



USPS® Rates to Increase for a Second Time This Year – Biggest Increase in Over 10 Years

The USPS approved the largest rate increase in over 10 years, and it is the second increase of 2021! It also impacts the largest mailers the most due to higher percentage increases for production mail categories.

Date	First-Class Mail® Retail Letters	First-Class Mail® Metered Letters	First-Class Mail® Flats	First-Class Mail® Auto Letters	First-Class Mail® Auto Flats	Marketing-Mail® Letters	Marketing-Mail® Flats
8/29/2021	6%	4%	16%	8%	17%	8%	9%
1/24/2021	0%	2%	0%	2%	7%	1%	9%
Combined 2021	6%	6%	16%	9%	25%	9%	18%
1/26/2020	0%	0%	0%	2%	-4%	2%	4%
1/27/2019	10%	6%	0%	1%	2%	2%	5%
1/21/2018	2%	2%	2%	1%	-2%	0%	5%
1/22/2017	4%	-1%	4%	0%	0%	-1%	2%
4/10/2016	-4%	-4%	-4%	-4%	-5%	-4%	-4%
5/31/2015	0%	1%	0%	2%	2%	1%	2%
1/26/2014	7%	5%	7%	6%	7%	6%	6%
1/27/2013	2%	2%	2%	2%	2%	2%	2%
1/12/2012	2%	2%	2%	3%	4%	2%	2%

Postal Advocate has been creating comparison charts for our clients that go over the changes in rates to show how it will affect budgets. The reason we do this, is to provide a true comparison versus the overall average % increase that the postal service talks about. This is the second increase to happen in 2021 and will take effect August 29, 2021. Based on the type of mail you send, the increase could be higher or lower. 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.

Hopefully, this will help you budget by seeing the impact of the most common services that you use today. At the bottom of this article there is also a link to an excel tool where you can plug in your mail volumes to see the impact to your organization.

Here is a [link](#) to a simple chart of all the rates below





First-Class Mail® Single Piece – 3.2% – 16% Increase

First-Class Mail® Retail						
Weight Ounces	Letters			Flats		
	Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase
1	\$0.55	\$0.58	5.5%	\$1.00	\$1.16	16.0%
2	\$0.75	\$0.78	4.0%	\$1.20	\$1.36	13.3%
3	\$0.95	\$0.98	3.2%	\$1.40	\$1.56	11.4%
6	N/A	N/A		\$2.00	\$2.16	8.0%
13	N/A	N/A		\$3.40	\$3.56	4.7%
Post Card	\$0.36	\$0.40	11.1%			

Metered Letters			
Weight Ounces	Letters		
	Prior to 08/29/21	New Rates 08/29/21	% Increase
1	\$0.510	\$0.530	3.9%
2	\$0.710	\$0.730	2.8%
3	\$0.910	\$0.930	2.2%

The price of a stamp will go up by \$.03 and the same for the additional ounce rates. Metered Letters are seeing a \$.02 increase to \$.53 and will have the same additional ounce increase. A single piece flat is increasing from \$1.00 - \$1.16.

First-Class Mail® Commercial – 7% - 20.7% Increase

Commercial First-Class Mail®										
	Weight Ounces	Letters			Flats*			Post Cards		
		Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase
Automation 5 Digit	1	\$0.398	\$0.426	7.0%	\$0.460	\$0.555	20.7%	\$0.269	\$0.306	13.8%
Automation 3 Digit					\$0.618	\$0.730	18.1%			
Automation AADC	1	\$0.428	\$0.461	7.7%	\$0.666	\$0.783	17.6%	\$0.279	\$0.318	14.0%
Automation Mixed AADC	1	\$0.450	\$0.485	7.8%	\$0.774	\$0.891	15.1%	\$0.285	\$0.326	14.4%
Presorted (Non Automation)	1	\$0.460	\$0.494	7.4%	\$0.870	\$1.000	14.9%	\$0.293	\$0.335	14.3%

Automation letters are going up 7-8% and Flats are seeing 15-21% increases.





First-Class Mail® Letter Options									
Weight Ounces	Retail (Stamps)			Metered			Commercial (Automation)		
	Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	Savings over Metered
1	\$0.55	\$0.58	5.5%	\$0.51	\$0.53	3.9%	\$.398-.45	\$.398-.45	13-20%
2	\$0.75	\$0.78	4.0%	\$0.71	\$0.73	2.8%	\$.398-.45	\$.398-.45	37-42%
3	\$0.95	\$0.98	3.2%	\$0.91	\$0.93	2.2%	\$.398-.45	\$.398-.45	50-54%
3.5	\$1.15	\$1.18	2.6%	\$1.11	\$1.13	1.8%	\$.398-.45	\$.398-.45	59-62%

The biggest change in this category occurred a few years ago when they increased the weight limit for the Commercial Letter rates to 3.5 ounces. The goal was to increase the value of the mail piece allowing customers to add additional content at the same price.

When you look at the chart above and compare the rates of a 3-ounce Metered Letter at \$0.98 to a Commercial rate at \$0.426 it is a 57% savings! This is a big win for presort services that are now more valuable because of the savings they can provide. Also, for flats, (9 x 12 or 10 x 13) consider folding those into 6 x 9 envelopes. The savings can be significant with these new rates and weight savings. A 3oz. flat at \$1.56 now could cost as little as \$0.426 at the letter rate, assuming it could be automated through in-house software or presort services.

