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IMPACT OF ELIMINATING THE PENNY ON THE UNITED STATES MINT'S COSTS AND PROFIT IN FISCAL YEAR 2011

Rodney J. Bosco
Kevin M. Davis

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Navigant Consulting, Inc. ("Navigant") was asked to estimate the impact of eliminating production of circulating pennies on costs incurred by the United States Mint (the "Mint").[1] The Mint shipped 4.29 billion pennies (valued at $42.9 million) during fiscal year 2011 at a reported cost of $103.1 million (2.4 cents per coin), resulting in a net loss of $60.2 million. However, eliminating production of the penny would not eliminate this loss, and could increase the overall loss to the Mint if production of the nickel was increased to substitute for no production of the penny.

We analyzed publicly available information on the Mint's past and projected operations to identify patterns in costs related to its product offerings. We observed the following:

- Cost reductions from eliminating the purchase of penny blanks will be largely offset by the loss of revenue from shipments to the Federal Reserve Banks (FRB). In other words, the payments received from the FRB ($42.9 million), which offset all but $4.3 million of the cost of penny blanks ($47.2 million), would not be received if the Mint eliminated production of the penny.

- The Mint's fabrication and distribution costs include fixed components that will continue to be incurred if the Mint eliminated the penny. Using FY 2011 balances and prior Mint disclosures, we have estimated this fixed component to be approximately $13 million.

- The Mint's total Selling, General & Administrative ("SG&A") expense is not sensitive to circulating coin demand or total sales. Thus, the $17.7 million in SG&A assigned to the circulating penny in FY 2011would have been reallocated to other products.

- Substitution of loss-generating nickels will offset potential cost reductions from eliminating the penny.

Without the penny, only $4.3 million in net cost reductions would have been likely in 2011, while an additional $25.2 million in cost reductions would have been possible, based on 2006 comments by the Mint regarding the amount of fixed production costs. However, the substitution of nickels for pennies would have resulted in an increased net loss to the Mint of as much as $10.9 million if penny production were not maintained. Our findings are summarized in Figure 1.

[1] This report was commissioned by Jarden Zinc Products, North America's leading plated coin blank producer and licensee of the Royal Canadian Mint's multi-ply plated steel technology.

Figure 1: Impact of Eliminating the Penny on Mint Costs and Profit in FY 2011 (millions)

	Penny produced? Yes (Actual)	No (Estimate)
Value of Shipments	$ 42.9	$ -
Gross Cost		
Cost of Goods Sold (purchase of penny blanks)	$ (47.2)	$ -
Cost of Goods Sold (fabrication and distribution)	$ (38.2)	$ (13.0)
Sales, General and Administrative (SG&A)	$ (17.7)	$ (17.7)
Profit (loss) before substitution effect	**$ (60.2)**	**$ (30.7)**
Substitution of 914 million Nickels for 4.3 billion Pennies		$ (40.4)
Profit (loss) after substitution effect		**$ (71.1)**

I. Cost Reductions from Eliminating the Purchase of Penny Blanks Will be Largely Offset by Revenue Losses from Shipments to the Federal Reserve Banks

The Mint purchases ready-to-strike penny blanks from an outside supplier. In fiscal year (FY) 2011, the average price paid was 1.1 cents per blank, according to one press report.[2] The Mint shipped 4.29 billion pennies to the FRB in FY 2011,[3] resulting in a cost of $47.2 million. Had the penny not been produced, those costs would not have been incurred.

The value of coins shipped to the FRB is revenue to the Mint. Thus, the value of the 4.29 billion pennies shipped to the FRB in FY 2011 was $42.9 million.[4] Had the penny not been produced, those revenues would not have been received.

The net reduction in cost had the penny not been produced in FY 2011 is equal to $47.2 million in cost less $42.9 million in revenue, or $4.3 million.

II. The Mint's Fabrication and Distribution Costs Include Fixed Components that Will Continue to be Incurred if the Mint Eliminated the Penny

Cost of Goods Sold, which comprise costs to fabricate and distribute coins, include outlays that do not decrease with reductions in production volume. In fact, the Mint itself has described in past Annual Reports how "fixed production costs" are spread over units produced:

[2] Chris Isidore, "Obama wants cheaper pennies and nickels," CNNMoney.com, February 15, 2012.
[3] United States Mint, 2011 Annual Report, page 11.
[4] Id.

