10/11/24 / Pennies don’t make cents

[HALF SECOND OF SILENCE]

[BILLBOARD]

SEAN RAMESWARAM (host): America has a penny problem.

CAITY WEAVER (staff writer, *New York Times Magazine*): Uh, so early on the reason I ended up pitching this story to the *Times* magazine was I read a report from the Mint that casually mentioned each penny cost the mint slightly more than $0.03 to produce and distribute.

SCORING IN – CASH COW

*<VO> Total unit cost: 3.07 cents.*

CAITY: And when I read that, I absolutely lost my mind.

*<VO> 3.07 cents for every single penny SOUND DESIGN*

CAITY: Is there not a cheaper way to do it? Do we even need them. As cheap as I am I'm equally bad at math, but even I know that spending $0.03 to make something that has a face value of $0.01 that that math isn't working. That doesn't make cents. Basically, just what are we doing here?

SEAN: Caity went on a months-long journey to try and figure out why the United States still has pennies and she’s going to tell us what she found on *Today, Explained*.

[THEME]

SEAN: Let's have you start with your name and how you want us to identify you on the show.

CAITY: My God this is the one thing I didn’t take notes on um I think actually, let me just see how I'm described on the *Times* website really fast.

Yeah. Okay. I'm Caity Weaver and I'm a staff writer for the *New York Times Magazine*.

SEAN: Great. How do you feel about pennies?

CAITY: I now hate pennies. <LAUGHS>

SEAN: In your reporting, you discover a penny paradox, I believe you call it. What is the paradox?

CAITY: You learn that we're spending $0.03 to make and distribute each cent, so that in itself is already crazy. Why are we doing that? Well, it turns out the reason for doing that is that no one is using the pennies we make. And what I mean is the Mint is making some number of pennies every year. They're going out. You know, they're going to like banks and stores whenever people are getting them back as change. A lot of people put all that right into a coin jar or like a pocket and forget about it or their car cup holder and then that's it, they're never seen again.

*<*[*CLIP*](https://www.youtube.com/shorts/EiILIfsZNUI)*> YOUTUBE SHORTS: Spare change tends to accumulate in your car you might need this coin holder?*

CAITY: So we still need to give pennies out, though. We still need to have them assuming that we want to be able to make change. And because no one is spending them, they're never coming back to the stores or the banks the way that other, you know, dollars or quarters or things like that. So we just have to make more pennies. Basically,we are constantly making new pennies to replace the ones that are not being spent. But a few years ago, Mint officials conceded that if suddenly everyone were just to decide, I'm going to spend all these pennies I have in my house, that would also be bad because there probably would not be enough space to contain this sudden influx of pennies in the government vaults where like excess coin is stored. So we're making pennies because we don't spend them, but also we can't spend them. And if we did, we wouldn't have space to keep them anywhere.

SEAN: Awww, we could just like fill the Grand Canyon with all our pennies. It's fine.

CAITY: Yeah, We may get maybe a little more walkable, that could be nice.

SEAN: <laughs>

SCORING IN – Money Waltz

SEAN: How do they circulate if no one’s spending them?

CAITY: If you have a jar full of pennies, a lot of people in this country now just turn them into Coinstar …   
  
SEAN: Mmmmm.   
  
CAITY: …. which takes a cut of the value and then turns them into a bank.

*<*[*CLIP*](https://www.youtube.com/shorts/uPuDcOr2iTs)*> YOUTUBE SHORTS: Hey guys so I’m at the coinstar comment down below how much you think I’m going to get I have three full bags of pennies let me show you…*

CAITY: And some places you can still do it yourself because I'm so cheap, I still roll my own coins myself.

SEAN: Aww!

