	13,838,900	78.7	10.4



# SECOND DISTRICT MICR PREPRINTING SURVEY BY STATES AND COUNTIES

February 1963

	Banking Offices to Which Checks are Sent by FRBNY	Per Cent Pre- printing	Total Daily Average Check Volume Sent to All Banking Offices	Per Cent of Check Volume	
				Now Pre- printed	Increase Since August 1962
New York City					
Bronx	1	100.0	12	91.7	1.7
Kings	5	100.0	3,797	87.3	25.2
New York	40*	97.5	991,131	78.7	19.6
Queens	3	66.7	10,989	59.5	2.8
Richmond	0	-	0	-	-
Total	49	95.9	1,005,929	78.5	19.4
New York State					
Albany	5	100.0	88,694	99.2	31.6
Allegany	15	100.0	3,749	80.2	12.5
Broome	9	100.0	13,644	90.7	19.4
Cattaraugus	14	100.0	4,066	79.8	8.7
Cayuga	8	100.0	5,573	92.0	11.8
Chautauqua	16	100.0	3,758	88.2	11.2
Chemung	4	100.0	6,452	94.0	22.0
Chenango	4	100.0	2,935	86.2	15.2
Clinton	4	100.0	4,554	85.6	16.6
Columbia	2	100.0	1,634	88.7	7.1
Cortland	5	100.0	2,204	85.4	10.4
Delaware	12	100.0	6,207	83.7	43.2
Dutchess	14	100.0	22,551	92.0	12.2
Erie	36	100.0	37,663	92.0	4.4
Essex	4	100.0	2,145	90.0	17.3
Franklin	6	100.0	2,828	87.8	18.1
Fulton	6	100.0	3,251	80.6	15.6
Genesee	8	100.0	2,658	89.1	8.0
Greene	5	100.0	4,218	87.8	9.6
Hamilton	1	100.0	366	46.7	23.3
Herkimer	7	100.0	2,402	85.7	11.6
Jefferson	14	100.0	5,820	85.3	18.1
Lewis	6	100.0	1,735	79.1	23.0
Livingston	6	100.0	2,013	89.1	9.9
Madison	7	100.0	4,362	93.2	9.9
Monroe	9	100.0	10,561	86.1	12.6
Montgomery	7	100.0	6,470	92.9	7.8
Nassau	64	100.0	134,995	91.4	8.5
Niagara	11	100.0	4,855	91.3	9.2
Oneida	14	100.0	16,610	90.8	19.2
Onondaga	15	100.0	30,986	90.3	19.6
Ontario	7	100.0	3,743	80.2	5.4
Orange	20	100.0	21,060	79.9	7.5
Orleans	4	100.0	1,004	95.8	3.6
Oswego	9	100.0	4,969	85.9	14.9

\* Excludes foreign bank agencies.

(Over)



	Banking Offices to Which Checks are Sent by FRBNY	Per Cent Pre- printing	Total Daily Average Check Volume Sent to All Banking Offices	Per Cent of Check Volume	
				Now Pre- printed	Increase Since August 1962
New York State (Cont'd)					
Otsego	12	100.0	5,665	83.3	10.1
Putnam	4	100.0	2,846	89.2	11.5
Rensselaer	6	100.0	6,192	93.0	10.1
Rockland	8	100.0	13,109	91.7	12.1
St. Lawrence	17	100.0	9,079	81.7	14.8
Saratoga	5	100.0	3,812	81.6	24.4
Schenectady	5	100.0	7,859	91.1	4.6
Schoharie	2	100.0	965	71.0	4.2
Schuyler	4	100.0	1,063	90.6	10.7
Seneca	5	100.0	1,836	89.2	11.7
Steuben	14	100.0	6,323	85.2	11.7
Suffolk	52	100.0	56,614	91.5	10.5
Sullivan	11	100.0	5,959	83.8	8.6
Tioga	6	100.0	3,348	90.6	6.1
Tompkins	4	100.0	6,754	76.8	22.3
Ulster	15	100.0	19,686	90.0	4.2
Warren	8	100.0	5,213	78.1	18.2
Washington	7	100.0	3,309	76.4	16.8
Wayne	10	100.0	6,573	86.9	14.1
Westchester	18	100.0	91,657	93.5	13.7
Wyoming	9	100.0	2,161	83.6	5.9
Yates	2	100.0	859	62.3	.5
Total	602	100.0	731,617	90.8	14.3
Total New York City and State					
	651	99.7	1,737,546	83.7	17.3
New Jersey					
Bergen	42	100.0	77,016	92.1	5.1
Essex	26	100.0	112,499	73.8	12.9
Hudson	13	100.0	79,986	82.9	16.2
Hunterdon	7	100.0	7,576	87.1	14.2
Middlesex	25	100.0	45,415	86.6	11.6
Monmouth	20	100.0	31,018	83.4	21.0
Morris	10	100.0	38,765	90.6	5.1
Passaic	7	100.0	40,016	93.5	6.9
Somerset	8	100.0	17,538	92.0	13.8
Sussex	6	100.0	8,647	88.2	11.3
Union	23	100.0	96,867	69.7	13.7
Warren	10	100.0	7,817	86.9	7.3
Total	197	100.0	563,160	82.2	11.9
Connecticut					
Fairfield	28	100.0	78,814	89.1	12.2
Virgin Islands and Puerto Rico					
	16	87.5	7,775	58.7	20.8
Total Second District	892	99.6	2,387,295	83.4	15.9