- "When production volumes decline because of lower demand, fixed production costs are spread over fewer units. This offsets any per-unit gains from lower base metal costs. For example, the per-unit metal cost of a nickel fell about $0.0154 from $0.0815 in FY 2007 to $0.0661 in FY 2008. However, the per-unit fixed production costs increased $0.0082, resulting in only a small decline in the nickel overall unit cost. Similarly, the penny unit cost fell slightly from FY 2007 because of higher per-unit vendor fabrication costs offset lower per-unit metal costs. The unit costs for dime and quarter denominations increased in FY 2008 because of higher per-unit fixed production costs."[5]

- "When production volumes decline because of lower demand, production costs are spread over fewer units….The dime coin unit cost increased about 1.3 cents in FY 2009 largely because the 1.8 cent increase in per-unit production cost offset the 1.0 cent reduction in per-unit metal cost….Slight increases in per-unit production and SG&A costs did not offset the 3.1 cent decline in the five-cent coin's per-unit metal cost."[6]

The Mint has acknowledged that a portion of penny production costs are also fixed. In response to a question posed in a 2006 Congressional hearing, the Mint responded as follows:

> "**Question**: Do you have the ability to calculate how much the Mint would lose if we were to eliminate the penny and make more nickels?
>
> **Answer**: …the fixed costs associated with production of the penny would have to be absorbed by the remaining denominations of circulating coins. The total amount of fixed costs to be absorbed would be approximately $10.1 million over a fiscal year of production."[7]

The Mint's commentary can be seen graphically in Figure 2 (for the penny) and Figure 3 (for the nickel, dime and quarter), which compares shipments and per-unit non-raw material costs from FY 2002 through FY 2011. The lines cross at FY 2007, the year before the onset of the demand declines discussed by the Mint.[8] Shipments and per-unit costs diverge after FY 2007,[9] confirming the existence of fixed costs in the production process.

[5] United States Mint, 2008 Annual Report, page 29.
[6] United States Mint, 2009 Annual Report, page 30.
[7] Coin and Currency Issues Before Congress: Can We Still Afford Money?, Hearing Before the Subcommittee on Domestic and International Monetary Policy, Trade and Technology of the Committee on Financial Services, U.S. House of Representatives, One Hundred Ninth Congress, Second Session, July 19, 2006.
[8] Shipments in FY 2007 were lower than in FY 2006, but within the range of prior years.
[9] The same pattern was observed, separately, for the nickel, the dime, and the quarter.

Figure 2: Coins Shipped and Per-Unit Non-Raw Material Cost of Goods Sold, Fiscal Years 2002-2011 (Penny) [10]

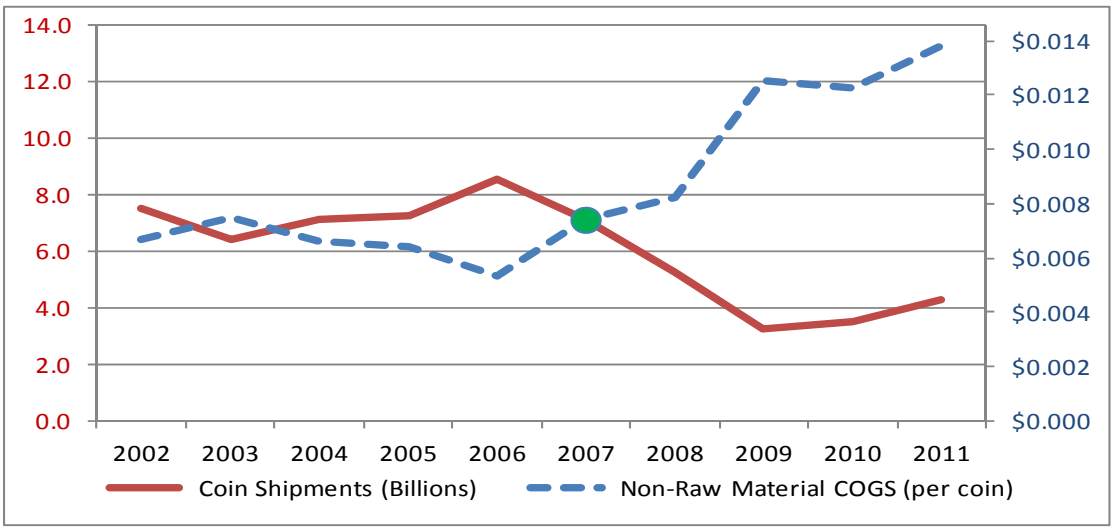
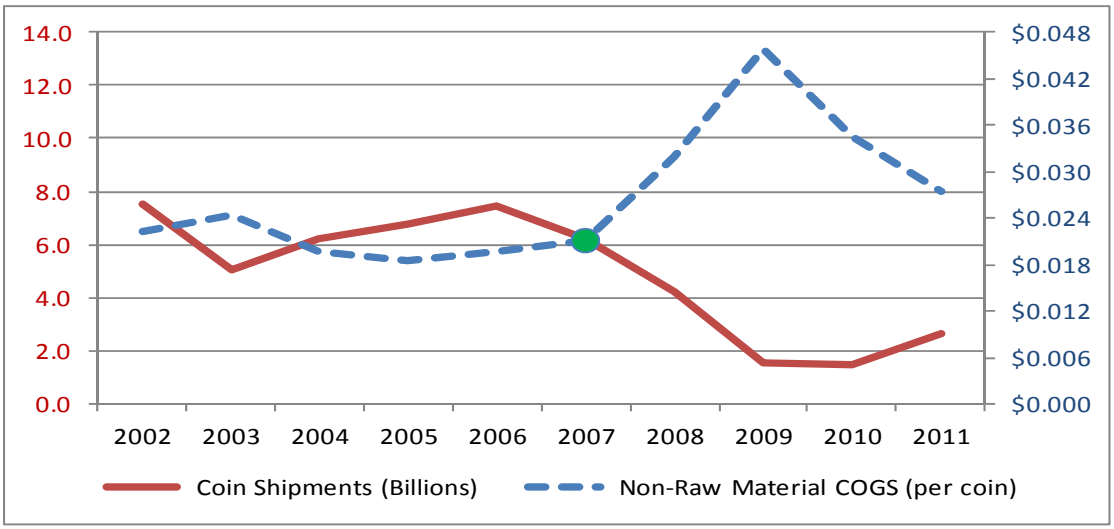