CAITY: I do, I do not give Coinstar a percentage. But most people, if they are ever, you know, kind of cashing in their coins, that just means they're dumping it into a Coinstar machine. And then Coinstar handles it from there. So that is really practically the only way that all of the pennies that we make, even travel around the United States, is really via Coinstar,

<[CLIP](https://www.youtube.com/shorts/PJDuaz6ckoM)> *YOUTUBE SHORTS:* Five years worth of change <COIN DUMPING>

SCORING OUT

SEAN: And you wrote about in your piece like what happened when people stopped using Coinstar for a minute during the great Covid-19 pandemic of 2020, 2021, 2022, 2023, 2024. Um. what, what happened then?

CAITY: So in sort of the peak lockdown times of Covid, Coinstar deposits dropped by 60%,

SLOWED CHANGE SOUND FROM PREVIOUS SCORING

CAITY: And as a result, the banks that rely on Coinstar to kind of choreograph this national coin recirculation ballet …

QUICK HIT OF PREVIOUS WALTZ SCORING

REVERB OUT

CAITY: … received 60% fewer coins than usual because. They are getting a lot of coins from Coinstar. All the banks in the U.S. are getting a lot of coins from Coinstar. So around this time you might remember if you went to certain, like, restaurants or grocery stores or things, you would see signs at the register that ask people to pay either with a card or with exact change. And a lot of them blamed a nationwide coin shortage.

*<CLIP> WCVB: right now the nation’s pennies and other coins in short supply, some retailers have even posted signs asking for exact change only.*

*<CLIP> WSOC: I said ‘Where’s my change?’ I said ‘You forgot to give it to me.’ She said ‘We’re not giving out change.’ She got to keep my 63 cents. I mean it’s, don’t care if it’s two pennies it’s my money.*

CAITY: The country was not short of coins. We actually did have all the coins we needed to conduct business, but they were not being put anywhere. They were just in people's houses. So it seemed like a shortage. It seemed like, my God, we're not making enough coins, we don't have enough coins. And that is really because people were not going out and using Coinstar.

SEAN: You can't really use pennies, right? I mean, like parking meters don't even take pennies. Machines don't take pennies.

CAITY: Yes, I think there is maybe one town in the U.S. that has parking meters that still accept pennies. But yes, they are very, very hard to use.

You know, when pennies were first created in this country, they were very useful. Basically, our current coin denominations were set pretty much by the founding fathers.

SEAN: Hm!

SCORING IN – Birds Dress Me In The Morning - No Breakbeat Version (snaps, organ, acoustic bass, viola, upbeat, good morning)

CAITY: Thomas Jefferson wanted to kind of remake the American monetary system. In some parts of the country, you could pay in like tobacco leaves or you could pay with like bullets

SEAN: <laughs> ok!

CAITY: You know, it was sort of a crazy mish mash. You could do like beaver pelts in addition to coins. if you were using money, money, money, money, money.

*<CLIP> CAITY: money, money, money, money. WITH REVERB*

CAITY: That was probably coins, but people weren't only using that. So Thomas Jefferson's okay, like, let's assume everyone is a moron and we're just going to do this as simply as possible. Everything's going to be divisible by tens. We're going to start with a dollar as the base. We'll make that divisible by ten and then we'll make those tenths divisible by ten. That'll get us down to 1/100, which is what a penny is still worth hundreds of years later. And the reason he wanted to do this is that there was a lack of small change in the early days of the country that actually made it really hard for regular people to conduct business because, you know, you could buy like a beautiful plantation if you had some quantity of silver, But if you just needed to buy like one needle, you know, you're not going to hand over like a silver goblet. To do that, you need something small that is easily exchangeable. And we just truly, physically did not have enough like small coins to make doing business easy. The crisis was so urgent that the Mint in Philadelphia was the first public building erected by a federal law specifically because we needed small change.   
  
SEAN: Hm!  
  
CAITY: We needed regular people to be able to buy cheap things.

SCORING OUT

SEAN: OK - that’s the origin story. When did Americans grow tired of using pennies?

