

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8597
June 29, 1979

SUSAN B. ANTHONY DOLLAR COIN

*To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

The following announcement is being issued by the Board of Governors of the Federal Reserve System, and the Treasury Department:

The Federal Reserve and the Department of the Treasury will release the new Susan B. Anthony dollar coin Monday, July 2.

Some 500 million coins have been minted and more are on the way. The coin should be available in over 90 percent of the country by the end of the week.

The coin, which bears the likeness of Susan B. Anthony on the face, costs somewhat more than the dollar bill to produce but lasts for 15 years. A \$1 bill lasts about 18 months.

The coin is slightly larger than a quarter and slightly smaller than a half dollar.

Total savings for the American taxpayer could reach as high as \$50 million a year, if the coin is substituted for the bill.

The new Susan B. Anthony dollar coin, which will be introduced Monday, will result in a more economical monetary system for the Federal Government and private industry. Commercial users will find that faster, easier handling of the coin, as well as its anticipated widespread acceptance by vending and change-making machines, will lead to more efficient operations.

In addition, the Federal Government will experience substantial savings in production costs because the dollar coin can be expected to remain in circulation in good condition for 15 years or more compared to the approximate 18-month useful life of the dollar bill. According to Federal Reserve estimates, total savings through reductions in printing, processing, and destruction costs for dollar bills could reach \$50 million a year if the coin is substituted for the dollar bill. These savings would accrue directly to the American taxpayer.

Because of these significant potential savings resulting from the increased use of the dollar coin, the Treasury and the Federal Reserve have initiated a study to determine the currency and coin needs of the American public in the future.

The study will consider the various implications of substituting the dollar coin for the dollar bill and the possible development of specific plans for achieving that objective. Present plans call for the production of both.

After ample supplies of the new coin are in circulation, public acceptance measured, and the study completed, continued production of both will be reappraised with an eye toward the feasibility of eventual replacement of the dollar bill with the dollar coin.

PAUL A. VOLCKER,
President.