

April 2000

NEW DOLLAR COIN

Public Perception of Advertising





G A O

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United States General Accounting Office
Washington, D.C. 20548

General Government Division

B-284980

April 7, 2000

The Honorable Phil Gramm
Chairman, Committee on Banking,
Housing, and Urban Affairs
United States Senate

Dear Mr. Chairman:

This report responds to your request that we conduct a public opinion survey regarding the United States Mint's promotion of the new dollar coin. You were concerned that the Mint's promotion of the coin as the "Golden Dollar" might mislead the public into thinking that the coins contain gold. As agreed with your office, the objectives of our survey were to determine if the public (1) has seen or heard any advertising of the new dollar coin; and (2) believes the new dollar coin contains any gold on the basis of that advertising or the use of the term "Golden Dollar."

To address our objectives, we contracted with International Communications Research (ICR), a national market research firm. ICR conducted a survey of a sample of 1,012 adults that is statistically representative of approximately 196 million adults (18 years of age or older) in the continental United States. Survey participants were contacted between March 3 and 7, 2000. The survey contained three questions. The first question asked the respondents whether they had seen or heard any advertising of the new dollar coin. Respondents who indicated yes or not sure/may have to the first question were then asked whether they believed the new dollar coin contained any gold on the basis of that advertising. The third question was asked of those respondents who answered no to the first question or who answered no or don't know/not sure to the second question. For the third question, ICR told the respondents that the Mint has advertised the new dollar coin as the "Golden Dollar." ICR then asked the respondents if, knowing that, they believed it contained any gold.

We requested comments on a draft of this report from the Director of the Mint. We received written comments from the Deputy Director of the Mint, which are discussed near the end of this letter and reprinted in appendix III. We conducted our audit work during February and March 2000 in accordance with generally accepted government auditing standards. Appendix I provides further details about our objectives, scope, and methodology.

Results in Brief

The results of the ICR survey indicate that 57 percent of adults (18 years of age or older) in the continental United States had seen or heard any advertising for the new dollar coin as of March 7, 2000.¹ Another 4 percent of adults indicated they were either not sure whether they had seen or heard any advertising or they may have seen or heard advertising of the new dollar coin. The remaining 39 percent said they had not seen or heard any advertising of the new dollar coin. When asked if they believed the new dollar coin contained any gold on the basis of the advertising that they saw or heard (or may have seen or heard), 13 percent said yes, 61 percent said no, and 27 percent said they did not know or were not sure. During the survey, ICR informed those who had not seen or heard any advertising and those who had or may have seen the advertising but said either (1) they did not believe the new dollar coin contained any gold or (2) did not know or were not sure whether it contained gold that the Mint has advertised the new dollar coin as the “Golden Dollar.” ICR then asked if, knowing that, they believed it contained any gold. Twelve percent said yes, 71 percent said no, and 17 percent said they did not know or were not sure.

Background

In the United States \$1 Coin Act of 1997, Congress authorized the new dollar coin to replace the Susan B. Anthony dollar coin, which was produced between 1979 and 1981. Even though the Susan B. Anthony coin never achieved a wide circulation, by 1997 it became clear that the government’s supply of Susan B. Anthony coins would soon be exhausted. Congress has recognized that the Susan B. Anthony dollar coin has been criticized because of the difficulty of distinguishing it from the quarter. Congress required that the new dollar coin be golden in color and have a distinctive edge. Congress required the Secretary of the Treasury to select the design of the new coin but required that it be the same size as the Susan B. Anthony dollar.

In May 1998, the Secretary of the Treasury established a Dollar Coin Advisory Committee to consider alternatives and select a design concept for the obverse (face) side of the coin. The final design selected was an artist’s rendition of Sacagawea, a Shoshone interpreter who assisted the Lewis and Clark expedition of 1804-1806 to the Pacific Ocean.