CAITY: Okay. So it's it's sort of hard to pinpoint exactly when we do know that by the 70s enough people were not using them, that some folks within government were saying, hey, we should really we need to probably retire the penny by no later than 1980.

SEAN: Whoops!

CAITY: Well, it's never really happened that we forgot to do that. But at the same time, though, crazy thing is pennies did start disappearing from circulation in the 1970s.

*<*[*CLIP*](https://www.pahomepage.com/news/eyewitness-to-history/eyewitness-to-history-penny-shortage/)*> PA EYEWITNESS NEWS: Local lenders are looking for Lincoln. Pennies are hard to find these days. Even banks don’t get as many pennies as they used to. In fact they will give you a dime for every 100 pennies you bring their way*

CAITY: There was actually a spike in copper prices, so people started hoarding pennies

*<*[*CLIP*](https://www.pahomepage.com/news/eyewitness-to-history/eyewitness-to-history-penny-shortage/)*> People are hoarding the money in their piggy banks and hoping that at a later date they might be worth a little more than a penny.*

CAITY: So then all of a sudden there were not enough pennies to conduct business with.

*<*[*CLIP*](https://www.pahomepage.com/news/eyewitness-to-history/eyewitness-to-history-penny-shortage/)*> The arches here may be golden but what they’re after is your copper and you can get a free sandwich for it. Now…*

CAITY: So like at some McDonald's locations, if you brought in a hundred pennies, I think they would give you back like $1.15. McDonald's just needed pennies to be able to make change.  
  
SEAN: <laughs>  
  
CAITY: Because otherwise people would be, they're change and McDonald's. I can't we don't have pennies to give you. All

*<*[*CLIP*](https://www.youtube.com/watch?v=ZRwdObEKUdQ)*> Ba-ba-ba I’m*

*<VO> OUT OF CHANGE*

CAITY: So Congress said, okay, we need to make these pennies more cheaply. What can we make them out of instead of copper? What they came up with was what the penny is today, which is mostly zinc with basically a kind of a light copper coating so that it would still look like a penny. When the government decided to do that, there was another small issue, which is that the Mint, which had made all of the American coins in house since the 1790s, did not have the ability to make these zinc coins and then electroplating with copper. So we had to outsource that to the private sector. Right now, the only company that does this is a small private company in Tennessee. And when people learn this, a lot of times the conspiracy light bulb goes off and they think, ‘Oh my God! Government is in this company's pocket. That's why we're making these useless pennies.’

*<CLIP> John Oliver: So they’re in the pocket of big zinc!*

CAITY: Aaaah, they are lobbying.   
  
SEAN: <chuckles>  
  
CAITY: But this is again, this is a small private company in Tennessee. This is not like Facebook.   
  
SEAN: <chuckles>  
  
CAITY: They don't even really have to lobby that hard because there's not a huge movement to stop making these useless pennies.

SEAN: Why is that? I mean, the government has taken action on the penny before some. You know what? 40, 50 years ago, they decided to stop making them out of copper. Why not take a little action again?

CAITY: I think the number one reason is maybe a lack of imagination. Like, how would it even work? We can't possibly not have pennies. So it turns out that it can work, that it is possible it can be done because our neighbors to the north, Canada …  
  
SEAN: Ah!  
  
CAITY … got rid of their pennies in 2013.

SCORING IN – SON\_SCDV\_0143\_01501\_Mountie\_Mover\_A\_APM

CAITY: And it turns out that Canada still exists. It did not collapse and they are doing fine up there. They are 30, flirty and thriving without pennies.   
  
 SCORING BUMP  
  
SEAN: How Canada did what we failed to do, coming next on *Today, Explained*.

[BREAK]

[BUMPER]

*<*[*CLIP*](https://www.youtube.com/watch?v=4lCU3FJUPl0&t=74s)*> FAMILY GUY:*

*PETER: orange soda without a cap*

*CASHIER: That’ll be 3.74*

*PETER: Awesome. I can pay in change.*

SEAN: *Today, Explained* is back with Caity Weaver from *The New York Times* *Magazine*. Caity, take us to Canada. What are they doing there? How did they do it?

