

# *United States Mint*

## **REPORT TO CONGRESS**

### *On the Marketing of the Golden Dollar* *March 30, 2001*

As required under Public Law 105-124, the United States Mint respectfully submits this *Report to Congress* regarding the marketing and promotional efforts for the Golden Dollar coin program. Specifically, this report will provide “information assessing the nature and extent to which the Golden Dollar is being used in commerce,” as well as outline “recommendations and plans to encourage and facilitate the use of the new coin in commerce.”<sup>1</sup>

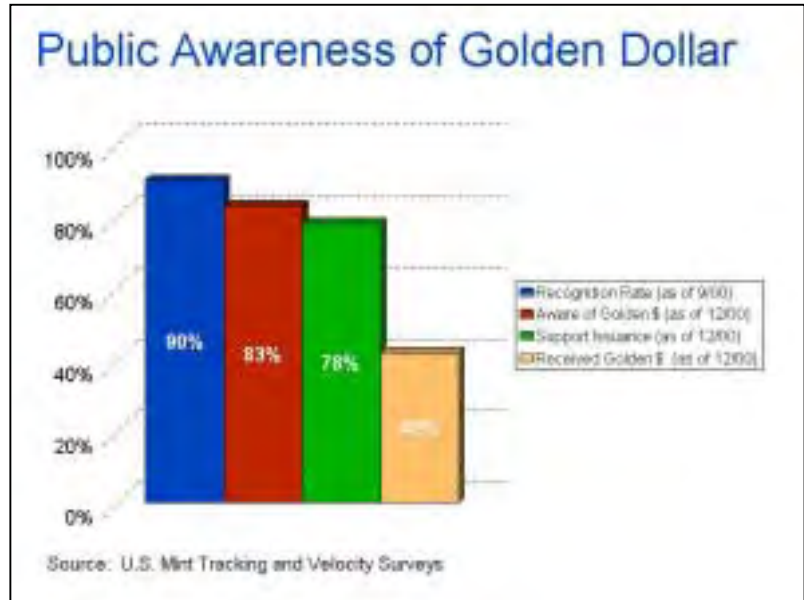


The U.S. Mint understands that assuring the public’s acceptance of the Golden Dollar means getting Americans to change their daily habits. Therefore, it began a marketing campaign that identified three primary objectives for the program: raise public awareness, facilitate public acceptance, and change public behavior. The first year of the program would concentrate heavily on public awareness and education. Then the emphasis would transition from a mass marketing approach to a targeted marketing approach in an effort to facilitate public acceptance and change public behavior. Eight business sectors were identified as target markets: financial institutions, retailers, grocery stores, fast food restaurants, the vending industry, transit authorities, government agencies, and the entertainment industry. The Mint also knew that for the coin to be widely used it would have to be easily distinguishable from other coins and possess a design that captured the public’s eye. Between the time the legislation was passed and when the Golden Dollar went into circulation in January 2000, the Mint worked closely with the American public, coin collectors, businesses, Congress, government agencies, and others to assure the coin was easy to recognize, was attractive and well received. The Mint is successfully



meeting these goals. Of the more than **one billion** Golden Dollars produced last year, 700 million were released into circulation — to the public and commerce — to meet demand.

Over the past year, the U.S. Mint studied public response to the new dollar through a series of surveys, marketing assessment studies, focus group meetings, and analyses.<sup>2</sup> As of December 2000, the Mint can report 83 percent of Americans are aware of the Golden Dollar, and nearly 78 percent support its issuance. The Mint also learned in December 2000 that 42 percent of American adults have received a Golden Dollar,<sup>3</sup> and 66 percent of consumers say they are saving the new coins.<sup>4</sup> The fact



that the new coin is both golden in color and dated 2000 in its inaugural year makes it irresistible to collectors and non-collectors alike. On average, most adults expect to collect and save about six Golden Dollars before spending one.<sup>5</sup>

In addition, 57 percent of American adults surveyed in May 2000 said they would be likely to use Golden Dollars for everyday transactions once the coin becomes commonly circulated as everyday change.<sup>6</sup> Twenty-nine percent of adults surveyed in September 2000 said they would prefer to receive Golden Dollars as change as opposed to paper dollars.<sup>7</sup>

A Wall Street Journal/NBC News survey mirrors the U.S. Mint findings. In a March 8, 2001 article, the poll found that “half of Americans have received the Golden Dollar coins, and they are a popular item with the consumers who get them.”<sup>8</sup>

However, the Mint’s marketing effort has not been without major hurdles. Early in the campaign there was much misinformation and many misconceptions that needed to be corrected and overcome. The public’s prejudice against ANY dollar coin was the first major obstacle the Mint had to rise above. The Susan B. Anthony (SBA) dollar had greatly influenced public opinion — good and bad — about having a circulating dollar coin over the 21 years of the program. Although the economic demand for a dollar coin was great, the American public did

not see much use for one. As a result, a detailed and deliberate public awareness campaign was launched.

Another issue: Banks and credit unions were reluctant to order dollar coins and without the buy-in of financial institutions, the new Golden Dollar could have followed in the SBA's footsteps. The Mint has worked closely with banks and other financial institutions to assure that



Golden Dollars circulate in commerce, but it still meets with some resistance.

