

Board of Governors of the Federal Reserve System



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

July 2014

2014 Annual Report to the Congress on the Presidential \$1 Coin Program

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 industry representatives, the vending industry, and other coin-accepting 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.

In the past year, the Federal Reserve met with depository institutions and gathered feedback about demand for \$1 coins and potential obstacles to their circulation.² Similar to their feedback in 2012, depository institutions indicated that there are no operational challenges associated with distributing the \$1 coin, and that they have received only a few questions from customers about obtaining newly minted \$1 coins. Board staff also received only a few inquiries on this topic. Additionally, in a GAO report issued in October 2013, depository institution officials and coin terminal operators stated that \$1 coins are readily available to the public throughout the country, but there is very low public demand for the coins.³

\$1 Coin Inventories

Reserve Bank inventories of \$1 coins decreased by about \$50 million over the past year, to approximately \$1.36 billion as of June 30, 2014 (see table). Inventories are about \$1.29 billion more than the Reserve Banks held before the start of the Presidential \$1 coin program. We believe Reserve Bank inventories will continue to decrease slowly over time. We estimate that Reserve Banks currently hold about 30 years of \$1 coin inventory, assuming continuation of current levels of demand.

¹ Treasury's announcement can be found at <http://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<http://www.gao.gov/assets/660/658599.pdf>.

Quarterly \$1 Coin Inventories, Mint Orders, Receipts, & Payments					
(\$ millions)					
QUARTER	1 BEGINNING RB INVENTORY	2 MINT ORDERS	3 RECEIPTS FROM CIRCULATION	4 RB PAYMENTS TO CIRCULATION	5 ENDING RB INVENTORY 1+2+3-4
Q1/2007	67	301	47	250	165
Q2/2007	165	201	69	223	212
Q3/2007	212	171	87	178	292
Q4/2007	292	144	85	153	368
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
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

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 program was discontinued in early 2012.

Information on the Federal Reserve's \$1 coin inventory levels, payments to circulation, and receipts from circulation is available on the Board's public website at http://www.federalreserve.gov/paymentsystems/coin_data.htm and is updated quarterly.