Marketing Mail® (Formerly called Standard Mail) – 5.8% to 11.9% Increase

Marketing Mail®							
	Weight Ounces	Letters			Flats		
		Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase
Automation 5 Digit	≤3.5	\$0.259	\$0.277	6.9%	\$0.450	\$0.482	7.1%
Automation 3 Digit	≤4				\$0.588	\$0.640	8.8%
Automation AADC/ADC	≤3.5	\$0.285	\$0.309	8.4%	\$0.663	\$0.729	10.0%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.304	\$0.330	8.6%	\$0.726	\$0.798	9.9%
Marketing Mail® Nonprofit							
	Weight Ounces	Letters			Flats		
		Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase
Automation 5 Digit	≤3.5	\$0.138	\$0.146	5.8%	\$0.256	\$0.278	8.6%
Automation 3 Digit	≤4				\$0.394	\$0.436	10.7%
Automation AADC/ADC	≤3.5	\$0.164	\$0.178	8.5%	\$0.469	\$0.525	11.9%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.183	\$0.199	8.7%	\$0.532	\$0.594	11.7%

Marketing Mail® Letter rates are increasing at approximately 6.9-8.6% while Flats are going up at 7.1-10%. The destination entry level Letter discounts are increasing up to 5-12.5% where with Flats are holding at the DNDC level but increasing 1.3-2.3% as you can see from the table below.





Destination Entry Discounts for Marketing Mail									
	Letters			Flats <4 Ounces			Flats >4 Ounces		
	Prior to 08/29/21	New Rates 08/29/21	% Change	Prior to 08/29/21	New Rates 08/29/21	% Change	Prior to 08/29/21	New Rates 08/29/21	% Change
DNDC	\$0.020	\$0.021	5.0%	\$0.069	\$0.069	0.0%	\$0.276	\$0.276	0.0%
DSCF	\$0.024	\$0.027	12.5%	\$0.078	\$0.079	1.3%	\$0.311	\$0.318	2.3%

Additional Rate Change Items

First-Class Mail International®									
Group	1 Ounce			2 Ounce			Post Cards		
	Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase	Prior to 08/29/21	New Rates 08/29/21	% Increase
Canada	\$1.20	\$1.30	8.3%	\$1.20	\$1.30	8.3%	\$1.20	\$1.30	8.3%
Mexico (Group 2)	\$1.20	\$1.30	8.3%	\$1.81	\$1.96	8.3%	\$1.20	\$1.30	8.3%
Group 3-5	\$1.20	\$1.30	8.3%	\$2.24	\$2.43	8.5%	\$1.20	\$1.30	8.3%
Group 6-9	\$1.20	\$1.30	8.3%	\$2.08	\$2.25	8.2%	\$1.20	\$1.30	8.3%

Library Mail			
Weight LB's	Single Piece		
	Prior to 08/29/21	New Rates 08/29/21	% Increase
1	\$2.75	\$3.03	10.2%
2	\$3.28	\$3.63	10.7%
5	\$4.87	\$5.43	11.5%
10	\$7.52	\$8.43	12.1%

Media Mail			
Weight LB's	Single Piece		
	Prior to 08/29/21	New Rates 08/29/21	% Increase
1	\$2.89	\$3.19	10.4%
2	\$3.45	\$3.82	10.7%
5	\$5.13	\$5.71	11.3%
10	\$7.93	\$8.86	11.7%





Special Services	Retail		Electronic			
	Prior to 08/29/21	New Rates 08/29/21	% Increase	New Rates 08/29/21	New Rates 08/29/21	% Increase
Certificate of Mailing	\$1.55	\$1.65	6.5%			
Registered™ without Insurance	\$12.90	\$13.75	6.6%			
Certified Mail™	\$3.60	\$3.75	4.2%			
Return Receipt	\$2.85	\$3.05	7.0%	\$1.75	\$1.85	5.7%
Insurance \$100	\$2.95	\$3.15	6.8%			
Insurance \$500	\$7.20	\$8.75	21.5%			
Marketing Mail® parcels Tracking				\$0.20	\$0.24	20.0%
Signature Confirmation	\$3.20	\$3.45	7.8%	\$2.70	\$2.90	7.4%
Annual Permit Fees	\$245.00	\$265.00	8.2%			
Business Reply Mail						
Permit Fee	\$245.00	\$265.00	8.2%			
Account Maintenance Fee	\$740.00	\$800.00	8.1%			
Quarterly Fee	\$2,460	\$2,675	8.7%			
Basic	\$0.86	\$0.92	7.0%			
High Volume	\$0.096	\$0.110	14.6%			
QBRM Basic	\$0.072	\$0.077	6.9%			
QBRM High Volume	\$0.014	\$0.016	14.3%			

Conclusion

This is the largest increase we have seen in years and mailers are going to need to look for savings strategies to help offset these changes.

To budget for this increase, you need to look at the type of items you are sending, and the weight and zones that are most common, to truly estimate the impact. We have developed a Microsoft Excel-based budget calculator that you can [download](#) for free that should help you better plan for this year. Some of the most popular USPS classes are going up at the highest rates but luckily there are ways to help mitigate this through automation and technology.

Adam Lewenberg, CMDSS, MDC, President/CEO of [Postal Advocate Inc.](#), runs the largest Mail Audit and Recovery firm in the United States and Canada. They manage the biggest mail equipment fleet in the world and their mission is to help organizations with multi-locations reduce mail and parcel related expenses, recover lost postage funds, and simplify visibility and oversight. Since 2011, they have helped their clients save an average of 59% and over \$67 million on equipment, presort, avoidable fees, and lost postage. He can be reached at (617) 372-6853 or adam.lewenberg@postaladvocate.com

