

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

August 23, 1963

Sixth Progress Report on MICR Program

To All Banks in the Second
Federal Reserve District:

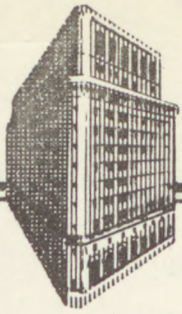
Enclosed are the results of the Federal Reserve System's most recent MICR survey as summarized in the attached press statement and its accompanying statistical tables. As with previous surveys, a separate table is enclosed indicating, in greater detail, participation in the MICR program by banks in the Second Federal Reserve District.

Banks in this District can be pleased with their efforts in the MICR program. Viewed nationally, the level of achievement by banks in this District ranks quite high; only one bank in the District is not now preprinting its checks. Of the total number of checks handled by this Bank, 91.2 per cent now bear preprinted ABA routing numbers, as compared to 83.4 per cent six months ago and 67.5 per cent one year ago.

It is encouraging to observe that many Second District banks are also encoding in magnetic ink the dollar amounts on checks they forward for collection. It is our hope that even more banks will find themselves in a position in the near future to encode dollar amounts on checks entering the collection stream, and thereby contribute to the successful utilization of the MICR program for the benefit of the entire banking community and 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. 169

FOR RELEASE: MONDAY, AUGUST 26, 1963

The Federal Reserve System reported over the weekend that almost 85 out of 100 checks now clearing through Federal Reserve offices contain the preprinted magnetic ink identifications of the banks on which they are drawn. One year ago, 68 out of 100 checks contained such preprinted magnetic ink information.

This is the finding of the sixth semiannual survey undertaken by the Federal Reserve Banks 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 15,848 banking offices.

Marcus A. Harris, Chairman of the Federal Reserve System's Subcommittee on Collections, indicated that 84.5 per cent of all checks collected through Federal Reserve Banks contained preprinted magnetic ink symbols. This all-time high stands in contrast to 78.7 per cent six months ago and 68.3 per cent last year at this time. In addition all but 17 of the 15,848 banking offices receiving checks from Federal Reserve Banks are now issuing some preprinted checks.

The greatest percentage of preprinted checks is now being handled in the Third (Philadelphia) District with 91.4 per cent, followed closely by the Second (New York) District with 91.2 per cent and the Fourth (Cleveland) District with 89.5 per cent.

(M O R E)

On a state-by-state comparison all but three states boast of 100 per cent participation by banks in the MICR program. The highest level of preprinting is found in Delaware with 96.1 per cent of all checks, followed by Rhode Island with 94.2 per cent and Connecticut with 94.0 per cent.

Mr. Harris noted that banks are encoding an increasing number of checks with dollar amounts. While this is an optimistic sign, he commented, full-scale "dollar encoding" is unquestionably the key to successful utilization of the MICR concept.

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

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MICR PREPRINTING SURVEY BY STATES AND OTHER SUBDIVISIONS

August 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	
			Pre- printed	Now Since February 1963	
Alabama	182	100.0	122,400	78.5	23.3
Alaska	44	100.0	13,500	84.4	5.7
Arkansas	148	100.0	79,300	61.3	8.8
Arizona	77	100.0	17,800	81.5	10.5
California	1,640	99.8	1,171,300	88.8	2.3
Colorado	188	100.0	129,500	89.2	3.3
Connecticut	142	100.0	349,700	94.0	9.6
Delaware	34	100.0	31,100	96.1	.3
Florida	319	100.0	270,000	78.9	6.3
Georgia	139	100.0	208,000	78.8	6.9
Hawaii	84	86.9	4,700	53.2	2.1
Idaho	117	100.0	36,800	70.3	15.1
Illinois	1,008	100.0	1,061,700	84.9	4.5
Indiana	530	100.0	290,700	80.2	1.3
Iowa	721	100.0	181,000	73.5	4.2
Kansas	596	99.8	225,000	73.3	8.0
Kentucky	375	100.0	180,000	71.8	9.8
Louisiana	123	100.0	100,200	67.7	3.3
Maine	105	100.0	120,000	70.0	7.9
Maryland	176	100.0	221,000	88.2	6.8
Massachusetts	202	100.0	895,000	89.4	4.1
Michigan	478	100.0	404,300	88.6	6.9
Minnesota	283	100.0	253,900	89.8	2.6
Mississippi	72	100.0	49,000	65.3	10.3
Missouri	590	100.0	400,800	75.3	7.1
Montana	124	100.0	53,500	76.3	5.5
Nebraska	421	100.0	148,000	66.2	10.4
Nevada	43	100.0	15,700	84.0	10.7
New Hampshire	67	100.0	87,000	80.0	.9
New Jersey	286	100.0	752,500	91.0	7.5
New Mexico	86	100.0	36,000	77.7	3.8
New York	632*	100.0	1,755,700	91.5	7.8
North Carolina	287	100.0	156,000	62.2	6.9
North Dakota	60	100.0	28,200	81.9	5.4
Ohio	672	100.0	710,000	90.3	5.6
Oklahoma	389	100.0	211,100	73.5	7.8
Oregon	219	100.0	151,400	91.9	3.7
Pennsylvania	806	100.0	876,000	90.7	4.9
Rhode Island	24	100.0	69,000	94.2	3.0
South Carolina	147	100.0	66,000	59.1	6.7
South Dakota	109	100.0	41,600	82.2	5.5
Tennessee	257	100.0	159,000	67.6	.6
Texas	1,045	100.0	641,700	73.7	10.3
Utah	91	100.0	116,000	72.2	9.4
Vermont	67	100.0	69,000	84.0	1.4
Virginia	354	100.0	261,000	76.6	6.9
Washington	346	100.0	318,600	92.4	2.9
West Virginia	182	100.0	114,000	75.4	5.5
Wisconsin	675	100.0	161,400	84.5	6.3
Wyoming	57	100.0	8,000	75.0	12.5
District of Columbia	12	100.0	22,000	86.3	22.3
Puerto Rico and Virgin Islands	17	94.1	11,300	70.9	12.2
Total	15,848	99.9	13,856,400	84.5	5.8