In addition to being the same size as the Susan B. Anthony dollar, the new dollar coin has similar construction and electromagnetic properties. As a result, both coins are compatible with mechanical and electromagnetic coin mechanisms currently used in vending machines that are able to

¹ The overall results of our survey for all adults are surrounded by 95 percent confidence levels of plus or minus 4 percentage points or less.

distinguish legitimate coins from slugs, tokens, and foreign coins. Both the Susan B. Anthony and the new dollar coins are “clad” coins. They have a three-layer composite construction, with a pure copper core sandwiched between, and metallurgically bonded to, outer layers of alloy material. The Susan B. Anthony alloy layers are composed of cupro-nickel, which is 75 percent copper and 25 percent nickel. The new dollar alloy layers are composed of manganese brass, which is 77 percent copper, 12 percent zinc, 7 percent manganese, and 4 percent nickel. The overall composition of the new dollar coin, taking into account the copper core, is 88.5 percent copper, 6 percent zinc, 3.5 percent manganese, and 2 percent nickel. The overall composition of the Susan B. Anthony coin is 87.5 percent copper and 12.5 percent nickel.

According to the Mint, the first shipments of the new dollars were sent to the Federal Reserve on January 18, 2000, and the Federal Reserve sent shipments to financial institutions on January 27, 2000. The Mint said that the initial promotional efforts for the new dollar coin consisted of including the new dollar in every 2,000th box of Cheerios cereal, starting on January 1, 2000; and having Wal-Mart/Sam’s Clubs stores distribute the new dollars in their cash register drawers, which started on January 30, 2000. The Mint indicated that a large media blitz, consisting of radio and television advertisements, as well as magazine advertisements, started on March 6, 2000.

The Mint Director told us in early March that he did not believe the term “Golden Dollar” was misleading as to the metal content of the new dollar coin, and the Mint never intended to be misleading. He said the preferred dictionary term of “golden” refers to color, not metal content; other terms, such as the Golden Gate Bridge and the Golden Rule, are used without implying gold content; and the public should know that a coin with a face value of \$1 would not contain gold. The Director further said that “Sacagawea” was hard to pronounce and had been mispronounced on television. He said that the Mint wanted to come up with a catchy nickname for the new coin that would be used by the press rather than the nicknames that some reporters were using early in the introduction of the coin, such as “Squawbuck” or “Sacky.”

Over One-Half of U.S. Adults Had Seen or Heard Advertising for New Dollar Coin

The ICR survey results indicated that 57 percent of the approximately 196 million adults (18 years of age or older) in the continental United States had seen or heard Mint advertising for the new dollar coin, 4 percent were not sure or may have seen the advertising, and 39 percent had not seen or heard the advertising. (See table 1 for the results from various categories of the U.S. adult population.)

Table 1: Results of the Survey Question Regarding Whether U.S. Adults Had Seen or Heard Any Advertising for the New Dollar Coin

Category	Responses		
	Yes	No	Not sure/ may have
"The U.S. Mint has recently introduced a new dollar coin. Have you seen or heard any advertising for this new dollar coin?" ^a			
Sex			
Male	57.2	38.9	3.8
Female	56.6	38.8	4.6
Age			
18 - 34	54.6	40.2	5.2
35 - 44	51.7	44.8	3.5
45 - 54	59.0	35.6	5.5
55 - 64	62.3	33.2	4.4
65+	64.6	32.7	2.7
Household income			
Under \$20K	57.7	40.2	2.0
\$20K - \$39.9K	62.6	33.7	3.7
\$40K - \$74.9K	54.7	39.0	6.2
\$75K+	56.0	37.3	6.7
Region			
Northeast	58.0	37.9	4.1
North central	59.0	33.4	7.6
South	58.0	39.9	2.2
West	51.8	43.9	4.3
Education			
High school or less	59.8	37.0	3.3
Some college	57.9	37.5	4.7
College or postcollege	50.3	43.8	5.8
Race			
White	59.5	36.1	4.4
Black	45.7	49.0	5.3
Hispanic	40.4	57.2	2.4
Metro status			
Metro	55.4	40.1	4.5
Nonmetro	63.0	33.7	3.2
Overall	56.9%	38.9%	4.3%

Note 1: Percentages may not total 100 due to rounding.

Note 2: The 95 percent confidence intervals for the percentages in this table are less than approximately plus or minus 10 percentage points except for the Black and Hispanic subgroups, for which the 95 percent confidence intervals may be as large as approximately plus or minus 15 percentage points.

^aBased on total respondents who represent approximately 196 million adults (18 years of age and older) in the continental United States.