CAITY: So Canada got rid of its penny in 2013 because it costs 1.6 cents to produce and distribute.  
  
SEAN: Hmmmm.   
  
CAITY: And Canada said oh My God, we got to pump the brakes. This is crazy.

SCORING IN – The Funky Dogwalk Bounce

*<*[*CLIP*](https://www.youtube.com/watch?v=AoNyMdg7oFA)*> CBC ANCHOR: The most talked about item in today’s federal budget is the extinction of the penny few are mourning its passing.*

*<*[*CLIP*](https://www.youtube.com/watch?v=gp2utqCn3dQ)*> PAT MARTIN: It’s one of those no brainer slam dunks that you think that would have availed themselves of a long time ago.*

*<*[*CLIP*](https://www.youtube.com/watch?v=UebROn_wevU)*> I think it’s a good idea because I know they’re all piling up in people’s jars at homes anyways.*

*<*[*CLIP*](https://www.youtube.com/watch?v=UebROn_wevU)*> So, I think it’s great.*

CAITY: I spoke to officials at the Canadian mint who oversaw this process. I have to say they were so stereotypically friendly and helpful, it was almost offensive, like they were being caricatures of themselves with how nice and helpful they were when I asked them for information. And the reason is that I think they are really proud of how this went.  
  
SEAN: Mmmmmm.

CAITY: Seems to have gone beautifully up there. <LAUGHS> So when they said, okay, we're retiring, the penny we're not making anymore. They didn't require people to, like, turn in your pennies or they're going to lose value. But they did a few things. They made it very clear, like, you can bring them to the bank. And they instituted like a big recycling program.

*<*[*CLIP*](https://www.youtube.com/watch?v=hYHxF-Dt9-0)*> We’ll be collecting pennies from financial institutions across Canada. And what we’ll be doing is selling those pennies to a metal buyer and the Mint will be reimbursed for the metal content.*

CAITY: Their pennies were mostly copper. Copper is worth money, so they recycled the copper from their pennies.

*<*[*CLIP*](https://www.youtube.com/watch?v=AoNyMdg7oFA)*> Free your pennies from your prisons at home and the jars they’re in and give them to charity.*

CAITY: Charity drives would really encourage people, hey, you don't want these pennies anymore, give them to us. We will take care of them. We will cash them in.

*<*[*CLIP*](https://www.youtube.com/watch?v=IDt0LGcM3FM)*> NEWS REPORTER: In Edmonton, the food bank has set up collection bins around the city.   
LOCAL: We're hoping that people would donate to Edmonton's Food Bank so that we could turn unwanted pennies into food for our clients.  
REPORTER: So far, nearly $800 or 80,000 pennies have been donated*

CAITY: So they got rid of the physical cent. They did not eliminate the mathematical concept of $0.01 existing.

*<*[*CLIP*](https://www.youtube.com/watch?v=IDt0LGcM3FM)*> REPORTER: If you pay by debit or credit you’re not going to notice any change. The only difference will be if you’re paying by cash and that’s because stores are going to begin rounding the prices up and down.*

CAITY: If something at the register comes up as $20.11 Canadian …

*<CLIP> CAITY: Canadian REVERBED*

CAITY: … a Canadian will hand over their credit card and they will be charged $20.11. What they're doing there is rounding their cash transactions. If they are paying with cash, the total will be $20.10. You round to the nearest increment of five …

*<CLIP> CAITY: Canadian REVERBED*

CAITY: … what in the U.S. would be our nickel.

SCORING OUT

SEAN: So sometimes you're losing money, sometimes you're gaining money, and it all evens out in the wash.