Figure 3: Coins Shipped and Per-Unit Non-Raw Material Cost of Goods Sold, Fiscal Years 2002-2011 (Nickel, Dime and Quarter) [11]



The Mint has not reported the fixed costs incurred in FY 2011 to produce the penny. However, insight may be gleaned by linking Mr. Lebryk's statement above to the Mint's costs at that time. In FY 2005 and FY 2006, non-raw material costs associated with the penny were $46.5 million and $45.2 million, respectively.[12] The $10.1 million in fixed costs cited by Mr. Lebryk represent 21.7% (FY 2005) and 22.3% (FY 2006) of the non-raw material

[10] Source: Appendix A-1.
[11] Source: Appendix A-2.
[12] Source: Appendix A-1. FY 2005 was the last full fiscal year prior to Mr. Lebryk's July 2006 testimony, which occurred during FY 2006.

costs, resulting in average fixed costs of 22% over the two years. We applied this average to the non-raw material costs of penny shipments incurred by the Mint in FY 2011 ($59.3 million)[13] and estimated fixed costs of $13.0 million for FY 2011 in the production of the penny. As production of the penny in FY 2011 was significantly less than in either FY 2005 or FY 2006, it is possible that fixed costs as a percent of total non-raw material costs in FY 2011 could be higher than we have calculated.

Cost of Goods Sold for penny shipments during FY 2011 was $85.4 million. Purchases of ready-to-strike blanks totaled $47.2 million (see Section I), leaving $38.2 million as the amount attributable to fabrication and distribution operations executed by the Mint. The fixed cost analysis performed above suggests that potential fabrication and distribution cost reductions from the Mint eliminating the penny would have been $25.2 million ($38.2 million less $13.0 million) in FY 2011.

III. The Mint's Total SG&A Expense Is Not Sensitive to Circulating Coin Demand or Total Sales

For FY 2011, the Mint assigned $17.7 million of SG&A expense to circulating pennies, equal to 0.41 cents for each penny shipped.[14] This was in stark contrast to prior years – a total of $5.1 million in SG&A had been assigned to circulating penny production for the nine-year period FY 2002 through FY 2010.[15]

Since FY 2004, the Mint's published financial statements do not report the individual expense items and amounts included in SG&A. However, we examined historical financial information reported by the Mint over the past decade (FY 2002 through FY 2011) and found that total SG&A expense is not sensitive to either the amount of total sales or the relative contributions of circulating and numismatic products.

Our findings are graphically depicted in Figures 4 and 5. In Figure 4 we compare SG&A to total sales from all products – annual sales grew by more than 170 percent while SG&A expense stayed relatively constant. In Figure 5 we compare SG&A to the distribution of total sales among circulating coins (lower bars) and numismatic products (upper bars) – circulating coins fell from 76% of total sales in 2002 to 16% in 2011 while SG&A stayed relatively constant.

[13] Source: Appendix A-1.
[14] United States Mint, 2011 Annual Report, page 11.
[15] United States Mint, Annual Report, 2002 through 2011. In FY 2011 the Mint changed the method it uses to allocate SG&A expense among its products from a gross margin basis to a gross cost basis. (United States Mint, 2011 Annual Report, page 10)

Figure 4: Total SG&A Expense and Total Sales, Fiscal Years 2002-2011 [16]

