

Is Coin Circulation Declining?

Important facts to consider when adding self-service coin machines to your business.

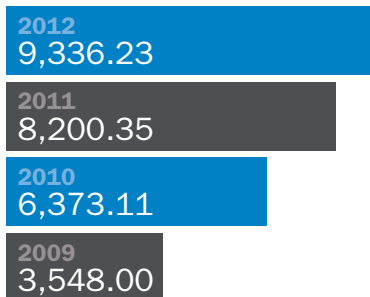
Coin production continues to rise

It may surprise you to learn that coin production is a steadily increasing business for the U.S. Mint. Since its origin in 1792, the Mint has grown to a more than \$1 billion enterprise and is the world's largest manufacturer of coins, medals and numismatic (collectable coin) products. Since 2009, circulating coin production has increased by 163%. In fact, U.S. coin production soared to over \$1.2 billion coins in January, 2013, a level not seen since the Great Depression.¹

Coin redemption is good business, with Coinstar reporting over 77 MM, in transactions per year, a number that has steadily grown year over year.² If you are considering whether or not to add coin counting machines to your store or lobby, the facts made a compelling case to do so.

Circulating Coin Production Annual Totals

(figures in millions)



Americans are coin savers

Eighty percent of U.S. households save coins, a fact that's not too surprising, considering the long-standing tradition of the piggy bank. Of those who do save, the majority prefer redeeming at a financial institution. However, the percentage of those that redeem at a local grocer is not insignificant, with 34% preferring the

convenience of this option. Regardless of where people choose to redeem their coins, there is a very significant volume. This translates into good business for those who offer this service. Studies show that approximately \$11 billion is redeemed annually – providing the opportunity for many businesses to gain from this activity.

Figure 1 – Coin redemption behavior of consumers that save coin³

Redemption method/location	% of total coin savers	# of US households	Redeemed avg/visit	Redeemed avg/year	Redeemed total/yr	Redeemed % Retail	Redeemed % FIs
Uses self-service coin at retail	34%	18MM	\$104	\$200	\$3.6B	32%	
Uses self-service coin at FI	11%	6MM	\$141	\$260	\$1.6B		14%
Brings loose coin to FI	19%	10MM	\$172	\$315	\$3.2B		29%
Brings rolled coin to FI	26%	13MM	\$86	\$185	\$2.4B		21%
Totals	90.00%	47 MM	\$126	\$240	\$10.8B	32%	64%
Ad hoc/does not cash in	10%	n/a	n/a	n/a	n/a	4%	4%

Cummins Allison is a coin processing expert

If you're looking to add coin counting services to your business, we can help. Owning, leasing, renting or even using a placement model is an important decision and we can help you sort out which solution best fits your business needs. We'll even provide a personalized assessment report, including all the details you need to make an informed decision. It makes good cents.

Contact us today for your personalized report at cumminsallison.com/change

¹ CoinNews.net

² 2013 Coinstar 2013 Analyst Day, February 27, 2013

³ 2011 Branmark study