

PENNY DEBATE Reading Comprehension

In recent years, there has been a growing movement to “retire” the penny or take it out of circulation. This movement has been countered by people passionate about preserving the penny. There are compelling reasons to eliminate the penny and to preserve it. What do you think?

ELIMINATE THE PENNY

According to the U.S. Mint, it costs 2.4 cents to produce one penny. In other words, the cost of making a penny is more than double its value. Since the United States Mint produced \$50 million worth of pennies in 2010 at a cost of \$120 million dollars, \$70 million was wasted.

Advocates of “retiring” the penny claim the coin is obsolete and virtually worthless. Nothing can realistically be bought for a penny anymore. In addition, simply handling pennies reduces the efficiency of the United States economy. Studies have shown that handling pennies adds at least two seconds to transactions at convenience and department stores. With over 107 billion cash transactions that occur in the United States per year, handling pennies wastes 120 million work hours per year, costing the economy over two billion dollars.

PRESERVE THE PENNY

Supporters of the penny believe its elimination would cause prices to rise as the prices of items would be rounded up to the nearest nickel (which, incidentally, costs eight cents to produce). Poor people, who tend to make smaller purchases and who are more likely to use pennies, would suffer the most. Penny supporters also believe that organizations that rely on pennies as charity would be adversely affected. Many people who give money to organizations do so in the form of jars of pennies. Finally, the penny honors Abraham Lincoln, perhaps the most cherished figure in American history (although Lincoln is also on the United States five dollar bill).

1.) Those who support eliminating the penny believe...

- a.) making pennies is a waste of money.
- b.) nickels should be eliminated too.
- c.) pennies can still buy things today.
- d.) pennies make the economy more efficient.

2.) Which of the following IS NOT a reason that supporters believe the penny should be preserved?

- a.) To honor Abraham Lincoln.
- b.) Charities would be impacted.
- c.) They believe eliminating the penny will have the greatest effect on poor people.
- d.) Prices would fall.

3.) It costs...

- a.) more money to produce a penny than a nickel.
- b.) less money to produce a penny than it is actually worth.
- c.) more money to produce a penny than it is actually worth.
- d.) the same amount of money to produce a nickel as it costs to produce a penny.

4.) What would those who support eliminating the penny most likely say in response to the following point:

We should keep the penny because it honors Abraham Lincoln.

- a.) Abraham Lincoln wasn't even that great of a president.
- b.) Abraham Lincoln is already honored on the five dollar bill.
- c.) Abraham Lincoln was the 16th president.
- d.) We can find other ways to honor Abraham Lincoln.

5.) Why does the author include this line:

In other words, the cost of making a penny is more than double its value.

- a.) To explain what was meant in the previous sentence.
- b.) To make the argument longer.
- c.) To question why people would want to eliminate the penny.
- d.) To question why the penny is still in circulation.

6.) Which of the following might be said by someone who supports eliminating the penny?

- a.) Eliminating the penny will make cash transactions occur more quickly.
- b.) Eliminating the penny will enable more people to get jobs.
- c.) Eliminating the penny will make people give more to charity.
- d.) Eliminating the penny will make it so people use more cash.

7.) What would be a synonym for "adversely" in the following sentence:

Penny supporters also believe that organizations that rely on pennies as charity would be adversely affected.

- a.) slowly
- b.) happily
- c.) possibly
- d.) negatively

8.) What is the author's purpose for writing the article?

- a.) To explain how the penny affects the economy.
- b.) To explain why the penny should be eliminated.
- c.) To explain the reasons behind both sides of the penny debate.
- d.) To explain why honoring Abraham Lincoln is important.

9.) Besides pennies, the passage also gives information on...

- a.) the number of cash transactions made each year.
- b.) the amount of pennies saved each year.
- c.) the health of the economy.
- d.) the cost of making dimes and quarters.

10.) What is a transaction?

- a.) The exchange of money for an item.
- b.) The production of coins.
- c.) The amount of money spent on making pennies.
- d.) When prices rise.