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The Penny Should Be Eliminated

Diana Witt | The Breeze | 11-27-18

Find a penny, pick it up, all the day you'll have good luck... or so the saying goes. But if you found a penny, would you truly bend down to pick it up? Maybe it's worth it for a dime or a quarter, but in 2018, a penny will buy you nothing. If simply picking up a penny from the ground isn't worth it, the U.S. government should discontinue the penny.

The penny debate is a growing issue in the U.S., as many citizens and government officials disagree on whether or not to eliminate the one-cent coin.

Representative Jim Kolbe of Arizona introduced bills in 1989, 2001 and 2006 to abolish the penny, but none of the bills passed. The bills did, however, receive support from representatives and the public. Currently there's no action being taken on the elimination of the penny. In 2017, Senators John McCain and Mike Enzi introduced S.759 — Currency Optimization, Innovation and National Savings (or C.O.I.N.S.) Act, which would stop the minting of the penny for ten years to assess the repercussions. The C.O.I.N.S. Act is still in committee.

Each year, the U.S. government loses money on the production of the penny. Each coin requires about 1.5 cents worth of materials, so it costs more to make it than it's actually worth. This material cost does not include the labor and distribution cost which could be worth up to two more cents per penny. Taxpayers contribute approximately 115 million dollars each year for pennies to be minted. Since pennies are often lost or discarded by consumers, the U.S. Mint must produce them in excess. More pennies are made than any other coin, yet the penny is the least valuable piece of currency.

Carrying around extra pennies and using them to make purchases is a hassle. On average, a transaction in which a consumer uses pennies takes two seconds more than a transaction in which they don't. While two seconds does not seem like a lot, time is money. The time wasted annually costs each worker is approximately \$3.65, amounting to a whopping \$1 billion for the entire U.S. In the digital age, pennies are virtually worthless, as many automated machines like vending machines and toll

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booths don't accept them. Pennies weigh down wallets, fill spare change jars and get lost between couch cushions.

A common argument for preservation of the penny is that eliminating the penny will drive up prices, causing those with a lower economic status greater financial strain. Penny preservation supporters claim that rounding up would inflate the costs of goods and services. According to research by economics professor Robert Whaples, however, rounding prices actually benefits the consumer, as they would gain about 1/40 of a cent per transaction. Most prices are already rounded to the nearest dollar or at least to the nearest nickel.

Canada has already discontinued pennies, removing the last penny from circulation in 2013. It's estimated that Canada saves about \$11 million a year from eliminating it. It's time we follow our neighboring country and do away with the increasingly useless coin. Some say that pennies are from heaven, but for the U.S. government, they're more trouble than they're worth.

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Task #1

Circle positive words used by the author.

Box negative words used by the author.

Task #2

What is the **author's point of view** about pennies? _____

*Highlight evidence that supports your answer!

Task #3

What is the **author's purpose** for writing this article? _____