Another misperception is that Golden Dollars are languishing in Federal Reserve Banks (FRB). As the graphic shows, there are more pennies, nickels, and dimes at the FRBs than dollar coins. Also, there were not more than 39.2 million Golden Dollars at any one FRB location as of March 16, 2001.

This report will detail the enormously successful launch of the Golden Dollar, the process which led to the selection of the coin's beautiful design, and the acceptance of the coin by the American people. It also will describe the U.S. Mint's past, present, and future marketing efforts to promote the Golden Dollar and its use.

## Overview

In late 1997, the U.S. Senate and the House of Representatives passed a bill authorizing the United States Mint to produce a dollar coin that

“ . . . shall be golden in color, have a distinctive edge, have tactile and visual features that make the denomination of the coin readily discernible, be minted and fabricated in the United States, and have similar metallic, anti-counterfeiting properties as United States coinage in circulation on the date of enactment of the United States \$1 Coin Act of 1997.”<sup>9</sup>

The bill became law on December 1, 1997 (P.L. 105-124), and from that day forward, this new and modern program literally changed the face of U.S. coinage.

The Dollar Coin Act mandated the coin's size and color, but the Secretary of the Treasury would determine who or what appeared on the coin's obverse. In a unique public dialogue, Sacagawea, the young Shoshone woman who assisted Lewis and Clark on their expedition to the West Coast, was chosen to grace the coin's obverse — replacing Susan B. Anthony who had appeared on the dollar coin since 1979. Hers is a fitting image that honors the nation's heritage and history.

The coin's design selection was special because, at the Mint's recommendation, the Treasury Secretary created a citizen panel to help select it. The Dollar Coin Design Advisory Committee met June 8 and 9, 1998, in Philadelphia, Pennsylvania, at a public forum to nominate a concept for the coin's obverse. When public consensus supported a design honoring Sacagawea, the Mint conducted a nationwide competition and more than 120 design concepts were submitted. The Mint sponsored exhibitions of the designs and asked the public, historians, Members of Congress, collectors, and artists to comment on their favorite obverse and reverse designs. Based on this input, the field was winnowed down to 13 semi-finalists. The Mint held focus groups and consulted Native American organizations to assure authenticity and acceptance of potential designs. Then the Mint posted the semi-finalist designs on its web site in December 1998: the site received 11 million hits the first day the designs were posted. Within a few days, 130,000 citizens phoned, faxed, or e-mailed the Mint with comments about the designs, an unprecedented collaboration between the U.S. Mint and the public. The final designs — obverse and reverse — were unveiled at a White House ceremony on May 4, 1999.

In addition to soliciting the public input, the Mint met with metal fabricators, vending machine distributors, banks, retail, and other groups to consult with them about the new coin. In April 1998, the Mint began hosting quarterly Stakeholder meetings with representatives from the coin strip, coin mechanism manufacturing, transit, and vending industries to keep them abreast of latest developments and to gather information and advice from those who would be using the Golden Dollar.

The Mint set up a business-to-business web site to provide information about the Golden Dollar and it received 44,000 hits in its first two weeks. To assist with the coin's distribution, the Mint and Federal Reserve Bank formed the Financial Institutions Advisory Council as a forum for financial trade associations. Members included the American Bankers Association,

America's Community Bankers, Independent Community Bankers of America, and the National Association of Federal Credit Unions.

The Mint also worked with the National Foundation for the Blind to assure that the new dollar coin was easily discernible from other coins. Based on its input, the Mint widened the coin's rim and gave it a smooth edge, thereby clearly distinguishing it from the quarter dollar for the blind or visually impaired.

One challenge facing the Mint was to create the coin's golden color but maintain the same electromagnetic signature as the Susan B. Anthony to assure immediate usage by all vending equipment. This involved inventing a new alloy. During the development stage, the Mint worked closely with researchers from PMX Industries, Inc., based in Cedar Rapids, Iowa, and Olin Brass, headquartered in East Alton, Illinois, who provided invaluable assistance and support in formulating the alloy. The Mint also worked with vending machine industry representatives to assure that the coin's metallic signature would work in vending and change machines, toll booths, and stamp dispensers. By doing so, the industry would not have to reconfigure its machines (most had been programmed to accept the Susan B. Anthony dollar). After researching and developing over 20 different alloy combinations, the Mint chose a manganese-based alloy that passed the rigors of U.S. Mint and vendor testing. As a result of these extraordinary efforts, the program was launched just 25 months after the Dollar Coin Act became law.

Because of the coin's unique composition — 77 percent copper, 12 percent zinc, 7 percent manganese and 4 percent nickel — the Golden Dollar takes on a patina as it is handled. This darkening is not unlike what happens to pennies as they age, and many people have commented that the effect adds character and depth to the coin's design. The Mint was aware this would happen and educated consumers about the antique finish through media stories and information posted on its web site. Mint engineers are continuing to work with Olin Brass and PMX Industries to extend the original shine of newly minted Golden Dollars.