MICR PREPRINTING SURVEY BY FEDERAL RESERVE DISTRICTS

August 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 February 1963
1	Boston	City	7	100.0	229,000	96.5	7.6
		Country	<u>573</u>	100.0	<u>1,288,000</u>	86.7	5.0
		Total	580	100.0	<u>1,517,000</u>	88.2	6.0
2	New York	City	56*	100.0	1,119,600	89.6	10.4
		Country	<u>820</u>	99.9	<u>1,300,700</u>	92.6	5.7
		Total	876	99.9	<u>2,420,300</u>	91.2	7.8
3	Philadelphia	City	20	100.0	184,500	98.1	7.0
		Country	<u>633</u>	100.0	<u>585,500</u>	89.3	3.9
		Total	653	100.0	<u>770,000</u>	91.4	4.7
4	Cleveland	City	30	100.0	260,000	93.1	5.1
		Country	<u>1,100</u>	100.0	<u>838,000</u>	88.4	5.4
		Total	1,130	100.0	<u>1,098,000</u>	89.5	5.3
5	Richmond	City	29	100.0	121,000	81.8	6.2
		Country	<u>1,105</u>	100.0	<u>703,000</u>	74.5	7.5
		Total	1,134	100.0	<u>824,000</u>	75.6	7.3
6	Atlanta	City	49	100.0	155,000	77.0	6.7
		Country	<u>912</u>	100.0	<u>665,400</u>	73.9	6.9
		Total	961	100.0	<u>820,400</u>	74.5	6.9
7	Chicago	City	93	100.0	354,000	82.2	3.8
		Country	<u>2,723</u>	100.0	<u>1,494,000</u>	85.1	4.4
		Total	2,816	100.0	<u>1,848,000</u>	84.6	4.4
8	St. Louis	City	84	100.0	158,500	76.5	8.9
		Country	<u>1,189</u>	100.0	<u>541,500</u>	71.7	9.8
		Total	1,273	100.0	<u>700,000</u>	72.8	9.7
9	Minneapolis	City	50	100.0	162,500	92.1	1.6
		Country	<u>719</u>	100.0	<u>270,400</u>	83.3	5.9
		Total	769	100.0	<u>432,900</u>	86.6	3.8
10	Kansas City	City	84	100.0	170,900	82.6	8.0
		Country	<u>1,766</u>	99.9	<u>719,300</u>	74.5	6.1
		Total	1,850	99.9	<u>890,200</u>	75.7	6.6
11	Dallas	City	71	100.0	122,400	81.9	7.4
		Country	<u>1,107</u>	100.0	<u>572,100</u>	71.2	10.1
		Total	1,178	100.0	<u>694,500</u>	73.3	10.2
12	San Francisco	City	114	100.0	229,200	87.3	2.5
		Country	<u>2,518</u>	99.4	<u>1,611,900</u>	88.2	3.2
		Total	2,628	99.4	<u>1,841,100</u>	88.1	3.1
Total		City	687	100.0	3,266,600	87.8	7.1
		Country	<u>15,161</u>	99.9	<u>10,589,800</u>	83.5	5.4
		Total	15,848	99.9	<u>13,856,400</u>	84.5	5.8

* Excludes foreign bank agencies.

