

## **Trump wants to scrap pennies. What does that mean for the copper industry?**

*Russ Wiles, Arizona Republic, Feb. 17, 2025*

President Donald Trump has proposed or implemented major changes regarding border security, tariffs and even making Canada the 51<sup>st</sup> state. Now he has set his sights on the humble penny.

The Lincoln one-cent coin could be scrapped, with Trump ordering the Treasury Department and U.S. Mint to stop producing the coins. That followed an assertion by Elon Musk of the Department of Government Efficiency that halting production might save the government around \$180 million annually. Here's a bit more on what might transpire:

### **What did Trump say about pennies?**

Trump called the coins "wasteful" in that they cost more to produce than they're worth, in terms of their face values. He ordered the Treasury Department and the U.S. Mint to stop producing the coins. Trump said pennies "cost us more than 2 cents" to produce. Actually, each penny or Lincoln one-cent piece cost roughly 3.7 cents including overhead costs to make in fiscal 2024, the Mint reported.

### **Do other US coins cost more to make than they're worth?**

Nickels do, as each one costs almost 13.8 cents, according to the Mint. The other coins are worth more than their production expenses. Dimes cost about 5.8 cents, quarters cost 14.7 cents and half dollars cost about 34 cents, according to the Mint. Pennies and nickels have incurred production costs that exceed their face values for 19 straight years.

### **Will pennies disappear from circulation?**

Probably not, at least not anytime soon. There are billions already in circulation, and Trump's order pertains to new production, not use. But it's likely that consumers gradually will stop carrying them and merchants could stop accepting them.

### **If the penny is uneconomical, why do we keep producing it?**

The penny debate has arisen before, and skeptics have worried that businesses would tend to "round up" their prices to the closest nickel if the penny was eliminated, worsening inflation. That remains a possibility, and lower-income consumers could be hurt a bit more if that happens. However, the research is inconclusive, with rounding down also a possibility. Besides, there's also a benefit for consumers of not having to carry around so much spare change.

## **Have other nations stopped making their lowest-denomination coins?**

Yes. Several countries have stopped minting these coins including Australia, Belgium, Brazil, Canada, Chile, Finland, Hungary and New Zealand.

## **Is copper the primary metal used in pennies?**

Actually, no. The typical penny is around 97.5% zinc and only 2.5% copper. Since 1982, copper-plated pennies have been made primarily from zinc.

Ironically, the other mainstream coins are primarily made from copper, with roughly 75% content for nickels and more than 90% for dimes, quarters and half dollars.

## **Would major copper-producing areas be hurt by an end to penny production?**

Not by much. The metal has a bright future with rising demand, especially reflecting how well it conducts electricity, said Freeport-McMoran, the nation's largest producer of the metal. Copper increasingly is used in electric vehicles, power generation and other areas. The typical car contains more than 50 pounds of copper and the average home, about 400 pounds, according to a Freeport-McMoRan publication.

"Copper's role in the global economy is increasingly important," said company Chairman Richard Adkerson and CEO Kathleen Quirk in a recent statement.

The Phoenix-based corporation produced 4.2 billion pounds of copper in 2024, along with gold and other metals. Freeport earned a profit of \$6.9 billion last year on \$25.5 billion in revenue. Along with mining activity in Arizona and other states, it has major operations in Indonesia, Chile and Peru.

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