

Adding Up Pennies



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Do you have a piggy bank for saving money? How many pennies, or one-cent pieces, do you have? Some people have lots of pennies because they rarely use them. Some countries, too, rarely use pennies. In addition, it can cost more to make pennies than they are worth. For these reasons, some countries are phasing out small coins.

In 2012, Canada began to phase out pennies. This process helps the Canadian government save about \$11 million dollars a year. But what would happen if you needed pennies? Suppose you were visiting Canada, and you wanted to buy a bottle of water and a key chain. You would owe the store \$5.92. Because you were paying with cash, though, your total would be rounded down to \$5.90. No pennies would be needed.

If you were paying with a credit card or check, however, the amount would not be rounded. Instead, people who use credit cards and checks pay the exact

amount. Businesses in Canada can accept pennies, but they cannot give pennies back to customers.

The process of making coins is called minting. Many countries have their own mint, or place that makes coins. That's because most countries have their own system of currency, or money. Coins are made by melting metals. The liquid is poured into sheets and cooled. A metal stamp is used to cut out the coins. Then they're stamped with images. This process is called striking. For example, in the United States, the mint strikes Abraham Lincoln's head on pennies. After striking, coins are inspected and counted. Finally, trucks take them to banks.

Some countries are phasing out more than pennies. Australia is one country that is becoming a cashless society. A cashless society uses no paper money or coins.

Despite these examples, the United States is not planning to phase out pennies. So for now, keep saving pennies. Soon, you'll save enough to buy something special.



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