The support and enthusiasm the business and financial communities provided was essential for the success of the dollar coin program, but another critical factor was public acceptance and use of the Golden Dollar. Therefore, the Mint developed a detailed, multi-faceted, multi-year, marketing plan to make the public aware of the Golden Dollar and assure that it was used in everyday business transactions. While the public awareness and targeted marketing campaigns

are discussed separately, they are equally important and continuous parts of the overall marketing campaign.

## Public Awareness and Strategic Partnerships

The Mint's public awareness and education effort — as mandated by the Dollar Coin Act — began in earnest in March 2000 with a high-profile advertising campaign featuring the Father of Our Country as spokesman for the new dollar coin. These ads appeared on national television,



on seven radio networks, in print, on buses and in subway cars, and on the Internet.

More than 1,600 ads ran over the course of 11 weeks.

George Washington took on a modern persona and was seen and heard in television, radio, print, transit, and Internet ads using the Golden

Dollar to buy coffee, use mass transit, and pay tolls. **No tax revenues were used to fund the ad campaign.** Within weeks after the coin's launch, it was paid for entirely from operating revenues generated from selling the Golden Dollar to the Federal Reserve. These creative ads caught the attention of television news shows and newspaper and magazine writers. They, in turn, featured the Golden Dollar and the Washington ads in news stories. The value of the resulting publicity was priceless.

These ads reached 92 percent of urban/suburban adults ages 18-49 an average of 15 to 18 times over the campaign's duration.<sup>10</sup> In addition, the advertising reached out to special audiences to educate all segments of the population about the Golden Dollar. The Mint had press kits, ads, and other promotional materials translated into Spanish to inform the Hispanic community. Outreach efforts to the African-American community educated 97.7 percent of the total population between ages 18 and 49 about the Golden Dollar, and information translated into Vietnamese, Korean, and Chinese and placed in the Asian press was equally successful.

In conjunction with the ad campaign, the Mint subcontracted to have dollar coins wrapped before shipment to the Federal Reserve Banks in order to expedite their entry into commerce. Mint staff then worked with the Federal Reserve Banks to assure quick and direct delivery of the wrapped Golden Dollars to community banks, credit unions, and system savings and loans. The advantage of wrapped coins is they are ready to use in a form in which most retailers and banks are accustomed. Letters were sent to more than 110,000 financial institutions, large and small, inviting them to order up to 6,000 Golden Dollars via the Mint's secure web site for delivery within 10 business days.



Prior to the ad campaign, the Golden Dollar attracted the attention of **60 million viewers** of the 1999 Macy's Thanksgiving Day parade. The float sported a Denver Mint antique stagecoach adorned with oversized Golden Dollar coins thus providing Americans with another glimpse of the new coin. Like the George Washington ad campaign, this promotion was paid for entirely with the revenues generated from sales of the Golden Dollar to the FRB — no tax revenues were used. Golden Dollars entered circulation on January 27, 2000, and were available to consumers at local banks, credit unions, and stores.

Promotional partnerships with Wal-Mart and General Mills in early 2000 placed more than 94 million Golden Dollars into circulation. Wal-Mart and Sam's Clubs distributed the Golden Dollar in routine retail transactions across the country in its first week in the marketplace.

The Mint partnered with Wal-Mart so that residents of small communities could obtain a Golden Dollar in its first days in the market. It was not an exclusive agreement — since January 27, 2000, every business in America has had the right to use the Golden Dollar. However, without the agreement, most small communities would have waited weeks before the traditional channels supplied the coins.

The public also became aware of the Golden Dollar in local grocery stores. Eleven million boxes of Cheerios featured the Golden Dollar as General Mills sponsored a Golden Dollar giveaway in its top-selling breakfast cereal (one out of every 2,000 boxes contained the new dollar

coin). Advertising experts have estimated that the Cheerios campaign brought the Mint the equivalent of 132 million advertising impressions.<sup>11</sup>

During the early months of the campaign, an innovative partnership was struck with Coinstar, Inc., which operates coin-return machinery in grocery stores across the country. Patrons who placed coins into one of Coinstar's 8,500 machines received vouchers redeemable for cash or groceries. From March 15 through April 29, 2000, shoppers placing at least \$20 in Coinstar machines received a mail-in coupon for two Golden Dollars. This promotion raised consumer awareness and encouraged customers to spend the coins.

The Mint also worked closely with the vending machine manufacturers and operators to assure that vending machines would accept the Golden Dollar. As of January 2001, 64 percent of vending operators had converted approximately 45 percent of their machines — five out of the nine million machines nationwide — to accept Golden Dollars. According to U.S. Mint findings, forty-five percent of vendors who did not accept Susan B. Anthony dollars now accept the Golden Dollar.<sup>12</sup>

Other outreach efforts included hosting a Golden Dollar booth at more than 40 trade shows and conventions; meeting face-to-face with more than 1,000 Mint stakeholders, including coin mechanism manufacturers, transit authority officials, retailers, and vending machine operators; placing articles and advertisements in trade publications; and sending 5,000 direct mail and promotional items to business partners. In addition, approximately 11,000 calls were made to 4,000 financial institutions (representing more than 100,000 branches) to garner support for the new program.