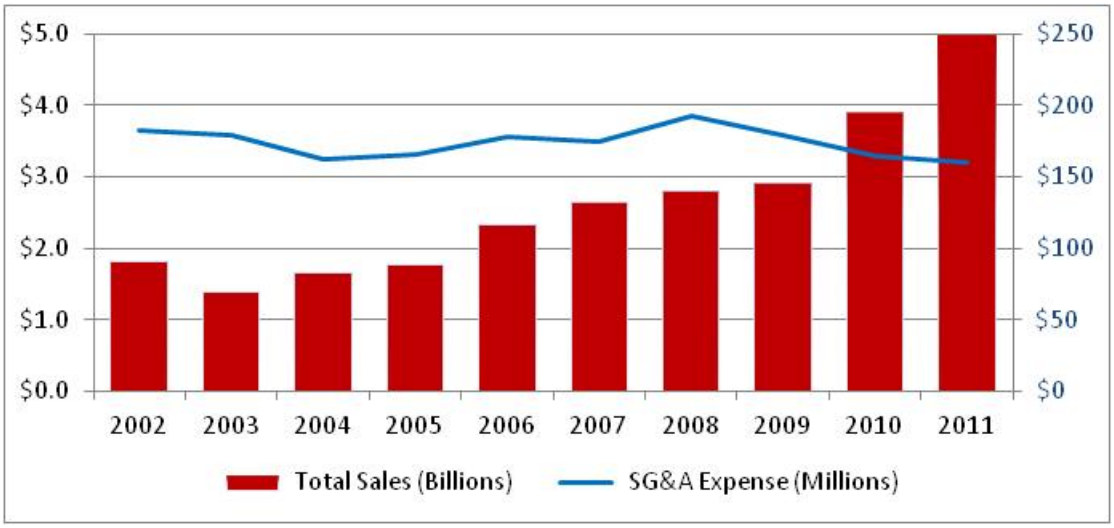
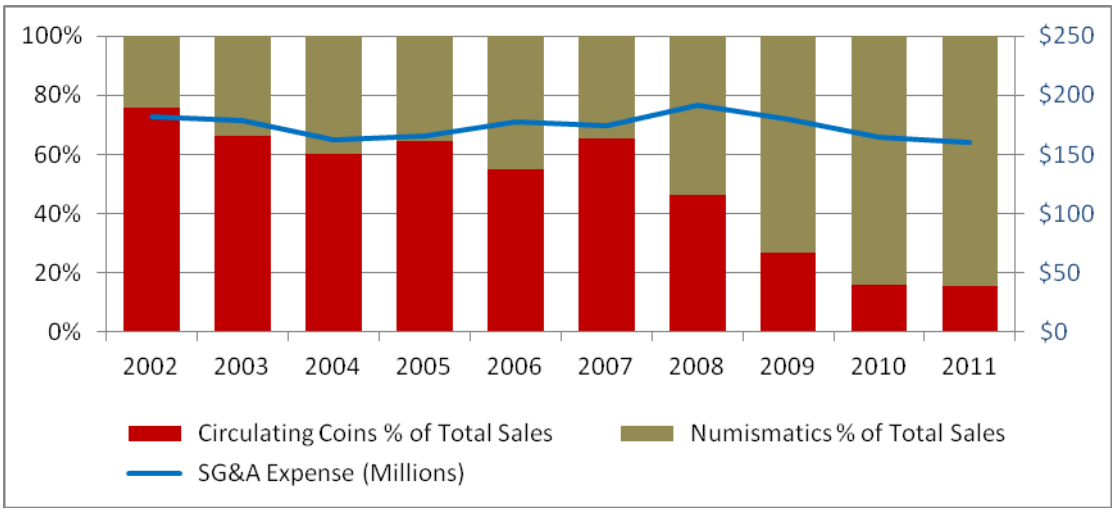


Figure 5: Total SG&A Expense and Composition of Sales, Fiscal Years 2002-2011 [17]

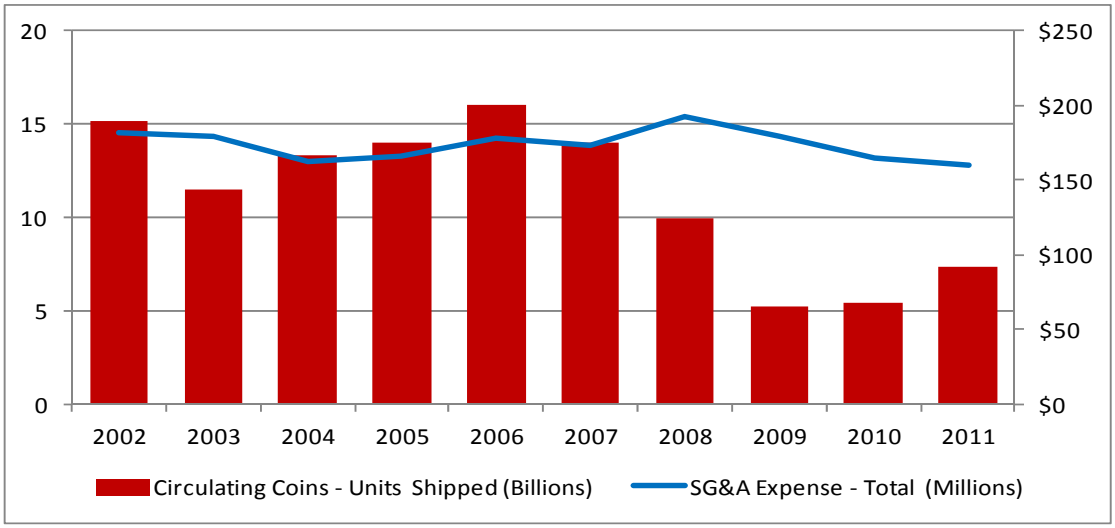


[16] Sources: Appendix B-1 (total sales) and Appendix B-2 (total SG&A expense).
[17] Sources: Appendix B-1 (shares of total sales) and Appendix B-2 (total SG&A expense).

