

## FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 RE 2-5700

February 21, 1964

## Seventh Progress Report on MICR Program

To All Banks in the Second  
Federal Reserve District:

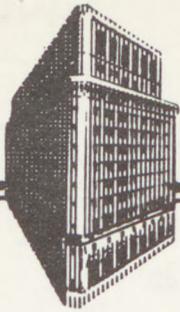
Enclosed are the results of the Federal Reserve System's seventh semiannual MICR survey as summarized in the attached press statement and its accompanying statistical tables.

Banks in this District have achieved such an excellent performance record in MICR preprinting that we considered it unnecessary to prepare and send you a separate table as we have in the past, containing a breakdown of the survey by State and county in this District. Of the total number of checks drawn on Second District banks and handled by this Bank, 94.4 per cent now bear preprinted ABA routing numbers, compared with 91.2 per cent six months ago and 83.4 per cent one year ago.

We are also pleased to report a gradual increase in the number of checks deposited with us that have the dollar amounts encoded in magnetic ink. At the present time 43 of our member banks are encoding the dollar amounts on some or all checks forwarded to us for collection. We are hopeful that additional banks will begin dollar-encoding programs in the near future. This Bank has continued to make progress in mechanizing its check operations and further substantial progress is expected in the coming months.

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. 223

FOR RELEASE: MONDAY, FEBRUARY 24, 1964

The Federal Reserve System reported over the weekend that the volume of checks with preprinted magnetic ink identifications clearing through Federal Reserve Offices now approximates 88 in every 100 checks in contrast to 79 in every 100 checks just one year ago.

This is the finding of the seventh and most recent semiannual survey conducted by the Federal Reserve System to measure the rate of 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 14.6 million checks being cleared through Federal Reserve Offices. The MICR program was devised by The American Bankers Association some years ago in order to provide for the advent of computer-oriented electronic check handling systems.

Marcus A. Harris, Chairman of the Federal Reserve System's Subcommittee on Collections, stated that the continuing progress in the MICR field is reflected in the new all-time high percentage of preprinted checks collected through Federal Reserve Offices. The new percentage stands at 87.9 per cent and may be contrasted to 84.5 per cent six months ago and 78.7 per cent one year ago. It was considered unnecessary, commented Mr. Harris, to continue to survey the number of banking offices which are issuing at least some preprinted checks, because 99.9 per cent of them were already doing so as of August 1963.

(M O R E)

The greatest percentage of preprinted checks is now being handled in the Second (New York) District and the Third (Philadelphia) District, both of which registered 94.4 per cent. The Fourth (Cleveland) District follows closely with 92.0 per cent.

On a state-by-state comparison, the highest level of preprinting is found in Delaware, with 97.6 per cent of all checks, followed by Alaska with 97.5 per cent and Oregon with 95.3 per cent.

Mr. Harris also noted the increased volume of checks that enter the collection stream bearing encoded dollar amounts. The Federal Reserve System is now receiving approximately 25 per cent of its average daily incoming check volume fully amount-encoded, he said. He indicated that this is an encouraging sign, but he hoped that still more banks would recognize the ultimate benefits of full-scale dollar-encoding.

Mr. Harris also stated that hereafter the System-wide survey would be on an annual rather than a semiannual basis. Thus, the next survey will be made in February 1965.

