



USPS INCURS \$9.5 BILLION LOSS DESPITE RAISING STAMP PRICES - THE EPOCH TIMES

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Photo: A post office in Buena Park, Calif., on Jan. 15, 2021. John Fredricks/The Epoch Times

The U.S. Postal Service (USPS) incurred a significant increase in its losses this fiscal year, as revenues jumped but volumes dipped.

Net loss for 2024 fiscal totaled \$9.5 billion, up from \$6.5 billion last year, said a Nov. 14 [statement](#) from the agency reflecting its earnings. The \$3 billion increase in losses occurred at the same time the agency had a slight revenue increase from \$78.18 billion to \$79.53 billion. The revenue uptick was not supported by an increase in mail volume, which fell from 116 billion units to 112 billion units.

According to the USPS [Office](#) of the Inspector General, the postal agency “relies almost entirely on the revenue generated from postage” to cover the costs of delivering mail.

The jump in net loss occurred despite an increase in postal rates by the agency. This increase, implemented in January and July, was done in accordance with the 2021 Delivering for America (DFA) plan that calls for such annual hikes.

The 10-year plan is reportedly aimed at boosting USPS’s financial situation.

The postal agency said that more than 80 percent of the loss incurred this year was due to factors “outside of management’s control,” such as adjustments related to employees’ non-cash compensation, according to the report.

Postmaster General Louis DeJoy said the organization’s pricing and product strategies “are continuing to improve our revenue picture and fuel market share gains in our package business.”

Nonprofit advocacy Keep US Posted criticized the USPS for its large losses, blaming it on the agency’s focus on the DFA plan. The \$9.5 billion loss is more than \$3 billion above projections, [said](#) the nonprofit’s executive director, former congressman Kevin Yoder.

He attributed the losses to mail volume declines that negated the increase in package volumes. Yoder blamed DeJoy for pursuing the DFA’s “disastrous postage increases and misbegotten focus on packages over traditional mail, which is still the largest revenue-generator for USPS.”

“The bottom line is that these consistent financial losses are driven by stamp hikes which lead to disastrous mail volume losses, plus the complete failure of USPS to capture parcel market share in an already crowded package delivery space.”

USPS chief financial officer Joseph Corbett said the ongoing trend of falling mail volume and rising package volume reinforces the agency's commitment to fully implementing the DFA plan.

Adhering to the plan has resulted in cutting down work hours for the third straight year, resulting in \$2.3 billion in annual savings, he claimed.



USPS and Price Hikes

When USPS last raised the [price](#) of stamps in July, it justified the decision by saying the hike was financially necessary for the agency, as per the DFA plan.

"USPS prices remain among the most affordable in the world," it said.

Earlier in May, the Postal Regulatory Commission (PRC) said the postal agency's July price increase was in line with regulations and that there was no legal reason to reject the hikes. PRC is an independent agency tasked with regulatory oversight of USPS.

A group of senators criticized USPS in a letter in April for the "unsustainable" price hikes. After the agency began raising postage rates, "we began to see the disastrous effects in 2023," they wrote, pointing to a decline of 11 billion pieces of mail volume that year and the \$6.5 billion loss.

"Instead of connecting the two issues, USPS blamed inflation, despite mail prices nearly doubling inflation in that time period."

In September, Rep. Jake LaTurner (R-Kan.) introduced the USPS SERVES US Act, which Keep US Posted [says](#) will allow the PRC to course-correct USPS decisions driving the agency into "financial ruin."

The bill seeks to limit "negative effects" of the DFA plan, which has made mailing expensive for customers, it said.

"Since August 2021, there have been six unprecedented postage hikes—one every six months, well above inflation—that have hurt businesses, newspapers, nonprofit mailers, and individual Americans," LaTurner noted.

"With each price hike, demand for mail, which is still the biggest revenue-generator for the USPS, declines, access to our postal network is threatened, and the USPS slips further into financial ruin."

On Friday, the postal agency [said](#) it filed a notice with PRC for raising Shipping Services prices scheduled to take effect from Jan. 19. Prices for Mailing Services will remain unchanged due to which First-Class stamp prices will not be raised.

The Epoch Times reached out to USPS for comment.