In Figure 6 we compare total SG&A to the number of circulating coins shipped. While total SG&A stayed relatively constant throughout the period, there were three years in which circulating coin shipments fell by an amount comparable to the Mint's current (FY 2011) volume of penny shipments (4.3 billion coins):

- In FY 2003, relative to FY 2002, SG&A fell 2% while circulating coin shipments fell by 3.6 billion coins or 24%
- In FY 2008, relative to FY 2007, SG&A rose 10% while circulating coin shipments fell by 4.0 billion coins or 29%
- In FY 2009, relative to FY 2008, SG&A fell 7% while circulating coin shipments fell by 4.8 billion coins or 48%

Figure 6: Total SG&A Expense and Circulating Shipments, Fiscal Years 2002-2011 [18]



We conclude that eliminating the penny would not generate significant reductions in the Mint's SG&A expenses. Instead, it would simply result in the Mint reallocating SG&A expenses to other circulating coins and numismatic products.

IV. Substitution of Nickels for Pennies Would Offset Potential Cost Reductions

In a House Subcommittee hearing held in July 2006, acting Mint director David Lebryk was asked about the potential substitution effects that may occur if the penny were eliminated – specifically, what additional losses would the Mint incur if more nickels were demanded.[19] The question was likely prompted by Mr. Lebryk's statement that current

[18] Sources: Appendix B-1 (circulating coin shipments) and Appendix B-2 (total SG&A expense).
[19] Coin and Currency Issues Before Congress: Can We Still Afford Money?

production costs for the nickel exceeded the coin's face value.[20] Mr. Lebryk responded that the Mint was unable to model the potential substitution effect but acknowledged the potential for such substitutions by presenting a graph displaying "estimates of potential costs based on various scenarios."[21]

A scenario posed by Mr. Lebryk in his response envisioned nickel production doubling.[22] In FY 2011, the Mint shipped 914 million circulating nickels at an average Cost of Goods Sold of $0.0942,[23] resulting in a loss of $0.0442 ($0.0942 less $0.05) for each nickel shipped.[24] If Mr. Lebryk's scenario were applied to FY 2011 cost and shipment data, the Mint would have incurred a substitution-related loss of $40.4 million (914 million × $0.0442). In contrast, we have identified $4.3 million in net cost reductions in Section I, along with $25.2 million in non-raw material related Cost of Goods Sold net reductions in Section II, for a total of $29.5 million in possible net cost reductions if penny production had been eliminated. Thus, if Mr. Lebryk's substitution scenario were to occur, eliminating the penny would likely have resulted in increased net costs to the Mint, relative to the current state, of $10.9 million.

[20] Testimony of David A. Lebryk, July 19, 2006.
[21] Coin and Currency Issues Before Congress: Can We Still Afford Money?
[22] Coin and Currency Issues Before Congress: Can We Still Afford Money?
[23] United States Mint, 2011 Annual Report, page 11.
[24] The Mint also assigned SG&A of $16.1 million, or $0.0176 per coin shipped, to the nickel. For the reasons set forth in Section III, we have assumed that increased demand for nickels will not result in additional SG&A expense.

Non-Raw Material Cost of Goods Sold - Penny

Fiscal Year	Coins Shipped (millions) (A)	Non-Raw Material Cost Per Coin (B)	Non-Raw Material Cost Total (million $) (A) × (B) (C)
2002	7,520	$ 0.0067	$ 50.5
2003	6,430	$ 0.0075	$ 48.1
2004	7,130	$ 0.0066	$ 47.0
2005	7,220	$ 0.0064	$ 46.5
2006	8,500	$ 0.0053	$ 45.2
2007	7,084	$ 0.0074	$ 52.3
2008	5,272	$ 0.0082	$ 43.4
2009	3,218	$ 0.0125	$ 40.2
2010	3,487	$ 0.0123	$ 42.7
2011	4,289	$ 0.0138	$ 59.3

Source: Coins shipped: United States Mint, Annual Report, 2002-2011.
Non-Raw Material Cost (per coin): Appendix A-3.