CAITY: So economists have studied this. And yes, it turns out that the final digit of transactions tends to be pretty random. A lot of people, when they hear about this rounding, they think, my God, so many things are price $0.99. If you're buying multiple things that cost $0.29, the price is not going to end in a nine. And then you also have to consider that you're factoring in, you know, sales tax. Some things are tax, some things aren't. It's just really hard to predict what that final digit is going to be. It is important to note, though, this is really interesting. Canada has not made this rounding a law. These are guidelines.

SEAN: Huh.

*<*[*CLIP*](https://www.youtube.com/watch?v=IDt0LGcM3FM)*> CNN: Most have indicated they’re going to follow the federal guidelines which is rounding down to the nearest nickel if the final number is one or two cents. And rounding up to the nearest nickel if its 3 or 4 cents*

CAITY: I would explain to Americans, y’know, okay. So in Canada, like year round the cash transaction, oftentimes Americans would say to me, you know what, if I just refuse? So I asked Canadians, they were all really confused by this question.  
  
SEAN: <laughs>   
  
CAITY: They were like, why would anyone make a big deal about that?

SEAN: What’s wrong with you?

CAITY: Wouldn't you just put it like that? Multiple names that to me like, that like doesn't happen. That doesn't happen in Canada.

SEAN: <laughs some more> Has anyone tried what you're, what you saw in Canada, what Canada pulled off here. Has anyone tried to get to, like, I don't know, you know, step one in this process of just abolishing the penny.

CAITY: So I talked to a couple of former Mint directors. I talked to a former spokesman for the Mint. These people all uniformly felt it was crazy and embarrassing that we still make pennies. And they said, I beg to stop making pennies. When I ran the Mint. I asked Congress, please give me a law that says we don't need these anymore and I will stop making them.

*<*[*CLIP*](https://www.youtube.com/watch?v=8A6A86WTMRA)*> Edmund MOY: When I left the mint I proposed legislation to try to give Mint more flexibility on experimenting and making the penny cheaper. What Congress authorized was for us to do studies*

CAITY:In 2006 a congressman from Arizona named Jim Colby tried to make a case. We got to get rid of these pennies. Reason it didn't happen then. And this is Jim Colby himself said this is that at the time there were some very powerful politicians from Illinois in office and they basically said, we're not getting rid of the coin that has Abraham Lincoln on it. He's from Illinois. And so just came in and they never got that momentum back after that.

SEAN: But he's also on the five!

CAITY: He's also on the five, which people would much rather have a five than a penny, which people use. I went to the Lincoln Memorial because how are we honoring Abe Lincoln besides the pennies? And people, like, leave pennies at his feet. They just discard them because they don't need them. And it just looks like garbage. It looks like there's garbage all around the bottom of the memorial. umm, if you're ever looking for some spare change, go to the Lincoln Memorial. You might you might walk away with $0.12.

SEAN: <laughs>

CAITY: In his lifetime. Abraham Lincoln never used money that had a president on it. That was not something he ever would have even conceived of because it was law and tradition and the United States that our money did not depict presidents. And they decided not to do this for a couple of reasons. Number one, they felt it was too kingly. That's what they do in England. We're not doing that. We're not putting our rulers on our money. And we didn't do it until Theodore Roosevelt became president. And when he was in office in 1909, he decided to just ignore all of this tradition and these rules and plop Lincoln on the penny because he liked him and he felt like it. And now we can't get rid of the pennies because we all like Lincoln. We don't want to. We don't want to hurt his feelings by getting rid of the worthless coin that he's on.

SEAN: That sounds like an Illinois thing, but I guess if the rest of Congress can't get its act together to do this, is there anywhere else it could be done? Where does the buck or penny in this case stop?

CAITY: I think there is maybe one other person who is not a member of Congress who could stop us making pennies today.

