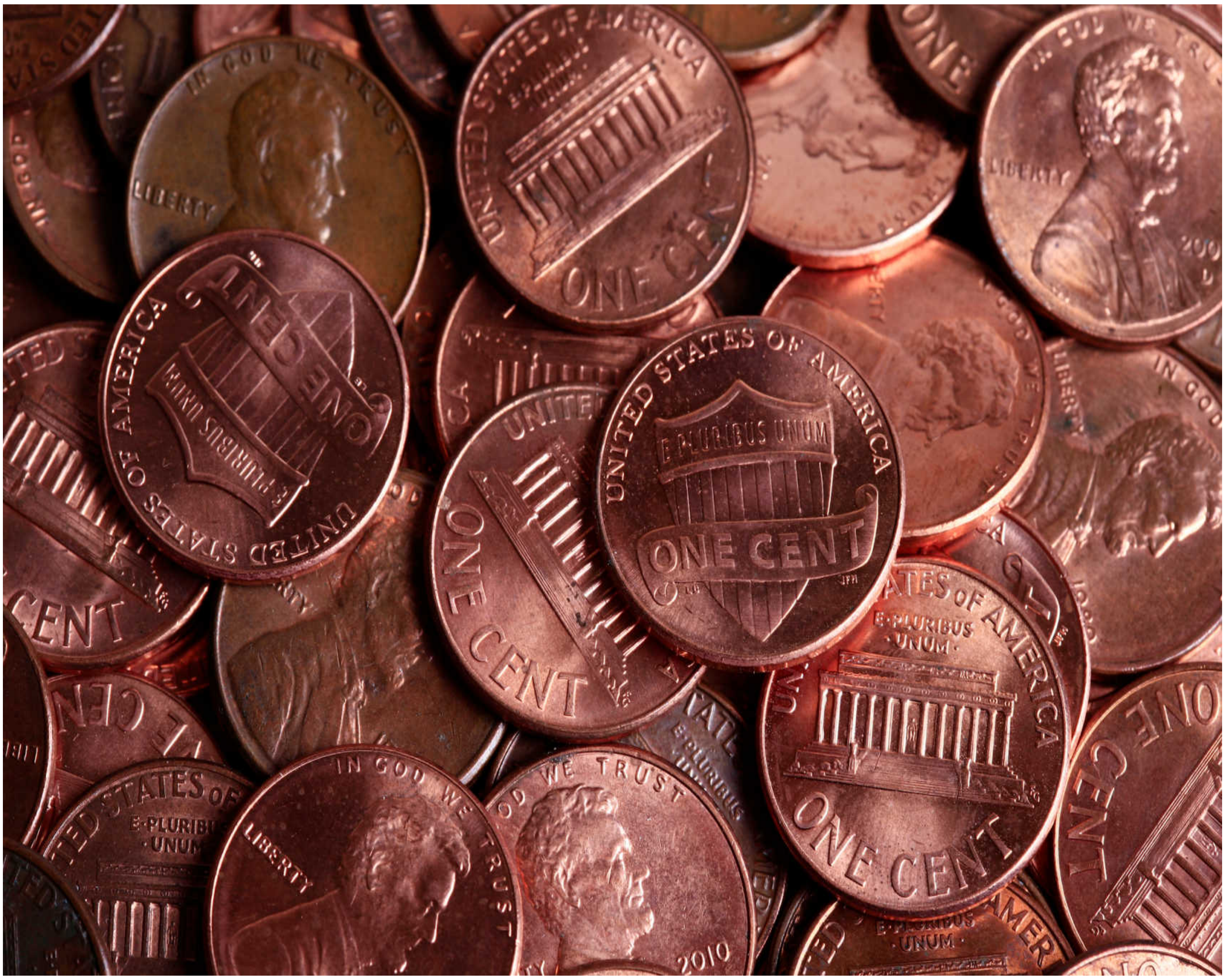
The Virgin Islands Consortium

Trump Orders End to Penny Production, Citing Wasteful Costs

Trump has directed the U.S. Treasury Department to halt the minting of new pennies, arguing that their production cost exceeds their value. The move, announced on Truth Social, has sparked legal and economic debates over the future of the one-cent coin.

Federal / **Published On February 11, 2025 05:45 AM /**

Ernice Gilbert February 11, 2025



In a move aimed at reducing government expenditure, President Donald Trump has directed the U.S. Treasury Department to cease the production of new pennies. This decision was announced via his Truth Social account, where he labeled the ongoing minting of pennies as "wasteful."

"For far too long the United States has minted pennies which literally cost us more than 2 cents. This is so wasteful!" Trump posted, emphasizing his directive to Treasury Secretary Scott Bessent to stop producing new pennies. This statement was echoed across various media platforms, including posts on X where users discussed the implications of this executive order.

The penny, America's smallest monetary unit, has been the subject of debate for years due to its production cost exceeding its face value. According to the U.S. Mint's 2024 report, each penny cost 3.69 cents to produce and distribute, leading to a financial loss of approximately $85.3 million for that fiscal year. This discrepancy has been noted for 19 consecutive fiscal years, fueling arguments for its discontinuation.

Trump's order has sparked a conversation about the practicality of maintaining such low-denomination currency in an era increasingly dominated by digital transactions. Critics have pointed out that while the penny might seem trivial, the costs of its production have been significant. The U.S. lost an estimated $85 million in the previous year making 3 billion pennies, as reported by various news outlets.

The legal authority of the president to unilaterally stop the production of currency has also come into question. U.S. law provides the Treasury Secretary with the authority to mint coins "in amounts the secretary decides are necessary to meet the needs of the United States." Legal experts, like Laurence Tribe, suggest that if Secretary Bessent decides the necessary amount for pennies is zero, he would be acting within his legal rights.

The opposing view points to the consideration of broader legislative context. Over the years, Congress has seen numerous bills aimed at either suspending penny production, removing it from circulation, or rounding prices to the nearest nickel, none of which have passed into law. This historical legislative inaction indicates that any fundamental change in penny production might require Congressional approval rather than an executive directive.

The debate over pennies isn't new; former President Barack Obama in 2013 highlighted the penny as a metaphor for government inefficiencies, suggesting its discontinuation might save money, albeit not significantly.

Internationally, the U.S. isn't alone in contemplating the end of small change; Canada eliminated its penny in 2012 due to similar economic reasons. Other nations like Sweden, Australia, and New Zealand have also phased out their smallest coins over the years.

The executive order comes amidst a flurry of policy changes by the Trump administration, including significant tariff impositions on steel and aluminum imports, signaling a broader economic strategy.

While existing pennies will remain valid, the cessation of new production could lead to gradual phasing out through natural attrition. This move by Trump aligns with his broader agenda of government efficiency, as seen with the establishment of the Department of Government Efficiency (DOGE) led by Elon Musk, which has also highlighted the penny's cost inefficiency.

© Viconsortium 2026