



Shortage Of Coins Makes For No Change - Currency Dynamic

A reduction in the use of cash may have escalated a shortage of coins throughout the country. Retail stores and grocery stores across the country are experiencing a shortage of coins that has resulted from fewer coins being exchanged and spent since the onset of the pandemic.

In order to stimulate coin circulation, the U.S. Mint is asking Americans to use any spare change they may have to increase the circulation of coins. A dramatic drop in retail sales wasn't the only cause of the shortage, but a drop in coin production at the U.S. Mint was also the culprit. Many federal employees for the U.S. Mint were shuttered from work as coronavirus infections spread throughout private and government work places.

Coins are used widely throughout the economy by consumers for a host of various products and services. Federal Reserve data from 2018 shows that 49% of goods and services under \$10 were paid for in cash. Services such as laundromats traditionally require coins for payment.

The onset of the pandemic brought about a dramatic reduction in the use of coins, leading to a widespread shortage among retail stores, banks and even the Federal Reserve.

Sources: U.S. Mint, Federal Reserve