



## Craving Check Writing Customers?

payments business customers

**Summary:** While digital banking is pushing checks aside, those who still write checks are a financially mighty group. What you need to know to hold onto these customers.

It is well known that many Americans are just not healthy and that shifting habits are a big underlying issue. The Department of Health and Human Services (HHS) finds only 33% of kids are physically active every day and spend more than 7.5 hours daily in front of a screen. Meanwhile, there is a 25% adult obesity prevalence rate in 32 states now. Staying healthy takes work. But it also makes you feel better, so good luck to everyone.

It is also well known that checks are going the way of the dinosaur. Interestingly though, while digital banking is pushing checks aside, those who still wield the pen and write checks are a financially mighty group. Check writers tend to be high earners with an appetite for additional financial services. These are exactly the kinds of customers that community banks crave.

Of course, digital banking is not exactly receding, so check writing remains less and less prevalent over time. [Harland Clarke](#) surveyed a group of banking customers on check writing and found some interesting things.

First, about 40% of people say they never write checks, while another 20% said they only wrote a few checks a year. Looking at the people who wrote checks, the survey found they fell into two groups: those who wrote about one check a month (16%) and those who wrote several checks a month (25%).

Yet, what the check writing group lacks in size, it makes up for in its income level. Here, the survey found that almost all of the avid check writers had an income exceeding \$150k. If you're looking for a higher-income demographic in your customer base, you just found it. Further, as income increases, irrespective of age, so does check use.

As you might expect, higher income customers are more likely to need and acquire more financial products and services. But the rate at which check writers do that might come as a surprise. Frequent check writers average almost 66% more products and services from their banks as non-check writers.

So, what's not to like about check writers? There are a couple of issues. While frequent check writers are wealthier, they are also older, with the highest concentration of frequent check writers clustered in the 55Y+ range.

If you want to cater to these customers, one of the things you need to be mindful of is their paper check needs, of course. When a check-writing customer comes into the branch, it's a good idea to ask if they need to reorder checks. Also, be sure you have reminders at other points of contact for their convenience.

In contrast to the aging nature of check writers, 60% of the group that never writes checks was made up of 18-24Y olds. As those younger customers age, it seems unlikely that they would acquire the check-writing habit. But, remember that other customers still have some traditional tendencies.

The bottom line is that it is still important to maintain a strong and effective paper check program. Checks may be decreasing in use, but for now, they are still not extinct. As the digital transformation speeds up, check in

(no pun intended) often with all your customers, to ensure their needs are being met no matter how they utilize your bank.

## DEPOSIT OPPORTUNITY YIELDING OVER 2%

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