Source: March 2000 ICR Survey.

About One in Eight U.S. Adults Who Had or May Have Seen or Heard Advertising Believed the New Dollar Coin Contained Gold

The ICR survey results indicated that 13 percent of the approximately 120 million adults who had or may have seen or heard advertising for the new dollar coin believed the new dollar coin contained gold, 61 percent did not, and 27 percent did not know or were not sure. (See table 2 for the results from various categories of the U.S. adult population.)

Table 2: Results of the Survey Question Regarding Whether U.S. Adults Who Have or May Have Seen or Heard Advertising Believed the New Dollar Coin Contained Gold

On the basis of advertising that you may have seen or heard, do you believe this new dollar coin contains any gold?^a

Category	Responses		
	Yes	No	Don't know/not sure
Sex			
Male	9.6	67.4	23.0
Female	15.9	54.3	29.8
Age			
18 - 34	11.0	56.3	32.7
35 - 44	12.6	65.8	21.7
45 - 54	13.3	69.2	17.5
55 - 64	15.9	58.0	26.0
65+	14.9	56.4	28.8
Household income			
Under \$20K	17.4	58.1	24.5
\$20K - \$39.9K	8.5	62.4	29.1
\$40K - \$74.9K	14.9	61.4	23.7
\$75K+	15.7	65.5	18.8
Region			
Northeast	16.2	63.1	20.7
North central	10.2	57.6	32.2
South	13.4	58.2	28.4
West	12.1	65.8	22.1
Education			
High school or less	12.6	58.2	29.2
Some college	11.8	64.8	23.3
College or postcollege	14.1	61.4	24.5
Race			
White	12.7	61.1	26.2
Black	21.1	45.1	33.7
Hispanic	11.6	67.0	21.4
Metro status			
Metro	13.2	60.4	26.4
Nonmetro	11.8	61.2	27.0
Overall	12.9	60.5	26.5

Note 1: Percentages may not total 100 due to rounding.

Note 2: The 95 percent confidence intervals for the percentages in this table are less than approximately plus or minus 10 percentage points except for the Black and Hispanic subgroups, for which the 95 percent confidence intervals may be as large as approximately plus or minus 20 percentage points.

^aBased on respondents who have or may have seen or heard advertising for the “Golden Dollar” who represent approximately 120 million adults (18 years of age or older) in the continental United States.

Source: ICR March 2000 Survey.

About One in Eight U.S. Adults Who Were Told That the Mint Advertised the Coin As the “Golden Dollar” Also Believed the New Dollar Coin Contained Gold

The ICR survey also told the respondents who (1) indicated they had not seen or heard the Mint advertising or (2) had seen or heard the advertising but either indicated they did not believe the new dollar coin contained gold or did not know or were not sure if it contained any gold that the Mint has advertised the new dollar coin as the “Golden Dollar.” Knowing that, ICR asked them, did they believe it contained any gold? Of these survey respondents who represent approximately 181 million U.S. adults, 12 percent said they believed it contained gold, 71 percent did not, and 17 percent could not say or were not sure. (See table 3 for the results from various categories of the U.S. adult population.)

Table 3: Results of the Survey Question Regarding Whether U.S. Adults Who Were Told That the U.S. Mint Advertised the Coin as the “Golden Dollar” Believed the New Dollar Coin Contained Gold

Category	Responses		
	Yes	No	Don't know/not sure
“The U.S. Mint has advertised this new dollar coin as the “Golden Dollar.” Knowing this, do you believe it contains any gold?”^a			
Sex			
Male	13.7	71.5	14.8
Female	10.3	71.1	18.6
Age			
18 - 34	14.5	66.8	18.7
35 - 44	12.0	75.4	12.6
45 - 54	12.7	74.6	12.7
55 - 64	9.9	67.8	22.3
65+	7.1	72.6	20.3
Household income			
Under \$20K	8.7	75.0	16.3
\$20K - \$39.9K	10.9	69.6	19.5
\$40K - \$74.9K	15.0	75.2	9.9
\$75K+	15.6	79.0	5.4
Region			
Northeast	8.2	74.2	17.5
North central	14.0	68.3	17.7
South	14.7	71.7	13.7
West	8.4	71.5	20.1
Education			

