Please, Finally, End the Penny



[*David Owen*](http://www.davidowen.net/)*, a staff writer for The New Yorker, is the author of "*[*Green Metropolis*](http://www.amazon.com/Green-Metropolis-Smaller-Driving-Sustainability/dp/1594488827)*" and "*[*The Conundrum*](http://www.amazon.com/Conundrum-David-Owen/dp/1594485615/)*."*

APRIL 4, 2012

Canada is eliminating pennies, and good riddance. The United States should do the same.

Pennies have virtually no buying power, yet they cost a lot to make, distribute and use, and many consumers simply throw them away. (Picking up a penny from a sidewalk and putting it in your pocket pays less than the Federal minimum wage, if you take more than 4.9 seconds to do it.) The U.S. Army stopped using pennies on its bases in Europe in 1980, to spare itself the cost of shipping them overseas. In 1996, the Government Accounting Office determined that most of the millions of shiny new pennies that leave the U. S. Mint each year simply disappear. What’s the point?

*A quarter today has less buying power than a U.S. penny did in 1940.*

Canada isn’t the only country to eliminate its least valuable coinage. New Zealand stopped making one-cent and two-cent coins in 1989, and it got rid of five-cent coins in 2006. (It also replaced one-dollar and two-dollar bills with coins in 1991, and shrunk its twenty-cent and fifty-cent coins, which had been hubcap size, in 2006.) This may sound un-American, but it isn’t. The United States abandoned its own most worthless coin, the half-cent, in 1857, when a half-cent was worth more than a dime is today.

By most measures, a quarter today has less buying power than a U.S. penny did in 1940. That means that consumers in 1940 got by without the equivalent of almost all the pocket change we now lug around. Counting out pennies slows retail transactions and forces merchants to bear the cost of handling, sorting and redeeming excess accumulations. We’d be better off without them.

The American penny’s only real defenders are politicians from Abraham Lincoln’s home state (which is the only one in which you can still use pennies in toll machines); charities that conduct “penny drives”; the lobby that represents the company that sells zinc penny blanks to the U.S. Mint; the company that makes those coin-changing machines you see in grocery stores; and people who want everything to always be the way it is right now. But special interests should not be allowed to stand in the way of rationality. Pennies are a drain on the American economy. Enough!

*Join*[*Room for Debate on Facebook*](http://www.facebook.com/RoomforDebate)*and follow updates on*[*twitter.com/roomfordebate*](http://twitter.com/roomfordebate)*.*