By the end of September 2000, almost 3,000 news stories regarding the Golden Dollar appeared within the media relations campaign's targeted media. The quality of coverage within these stories was most positive during the coin's launch phase (Quarter One of 2000) where the overall quality of coverage was very high (as measured by message pull through, presence of pictures or graphs, and quotes from key spokespeople.)<sup>13</sup>

## **Targeted Marketing Outreach**

The business-to-business element of the U.S. Mint's marketing campaign involves targeting its resources and message. It identified eight sectors to focus its efforts on to get more Golden Dollars in customers' hands and circulating in commerce: financial institutions, retailers,



the entertainment industry, grocery stores, fast food restaurants, government agencies, the vending industry, and transit authorities.

The strategy resembles a wagon wheel. The foundation, direction, and energy rests in the hub or Mint team, while the eight spokes reach out to different sectors or audiences. There isn't one spoke that is stronger than the other, nor is one more important than the rest. Rather, each must work together to propel the effort forward, to "pull" the coin from financial institutions into commerce. These strategies cover the second and third objectives of the marketing campaign: facilitating public acceptance and changing public behavior.

This targeted marketing strategy is proving effective. Mint market research shows that the Golden Dollar generated \$78 million last year in retail revenue for U.S. businesses through the sale of Golden Dollar coins and coin-related products.<sup>14</sup>

### ***Financial Institutions***

The first spoke of the targeted marketing strategy is reaching out to the financial community. The U.S. Mint is continuing to contact 3,000-4,000 banks and other financial service providers and assisted them in obtaining Golden Dollars from Federal Reserve Banks, and cleared up confusion and misinformation about the coins. This effort included setting up a toll-free response line (800-257-1272) so bank managers can call the Mint's Currency Information Office for assistance in ordering Golden Dollars. As a result, more than 13,000 banks and their branches across the country are ordering and distributing Golden Dollars.

A specific example is the Mint's partnership with Allfirst Financial. In August 2000, Allfirst began paying Golden Dollars in change at all 261 branches in Pennsylvania, Maryland, Washington, D.C., and Northern Virginia. When the bank offered five Golden Dollars as a premium to customers who opened a checking



account, Allfirst saw a 138 percent increase in the number of newly-opened accounts over that same period in 1999. Allfirst also distributed information about the Golden Dollar at the Baltimore Aquarium and participated in an U.S. Mint-sponsored Golden Dollar Exchange Day at

Tyson's Corner Mall in Northern Virginia. The most important aspect of this arrangement is that in the first two months of Allfirst's campaign, it distributed 89 percent of its initial order of Golden Dollars. As a result, Allfirst customers already have started changing their behavior by accepting and using Golden Dollars.

Other examples include 5/3<sup>rd</sup> Bank in Evansville, Tennessee and First Enterprise Bank in Oklahoma City, Oklahoma. The vault manager at 5/3<sup>rd</sup> Bank disseminated an interbank memo to each of its 84 branches encouraging bank staff to order Golden Dollars. As a result of his memo, a monthly order of 20,000 coins is placed. At First Enterprise Bank, the senior vice president made a commitment to order 2,000 Golden Dollars each month. His calculations proved to be too modest when strong consumer interest demanded that monthly orders be **doubled**.

### *Grocery Stores*

Beginning February 8, 2001, 1,500 Safeway stores across the country began distributing Golden Dollars in transactions. It is the first major grocery chain to partner with the U.S. Mint and is an integral part of the overall targeted marketing strategy. Safeway stores also are promoting the Golden Dollar by featuring signs at each cash register to encourage the use of the coin. Mint Director Jay W. Johnson participated in media events to announce the Safeway

*Safeway is excited to be instrumental in encouraging the circulation of the Golden Dollar. We know Americans want to use Golden Dollars but sometimes have difficulty finding them. Safeway is stepping up to the plate to ensure consumers will have easy access to Golden Dollars.*

— Debra Lambert, Director, Corporate Public Affairs, Safeway Inc.

Golden Dollar partnership in San Francisco, Seattle, Phoenix, Denver, Tucson, and Houston.

These events give the public opportunities to meet the Mint Director and exchange other currency for Golden Dollars. In addition, the events were covered extensively by national and local media, furthering public awareness of the Golden Dollar and its availability at Safeway stores.

The U.S. Mint-Safeway partnership announcement also generated a number of press stories that alerted consumers about the availability of Golden Dollars. In February 2001, 38 print articles, 42 radio reports, and 80 television stories appeared about the partnership and the Golden Dollar.<sup>15</sup>

The marketing team's efforts also extend to smaller grocery chains. The general manager at Ukas Big Saver Foods, Inc., in Vernon, Calif., has taken note of the keen interest in the Golden

Dollar by the general public and is using it as a draw to get customers into his nine stores. Case studies such as these show how beneficial these partnerships are to all parties involved.

### *Retailers*

The Mint's marketing campaign also includes retailer outreach. The Mint has spoken with representatives from more than 750 companies whose outlets are located in 230,000 communities across the United States. The Mint is working with a number of chain department



stores, drug stores, and booksellers to establish comparable partnerships. In fact, the U.S. Mint anticipates it will announce a partnership with a major restaurant chain this spring.