“The U.S. Mint has advertised this new dollar coin as the “Golden Dollar.” Knowing this, do you believe it contains any gold?”^a

Category	Responses		
	Yes	No	Don't know/not sure
High school or less	10.8	67.4	21.8
Some college	11.3	78.7	10.0
College or postcollege	14.9	70.7	14.4
Race			
White	13.4	72.5	14.1
Black	7.7	68.9	23.4
Hispanic	11.3	64.6	24.0
Metro status			
Metro	11.8	71.4	16.7
Nonmetro	12.2	70.8	17.0
Overall	11.9	71.3	16.8

Note 1: Percentages may not total 100 due to rounding.

Note 2: The 95 percent confidence intervals for the percentages in this table are less than approximately plus or minus 10 percentage points except for the Black and Hispanic subgroups, for which the 95 percent confidence intervals may be as large as approximately plus or minus 15 percentage points.

^aBased on respondents who have not seen or heard advertising for the “Golden Dollar” or do not believe or are not sure if the “Golden Dollar” contains gold on the basis of advertising they may have seen or heard.

Source: March 2000 ICR Survey.

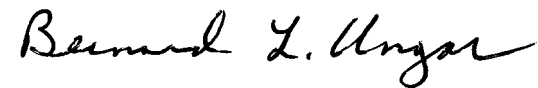
Agency Comments

The Deputy Director of the United States Mint said the Mint accepted the methodology we used and commented that the Mint was pleased with our findings.

We are sending copies of this report to Senator Paul Sarbanes, Ranking Minority Member, Senate Committee on Banking, Housing, and Urban Affairs; Representative Spencer Bachus, Chairman, and Representative Maxine Waters, Ranking Minority Member of the House Subcommittee on Domestic and International Monetary Policy, House Committee on Banking and Financial Services; the Honorable Lawrence H. Summers, Secretary of the Treasury; Mr. John P. Mitchell, Deputy Director of the Mint; and other interested parties. We will also make copies available to others upon request.

Major contributors to this report are acknowledged in appendix IV. Please contact me or John Baldwin on (202) 512-8387 if you have any questions about this report.

Sincerely yours,

A handwritten signature in black ink that reads "Bernard L. Ungar". The signature is written in a cursive style with a large, prominent 'B' and 'U'.

Bernard L. Ungar
Director, Government Business
Operations Issues

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Objectives, Scope, and Methodology

Our objectives were to determine if the public has seen or heard any advertising of the new dollar coin and believes the new dollar coin contains any gold on the basis of that advertising or the use of the term “Golden Dollar.”

To expedite our report, we contracted with International Communications Research (ICR) of Media, PA, a national market research firm, to include our questions regarding the new dollar coin in one of the national telephone surveys ICR conducts on a regular basis.

The survey contained three questions. The first question asked the respondents whether they had seen or heard any advertising of the new dollar coin. Respondents who indicated yes or not sure/may have to the first question were then asked whether they believed the new dollar coin contained any gold on the basis of that advertising. The third question was asked of those respondents who answered no to the first question or who answered no or don’t know/not sure to the second question. For the third question, ICR told the respondents that the Mint has advertised the new dollar coin as the “Golden Dollar.” It then asked the respondents if, knowing that, they believed it contained any gold. (See app. II for the exact wording of the questions used by ICR.)

A total of 1,012 adults aged 18 and older in the continental United States were interviewed between March 3 and 7, 2000. ICR’s survey was made up of a random-digit-dialing sample of households with telephones. Once a household was reached, one adult was selected at random using a computerized procedure based on the birthday of household members. The survey was conducted over a 5-day period, including both weekdays and weekends, and up to four attempts were made to reach each telephone number.

To ensure that survey results could be generalized to the adult population (18 years of age and older) in the continental United States, ICR adjusted the results from the survey to account for selection probabilities and to match the characteristics of all adults in the general public according to demographic groups, such as age, gender, region, and education. The 1,012 respondents can be generalized to approximately 196 million U.S. adults (18 years of age or older) in the continental United States.

