

# Trump Orders Treasury Secretary to Stop Minting Pennies

*Can he do that? It's not clear. But President Trump is right when he says that pennies "literally cost us more than 2 cents."*

**By Yan Zhuang and Erica L. Green**  
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Since taking office, President Trump has set his sights on big targets, like [Greenland](#). But he has also taken aim at small ones, like [paper straws](#). And pennies.

On Sunday night, Mr. Trump said he had ordered the Treasury secretary, Scott Bessent, to stop producing new [pennies](#), a move that he said would help reduce unnecessary government spending.

"Let's rip the waste out of our great nations budget, even if it's a penny at a time," he said in a post on Truth Social, adding that pennies "literally cost us more than 2 cents."

It is unclear whether Mr. Trump has the power to do this. It is Congress, not the Treasury or the [Federal Reserve](#), that authorizes the manufacture of the nation's coins, [according to](#) the U.S. Mint.

But he is right that pennies cost more than they are worth. For years, experts and government officials have called for eliminating the penny, whose purchasing power has fallen because of inflation even as its production costs have risen.

It cost 3.69 cents to produce and distribute a penny last year, according to the U.S. Mint's annual report. This means that, accounting for their face value, each penny made a loss of 2.69 cents.

Last year, the Mint issued over three billion pennies, according to its annual report, at a loss of about \$85.3 million. Pennies, which are often given as change but rarely spent, accounted for more than half of all the coins the Mint produced that year. There were about 250 billion pennies in circulation, or about 700 per person, in the United States, last year.

Countries around the world have eliminated their smallest-denomination coins in recent decades.

In 2012, Canada [stopped producing pennies](#), describing them as essentially a waste of time and space and arguing that the move would save millions of dollars a year. Since then, cash transactions have been rounded to the nearest nickel, after federal and provincial sales taxes are added.

Australia withdrew its one- and two-cent coins from circulation in 1992, citing inflation and production costs. Even earlier, countries like Sweden and New Zealand stopped minting their one-cent coins.

In Australia, the elimination of those coins “hasn’t mattered at all,” said Andrew Stoeckel, an honorary professor at the Australian National University’s Centre for Applied Macroeconomic Analysis. In the U.S., given how little pennies are used, the move would also likely have a negligible impact on the economy, though the government would probably save some money, he said.

The movement to eliminate pennies has faced significant opposition. Americans for Common Cents, an advocacy group, has [argued](#) that eliminating pennies would not save money, because “many overhead expenses at the Mint would remain and would need to be absorbed by other coins, increasing their per-unit costs.”

In addition, the elimination of the penny will increase the demand for nickels, which are even more expensive to produce and distribute at 13.78 cents per coin, the organization said. (The dime is the smallest coin whose face value is greater than what it costs to produce.)

Penny proponents have also argued that eliminating the coin would effectively impose a one-cent sales tax on consumers, because prices ending in 99 cents are so common.

But much of the resistance may have to do with sentimentality, said Professor Stoeckel.

“People will put it in a paperweight or something; there’ll probably be some hoarding,” he said of the penny. “It’s just a memento kind of thing. There’s no significance.”