

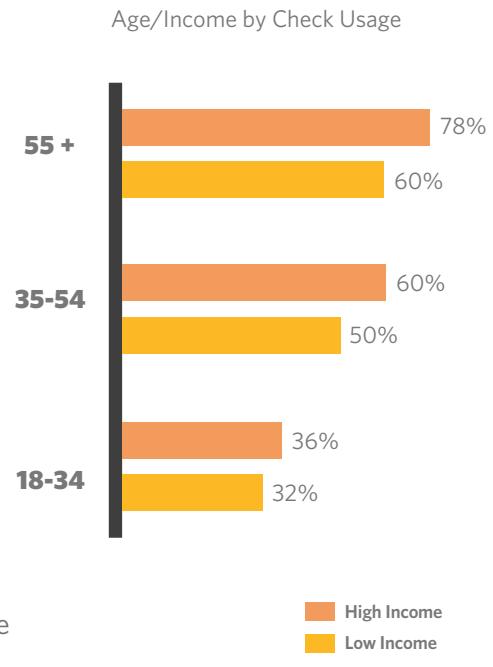
Why You Shouldn't Write Off Check Writers

Understanding account holders' checking habits is important to financial institutions' long-term revenue projections, as well as daily operations. Recent research from Harland Clarke and Nielsen® identified strong correlations between active check writing and high-value financial relationships.¹

CHECK WRITING INCREASES WITH INCOME AMONG ALL AGE GROUPS - EVEN GEN Y.

There is a strong parallel between household income and the frequency of check usage. Among all age groups, higher income account holders write more checks. Account holders age 55+, with annual household income levels exceeding \$75,000, wrote the most checks overall.

Similar to income, check writing increases as income producing assets (IPA) grow. Starting at an even younger age — 35 and older — account holders with high IPAs write more checks.



Insight!

Don't dismiss Gen Y. Checking account holders born from 1980 to 2000 may hold a key to the future of your bank or credit union. Over the next decade, this group is expected to replace baby boomers as the largest, wealthiest consumer segment. As they mature and acquire more assets, higher-income Generation Y consumers may have a profound impact on check-writing activities, as well as the purchase of other financial services.

¹Harland Clarke/Nielsen, *Checking Behavior Survey*, November 2014

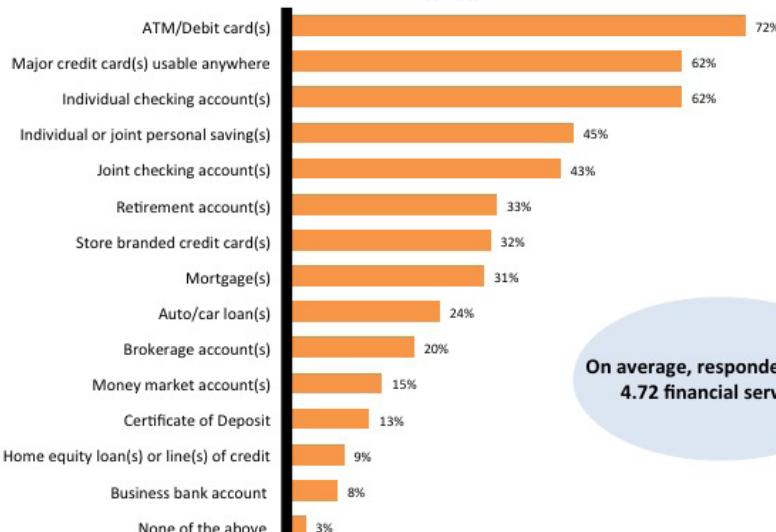
ACTIVE CHECK WRITERS USE MORE FINANCIAL SERVICES.

On average, frequent check writers acquire 4.72 financial products and services from their primary financial institution (PFI) – about two more services than non-check users.

Financial Services Used

Not surprisingly ATM/Debit cards, Major Credit cards and Individual checking accounts are the most used financial services.

B4: Please indicate if you or any members of your household have any of the following financial products/services?



On average, respondents used 4.72 financial services.

Base: All respondents (1,504)

Insight!

Focus on cross-selling programs.

Account holders who write checks regularly show a higher propensity to buy more lucrative banking services, including:

- credit and debit cards
- individual and joint savings
- accounts
- retirement accounts
- mortgages
- vehicle loans
- brokerage accounts
- money markets
- certificates of deposit
- home equity
- credit lines and business bank accounts

FREQUENT CHECK WRITERS ARE MORE LOYAL.

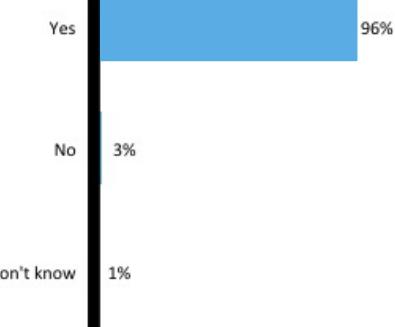
An overwhelming 96 percent of active check writers maintain primary checking accounts with their PFIs. Fifty-five percent remain in relationships with their PFIs ten years or longer.

Primary Checking Account

A1: How do you personally define your primary checking account?
My primary checking account is the one I...



A2: Is your primary checking account held at your primary financial/banking institution?



Harland Clarke
Check Behavior 2014

Base: All respondents (1,504)

How do they feel about their PFIs?

- **85 percent** are “extremely” or “somewhat” satisfied
- **75 percent** are “not very” or “not at all likely” to switch in the next 12 months

While active check writers are very satisfied with their PFIs, a significant percentage also have relationships with other financial institutions.

- **63 percent** maintain two or more institutional relationships
- **32 percent** own two or more checking accounts

Insight!

Keep Striving for PFI status. Checks are not just transactional documents used to pay bills. They are highly visible “engagement tools” that help banks and credit unions gain primary status, which is essential for building greater customer loyalty and wallet share.

Review Your Check Program Strategy

Despite electronic advances and demands for greater online conveniences, paper checks remain a major payment option for many financial consumers. Active checkwriters tend to have higher incomes, have more investable assets and use more financial services. They are just the type of account holders every financial institution wants.

To learn how Harland Clarke can help you attract, engage and retain more profitable checking account holders, call **1.800.351.3843**, email us at **contactHC@harlandclarke.com** or visit **harlandclarke.com/PersonalChecks**