Because ICR surveyed a random sample of the population, the results of the survey have a measurable precision or sampling error. Sampling errors are stated at a certain confidence level. The overall results of our survey for all adults are surrounded by 95 percent confidence levels of plus or

minus 4 percentage points or less. Estimates of the subgroups listed in tables 1 to 3 were calculated from smaller numbers of respondents and, unless otherwise noted, are surrounded by 95 percent confidence levels of plus or minus 10 percentage points or less.

The practical difficulties of conducting any survey may introduce nonsampling errors. As in any survey, differences in the wording of questions, in the sources of information available to respondents, or in the types of people who do not respond can lead to somewhat different results. We took steps to minimize nonsampling errors. For example, we developed our survey questions with the aid of a survey specialist.

To obtain information on the background of the advertising of the new dollar coin and its introduction, we reviewed our prior reports¹ on the dollar coin, the legislative history of the United States \$1 Coin Act of 1997, and Mint documents and interviewed officials at the United States Mint.

We did our audit work in February and March 2000 in accordance with generally accepted government auditing standards.

¹ New Dollar Coin: Public Prefers Statue of Liberty Over Sacagawea (GAO/GGD-99-24, Jan. 22, 1999); Coin and Currency Production: Issues for Congressional Consideration (GAO/T-GGD-97-146, June 26, 1997); A Dollar Coin Could Save Millions (GAO/T-GGD-95-203, July 13, 1995); 1-Dollar Coin: Reintroduction Could Save Millions If It Replaced the 1-Dollar Note (GAO/T-GGD-95-146, May 3, 1995); 1-Dollar Coin: Reintroduction Could Save Millions If Properly Managed (GAO/GGD-93-56, Mar. 11, 1993); A New Dollar Coin Has Budgetary Savings Potential But Questionable Acceptability (GAO/T-GGD-90-50, June 20, 1990); Limited Public Demand for New Dollar Coin or Elimination of Penny (GAO/T-GGD-90-43, May 23, 1990); and National Coinage Proposals: Limited Public Demand for New Dollar Coin or Elimination of Pennies (GAO/GGD-90-88, May 23, 1990).

New Dollar Coin Questionnaire

ICR

Media, Pennsylvania 19063

Job # P910
March 2, 2000
DOLLARQN.DOC

NEW DOLLAR COIN QUESTIONNAIRE

1. The U.S. Mint has recently introduced a new dollar coin. Have you seen or heard any advertising for this new dollar coin?

1 Yes (CONTINUE)
2 Not sure/May have (CONTINUE)
3 No (SKIP TO Q3)
R Refused (SKIP TO Q3)

[PN: IF Q1=2 Q2 SHOULD READ "ON THE BASIS OF ADVERTISING YOU MAY HAVE SEEN..."]

2. On the basis of advertising that you have seen or heard, do you believe this new dollar coin contains any gold?

1 Yes (TERMINATE)
2 No (CONTINUE)
D Don't Know/Not sure (CONTINUE)
R Refused (CONTINUE)

3. The Mint has advertised this new dollar coin as the "Golden Dollar". Knowing that, do you believe it contains any gold?

1 Yes
2 No
D Don't Know/Not sure
R Refused

Comments From the United States Mint



DEPUTY DIRECTOR

DEPARTMENT OF THE TREASURY
UNITED STATES MINT
WASHINGTON, D.C. 20220-0001

March 27, 2000

Mr. Bernard L. Ungar
Director
Government Business Operations Issues
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Ungar:

Thank you for your letter of March 23, 2000, requesting our comments on the draft report entitled: New Dollar Coin: Public Perception of Advertising.

The Mint appreciates the opportunity to meet with your staff to discuss this issue and being given the opportunity to review and comment upon the draft report. The Mint accepts the methodology which was used in the report, and we are happy to see that the GAO's findings support the Mint's position that the term "Golden Dollar" is not misleading the general public.

Please feel free to call on me if you have any further questions.

Sincerely,

John P. Mitchell
Deputy Director
United States Mint

GAO Contacts and Staff Acknowledgments

GAO Contacts

Benard L. Ungar, (202) 512-8387
John Baldwin, Sr., (202) 512-8387

Acknowledgments

In addition to those named above, Lucy M. Hall, Clair Hoffman, Jr., and Stuart Kaufman made key contributions to this report.

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