Congress of the United States

Washington, DC 20515

December 2, 2025

The Honorable Scott Bessent
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, NW
Washington, DC 20551

The Honorable Kristie McNally
Acting Director
U.S. Mint
801 9th Street, NW
Washington, DC 20220

Dear Secretary Bessent, Chairman Powell, and Acting Director McNally:

We write to urge your agencies to provide immediate guidance amidst concerns from consumers, retailers, and banks regarding the impact of penny shortages.

Despite the public's repeated calls for clarity, the Treasury Department and the Federal Reserve (Fed) have yet to provide any guidance or formulate a plan to manage penny circulation to meet current and future demand. As the Trump Administration fails to provide guidance after their abrupt and unilateral decision to stop minting pennies, they risk worsening inconsistencies in customer transactions, uncertainty in pricing approaches, legal compliance, tax calculations, and more. Consumers who rely on cash to pay face a rounding tax and have been deeply affected in this process without meaningful consideration from the Administration. While other countries like Canada have stopped producing pennies years ago, their government provided businesses and consumers with consistent guidance and coordination as pennies were gradually removed from their coinage system.[1] Similarly, it is critical that your agencies take immediate clarifying action, especially ahead of the holiday shopping season.

The Treasury, acting through the U.S. Mint, is responsible for producing coins for circulation. The Fed, meanwhile, is responsible for circulating those coins to the public. In February, President Trump announced on the platform Truth Social that the Administration would cease production of the 1-cent coin.[2] Following that announcement, your agencies acted quickly to

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[1] National Retail Federation, "U.S. penny shortage has retailers scrambling to adapt cash transaction policies," October 29, 2025, https://nrf.com/blog/us-penny-shortage-has-retailers-scrambling-to-adapt-cash-transaction-policies; Canadian Broadcasting Corporation (CBC), "Canada's penny withdrawal: All you need to know," March 30, 2012, https://www.cbc.ca/news/canada/canada-s-penny-withdrawal-all-you-need-to-know-1.1174547.

remove the penny from circulation. The U.S. Mint placed its final order of penny blanks in May[3] and in August, the Fed informed banks that as penny inventories became low at specific coin terminals, the locations would stop accepting new orders for pennies and cease accepting penny deposits.[4] And on November 12th, the Mint announced that it had manufactured its final penny.[5] As of today, nearly two-thirds of coin terminal locations are no longer accepting or distributing pennies, slowing down their public circulation issues.[6]

This sudden change in policy has created challenges for banks, retailers, and consumers. With fewer coin terminals accepting pennies, for example, it has become more difficult for banks with excess pennies to "recycle those coins back into circulation."[7] Community banks, meanwhile, are experiencing disruptions in penny availability, impacting "their ability to serve individual customers and small businesses."[8] Numerous stores and retailers have also expressed concerns around the shortage of pennies, including Kroger, Home Depot, and McDonald's, who are searching for solutions around rounding cash transactions, in light of the Administration's inaction.[9] Some businesses are asking customers paying in cash to voluntarily round up. Yet in states that have laws prohibiting rounding transactions to the nearest nickel, businesses trying to round cash transactions could be in violation of those laws.[10]

In addition, organizations providing services to vulnerable individuals have highlighted challenges stemming from penny shortages. Specifically, entities representing Supplemental Nutrition Assistance Program (SNAP)-authorized food stores have highlighted stores' inability to provide exact change to customers paying in cash. These organizations have requested legal guidance to make sure that SNAP authorized retail stores are not in violation of equal treatment provisions if stores round cash transactions to the nearest nickel—legal guidance they have yet to

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[2] AP News, "Trump says he has directed US Treasury to stop minting new pennies, citing rising cost," Jill Colvin, February 10, 2025, https://apnews.com/article/trump-penny-treasury-mint-192e3b9ad9891d50e7014997653051ba.

[3] AP News, "Stop Making cents: US Mint moves forward with plans to kill the penny," Fatima Hussein and Alan Suderman," May 22, 2025, https://apnews.com/article/us-mint-treasury-department-penny-end-production-daf6367d7e8d31d6783720d5d4667115.

[4] Letter from American Bankers Association to Federal Reserve Chair Jerome Powell and Treasury Secretary Scott Bessent, October 17, 2025, https://www.aba.com/advocacy/policy-analysis/letter-to-maintain-penny-deposit-services.

[5] AP News, "US Mint presses final pennies as production ends after more than 230 years," Maryclaire Dale, November 18, 2025, "https://apnews.com/article/us-mint-treasury-department-penny-end-production-86139df5644ef0885a9baf98e9677380.

[6] Federal Reserve, "Penny Order and Deposit Information," https://www.frbservices.org/campaigns/sept-2025-faq.

[7] Politico, "US Mint strikes last penny as Trump's phaseout rattles retailers," Michael Stratford, November 12, 2025, https://www.politico.com/news/2025/11/12/us-mint-to-strike-last-penny-as-trumps-phaseout-rattles-retailers-00647445.