One specific example of the Mint's retail partnerships is Cole Vision Corporation in Twinsburg, Ohio, which owns and operates 2,000 Pearl Vision

Centers. Its vice president of human resources is educating his managers about the Golden Dollar and has instructed them to order, use, and promote the coin. Each of the centers also prominently displays information about the Golden Dollar.

At the Sapp Brothers Truck Stop, in Salt Lake City, Utah, they're distributing 1,000 Golden Dollars daily and are converting more than half of its dollar currency to dollar coins. Plans are to follow suit at its other 16 locations across the state. An advantage of the Golden Dollar's distribution at truck stops is that a driver in Salt Lake City then uses dollar coins to pay for dinner in Missouri, to buy a soda at a rest stop in Pennsylvania, and to pay tolls in Northern Virginia. As a result, Golden Dollars are circulated throughout the United States.

In Alabama's Dollar General stores, 70 rolls of Golden Dollars are used every week at 22 locations. The general manager is committed to keeping at least one roll of Golden Dollars in cash drawers at all times. At the February 8, 2001, grand opening of the Gilberttown Dollar General store, the Golden Dollar was part of the opening day activities. "Sacagawea" was on hand to give out Golden Dollars to the first 100 customers and Golden Dollar promotional materials were prominently displayed. The general manager is so excited about the Golden

Dollar that he made a presentation at the company's national meeting in March 2001 to persuade his peers at all 5,000 Dollar General locations in 23 states to follow suit.

### ***Entertainment Industry***

The entertainment industry is another component of the marketing effort. Companies such as SFX, a national promoter, producer, and presenter of live entertainment (that manages the Washington area's Nissan Pavilion and Merriweather Post Pavilion) are using Golden Dollars at their concession stands. During the 2000 concert season, SFX distributed more than five million dollar coins at its venues, and it is making plans to include the Golden Dollar at more of its outdoor venues and clubs during the 2001 season.

The National Performing Arts Center at Wolf Trap, another well known Washington concert venue, not only distributed Golden Dollars at its concession stands, it promoted the use of Golden Dollars to pay for its shuttle bus service to and from the park. Other entertainment providers such as movie theater chains and theme parks have been approached and are considering using Golden Dollars on site.

Sea World Adventure Park in San Diego, California, is one such theme park using the Golden Dollar. It is distributing the dollar coins to all 800 cash stations in the park and its senior management is encouraging the other nine Sea World parks located in eight states to follow suit.

### ***Fast Food Restaurants***

Another business-to-business effort is an alliance with fast food restaurants. The ease and convenience of using Golden Dollars is a natural in this environment. There is an added bonus for fast food restaurant owners and managers — fewer counting errors. According to Jim Opitz, of Milton, Wisconsin, before he started handing out dollar coins in change at the two Subway sandwich franchises he owns in Milton and Madison, he was losing \$300 to \$400 a year at the cash registers. After switching to dollar coins, he ended 2000, "down less than \$10 for the year." The big reason: Coins don't stick together, so there are fewer errors at the cash register by either the customer or the vendor. Noted Opitz, "We're sold on the Golden Dollar."

Jack Doyle, area director for Southern Wisconsin Foods which operates 17 Burger King franchises, agrees. "Ease of operation is the number one issue at the cash register. Let's face it, Golden Dollars are easy and fast to use. Speed is the name of our game."

The U.S. Mint Currency Information Office came to the aid of one of Southern Wisconsin Food's restaurants in December 2000, when the regional manager faced difficulty ordering 3,000

Golden Dollars a week. The issuing bank, however, had placed a maximum order limit of 1,000 coins per week with the understanding that was all it was allowed to order. The Mint team cleared up the miscommunication and worked with the issuing bank, armored carrier, and the Federal Reserve Bank to gain assurances that the regional manager would receive as many Golden Dollars as he needed.

### ***Government***

The public sector also is stepping up to the Golden Dollar. The U.S. Postal Service has been a loyal user of dollar coins for years by having its stamp vending machines disburse dollar coins

*The City of Chicago recently converted parking meters to accept Golden Dollar coins. By increasing the monetary value per coin, we have reduced the number and weight of coins collected and processed.*

—Bea Reyna-Hickey, Director of Revenue, Chicago, Illinois

in change for purchases larger than five dollars. In Oklahoma, the state highway authority is committed to using Golden Dollars to make change at tollbooths statewide. The City of Chicago upgraded 7,000 parking meters in its downtown area to accept Golden Dollars. So have Philadelphia, Pennsylvania; Fort Worth, Texas; Albany, New York; and Wilmington, Delaware.

The twin cities of Minneapolis and St. Paul, Minnesota, are converting their parking meters this year.

Most recently, the Federal Reserve Bank vigorously promoted the use and circulation of the coin by giving Golden Dollars as change in its headquarters cafeteria and credit union.