Non-Raw Material Cost of Goods Sold per Coin - Nickel, Dime and Quarter

Fiscal Year	Coins Shipped				Non-Raw Material COGS							Per Coin (Nickel, Dime & Quarter)
					Per Coin			Total				
	Nickel	Dime	Quarter	Sum	Nickel	Dime	Quarter	Nickel	Dime	Quarter	Sum	
	(millions)				(dollars)			($ millions)				(dollars)
	(A)	(B)	(C)	(A)+(B)+(C) (D)	(E)	(F)	(G)	(A) × (E) (H)	(B) × (F) (I)	(C) × (G) (J)	(H)+(I)+(J) (K)	(K) ÷ (D) (L)
2002	1,302	2,633	3,616	7,551	$ 0.0173	$ 0.0145	$ 0.0299	$ 22.55	$ 38.27	$ 108.08	$ 168.90	$ 0.0224
2003	744	1,884	2,418	5,046	$ 0.0184	$ 0.0149	$ 0.0335	$ 13.71	$ 28.06	$ 80.98	$ 122.75	$ 0.0243
2004	1,392	2,569	2,242	6,203	$ 0.0185	$ 0.0134	$ 0.0277	$ 25.71	$ 34.55	$ 62.16	$ 122.42	$ 0.0197
2005	1,418	2,669	2,656	6,743	$ 0.0167	$ 0.0123	$ 0.0258	$ 23.61	$ 32.90	$ 68.59	$ 125.10	$ 0.0186
2006	1,452	3,019	3,004	7,475	$ 0.0131	$ 0.0135	$ 0.0292	$ 19.04	$ 40.87	$ 87.74	$ 147.66	$ 0.0198
2007	1,289	2,247	2,711	6,247	$ 0.0211	$ 0.0141	$ 0.0304	$ 27.20	$ 31.79	$ 82.52	$ 141.51	$ 0.0227
2008	647	1,070	2,510	4,227	$ 0.0269	$ 0.0167	$ 0.0411	$ 17.44	$ 17.82	$ 103.12	$ 138.37	$ 0.0327
2009	207	358	965	1,530	$ 0.0258	$ 0.0346	$ 0.0539	$ 5.34	$ 12.40	$ 51.98	$ 69.73	$ 0.0456
2010	359	887	252	1,498	$ 0.0404	$ 0.0274	$ 0.0514	$ 14.51	$ 24.32	$ 12.95	$ 51.79	$ 0.0346
2011	914	1,403	323	2,640	$ 0.0298	$ 0.0243	$ 0.0351	$ 27.24	$ 34.09	$ 11.32	$ 72.65	$ 0.0275

Source: Coins Shipped: United States Mint, Annual Report, 2002-2011.
Non-Raw material COGS (per coin): Appendix A-3.

Appendix A-2

Non-Raw Material Cost of Goods Sold per Coin
By Denomination and Fiscal Year

Fiscal Year	Penny			Nickel		
	Cost of Goods Sold [1]	Raw Material	Non-Raw Material	Cost of Goods Sold [1]	Raw Material	Non-Raw Material
	(A)	(B)	(A) - (B) (C)	(D)	(E)	(D) - (E) (F)
2002	$ 0.0087	$ 0.0020	$ 0.0067	$ 0.0309	$ 0.0136	$ 0.0173
2003	$ 0.0095	$ 0.0020	$ 0.0075	$ 0.0350	$ 0.0166	$ 0.0184
2004	$ 0.0092	$ 0.0026	$ 0.0066	$ 0.0450	$ 0.0265	$ 0.0185
2005	$ 0.0097	$ 0.0033	$ 0.0064	$ 0.0482	$ 0.0315	$ 0.0167
2006	$ 0.0121	$ 0.0068	$ 0.0053	$ 0.0596	$ 0.0465	$ 0.0131
2007	$ 0.0167	$ 0.0093	$ 0.0074	$ 0.0953	$ 0.0742	$ 0.0211
2008	$ 0.0142	$ 0.0060	$ 0.0082	$ 0.0883	$ 0.0614	$ 0.0269
2009	$ 0.0162	$ 0.0037	$ 0.0125	$ 0.0589	$ 0.0331	$ 0.0258
2010	$ 0.0179	$ 0.0056	$ 0.0123	$ 0.0922	$ 0.0518	$ 0.0404
2011	$ 0.0200	$ 0.0062	$ 0.0138	$ 0.0942	$ 0.0644	$ 0.0298

Fiscal Year	Dime			Quarter		
	Cost of Goods Sold [1]	Raw Material	Non-Raw Material	Cost of Goods Sold [1]	Raw Material	Non-Raw Material
	(G)	(H)	(G) - (H) (I)	(J)	(K)	(J) - (K) (L)
2002	$ 0.0189	$ 0.0044	$ 0.0145	$ 0.0408	$ 0.0109	$ 0.0299
2003	$ 0.0199	$ 0.0050	$ 0.0149	$ 0.0460	$ 0.0125	$ 0.0335
2004	$ 0.0214	$ 0.0080	$ 0.0134	$ 0.0476	$ 0.0199	$ 0.0277
2005	$ 0.0222	$ 0.0099	$ 0.0123	$ 0.0505	$ 0.0247	$ 0.0258
2006	$ 0.0297	$ 0.0162	$ 0.0135	$ 0.0696	$ 0.0404	$ 0.0292
2007	$ 0.0361	$ 0.0220	$ 0.0141	$ 0.0853	$ 0.0549	$ 0.0304
2008	$ 0.0377	$ 0.0210	$ 0.0167	$ 0.0937	$ 0.0526	$ 0.0411
2009	$ 0.0464	$ 0.0118	$ 0.0346	$ 0.0833	$ 0.0294	$ 0.0539
2010	$ 0.0459	$ 0.0185	$ 0.0274	$ 0.0976	$ 0.0462	$ 0.0514
2011	$ 0.0478	$ 0.0235	$ 0.0243	$ 0.0938	$ 0.0587	$ 0.0351

[1] Includes Distribution to Federal Reserve Banks.

Source: Cost of Goods Sold: United States Mint, Annual Report, 2002-2011.
Raw Material: Appendices A-4 through A-7.

