

## Persuasive Speaking: Monroe's Motivated Sequence

### The Problem With Pennies

---

1 “A nickel for your thoughts.” “A nickel saved is a nickel earned.” “Nickels from heaven.”

2 Okay, maybe these phrases don't have quite the same ring as the original sayings—“A penny for your thoughts,” “A penny saved is a penny earned,” and “Pennies from heaven.” But it's a fact of our nation's economic life that the penny is becoming obsolete. Inflation over the past few decades has been the death of penny candy, penny arcades, and penny bubble gum. The fact is that pennies don't buy much of anything anymore. The age of the penny is over. It's time to let this dinosaur of our economy go extinct.

3 Sure, most of you say, pennies can be annoying. But why do we have to get rid of them? Why must we change something that's worked for so long? And what would we do without pennies? I had the same questions when I started work on this speech. But as a result of my research, I'm convinced that the continued use of pennies is a costly problem and that we can get along just fine without them. Today, I hope to convince you of the same thing.

4 The place to begin is by noting that pennies cause problems for individuals, for businesses, and for the nation as a whole. Many Americans consider pennies a useless annoyance. According to my class survey, about two-thirds of you find pennies bothersome. They take up space and add weight to your pockets, wallets, and purses. They get in the way when you're trying to find other coins. They slow down checkout lines when you have to search for exact change. And most of the time when you really need coins—for copy machines, pay phones, and vending machines—you can't use pennies anyway.

5 In fact, many people don't use pennies. A survey by the U.S. Mint showed that only half of the 12,000 people questioned use pennies on a daily basis. Most of the other half collect pennies around the house, waiting until they have enough to cash in at the bank. It can be a long wait. In a *Los Angeles Times* article, writer Noel Gunther explained that during his last two years in college, he and his roommate saved all their pennies so they could throw a “Pennies from Heaven” party for graduation. They filled six jars with what looked like a fortune. The day before graduation, they emptied the jars and counted out \$21.56—barely enough to buy beverages!

6 Pennies are a nuisance for the business community as well as for individuals. The National Association of Convenience Stores estimates that an average of two seconds is spent handling pennies during each of its members' 10 billion annual cash transactions. That comes out to a total of 5.5 million hours spent handling pennies—at an annual cost of \$22 million. According to *Fortune* magazine, some banks charge up to 30 cents for every dollar's worth of pennies they process. This makes it very costly for some businesses to accept pennies.

7 Keeping pennies in circulation also costs the nation as a whole. Every year the Treasury Department takes about 7 billion pennies out of circulation because they are bent or worn out. According to the Treasury Department, several billion more pennies go into mayonnaise jars, coffee cans, piggy banks, and dresser drawers. Or they are simply thrown away. In the survey mentioned earlier in my speech, the U.S. Mint reported that 6 percent of American adults simply jettison their pennies with the trash!

8 To keep an adequate supply of pennies in circulation, the U.S. Mint creates approximately 12 billion new pennies each year. The cost of manufacturing these new pennies is .66 of a cent apiece, which adds up to almost \$80 million a year. As Treasury officials told *U.S. News & World Report*, when you add on storage and handling expenses, it costs our society considerably more than a penny to transact a penny's worth of business.

9 You can now see the magnitude of the problem with pennies. Fortunately, it's a problem that can be easily solved.

10 The solution I recommend is similar to a plan supported by the Coin Coalition, a group working to eliminate pennies from our economy. The plan has four basic steps. First, the federal government should legalize and standardize the rounding off of all purchases to the nearest nickel. This rounding off should take place after all items in a given transaction are totaled but before the sales tax is added. Because the number of purchases rounded up would roughly equal the number rounded down, this would not cause any increased cost to consumers.

11 Second, the sales tax should also be rounded off to the nearest nickel. Both the customer and the state would stand an equal chance of gaining or losing a maximum of two cents on each purchase. In essence, this is no different from what you do when you file your income taxes—except that in computing your income taxes, you round everything off to the nearest dollar.

12 Because the first two steps of this plan will eliminate the need for pennies, the third step is for the U.S. Mint to stop making new pennies. As we have seen, this will save the taxpayers some \$80 million a year in minting costs alone.

13 The fourth step of this plan is for people to cash in the pennies already in circulation, thereby removing pennies entirely from the money supply.

14 I admit that it may be hard to imagine a world without pennies, but there is plenty of evidence that this plan will work. James Benfield, Executive Director of the Coin Coalition, notes that when the U.S. stopped minting half-cent coins in 1857, a similar procedure of rounding off purchases and phasing out the coins worked extremely well. None of us miss the half-cent, and in a few years none of us will miss the penny.

15 Whether we realize it or not, many of us already round off some of our purchases to the nearest nickel. Think for a moment of the "Take a Penny, Leave a Penny" containers next to the cash registers at local convenience stores. Every time you take a few pennies from

the box to pay for your purchase or leave a few pennies from your change, you are actually rounding off the amount you pay to the nearest nickel.

*16* In conclusion, pennies create problems for individuals, for businesses, and for the nation as a whole. The time and money currently wasted in using and minting pennies could be put to more productive ends. By rounding off purchases and sales taxes to the nearest nickel, by ending production of new pennies, and by letting old pennies drop out of use, the problems created by pennies could be eliminated without upsetting the economy. And just as we have gotten used to life without penny candy, penny arcades, and penny bubble gum, so I think, given time, we will also get used to the phrase “a nickel saved is a nickel earned.”