The Mint is reaching out to other government agencies to promote the use of the Golden Dollar and it has received positive responses. For example, the Department of Agriculture is distributing Golden Dollars in its credit union, gift shops, and cafeterias. The Department of Energy is doing the same, plus all its vending machines accept dollar coins. The Interior Department is working to get Golden Dollars at all of its National Park Service concession stands.

*Our automated ticket machines are already accepting and dispensing Golden Dollars at our parking facilities on the Tonto National Forest outside of Phoenix. In addition, Forest Service personnel at the Lewis and Clark National Historic Trail Interpretive Center, located outside of Great Falls, Montana, are already using the Golden Dollar as part of the change mix it provides to visitors.*

— Greg Super, recreation fee program manager, U.S. Forest Service

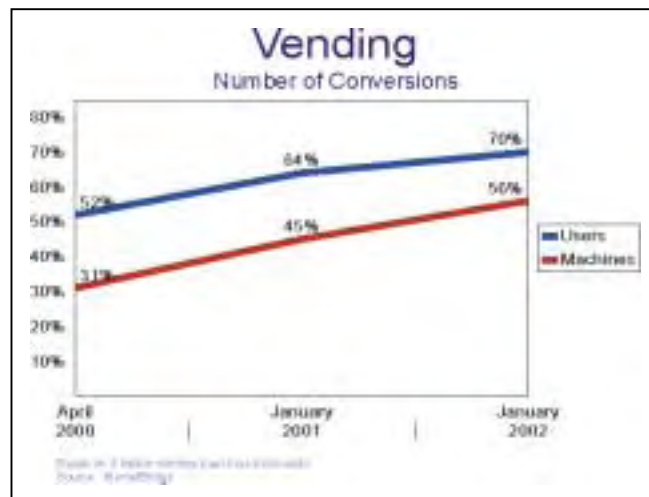
The U.S. Mint also is working closely with the Department of Defense, Commerce Department, and Department of Veterans Affairs to promote and distribute the Golden Dollar in cafeterias, vending machines, credit unions, and gift shops across the country.

On the state level, in October 2000, the Commonwealth of Pennsylvania became the first state in the Union to pass legislation to promote usage and acceptance of the Golden Dollar. Pennsylvania House Resolution 597 calls upon state and local government agencies, retailers, and banks to make use of dollar coins and inform the public of coin availability through point of purchase materials.<sup>16</sup>

The resolution also urges the state's mass transit systems, vending machine companies, coin-operated laundries, and other automated retailers to refit equipment to accept and dispense Golden Dollars.

### ***Vending Industry***

As mentioned earlier, the Mint worked closely with the vending machine manufacturers and operators from the very beginning of the program to assure vending machines would accept Golden Dollars and continues to do so. In fact, the industry is so committed to the Golden Dollar that it sponsored a contest in which contestants had to vow



to spend 1,000 Golden Dollars in place of dollar bills. The National Automatic Merchandising Association (NAMA) — the national trade association of the merchandise vending industry — recently asked its 1,839 operator members about the Golden Dollar and its use. Seventy-two percent responded that their vending machines accepted the Golden Dollar, and that they are receiving nearly \$900 in Golden Dollars in their machines each week. In addition, 77 percent of respondents said their local bank was cooperative in supplying dollar coins.<sup>17</sup>

NAMA also challenged its member companies to spend 10 Golden Dollars per week for purchases they would otherwise have made with dollar bills. Dan Choinka, vice president of the winning company, Griesedieck Vending Services of St. Louis, Missouri, explained: “As a company we’ve taken many steps to promote the Golden Dollar coin, refitting machines so they

only dispense the new coins in change and putting stickers on every machine that accepts the coin.”

*Dollar coins mean less wear and tear on our amusement machines, resulting in fewer service calls and making them less expensive to operate.*

— Doug Diltz, owner, Diltz & Sons, South Bend, Indiana

NAMA Senior Vice President and Counsel Thomas McMahon added, “It’s very exciting to think about all those new Golden Dollars finding their way into the daily currency stream . . . A widely circulating dollar coin will benefit our industry and our country.” NAMA estimates that 327,000 coins were placed into circulation as a result of its contest.<sup>18</sup>

Major vending organizations and companies — National Soft Drink Association, National Snack Food Association, and Canteen — were all early supporters of the new dollar coin and are committed to using and distributing it.

Another example is HMS Host Services, based in Syracuse, New York, which owns and operates 60 highway restaurant/service stops that house hundreds of vending machines. The vending machines all accept the Golden Dollar, thanks to HMS’s enthusiasm for the coin and its use among patrons. HMS managers distributed materials about the Golden Dollar to employees and customers in an effort to educate them.

### ***Transit Authorities***

The final element of the targeted marketing campaign is working with transit authorities. Seventeen of the top 20 metropolitan transit networks in the U.S. distribute and accept the Golden Dollar, including the country’s two largest: New York and Chicago. The New York City Transit Authority dispensed more than 26 million dollar coins in 2000 and is committed to continuing its efforts.

These are just a few examples of the partnerships forged with regard to the



Golden Dollar Program. Over the past two years, the U.S. Mint has and is working with more than 750 companies that use or will use the coin in 230,000 locations nationwide. These efforts are assuring that Golden Dollars end up in consumers' pockets.

