

How the July 10, 2022 Rate Increase will Impact your Budget

On August 29, 2021, and again on July 10, 2022, the USPS® had the largest rate increases in over 10 years, and the combined 12-month increase is daunting at 10-30%! 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
7/10/2022	4%	8%	11%	7%	13%	6%	8%
8/29/2021	6%	4%	16%	8%	17%	8%	9%
Last 12 Mo Increase	10%	12%	27%	14%	30%	14%	17%
1/24/2021	0%	2%	0%	2%	7%	1%	9%
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. 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.

The largest volume mailers, who work with the USPS to have the highest level of automation, will see the biggest increases. This mail makes up 87% of the total and has less options for suppression.

Category	Pieces	% of Total	% Increase
Total Single-Piece Letters and Cards	15,172,441,000	13%	2-6%
Total Presort Letters and Cards	36,246,494,000	31%	7-21%
Total USPS Marketing Mail	64,180,125,000	56%	6-12%
Total	115,599,060,000	100%	

From USPS Market Dominant Products Fiscal Year 2020

- Automation First Class Mail – Going up 7% (Letters) and 13% (Flats)
- Marketing Mail – Going up 6% (Letters) and 8% (Flats)



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 – 3.4% – 14.6% Increase

First-Class Mail® Retail						
	Letters			Flats		
Weight Ounces	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase
1	\$0.58	\$0.60	3.4%	\$1.16	\$1.20	3.4%
2	\$0.78	\$0.84	7.7%	\$1.36	\$1.44	5.9%
3	\$0.98	\$1.08	10.2%	\$1.56	\$1.68	7.7%
6	N/A	N/A		\$2.16	\$2.40	11.1%
13	N/A	N/A		\$3.56	\$4.08	14.6%
Postcard	\$0.40	\$0.44	10.0%			

Metered Letters			
	Letters		
Weight Ounces	Prior to 07/10/22	New Rates 07/10/22	% Increase
1	\$0.530	\$0.570	7.5%
2	\$0.730	\$0.810	11.0%
3	\$0.930	\$1.050	12.9%

The price of a stamp will go up by \$.02 and metered letters are seeing a \$.04 increase to \$.57. A single piece flat is increasing from \$1.16 - \$1.20. The biggest change is the additional ounce rate, increasing from \$.20 to \$.24 making heavier items significantly more expensive.



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

Commercial First-Class Mail®										
		Letters			Flats*			Post Cards		
	Weight Ounces	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase
Automation 5 Digit	1	\$0.426	\$0.455	6.8%	\$0.555	\$0.555	0.0%	\$0.306	\$0.330	7.8%
Automation 3 Digit					\$0.730	\$0.762	4.4%			
Automation AADC	1	\$0.461	\$0.491	6.5%	\$0.783	\$0.821	4.9%	\$0.318	\$0.348	9.4%
Automation Mixed AADC	1	\$0.485	\$0.515	6.2%	\$0.891	\$0.934	4.8%	\$0.326	\$0.359	10.1%
Presorted (Non Automation)	1				\$1.000	\$1.080	8.0%			

Automation letters are going up 6-7% and Flats are seeing 13% average increases. Flats will have significantly higher impacts due to the additional ounce rate going up by \$.04.

First-Class Mail® Letter Options									
	Retail (Stamps)			Metered			Commercial (Automation)		
Weight Ounces	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	Savings over Metered
1	\$0.58	\$0.60	3.4%	\$0.53	\$0.57	7.5%	.426-.485	.455-.515	10-20%
2	\$0.78	\$0.84	7.7%	\$0.73	\$0.81	11.0%	.426-.485	.455-.515	44-36%
3	\$0.98	\$1.08	10.2%	\$0.93	\$1.05	12.9%	.426-.485	.455-.515	51-57%
3.5	\$1.18	\$1.32	11.9%	\$1.13	\$1.29	14.2%	.426-.485	.455-.515	60-65%

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 \$1.05 to a Commercial rate at \$0.455 it is a 51% 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 \$1.68 now could cost as little as \$0.455 at the letter rate, assuming it could be automated through in-house software or presort services.



Marketing Mail® (Formerly called Standard Mail) – 4% to 16.5% Increase

Marketing Mail®							
		Letters			Flats		
	Weight Ounces	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase
Automation 5 Digit	≤3.5	\$0.277	\$0.296	6.9%	\$0.482	\$0.530	10.0%
Automation 3 Digit	≤4				\$0.640	\$0.684	6.9%
Automation AADC/ADC	≤3.5	\$0.309	\$0.328	6.1%	\$0.729	\$0.782	7.3%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.330	\$0.349	5.8%	\$0.798	\$0.854	7.0%
Marketing Mail® Nonprofit							
		Letters			Flats		
	Weight Ounces	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase
Automation 5 Digit	≤3.5	\$0.146	\$0.154	5.5%	\$0.278	\$0.324	16.5%
Automation 3 Digit	≤4				\$0.436	\$0.478	9.6%
Automation AADC/ADC	≤3.5	\$0.178	\$0.186	4.5%	\$0.525	\$0.576	9.7%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.199	\$0.207	4.0%	\$0.594	\$0.648	9.1%

Marketing Mail® Letter rates are increasing at approximately 6-7% while Flats are going up at 7-10%. The destination entry level Letter discounts are increasing up to 10-11% where with Flats are holding at the DNDC level but increasing 15% when moved to the sectional center facility (DSCF) as you can see from the table below.

