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United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

September 23, 2005

Dear Colleague,

As Chairman and Ranking Member of the U.S. Senate Special Committee on Aging, we would like to call your attention to an important initiative, ***Go Direct***, that the U.S. Department of the Treasury and the Federal Reserve Bank have developed to motivate more Americans to select direct deposit for their federal benefit payments, such as Social Security and Supplemental Security Income (SSI). The campaign reaches out to people through financial institutions and community-based groups to inform them about the benefits of direct deposit, and help them enroll. The campaign also uses media outreach, direct mail, advertising and web sites.

The federal government is promoting direct deposit because of its many benefits over paper checks. First, direct deposit is completely predictable and gives people access to their money from almost anywhere, whenever they need it. It also means no lost or stolen checks, because the payment goes straight into a person's account. Direct deposit also saves taxpayer dollars. Currently, the Treasury mails about 160 million benefit checks a year. If these were converted to direct deposit, it would save the federal government about \$120 million a year. This is especially relevant today, given the fast-approaching wave of baby boomer retirements beginning in 2008.

To launch the ***Go Direct*** campaign, the Treasury Department and Federal Reserve Bank will be holding a special event on Tuesday, September 27, at 10:30 a.m. in the park area next to the Capitol Reflecting Pool. We encourage you or your staff to participate in this important initiative. Please call Kara Getz (224-2444) or Topher Spiro (224-7118) if you have any questions.

Sincerely,



Gordon H. Smith
Chairman



Herb Kohl
Ranking Member