



December 4, 2025

The Honorable Jerome Powell
Chairman
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Chairman Powell:

On behalf of the National Restaurant Association,¹ I write to share concerns about the impact the current penny shortage is having on the nation's restaurants and to request that the Federal Reserve work with the Trump Administration and other key entities in the coin supply chain to ensure pennies continue to circulate within the U.S. economy.

As you are aware, the Administration ordered the U.S. Mint to halt the production of the penny in February. Starting in September, business owners in growing pockets across the country were reporting that they were unable to order pennies. Today, most of the terminals associated with the Federal Reserve distribution system have ceased fulfilling penny orders and deposits.

This means banks, credit unions, and the larger retail community, including small business restaurant operators, cannot get the pennies needed to provide exact change to cash-paying customers. This disruption is forcing restaurant operators to adopt ad hoc rounding practices while navigating an inconsistent patchwork of state and federal laws governing payments and financial transactions. This is creating confusion and potential legal liability.

The restaurant industry transacts more than \$1 trillion in sales annually, and more than one in four of those purchases are paid for in cash.² When operators can't provide exact change, it creates friction at checkout, frustrating customers. In a highly competitive industry, like

¹ Founded in 1919, the National Restaurant Association ("the Association") is the leading business association for the restaurant industry, which comprises more than 1 million restaurant and foodservice outlets and a workforce of 15.7 million employees. Together with 52 State Associations, we are a network of professional organizations dedicated to serving every restaurant through advocacy, education, and food safety.

² Circana/CREST, 2023

restaurants, any change to the hospitality our customers expect could mean a lost return sale for an operator.

A majority of restaurant operators are currently rounding down total transaction costs to the nearest nickel when exact change isn't available out of fear of litigation. Prolonged rounding down could cost restaurants an estimated \$13-\$14 million per month, or \$156-\$168 million annually. In an industry with low 3-5% profit margins and constantly shifting costs, rounding due to a penny shortage will cut into operator profitability.

The Federal Reserve, the Administration and the other key entities in the coin supply chain can help alleviate the penny shortage that is causing our immediate operational challenges by re-opening the penny order and deposit system. This will help to recirculate the penny while we work with Congress to pass the Common Cents Act to provide national rounding guidance and a safe harbor for restaurants that need to round when exact change cannot be provided.

Even if the Federal Reserve cannot fulfill new penny orders due to the production halt, it could continue deposit services for the billions of pennies already in circulation—providing restaurant operators the ability to provide seamlessly interactions with their many cash-paying customers across the country.

The Association appreciates the Federal Reserve's consideration of this urgent request and is ready to work with you to ensure that restaurant operators across the country can continue to provide the highest level of hospitality to our cash-paying customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Korsmo". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Michelle Korsmo
President & CEO
National Restaurant Association

Cc: Members, Federal Reserve Board of Governors