

1990 Gallup Poll

GALLUP POLL

INTRODUCTION

The following report presents the findings of a survey conducted by The Gallup Organization, Inc. for Dudek and Company. The study was designed to measure public attitudes toward the discontinuation of the penny. The study also examined adults' reaction to a new one-dollar coin that would call for the discontinuation of the paper one-dollar bill.

A total of 750 interviews were conducted nationally by telephone during the period of April 23-26, 1990. The composition of the sample, tables of recommended sampling tolerances, the design of the Gallup telephone sample, and a copy of the questionnaire are located in the Technical Appendix to this report.

- Attitudes towards Discontinuation of the Penny
- Concern That Merchants Might Raise Prices
- Effect on Economy

SURVEY HIGHLIGHTS

Attitudes Toward the Discontinuation of the Penny

- Three in five (62%) adults surveyed say they would oppose legislation that would call for the discontinuation of the penny that would require merchants to implement a rounding system. One in four (26%) would favor such legislation.
- Asked how strongly they felt about this issue, those who oppose this legislation are more likely than those who favor it to say they feel very strongly about it.
- Presented with six arguments both for and against the elimination of the penny, respondents more frequently agree with arguments against discontinuation of the penny rather than arguments for discontinuation.
- Virtually everyone (92%) agrees to some extent that the penny is a "long-standing tradition in this country." Even among those who favor discontinuation of the penny, 82% are of this opinion.

- Three-quarters (77%) of those surveyed are concerned that merchants might increase their prices in order to compensate for any losses from a rounding system. However, when asked a follow-up question as to how concerned they were that this might happen, fewer (54%) said they were very concerned.
- Approximately six in ten (59%) think that eliminating the penny will cause confusion when purchasing items.
- Approximately two in five (43%) agree that eliminating the penny would not be a problem since most people try to avoid using them anyway.
- A similar proportion (41%) think it's time to modernize our coinage system.
- Three in ten (31%) agree that continued production of the penny is too expensive, while more (43%) disagree. One in four (26%) could not comment, neither agreeing or disagreeing with this statement.
- The majority of adults surveyed say that elimination of the penny will have an effect upon the economy, though fewer than one in five (18%) believe this will contribute to inflation a great deal.

Attitudes Toward the Creation of a New One Dollar Coin

- One-third (34%) of the adult public would favor legislation that would call for the creation of a new one dollar coin, while approximately six in ten (59%) oppose such legislation.
- Among respondents who would favor the creation of a new one dollar coin, four in ten say they would approve of abolishing the paper one dollar bill, while 52% would oppose replacement of the one dollar bill. Expressed as a proportion of the total population, 15% would favor creation of a new one dollar coin and abolishing the one dollar bill, while 18% would favor the new coin but oppose abolishing the dollar bill.

DETAILED FINDINGS

Attitudes Toward the Discontinuation of the Penny

The Question: Currently, the Government is considering legislation that would discontinue production of the penny. If this law is passed, the U.S. Mint would stop production of pennies for general circulation. If the penny is discontinued, merchants would be required to round up or down to the nearest five-cent mark. For example, if your purchases totaled \$2.33, the merchant would round the total up to \$2.35. On the other hand, if your purchases totaled \$2.32, the merchant would round down your total to \$2.30. How do you feel about this- do you favor or oppose discontinuation of the penny?

How strongly do you feel about this- do you feel very strongly or not too strongly?

A majority of the public report that they oppose legislation that would call for the discontinuation of the penny. Three in five (62%) adults surveyed

say they oppose legislation that would stop production of the penny, while one in four (26%) would favor such legislation. Twelve percent, however, are uncertain as to whether or not production of the penny should be discontinued.

While majorities from all demographic groups oppose discontinuation of the penny, women are more likely than men to do so (70% vs. 54%).

Discontinuation of the Penny

OPINION

TOTAL %

MALE %

FEMALE %

Favor discontinuation

26%

34%

19%

Oppose discontinuation

62%

54%

70%

Don't know

12%

12%

11%

Number of Interviews

750

374

376

Asked how strongly they felt about their opinion, those who oppose the discontinuation of the penny are more likely than respondents who favor discontinuation to say they feel strongly about the issue. Approximately two-thirds (68%) of those who oppose abolishing the penny say they feel strongly about it and 27% not too strongly. This compares to the 41% who favor discontinuation who say they feel strongly about their opinion and 56% not too strongly.

OPINION

OPPOSE DISCONTINUATION

FAVOR DISCONTINUATION

Very strongly

68%

41%

Not too strongly

27%

56%

Don't know

5%

3%

Number of Interviews

465

191

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Arguments For and Against the Penny

The Question: There are arguments supporting each side of this issue. Some people are in favor of continued production of the penny while other people feel production should be stopped. I am going to read some arguments for both sides. As I read each, please tell me whether you completely agree, somewhat agree, somewhat disagree or completely disagree with the argument.

- Continued production of the penny is too expensive
- The penny is a long-standing tradition in this country
- It's time to modernize our coinage system
- Eliminating the penny would cause confusion when purchasing items
- Merchants might increase prices in order to compensate for any losses from rounding

- Eliminating the penny would not be a problem since most people try to avoid using them anyway

Respondents were read six possible arguments for and against the discontinuation of the penny and were asked to state their agreement or disagreement with each. Virtually everyone (92%) agrees to some extent (completely or somewhat agrees) that the penny is a "long-standing tradition in this country." Most also believe that merchants might raise prices. Approximately six in ten (59%) agree that eliminating the penny might cause confusion when purchasing items.

