BROADHURST
Financial Advisors, Inc.

Penny Policies

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The U.S. government's mint is no longer manufacturing pennies, and has not been since the beginning of last year. The decision is reasonably logical; it was costing the mint roughly 3.69 cents for each penny it made in 2024, for a total cost of $18 million that year. And who uses pennies anymore?

Apparently, many retailers were concerned that they wouldn't be able to have enough of the 114 billion pennies currently in circulation to make change for cash customers. (There may be an equal number stored away in home coin jars, piggy banks and junk drawers.) So after a bit of lobbying, Congress has passed the Common Cents Act, which permits retailers to round cash transactions to the nearest five cents in situations where neither the buyer nor the seller has exact change.

Specifically, whenever the price ends in a 1, 2, 6 or 7, merchants may round it down to the nearest sum divisible by 5—meaning either 5 or zero. Thus an item that costs (with tax) $21.02 would, if the buyer is paying cash and neither party had pennies, the cost becomes $21.00. If the item cost $21.06, then the price would become $21.05.

But if the price ends in 3, 4, 8 or 9, the merchant would be allowed to round the price up to something ending in 5 or 0. ($21.03 becomes $21.05, while $21.08 becomes $21.10.)

Under these rules, neither consumers nor retailers, in aggregate, come out ahead.

Before the mint shut down pennies, they accounted for more than half of its annual output. Now some are wondering about the nickel, which is larger and made of more expensive metals. The government spends 13.78 cents to produce each nickel, and in a typical year it will produce 6 billion of them. If there's no widespread pushback on

the penny's demise, then look for the government to have retailers round up, or down, to the nearest dime.

Source:

https://www.usatoday.com/story/money/personal-finance/2026/10/01/common-cents-act-pennies-coins-value/92020168007/

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number (215) 325-1595 or you can click here to schedule a meeting.

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