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

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## MICR PREPRINTING SURVEY BY STATES AND OTHER SUBDIVISIONS

February 1964

State	Total Daily Average Check Volume Sent to All Banking Offices	Per Cent of Check Volume	
		Now Pre- printed	Increase Since August 1963
Alabama	128,000	70.3	6.1
Alaska	12,000	97.5	13.1
Arkansas	64,400	70.2	8.7
Arizona	25,800	86.0	3.1
California	1,030,500	89.3	.5
Colorado	172,900	92.1	2.9
Connecticut	344,800	94.8	.8
Delaware	33,400	97.6	1.5
Florida	303,000	85.5	6.6
Georgia	206,000	82.5	3.7
Hawaii	5,600	67.8	14.6
Idaho	49,100	75.2	4.9
Illinois	1,239,700	87.7	2.8
Indiana	290,500	84.3	4.1
Iowa	221,000	81.0	7.5
Kansas	275,800	79.5	6.2
Kentucky	198,000	76.6	4.8
Louisiana	122,000	76.2	8.5
Maine	119,000	71.4	1.4
Maryland	228,000	88.6	.4
Massachusetts	865,000	89.8	.4
Michigan	499,600	92.2	3.6
Minnesota	251,200	93.5	3.7
Mississippi	54,000	68.5	3.2
Missouri	445,400	82.7	7.4
Montana	55,800	83.3	7.0
Nebraska	157,000	75.8	13.6
Nevada	23,800	89.5	5.5
New Hampshire	87,000	92.0	12.0
New Jersey	758,200	95.1	4.1
New Mexico	33,600	80.7	3.0
New York	1,835,800	94.2	2.7
North Carolina	180,000	71.1	8.9
North Dakota	31,900	83.1	1.4
Ohio	718,000	93.2	2.9
Oklahoma	222,000	74.8	1.3
Oregon	163,900	95.3	3.4
Pennsylvania	859,200	93.4	2.7
Rhode Island	63,000	95.2	1.0
South Carolina	80,000	80.0	17.8
South Dakota	47,400	84.8	2.6
Tennessee	169,000	81.5	13.9
Texas	724,000	79.0	5.3
Utah	112,000	76.8	4.6
Vermont	62,000	84.0	0
Virginia	270,000	84.4	7.8
Washington	349,000	95.0	2.6
West Virginia	122,000	83.6	8.2
Wisconsin	264,300	91.7	7.2
Wyoming	9,000	77.8	2.8
District of Columbia	45,000	91.1	4.8
Puerto Rico and Virgin Islands	11,600	74.1	3.2
<b>Total</b>	<b>14,639,200</b>	<b>87.9</b>	<b>3.4</b>

MICR PREPRINTING SURVEY BY FEDERAL RESERVE DISTRICTS

February 1964

District			Total Daily Average Check Volume Sent to All Banking Offices	Per Cent of Check Volume	
				Now Pre- printed	Increase Since August 1963
1	Boston	City	224,000	95.5	0
		Country	<u>1,242,000</u>	88.2	1.5
		Total	1,466,000	89.3	1.1
2	New York	City	1,118,800	92.8	3.2
		Country	<u>1,401,500</u>	95.6	3.0
		Total	2,520,300	94.4	3.2
3	Philadelphia	City	153,500	98.4	.3
		Country	<u>606,200</u>	93.3	4.0
		Total	759,700	94.4	3.0
4	Cleveland	City	259,000	95.0	1.9
		Country	<u>836,000</u>	91.0	2.6
		Total	1,095,000	92.0	2.5
5	Richmond	City	123,000	82.9	1.1
		Country	<u>785,000</u>	81.7	7.2
		Total	908,000	81.8	6.2
6	Atlanta	City	176,000	83.0	6.0
		Country	<u>720,000</u>	79.7	5.8
		Total	896,000	80.3	5.8
7	Chicago	City	411,000	86.4	4.2
		Country	<u>1,797,000</u>	88.4	3.3
		Total	2,208,000	88.0	4.4
8	St. Louis	City	158,300	87.2	10.7
		Country	<u>555,500</u>	78.1	6.4
		Total	713,800	80.1	7.3
9	Minneapolis	City	148,800	97.0	4.9
		Country	<u>342,400</u>	88.7	5.4
		Total	491,200	91.2	4.6
10	Kansas City	City	177,400	89.6	7.0
		Country	<u>860,100</u>	79.2	4.7
		Total	1,037,500	80.9	5.2
11	Dallas	City	134,000	86.6	4.7
		Country	<u>640,800</u>	77.0	5.8
		Total	774,800	78.6	5.3
12	San Francisco	City	226,900	91.8	4.5
		Country	<u>1,542,000</u>	89.4	1.2
		Total	1,768,900	89.8	1.7
Total		City	3,310,700	91.2	3.4
		Country	<u>11,328,500</u>	87.0	3.5
		Total	14,639,200	87.9	3.4