Material Cost of U.S. Circulating Coins - Penny

Fiscal Year		Copper	Zinc	Total
2011:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 9,104.04	$ 2,297.80	
	Material cost per coin	$ 0.0006	$ 0.0056	$ 0.0062
2010:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 7,043.74	$ 2,135.13	
	Material cost per coin	$ 0.0004	$ 0.0052	$ 0.0056
2009:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 4,478.95	$ 1,403.71	
	Material cost per coin	$ 0.0003	$ 0.0034	$ 0.0037
2008:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 7,786.78	$ 2,245.49	
	Material cost per coin	$ 0.0005	$ 0.0055	$ 0.0060
2007:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 7,098.21	$ 3,639.43	
	Material cost per coin	$ 0.0004	$ 0.0089	$ 0.0093
2006:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 6,039.99	$ 2,626.48	
	Material cost per coin	$ 0.0004	$ 0.0064	$ 0.0068
2005:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 3,373.84	$ 1,250.22	
	Material cost per coin	$ 0.0002	$ 0.0030	$ 0.0033
2004:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 2,605.25	$ 1,001.52	
	Material cost per coin	$ 0.0002	$ 0.0024	$ 0.0026
2003:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 1,652.64	$ 788.20	
	Material cost per coin	$ 0.0001	$ 0.0019	$ 0.0020
2002:	Amount of material (MT)	0.0000000625	0.0000024375	
	Average cost per MT	$ 1,528.99	$ 777.25	
	Material cost per coin	$ 0.0001	$ 0.0019	$ 0.0020

Note: Material specifications are listed in grams. A metric ton (MT) equals 1,000,000 grams.

Source: <http://www.usmint.gov/about_the_mint/?action=coin_specifications>; and <http://www.imf.org/external/np/res/commod/index.aspx>.

Material Cost of U.S. Circulating Coins - Nickel

Fiscal Year		Copper	Nickel	Total
2011:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 9,104.04	$ 24,206.76	
	Material cost per coin	$ 0.0341	$ 0.0303	$ 0.0644
2010:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 7,043.74	$ 20,292.75	
	Material cost per coin	$ 0.0264	$ 0.0254	$ 0.0518
2009:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 4,478.95	$ 13,026.23	
	Material cost per coin	$ 0.0168	$ 0.0163	$ 0.0331
2008:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 7,786.78	$ 25,720.37	
	Material cost per coin	$ 0.0292	$ 0.0322	$ 0.0614
2007:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 7,098.21	$ 38,063.18	
	Material cost per coin	$ 0.0266	$ 0.0476	$ 0.0742
2006:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 6,039.99	$ 19,068.39	
	Material cost per coin	$ 0.0226	$ 0.0238	$ 0.0465
2005:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 3,373.84	$ 15,117.51	
	Material cost per coin	$ 0.0127	$ 0.0189	$ 0.0315
2004:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 2,605.25	$ 13,408.09	
	Material cost per coin	$ 0.0098	$ 0.0168	$ 0.0265
2003:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 1,652.64	$ 8,302.13	
	Material cost per coin	$ 0.0062	$ 0.0104	$ 0.0166
2002:	Amount of material (MT)	0.0000037500	0.0000012500	
	Average cost per MT	$ 1,528.99	$ 6,278.13	
	Material cost per coin	$ 0.0057	$ 0.0078	$ 0.0136

Note: Material specifications are listed in grams. A metric ton (MT) equals 1,000,000 grams.

Source: <http://www.usmint.gov/about_the_mint/?action=coin_specifications>; and <http://www.imf.org/external/np/res/commod/index.aspx>.

Material Cost of U.S. Circulating Coins - Dime

Fiscal Year		Copper	Nickel	Total
2011:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 9,104.04	$ 24,206.76	
	Material cost per coin	$ 0.0189	$ 0.0046	$ 0.0235
2010:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 7,043.74	$ 20,292.75	
	Material cost per coin	$ 0.0146	$ 0.0038	$ 0.0185
2009:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 4,478.95	$ 13,026.23	
	Material cost per coin	$ 0.0093	$ 0.0025	$ 0.0118
2008:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 7,786.78	$ 25,720.37	
	Material cost per coin	$ 0.0162	$ 0.0049	$ 0.0210
2007:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 7,098.21	$ 38,063.18	
	Material cost per coin	$ 0.0148	$ 0.0072	$ 0.0220
2006:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 6,039.99	$ 19,068.39	
	Material cost per coin	$ 0.0126	$ 0.0036	$ 0.0162
2005:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 3,373.84	$ 15,117.51	
	Material cost per coin	$ 0.0070	$ 0.0029	$ 0.0099
2004:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 2,605.25	$ 13,408.09	
	Material cost per coin	$ 0.0054	$ 0.0025	$ 0.0080
2003:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 1,652.64	$ 8,302.13	
	Material cost per coin	$ 0.0034	$ 0.0016	$ 0.0050
2002:	Amount of material (MT)	0.0000020790	0.0000001890	
	Average cost per MT	$ 1,528.99	$ 6,278.13	
	Material cost per coin	$ 0.0032	$ 0.0012	$ 0.0044

Note: Material specifications are listed in grams. A metric ton (MT) equals 1,000,000 grams.