## **Assessing Nature and Extent of Usage**

A number of factors contributed to the Golden Dollar's success, with a number of ways to measure that success. Chief among them are the large number of positive comments from consumers when surveyed about the dollar coin; the historic, record-breaking level of Golden Dollar production; the ever-growing number of business partnerships that are being developed; and the tremendous impact the coin has had on the economy.

### ***Record Production***

Production figures are an important measure of success. To date, the U.S. Mint has produced 1.2 billion Golden Dollars. More than 700 million Golden Dollars have been shipped to Federal Reserve Banks and released into circulation in the one year the Golden Dollar has been produced. In contrast, it took 21 years to circulate 920 million Susan B. Anthony dollars. This far exceeds early predictions made by even the Golden Dollar's most ardent supporters. In fact, numismatists and other experts projected that only 100 million of those coins would be issued into circulation in the first year.

### ***Consumer Surveys***

As to the nature of its use, consumer surveys show the Golden Dollar is one of the most popularly collected coins the U.S. Mint produces. Sixty-six percent of American adults surveyed say they are saving the coins.<sup>19</sup> However, the Mint knows that consumers are taking some of the Golden Dollars they receive and spending them on vending machine purchases, paying tolls or bus fares with them, or plugging them into parking meters.

To assess the extent of the usage of Golden Dollars by the American public, the U.S. Mint marketing team collects information and anecdotal evidence each week to quantify progress. It also conducts consumer surveys and polls on a regular basis. September 2000 findings show that the Golden Dollar has a nearly 90 percent recognition rate among consumers.<sup>20</sup>

### ***New Business-to-Business Partnerships***

In addition, the growing number of business-to-business partnerships that have been created are a clear signal that businesses across the United States are accepting and promoting the coin



and its use. The fact that many more are committing to Golden Dollar partnerships every day also indicates the public is embracing it and demanding it.

Thanks to the partnership with Safeway, more Americans will be paying for their groceries with Golden Dollars and receiving them in change in the next year. Because the coin is easily discernible and does not stick together, it is becoming a favorite among retailers who are experiencing fewer counting errors at cash registers.

### ***Reinvesting Profits***

Another way to measure the Golden Dollar's impact is to examine how it affected the nation's economy. The Golden Dollar is making money for America. Golden Dollars cost 12 cents to produce — therefore the Mint makes 88 cents in profit on each one. Once expenses are recouped, the Mint returns



every cent to the U.S. Treasury General Fund. In Fiscal Year 2000, the Mint deposited *more than \$800 million in profits made on the Golden Dollar alone*. A record-breaking \$2.3 billion in total profit was contributed by the U.S. Mint last year. The amount that the U.S. Mint deposits into the General Fund allows the Treasury Department to reduce the amount of outstanding interest-bearing public debt.

### ***More Opportunities in 2001***

The United States Mint is committed to the Golden Dollar program and is focusing its efforts in 2001 to increase its distribution and use throughout the world economy.

The American public has fallen in love with Sacagawea and has been saving the coin in record numbers — which has boosted the hobby of coin collecting. Children, especially, have grown attached to the new dollar coin and the Mint will promote the Golden Dollar as a way for people to save money for the future.

*Golden Dollars have been continually available at the Credit Union since the first shipment of coins arrived. We also distributed them in special promotions when children of members opened accounts with us.*

—Theodora Ezekwerre, assistant vice president for member services, Agricultural Federal Credit Union, Washington, D.C.

The Mint also will continue to educate the public, stakeholders, and the media about the Golden Dollar in an effort to clear up misconceptions and misinformation about the program. For example, contrary to some reports, cash registers **do** have a place for Golden Dollars in their cash drawers.

Most importantly, the U.S. Mint continues to fulfill its congressional mandate to increase public awareness and use of the Golden Dollar, while meeting our customers' needs and surpassing their expectations as detailed in its strategic plan and mission statement.

## Conclusion

The Golden Dollar is very popular with the American public and is very practical as well. It gives people a choice — and they are realizing how convenient a dollar coin is. The U.S. Mint's efforts to market and promote the use of the Golden Dollar have assured its popularity.

Of the more than one billion produced last year, 700 million Golden Dollars are circulating. The Mint expects that even more will make their way into commerce once the novelty of

*Customers love the dollar coin because it makes sense. It is good for business — sales are up and operating costs are down. The Golden Dollar has been an integral tool in our ongoing effort to improve customer service.*

— Paul Ferruolo, Vice President, Mr. Sparkle Carwashes, Inc., South Windsor, Conn.

collecting a 2000-dated, golden-colored coin tapers off and 2001-dated coins make their way into people's hands. The Fifty State Quarters Program notwithstanding, the Golden Dollar is the first new circulating coin to come along in the United States since 1979. That, coupled with its attractiveness, makes it irresistible to coin collectors and non-collectors alike.

The U.S. Mint will continue to champion the Golden Dollar to the American public. Businesses across the country are realizing that Golden Dollars are convenient to use for many reasons — they are fast and easy to use, and, most notably, using them reduces dollar losses due to counting errors. The Golden Dollar is saving businesses money and making money for the American people.

