

Annual Report to the Congress on the Presidential \$1 Coin Program

September 2018

Board of Governors of the Federal Reserve System

www.federalreserve.gov



Background

Pursuant to section 104 of the Presidential \$1 Coin Act of 2005 (Public Law 109-145), the Board of Governors of the Federal Reserve System (Board) is required to submit an annual report to the Congress that includes an assessment of the remaining obstacles to the efficient and timely circulation of \$1 coins; consultations with representatives from vending and other coin-accepting industries and organizations to encourage the acceptance of \$1 coins; and recommendations for legislative action that the Board may determine to be appropriate.

Recent Activities

The United States Mint has not produced Presidential \$1 coins for circulation since December 2011 but continues to produce them for collectors.¹ As a result, the Federal Reserve Banks (Reserve Banks) meet depository institution demand with existing \$1 coin inventories. Similar to their feedback in previous years, depository institutions continue to indicate that there are no operational challenges associated with distributing the \$1 coin, and the Board has not received any questions or inquiries on this topic.²

\$1 Coin Inventories

Reserve Bank inventories of \$1 coins decreased by \$62 million over the past year, to nearly \$1.16 billion as of June 30, 2018 (see table 1 below). Inventories are about \$1.09 billion more than the Reserve Banks held before the start of the Presidential \$1 coin program. Assuming current levels of demand continue, Reserve Bank inventories will decrease slowly over time. We estimate that Reserve Banks hold sufficient \$1 coin inventory to meet demand for nearly 25 years.³

Table 1. Quarterly Reserve Bank (RB) \$1 coin inventories, mint orders, receipts, and payments

Millions of dollars

Quarter	1	2	3	4	5
	Beginning RB inventory	Mint orders	RB receipts from circulation	RB payments to circulation	Ending RB inventory 1+2+3-4
Q1/2008	368	119	87	153	421
Q2/2008	421	109	82	137	475
Q3/2008	475	96	93	138	526
Q4/2008	526	104	88	138	580
Q1/2009	580	96	92	119	649
Q2/2009	649	87	88	122	702

(continued)

¹ Treasury's announcement can be found at <https://www.treasury.gov/connect/blog/Pages/Reducing-the-Surplus-Dollar-Coin-Inventory-Saving-Taxpayer-Dollars.aspx>.

² Beginning in 2008, the Federal Reserve and the United States Mint agreed to meet with their respective coin user groups through normal channels each year of the program and share feedback as appropriate.

³ This calculation reflects how long the current stock of inventory could meet demand, based on average demand over the past five years.

Table 1.—continued

Quarter	1	2	3	4	5
	Beginning RB inventory	Mint orders	RB receipts from circulation	RB payments to circulation	Ending RB inventory 1+2+3-4
Q3/2009	702	85	118	117	788
Q4/2009	788	77	123	110	878
Q1/2010	878	89	108	120	954
Q2/2010	954	72	92	105	1,013
Q3/2010	1,013	88	96	123	1,074
Q4/2010	1,074	96	97	130	1,137
Q1/2011	1,137	86	101	116	1,208
Q2/2011	1,208	88	101	124	1,273
Q3/2011	1,273	92	129	129	1,365
Q4/2011	1,365	95	103	143	1,420
Q1/2012	1,420	0	86	72	1,434
Q2/2012	1,434	0	58	60	1,432
Q3/2012	1,432	0	60	52	1,440
Q4/2012	1,440	0	50	62	1,428
Q1/2013	1,428	0	54	60	1,422
Q2/2013	1,422	0	53	66	1,409
Q3/2013	1,409	0	50	74	1,385
Q4/2013	1,385	0	49	55	1,379
Q1/2014	1,379	0	49	50	1,378
Q2/2014	1,378	0	50	70	1,358
Q3/2014	1,358	0	54	54	1,358
Q4/2014	1,358	0	49	66	1,341
Q1/2015	1,341	0	48	54	1,335
Q2/2015	1,335	0	44	58	1,321
Q3/2015	1,321	0	48	67	1,302
Q4/2015	1,302	0	46	55	1,293
Q1/2016	1,293	0	47	52	1,288
Q2/2016	1,288	0	40	52	1,276
Q3/2016	1,276	0	45	58	1,263
Q4/2016	1,263	0	45	55	1,254
Q1/2017	1,254	0	46	58	1,241
Q2/2017	1,241	0	42	66	1,217
Q3/2017	1,217	0	46	64	1,199
Q4/2017	1,199	0	44	60	1,183
Q1/2018	1,183	0	41	59	1,164
Q2/2018	1,164	0	44	53	1,155

Note: Reserve Bank payments to circulation do not include the \$1 coins that the United States Mint has issued directly into circulation. The United States Mint has indicated that it issued directly to circulation \$77 million Native American \$1 coins through its Direct Ship program in 2011, and \$1.4 million in 2012. The United States Mint discontinued the Direct Ship program in early 2012.

Future Reporting and Recommendation for Legislative Action

To ensure compliance with the Presidential \$1 Coin Act, the Federal Reserve will continue to fulfill depository institutions' demand for \$1 coins with existing inventory, while the United States Mint will meet collector demand for new designs through direct sales.

In its 2012 submission of this annual report as well as subsequent reports, the Board recommended the elimination of the annual reporting requirement of the Presidential \$1 Coin Act, by striking section 5112(p)(3)(B) of title 31 of the United States Code. We continue to recom-

mend this action. Earlier in 2012, Secretary Geithner suspended production of the Presidential \$1 coins for circulation, and in 2016, after production of collectors' coins depicting the last eligible president (Ronald Reagan), the program ended.

Quarterly information on Reserve Bank inventory levels, as well as information on Reserve Bank orders, receipts, and payments of \$1 coins, is available on the Board's public website at http://www.federalreserve.gov/paymentsystems/coin_data.htm.

