



May 31, 2015 USPS® Rate Increase - See How It Will Impact Your Budget

On May 31, 2015, the USPS increased their rates on many of the most common mail classes. For the past 17 years, I have been creating comparison charts for my clients that go over the changes in rates to show how it will affect their budgets. The reason that I do this is that when the USPS talks about a 2% increase, this is overall. Based on the type of mail you do, the increase could be higher or lower. You need to look at the class, weight, zone, density and special services required to see the true impact. Also, when you look at the new rate charts provided by the USPS, they typically will not show the level of detail needed (Previous and new rates, side-by-side) to see these differences.

The remainder of this article will look at the main classes of mail and will break down the specific increases. Hopefully this will help you budget for these changes by seeing how it will impact your mail.

First-Class Mail®

Retail

Increase – 0-10.2%

First-Class Mail® Retail									
	Letters			Flats			Parcels		
Weight Ounces	Prior to 5/31/15	New Rates 5/31/15	%	Prior to 5/31/15	New Rates 5/31/15	%	Prior to 5/31/15	New Rates 5/31/15	% Increase
1	\$0.49	\$0.49	0.0%	\$0.98	\$0.98	0.0%	\$2.32	\$2.54	9.5%
2	\$0.70	\$0.71	1.4%	\$1.19	\$1.20	0.8%	\$2.32	\$2.54	9.5%
3	\$0.91	\$0.93	2.2%	\$1.40	\$1.42	1.4%	\$2.32	\$2.54	9.5%
6	N/A	N/A		\$2.03	\$2.08	2.5%	\$2.86	\$3.14	9.8%
13	N/A	N/A		\$3.50	\$3.62	3.4%	\$4.12	\$4.54	10.2%
Post Card	\$0.34	\$0.35	2.9%						

Metered Letters			
	Letters		
Weight Ounces	Prior to 5/31/15	New Rates 5/31/15	% Increase
1	\$0.48	\$0.485	1.0%
2	\$0.69	\$0.705	2.2%
3	\$0.90	\$0.925	2.8%

The price of a First-Class Mail® stamp stays the same at \$.49 but the issue is most business mailers are not paying this rate. They are using postage meters or pc postage services (Metered Letters category) where the rate increased by 1%. The biggest impact for First-Class Mail® is in 2 areas:





1. **Additional Ounce Rates** – These increased from \$.21 to \$.22 per ounce for letters and flats. If you are sending a 6 ounce flat, your rate goes up by 2.5% and the heavier the item, the higher percentage increase.
2. **First Class Parcels** – The base rate increased from \$2.32 to \$2.54 and the additional ounce price has gone up from \$.18 to \$.20. This makes these light weight parcels 9-10% more expensive. My guess is this change is so high because this service is still a bargain compared to the private carriers.

Commercial

Increase – 0.9-4.2%

Commercial First-Class Mail®											
		Letters			Flats*			Post Cards			
	Weight Ounces	Prior to 5/31/15	New Rates 5/31/15	% Increase	Prior to 5/31/15	New Rates 5/31/15	% Increase	Prior to 5/31/15	New Rates 5/31/15	% Increase	
Automation 5 Digit	1	\$0.381	\$0.391	2.6%	\$0.451	\$0.470	4.2%	\$0.251	\$0.260	3.6%	
Automation 3 Digit	1	\$0.406	\$0.416	2.5%	\$0.634	\$0.662	4.4%	\$0.265	\$0.275	3.8%	
Automation AADC	1	\$0.406	\$0.416	2.5%	\$0.691	\$0.702	1.6%	\$0.265	\$0.275	3.8%	
Automation Mixed AADC	1	\$0.435	\$0.439	0.9%	\$0.782	\$0.782	0.0%	\$0.278	\$0.284	2.2%	
Presorted (Non Automation)	1	\$0.460	\$0.471	2.4%	\$0.815	\$0.831	2.0%	\$0.293	\$0.295	0.7%	

What is interesting about the increase is that it affects the mail with the deepest sort levels. If you are using a presort service, this may affect the rates they are charging so pay close attention to your invoices.





Standard Mail®

Increase - 1.4-5.1%

		Standard Mail®					
		Letters			Flats		
	Weight Ounces	Prior to 5/31/15	New Rates 5/31/15	%	Prior to 5/31/15	New Rates 5/31/15	% Increase
Automation 5	≤3.3	\$0.261	\$0.266	1.9%	\$0.386	\$0.392	1.6%
Automation 3	≤3.3	\$0.279	\$0.283	1.4%	\$0.472	\$0.479	1.5%
Automation AADC/ADC	≤3.3	\$0.279	\$0.283	1.4%	\$0.524	\$0.536	2.3%
Automation Mixed AADC/ADC-Origin	≤3.3	\$0.301	\$0.304	1.0%	\$0.553	\$0.569	2.9%
		Standard Mail® Nonprofit					
		Letters			Flats		
	Weight Ounces	Prior to 5/31/15	New Rates 5/31/15	%	Prior to 5/31/15	New Rates 5/31/15	% Increase
Automation 5	≤3.3	\$0.143	\$0.147	2.8%	\$0.237	\$0.249	5.1%
Automation 3	≤3.3	\$0.161	\$0.164	1.9%	\$0.323	\$0.336	4.0%
Automation AADC/ADC	≤3.3	\$0.161	\$0.164	1.9%	\$0.375	\$0.393	4.8%
Automation Mixed AADC/ADC-Origin	≤3.3	\$0.183	\$0.185	1.1%	\$0.404	\$0.426	5.4%





The biggest increase in this category will impact Non-Profit customers. 5 Digit letter rates went up 2.8% compared to 1.9% for Commercial customers and Flats are going up between 4-5.1% (vs. 1.5-2.9%).

Special Services

Increase – 0-56.5%

Special Services	Retail			Electronic		
	Prior to 5/31/15	New Rates 5/31/15	%	Prior to 5/31/15	New Rates 5/31/15	% Increase
Certificate of Mailing	\$1.30	\$1.35	3.8%			
Registered™ without Insurance	\$11.95	\$12.20	2.1%			
Certified Mail™	\$3.30	\$3.45	4.5%			
Return Receipt	\$2.70	\$2.80	3.7%	\$1.35	\$1.40	3.7%
USPS Tracking						
First-Class™ Package Svcs	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	0%
Standard Mail®				\$0.23	\$0.36	56.5%
Priority	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	0%
Signature Confirmation	\$2.90	\$3.00	3.4%	\$2.35	\$2.45	4.3%

One item that I wanted to specifically point out is the cost of sending Certified Mail with Return Receipt. The price will now be \$6.74 (Compared to \$6.49) for a one ounce letter. At that price, it may be a good idea to check your 2-3 day rates with your private carriers to see if they are less money. Also, consider switching to the Electronic Return Receipt (ERR) which saves \$1.40 each.

Conclusion

It is impossible to compare every rate but these are the most common mail classes used by business mailers throughout the United States. I hope this type of comparison is helpful and we will continue to post upcoming rate changes on our website at www.postaladvocate.com.

Adam Lewenberg, CMDSS, MDC, President of Postal Advocate Inc., runs the largest Mail Audit and Recover firm in the United States. Their mission is to help entities with large numbers of locations reduce mail related expenses, recover lost postage funds, and simplify visibility and oversight. Since 2013, they have helped their clients save an average of 52% and over \$14 million on equipment, fees and lost postage. He can be reached at (617)372-6853 or adam.lewenberg@postaladvocate.com.