Just as it took Americans 10 to 15 years to accept ATM cards, and before that, 20 years to accept the daily use of credit cards, the public is accepting a dollar coin that co-circulates with the paper dollar — and in less time.

Just as Sacagawea was instrumental in the success of Lewis and Clark in charting new territory in the 19<sup>th</sup> century, she will proudly lead the American public to a new and convenient way to pay for their purchases in the 21<sup>st</sup> century.

## Endnotes

- <sup>1</sup> U.S. House of Representatives, Committee Report 106-756, p. 34
- <sup>2</sup> *Reports/Studies on the Golden Dollar*: U.S. Mint Tracking Survey (Quarterly 2000-YTD); U.S. Mint Velocity Survey (May 2000); U.S. Mint Media Content Analysis -E.C.H.O. (Quarterly 2000-YTD); Eight Sector Activity Reports (Weekly Nov. 2000-YTD); Eight Sector Usage Survey and Analysis (Biweekly, February 2001 to YTD); Banking Outreach Reports (Weekly); Outreach B-to-B Survey and Analysis (Monthly – March-June 2000); Retail Establishment Survey and Analysis (June & July 2000); Top 20 Transit Usage Survey (January 2001); Retail, Transit, Parking, and Coin Operators Survey and Analysis (August 2000); Coin Operators Conversion Survey and Analysis for 1999 (May 2000); Coin Operators Conversion Survey and Analysis (December 2000).
- <sup>3</sup> U.S. Mint Year 2000 Tracking Survey, Fourth Quarter/December 2000; 501 adults 18 years of age and older; December 1 – 29, 2000; 50 states; telephone interviewing (random-digit-dial interviews).
- <sup>4</sup> Avila, Michelle. “Coinstar National Currency Poll Finds Early Popularity for New Dollar Coin.” Coinstar. 26 July 2000. [www.coinstar.com](http://www.coinstar.com).
- <sup>5</sup> Ibid.
- <sup>6</sup> U.S. Mint Velocity Survey, May 2000: 1,016 adults 18 years of age and older; May 12 – 14, 2000; 48 contiguous states; telephone interviewing (random digit-dial interviews).
- <sup>7</sup> U.S. Mint Year 2000 Tracking Survey, Fourth Quarter/December 2000; 501 adults 18 years of age and older; December 1 – 29, 2000; 50 states; telephone interviewing (random-digit-dial interviews).
- <sup>8</sup> Harvey, Christy. “People Love Sacagawea Dollar, but Won’t Spend It.” Wall Street Journal, 8 March, 2001: page 10A.
- <sup>9</sup> U.S. Congress, P.L. 105-124, Sec. 4 (c). 1 Dec. 1997.
- <sup>10</sup> Nielsen Media Research, report 11 Feb 2000. Nielsen National Media Research measurement is an electronic meter system consisting of an in-sample base of 5,000 U.S. households (13,000 persons) randomly selected and recruited by Nielsen Media.
- <sup>11</sup> 11 million boxes multiplied by 12 servings (avg.) per box equals 132 million; Fleishman Hillard, March 2000.
- <sup>12</sup> Survey based on information from Coinco, Vending Times, and National Association of Machine Operators, compiled by MarketBridge (formerly Oxford Associates), Bethesda, Maryland, 1999.

- <sup>13</sup> U.S. Mint Media Content Analysis, Third Quarter 2000.
- <sup>14</sup> 50 State Quarters and Golden Dollar Economic Impact Study. Price Waterhouse Coopers, February 22, 2001.
- <sup>15</sup> U.S. Mint Velocity Survey, May 2000; 1,016 phone interviews with adults 18 years of age and older; May 12-14, 2000; 48 contiguous states.
- <sup>16</sup> Clark, Jackie. “Pennsylvania Passes Golden Dollar Resolution.” NAMA – National Automatic Merchandising Association. 12 Oct. 2000. [www.vending.org](http://www.vending.org).
- <sup>17</sup> McMahon, Thomas E., Senior Vice President and Chief Counsel, National Automatic Merchandising Association. Letter to Director Jay Johnson. 14 March 2001.
- <sup>18</sup> Clark, Jackie. “Griesedieck Vending Wins NAMA Spend Dollar Coin Contest.” NAMA – National Automatic Merchandising Association. 16 Jan. 2001. [www.vending.org](http://www.vending.org).
- <sup>19</sup> Avila, Michelle, supra, note 4.
- <sup>20</sup> U.S. Mint Year 2000 Tracking Survey, Third Quarter/September 2000; 501 adults 18 years of age and older; September 5 – 20, 2000; 50 states; telephone interviewing (random-digit-dial interviews).
- <sup>21</sup> Marketing/Advertising expenses breakdown: \$39 million – Fleishman Hillard/George Washington advertising campaign; \$4 million – Double Eagle/Outreach (vending, transit, grocery); \$7 million – Fleishman Hillard (promotions); \$3 million – Co-ops/Partnerships/Promotions (Wal-Mart, General Mills, Macy’s; small financial institutions program). Source: U.S. Mint Consolidated Information System (COINS). March 2001.