SCORING IN – Lake Ditty-01

CAITY: I was very surprised to discover, as I was reading the U.S. legal code, as one does, I came upon a statute that outlines sort of general instructions for American coins. And it said,

*<VO> The Secretary of the Treasury shall mint and issue coins described in section 5112 of this title in amounts the Secretary decides are necessary to meet the needs of the United States*

CAITY: And this stopped me in my tracks. I re-read this sentence probably 50,000 times to make sure that I was not misreading it, because it really sounded to me like the secretary could decide the amount of pennies necessary was zero. I believe that Janet Yellen, our current Treasury secretary, could pull the plug on pennies right now if she wanted to.

SEAN: Huh!

CAITY: And the crazy thing is that I think people forgot that this law was written this way because no one I had spoken to, and I ended up talking to a lot of people for this story, including former Mint directors. I talked to members of Congress. Everyone seemed to think that only a new law from Congress could put an end to these pennies. And then when I read the laws, I'm pretty sure that Janet Yellen can put an end to these pennies. I don't think we need to keep inviting Congress.

SEAN: Did you ask her why, why she hasn't put an end to the penny?

CAITY: I was dying to. I begged her office to let me talk to her for months. She was not interested in talking to me or maybe was really interested and didn't have time. I don't know.

SCORING OUT

SEAN: It's so strange to think that this isn't an issue. It's. It's. It's wasteful spending. It's. It's superfluous. It's…it's government for the sake of government, this feels like it could be a political winner, as they say.

CAITY: So I think kind of becomes almost an existential question or like a personality quiz. Does the idea that money is being wasted bother you enough that you are determined to stop it, even if the amount being wasted is actually very small? Part of it is that it's just not important enough to anyone. We. Yes, we are wasting money making pennies. The mon.. the amount of money we would save if we didn't make them is not like life changing. It's not going to all of a sudden, you know, we're back to the Roaring 20s in the U.S. with this surplus of funds we have saved by no longer making pennies. You know, this can be like a very small win. This can be like a psychological win. Wow, we got something done. We got rid of something that was bugging people to have to take care of that. People were, you know, storing pennies for free for the government, basically, because they don't have room. If we would turn them all in and they're making them even though we're not using them, like we could just stop doing that and maybe things would get a tiny, tiny, tiny, tiny, tiny bit better in very small ways. Wouldn't that be nice to have accomplished something? One thing, anything.

SEAN: Anything!

CAITY: and and right now, we're just not doing that. It's right there on the table. We could take it. We could take it. Secretary Yellen.

SEAN: <laughs> Are you listening?

SCORING IN – SON\_SCDV\_0180\_03701\_National\_Rock\_Anthem\_Of\_Canada\_A\_APM-01

SEAN: Caity Weaver! She’s a … checking my notes here … staff writer at *The New York Times Magazine.*

You can and should read her piece about pennies because it’s great. It’s titled: “America Must Free Itself from the Tyranny of the Penny”.

Peter Balonon-Rosen made our show today. Amina Al-Sadi edited. Rob Byers and Andrea Kritinsdottir mixed and mastered and Laura Bullard had a good time.

The rest of the team includes Patrick Boyd, Haleema Shah, Hady Mawajdeh, Avishay Artsy, Amanda Lewellyn, Miles Bryan, and Victoria Chamberlin. Welcome, Eliza Dennis. Welcome back, Zach Mack.

Breakmaster Cylinder furnishes music. Matthew Collette is a supervising editor.

Miranda Kennedy is our executive producer. Noel King?! Noel King.

I’m Sean Rameswaram. << For radio:>> *Today, Explained* is distributed by WNYC. The show is a part of Vox. << For podcast:>> *Today, Explained* is distributed by WNYC. This show is a part of Vox. Support our journalism by joining our membership program today. Go to vox.com/members to sign up. And you can rate and review us wherever you listen. Offer your two cents, especially if you’re feeling like rounding up to five.

<< must cut this out for radio >>

[10 SECONDS OF SILENCE]