SECOND DISTRICT MICR PREPRINTING SURVEY BY STATES AND COUNTIES

August 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 February 1963
New York City					
Bronx	1	100.0	1,106	100.0	8.3
Kings	5	100.0	3,797	92.3	5.0
New York	40*	100.0	1,016,044	89.4	10.7
Queens	4	100.0	9,819	64.2	4.7
Richmond	0	-	0	-	-
Total	50	100.0	1,030,766	89.2	10.7
New York State					
Albany	5	100.0	102,043	99.2	0
Allegany	15	100.0	4,026	85.1	4.9
Broome	8	100.0	11,712	95.1	4.4
Cattaraugus	14	100.0	5,395	89.4	9.6
Cayuga	8	100.0	5,711	96.3	4.3
Chautauqua	14	100.0	4,201	95.6	7.4
Chemung	4	100.0	5,465	98.1	4.1
Chenango	4	100.0	3,571	88.3	2.1
Clinton	4	100.0	3,707	97.1	11.5
Columbia	2	100.0	1,332	96.3	7.6
Cortland	5	100.0	2,521	93.1	7.7
Delaware	12	100.0	7,064	90.5	6.8
Dutchess	14	100.0	19,257	95.1	3.1
Erie	35	100.0	44,568	95.4	3.4
Essex	4	100.0	2,299	94.1	4.1
Franklin	6	100.0	2,302	96.1	8.3
Fulton	5	100.0	2,519	89.4	8.8
Genesee	8	100.0	2,993	92.5	3.4
Greene	5	100.0	3,482	93.5	5.7
Hamilton	1	100.0	296	68.2	21.5
Herkimer	6	100.0	1,801	86.6	.9
Jefferson	14	100.0	5,129	95.1	9.8
Lewis	5	100.0	1,067	83.8	4.7
Livingston	4	100.0	2,281	93.5	4.4
Madison	7	100.0	3,310	94.1	.9
Monroe	7	100.0	11,296	93.9	7.8
Montgomery	6	100.0	4,945	94.2	1.3
Nassau	64	100.0	122,933	94.8	3.4
Niagara	11	100.0	5,179	92.8	1.5
Oneida	14	100.0	15,725	90.2	0
Onondaga	15	100.0	30,040	91.6	1.3
Ontario	7	100.0	4,384	87.9	7.7
Orange	20	100.0	18,261	88.7	8.8
Orleans	4	100.0	1,166	97.9	2.1
Oswego	9	100.0	4,189	91.3	5.4

* Excludes foreign bank agencies.

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	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 February 1963
New York State (Cont'd)					
Otsego	12	100.0	4,925	91.7	8.4
Putnam	3	100.0	3,178	95.8	6.6
Rensselaer	6	100.0	5,988	96.2	3.2
Rockland	7	100.0	11,654	95.2	3.5
St. Lawrence	17	100.0	8,782	92.0	10.3
Saratoga	5	100.0	3,677	87.8	6.2
Schenectady	5	100.0	7,900	94.1	3.0
Schoharie	2	100.0	994	83.4	12.4
Schuyler	4	100.0	866	92.7	2.1
Seneca	5	100.0	1,620	95.4	6.2
Steuben	14	100.0	9,588	88.5	3.3
Suffolk	53	100.0	51,266	95.2	3.7
Sullivan	11	100.0	6,555	93.5	9.7
Tioga	6	100.0	2,697	93.5	2.9
Tompkins	4	100.0	8,156	81.7	4.9
Ulster	15	100.0	19,081	95.2	5.2
Warren	8	100.0	7,176	91.3	13.2
Washington	6	100.0	3,110	85.2	8.8
Wayne	8	100.0	7,016	87.2	.3
Westchester	14	100.0	90,707	98.2	4.7
Wyoming	9	100.0	2,561	90.1	6.5
Yates	2	100.0	1,233	76.2	13.9
Total	582	100.0	724,900	94.3	3.5
Total New York City and State	632	100.0	1,755,666	91.5	7.8
New Jersey					
Bergen	42	100.0	69,433	96.4	4.3
Essex	27	100.0	120,785	89.8	16.0
Hudson	13	100.0	80,500	89.9	7.0
Hunterdon	7	100.0	6,913	93.5	6.4
Middlesex	25	100.0	51,977	93.9	7.3
Monmouth	20	100.0	28,282	85.5	2.1
Morris	10	100.0	30,922	95.7	5.1
Passaic	7	100.0	35,820	98.6	5.1
Somerset	9	100.0	15,129	92.6	.6
Sussex	6	100.0	7,336	92.7	4.5
Union	24	100.0	127,099	84.1	14.4
Warren	10	100.0	6,421	89.4	2.5
Total	200	100.0	580,617	90.5	8.3
Connecticut Fairfield	27	100.0	72,714	93.3	4.2
Virgin Islands and Puerto Rico	17	94.1	11,256	70.9	12.2
Total Second District	876	99.9	2,420,253	91.2	7.8