Destination Entry Discounts for Marketing Mail									
	Letters			Flats <4 Ounces			Flats >4 Ounces		
	Prior to 07/10/22	New Rates 07/10/22	% Change	Prior to 07/10/22	New Rates 07/10/22	% Change	Prior to 07/10/22	New Rates 07/10/22	% Change
DNDC	\$0.021	\$0.023	9.5%	\$0.069	\$0.069	0.0%	\$0.276	\$0.276	0.0%
DSCF	\$0.027	\$0.030	11.1%	\$0.079	\$0.091	15.2%	\$0.318	\$0.364	14.5%



Additional Rate Change Items

First-Class Mail International®									
	1 Ounce			2 Ounce			Post Cards		
Group	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase	Prior to 07/10/22	New Rates 07/10/22	% Increase
Canada	\$1.30	\$1.40	7.7%	\$1.30	\$1.40	7.7%	\$1.30	\$1.40	7.7%
Mexico (Group 2)	\$1.30	\$1.40	7.7%	\$1.96	\$2.11	7.7%	\$1.30	\$1.40	7.7%
Group 3-5	\$1.30	\$1.40	7.7%	\$2.43	\$2.62	7.8%	\$1.30	\$1.40	7.7%
Group 6-9	\$1.30	\$1.40	7.7%	\$2.25	\$2.42	7.6%	\$1.30	\$1.40	7.7%

Library Mail			
	Single Piece		
Weight LB's	Prior to 07/10/22	New Rates 07/10/22	% Increase
1	\$3.03	\$3.32	9.6%
2	\$3.63	\$3.95	8.8%
5	\$5.43	\$5.84	7.6%
10	\$8.43	\$9.08	7.7%

Media Mail			
	Single Piece		
Weight LB's	Prior to 07/10/22	New Rates 07/10/22	% Increase
1	\$3.19	\$3.49	9.4%
2	\$3.82	\$4.16	8.9%
5	\$5.71	\$6.17	8.1%
10	\$8.86	\$9.61	8.5%




Special Services	Retail		Electronic			
	Prior to 07/10/22	New Rates 07/10/22	% Increase	New Rates 07/10/22	New Rates 07/10/22	% Increase
Certificate of Mailing	\$1.65	\$1.75	6.1%			
Registered™ without Insurance	\$13.75	\$14.65	6.5%			
Certified Mail™	\$3.75	\$4.00	6.7%			
Return Receipt	\$3.05	\$3.25	6.6%	\$1.85	\$2.00	8.1%
Insurance \$100	\$3.15	\$3.35	6.3%			
Insurance \$500	\$7.65	\$8.15	6.5%			
Marketing Mail® parcels Tracking				\$0.24	\$0.26	8.3%
Signature Confirmation	\$3.45	\$3.65	5.8%	\$2.90	\$3.10	6.9%
Annual Permit Fees	\$265.00	\$275.00	3.8%			
Business Reply Mail						
Permit Fee	\$265.00	\$275.00	3.8%			
Account Maintenance Fee	\$800.00	\$825.00	3.1%			
Quarterly Fee	\$2,675	\$2,850	6.5%			
Basic	\$0.92	\$0.92	0.0%			
High Volume	\$0.110	\$0.115	4.5%			
QBRM Basic	\$0.077	\$0.084	9.1%			
QBRM High Volume	\$0.016	\$0.018	12.5%			

Conclusion

This is the second largest increase we have seen in years with the biggest occurring in the last 12 months! Mailers are going to need to look for savings strategies to help offset these changes. Our recommended strategy is to create visibility to all mailings and look for automation methods where applicable to reduce the cost and streamline production.

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.



July 2022 Rate Increase Budgeting Tool						
Class	Weight	% Of Class	% Change	Estimated Current Spend	Estimated New Spend	Difference
First-Class Mail® Metered Letters	1	85%	7.5%			
	2	10%	11.0%			
	3	5%	12.9%			
Total			8.1%		\$0.00	\$0.00
First-Class Mail® Flats			11%		\$0.00	\$0.00
First-Class Mail® Parcels - Retail			0%		\$0.00	\$0.00
First-Class Mail® Parcels - Commercial			0%		\$0.00	\$0.00
First-Class Mail® Automation Letters		100%	7%		\$0.00	\$0.00
First-Class Mail® Automation Flats			13%		\$0.00	\$0.00
Certified with Return Receipt			7%		\$0.00	\$0.00
Priority Mail® Retail			0%		\$0.00	\$0.00
Priority Mail® Commercial			0%		\$0.00	\$0.00
Marketing Mail®						

Adam Lewenberg, CMDSS, MDC, President/CEO of [Postal Advocate Inc.](http://PostalAdvocate.com), runs the largest Mail Audit and Recovery firm in the United States and Canada. They manage the biggest shipping & 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 56% and over \$73 million on equipment, presort, avoidable fees, and lost postage. He can be reached at (617) 372-6853 or adam.lewenberg@postaladvocate.com