Source: <http://www.usmint.gov/about_the_mint/?action=coin_specifications>; and <http://www.imf.org/external/np/res/commod/index.aspx>.

Material Cost of U.S. Circulating Coins - Quarter

Fiscal Year		Copper	Nickel	Total
2011:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 9,104.04	$ 24,206.76	
	Material cost per coin	$ 0.0473	$ 0.0114	$ 0.0587
2010:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 7,043.74	$ 20,292.75	
	Material cost per coin	$ 0.0366	$ 0.0096	$ 0.0462
2009:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 4,478.95	$ 13,026.23	
	Material cost per coin	$ 0.0233	$ 0.0061	$ 0.0294
2008:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 7,786.78	$ 25,720.37	
	Material cost per coin	$ 0.0405	$ 0.0121	$ 0.0526
2007:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 7,098.21	$ 38,063.18	
	Material cost per coin	$ 0.0369	$ 0.0180	$ 0.0549
2006:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 6,039.99	$ 19,068.39	
	Material cost per coin	$ 0.0314	$ 0.0090	$ 0.0404
2005:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 3,373.84	$ 15,117.51	
	Material cost per coin	$ 0.0175	$ 0.0071	$ 0.0247
2004:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 2,605.25	$ 13,408.09	
	Material cost per coin	$ 0.0135	$ 0.0063	$ 0.0199
2003:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 1,652.64	$ 8,302.13	
	Material cost per coin	$ 0.0086	$ 0.0039	$ 0.0125
2002:	Amount of material (MT)	0.0000051980	0.0000004720	
	Average cost per MT	$ 1,528.99	$ 6,278.13	
	Material cost per coin	$ 0.0079	$ 0.0030	$ 0.0109

Note: Material specifications are listed in grams. A metric ton (MT) equals 1,000,000 grams.

Source: <http://www.usmint.gov/about_the_mint/?action=coin_specifications>; and <http://www.imf.org/external/np/res/commod/index.aspx>.

Revenue by Line of Business
(Millions of Dollars)

Fiscal Year	Numismatic Products			Circulating Coins	Total	Circulating Share of Total
	Bullion	Other [1]	Sum			
	(A)	(B)	(A) + (B) (C)	(D)	(C) + (D) (E)	(D) ÷ (E) (F)
2002	$ 186.7	$ 253.3	$ 440.0	$ 1,364.2	$ 1,804.2	76%
2003	$ 235.4	$ 234.9	$ 470.3	$ 916.1	$ 1,386.4	66%
2004	$ 315.7	$ 341.2	$ 656.9	$ 993.5	$ 1,650.4	60%
2005	$ 270.7	$ 355.4	$ 626.1	$ 1,144.8	$ 1,770.9	65%
2006	$ 536.6	$ 514.9	$ 1,051.5	$ 1,271.9	$ 2,323.4	55%
2007	$ 356.1	$ 551.5	$ 907.6	$ 1,727.8	$ 2,635.4	66%
2008	$ 948.8	$ 557.2	$ 1,506.0	$ 1,294.5	$ 2,800.5	46%
2009	$ 1,694.8	$ 440.0	$ 2,134.8	$ 777.6	$ 2,912.4	27%
2010	$ 2,855.4	$ 413.1	$ 3,268.5	$ 618.2	$ 3,886.7	16%
2011	$ 3,471.4	$ 721.7	$ 4,193.1	$ 776.9	$ 4,970.0	16%

[1] Includes collectible coins and national medals.

Source: United States Mint, Annual Report, 2002-2011.

SG&A Expense by Line of Business
(Millions of Dollars)

Fiscal Year	Numismatic Products			Circulating Coins	Total
	Bullion	Other [1]	Sum		
	(A)	(B)	(A) + (B) (C)	(D)	(C) + (D) (E)
2002	$ 1.6	$ 58.1	$ 59.7	$ 122.4	$ 182.1
2003	$ 1.4	$ 69.6	$ 71.0	$ 107.9	$ 178.9
2004	$ 0.6	$ 73.1	$ 73.7	$ 88.9	$ 162.6
2005	$ 0.8	$ 78.8	$ 79.6	$ 85.9	$ 165.5
2006	$ 1.4	$ 81.5	$ 82.9	$ 94.6	$ 177.5
2007	$ 1.6	$ 78.9	$ 80.5	$ 93.5	$ 174.0
2008	$ 8.4	$ 86.7	$ 95.1	$ 97.0	$ 192.1
2009	$ 12.1	$ 69.2	$ 81.3	$ 98.1	$ 179.4
2010	$ 21.8	$ 64.7	$ 86.5	$ 78.2	$ 164.7
2011	$ 26.8	$ 64.7	$ 91.5	$ 63.4	$ 154.9

[1] Includes collectible coins and national medals.

Source: United States Mint, Annual Report, 2002-2011.