Approximately two in five (43%) agree (completely or somewhat) that eliminating the penny would not be a problem since most people try to avoid using them anyway, while 55% disagree with this statement. Similarly, two in five (41%) agree that we need to modernize our coinage system, while 53% disagree. Only three in ten (31%) agree that continued production of the penny is too expensive -vs- 43% who disagree. One in four (26%) are uncertain and could not comment on this statement.

Extent of Agreement/Disagreement with Statement

STATEMENT

Completely Agree %

Somewhat Agree %

Somewhat Disagree %

Completely Disagree %

Don't Know %

The penny is a long-standing tradition
in this country.

68%

24% (92)*

4%

3%

1%

Merchants might increase prices
in order to compensate for any losses from rounding.

56%

21% (77)

9%

11%

3%

Eliminating the penny would cause
confusion when purchasing items.

41%

18% (59)

18%

21%

2%

Eliminating the penny would not
be a problem since most people try to avoid using them anyway.

24%

19% (43)

21%

34%

2%

It's time to modernize our coinage
system.

18%

23% (41)

22%

31%

6%

Continued production of the penny
is too expensive.

12%

19% (31)

19%

24%

26%

Number of Interviews = 750

* Number in parenthesis is the proportion who either agree
completely or somewhat agree.

Responses to this question series were analyzed by those who oppose
discontinuation of the penny and by those who favor discontinuation as
well as by persons who were uncertain whether or not the penny should be
discontinued.

Large majorities from all three groups are in agreement that the penny
is a long-standing tradition in this country. Agreement is highest (96%)
among those who oppose discontinuation of the penny. However, even among
those who favor discontinuation, 82% agree; among those who are uncertain
whether or not the penny should be discontinued, 87% agree with this statement.

Among those who oppose discontinuation of the penny, 82% agree with
the statement, "Merchants might increase prices in order to compensate
for any losses when rounding." Those who favor discontinuation or are uncertain

are less likely to agree (69% and 68% respectively).

More than seven in ten (72%) adults who oppose discontinuation agree with the statement, "Elimination of the penny will cause confusion during the purchase process" compared with 32% among those who favor ending production of the penny who agree. Those who are not sure fall in the middle with nearly half (47%) agreeing with this statement.

Respondents who oppose discontinuation of the penny are much less likely to agree with statements that support discontinuation. Only one in four (24%) who oppose discontinuation agree with the statement, "Eliminating the penny would not be a problem since most people try to avoid using them anyway." This compares to the 83% who favor discontinuation who agree with the statement and the 56% who are uncertain who agree.

Similarly, while 26% of those who oppose discontinuation agree that "It's time to modernize our coinage system," among those who favor discontinuation 79% agree. Two in five (42%) of those who are uncertain agree with this statement.

Very few (15%) of those who oppose discontinuation agree that "continued productivity of the penny is too expensive" compared to the 62% who favor discontinuation who agree and the 40% who are uncertain who agree.

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Attitude Toward Discontinuation of the Penny

STATEMENT

TOTAL %

OPPOSE %

FAVOR %

NOT SURE %

Total

100%

62%

26%

12%

The penny is a long-standing tradition
in this country.

92%

96%

82%

87%

Merchants might increase prices
in order to compensate for any losses from rounding.

77%

82%

69%

68%

Eliminating the penny would cause
confusion when purchasing items.

59%

72%

32%

47%

Eliminating the penny would not
be a problem since most people try to avoid using them anyway.

43%

24%

83%

56%

It's time to modernize our coinage
system.

41%

26%

79%

42%

Continued production of the penny
is too expensive.

31%

15%

62%

40%

Number of Interviews.

750

465

191

94

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Concern that Merchants Might Raise Prices

The Question: Some persons are concerned that if the government implements a rounding system for purchases, merchants might take this opportunity to raise prices rather than lose the pennies when rounding down. How much of a concern is this for you- are you very concerned, not too concerned, or not at all concerned that this might happen?

Over half (54%) of the respondents say they are very concerned that merchants might raise prices if the rounding system were implemented. One-third (32%) report they are not too concerned, while 13% are not at all concerned.

Concern is highest among women (63% are very concerned), those who have not attended college (63% very concerned) and respondents reporting household incomes of less than \$20,000 a year (64%).

Concern that Merchants Might Raise Prices

Category

Very Concerned %

Not Too Concerned %

Not at all Concerned %

Don't Know %

Number of Interviews

Total

54%

32%

13%

1%

750

Male

44%

35%

19%

2%

374

Female

63%

29%

7%

1%

376

No College

63%

24%

11%

1%

371

College

42%

41%

16%

1%

374

Annual Household Income under \$20,000

64%

24%

11%

1%

189

\$20,000 - \$29,000

57%

30%

12%

1%

166

\$30,000 and over

45%

38%

16%

1%

332

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The Question: How much of an effect upon the economy, if any, do you believe the elimination of the penny will have- do you think it will contribute to inflation a great deal, contribute to inflation somewhat or have no effect upon the economy?

The majority of adults surveyed say that elimination of the penny will have an effect upon the economy, though slightly fewer than one in five believe this will contribute to inflation a great deal. Forty-four percent say it will contribute to inflation somewhat, while 18% think it will contribute to inflation a great deal. An additional three in ten do not think the discontinuation of the penny will have any effect upon the economy.

Effect Upon the Economy

BELIEVE CHANGE WILL CONTRIBUTE TO INFLATION:

TOTAL %

A great deal

18%

Somewhat

44%

No effect upon the economy

31%

Don't know

7%

Number of Interviews

750