[8] Letter from the Independent Community Bank Association to Treasury Secretary Scott Bessent, October 6, 2025, https://www.icba.org/advocacy/letter-details/icba-letter-to-treasury-on-penny-production.

[9] USA Today, "McDonald's rounding cash transactions as some locations run short of pennies," Mike Snider, October 31, 2025, https://www.usatoday.com/story/money/2025/10/31/mcdonalds-penny-shortage-rounding-cash-transactions/87008678007/; USA Today, "Kroger asks customers for exact change during penny shortage," Alexander Coolidge and Emma Wozniak, November 3, 2025, https://www.usatoday.com/story/money/business/2025/11/03/kroger-asking-for-exact-change-penny-shortage/87070464007/.

[10] USA Today, "Got exact change? Penny shortages already hitting some retailers," Mike Snider, October 23, 2025, https://www.usatoday.com/story/money/2025/10/23/penny-shortages-kwik-trip-home-depot/86839080007/.

receive.[11] This lack of clarity disproportionately impacts the vulnerable individuals who rely on SNAP to buy groceries.

For these reasons, it is of the utmost importance that you provide banks, retailers, and consumers with the information they need to manage the removal of the penny from circulation as soon as possible. We ask that you develop and make such a plan publicly available no later than December 12, 2025. In addition, we request answers to the following questions and ask your agencies to provide a briefing on your efforts to address these ongoing concerns by December 12, 2025.

1. The Administration appears to have begun the process of removing the penny from circulation without establishing a formal phaseout plan, engaging in meaningful analysis on public impact, or integrating feedback from stakeholders. The Administration ceased penny production unilaterally and abruptly without any regulatory guidance or Congressional input—ultimately ignoring Congress' coinage authority.

    a. Prior to the U.S. Mint placing its final order of penny blanks, what analyses, if any, did your agencies conduct to determine the impact of its decision on consumers and the public? If no analysis was conducted, why not?

    b. Did your agencies consider the impact, including potential operational costs, of eliminating the penny for retail and banking institutions prior to the U.S Mint placing its final order of penny blanks? If so, provide copies of any analyses of these potential costs. If not, why not?

    c. Prior to the U.S. Mint placing its final order of penny blanks, did your agencies conduct stakeholder engagement and other public feedback processes to solicit reactions from banks, retailers, consumers, and the public? Did your agencies consider conducting an education campaign to inform relevant stakeholders of these changes during point-of-sale, including the penny's continued use as legal tender? If so, provide an overview of the stakeholders your agencies engaged with and their comments. If not, why not?

    d. Without pennies, consumers who rely on cash to pay face a rounding tax, which may disproportionally affect older Americans, low-income communities, and individuals without credit cards or bank accounts. Prior to the U.S. Mint placing its final order of penny blanks, did your agencies evaluate the impact on low-income communities, older consumers, or debanked and underbanked groups? If so, provide copies of any impact analyses including relevant research on consumer purchasing behavior. If no analysis was conducted, why not?

    e. Did your agencies calculate how much rounding to the nearest nickel would cost consumers and businesses? If so, provide copies of this research. If not, why not?

[11] Letter from the Food Industry Association, et. al, to U.S. Department of Agriculture Secretary Rollins, October 14, 2025, https://www.nationalgrocers.org/wp-content/uploads/2025/10/Retail-trades-letter-to-USDA-Rollins-penny-SNAP-equal-treatment-101425.pdf.

f. Did your agencies consider the potential costs of eliminating the penny to cash-handling businesses prior to the U.S. Mint placing its final order of penny blanks? If so, provide copies of any analyses of these potential costs. If not, why not?

2. What communications and information, if any, has the Fed provided to banks and businesses regarding the transition away from the penny? Provide copies of these communications. If no communications or information have been provided, why not?

3. What communications and information, if any, has the Treasury provided retailers, banks, and the public regarding the elimination of the penny? Provide copies of these communications. If no communications or information have been provided, why not?

4. What guidance, if any, have your agencies provided to banks, retailers, states, and other organizations regarding rounding cash transactions? Provide copies of this guidance. If no guidance has been developed or transmitted, why not?

5. Did the Fed conduct any assessments on the impact of closing coin terminals prior to the August policy change?

6. Ending penny production raises new challenges as the demand for nickels, 5-cent coins, would increase. Nickels are also more expensive to produce due to their manufacturing costs, metal composition, inflation, and supply chain issues.

   a. In ceasing the minting of pennies, did any of your agencies calculate the associated costs of greater reliance on the nickel? Please provide copies of these calculations. If no calculations were made, why not?

   b. What cost saving measures are you establishing to help address nickel production expenses? Please provide descriptions of these measures. If no cost-saving measures are being established, why not?

   c. Did your agencies conduct an analysis on the government's long-term savings from ending penny production? Please provide copies of this analysis. If none of these estimates were made, why not?

Sincerely,

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

Maxine Waters
Ranking Member
Committee on Financial
Services