

## Our Guide to the 2023 USPS® Rate Change

USPS® is raising rates on January 22, 2023 for the third time in 17 months with some of the largest increases in history and at significantly higher rates than inflation. We can expect these rate spikes to continue as the USPS has stated that two increases per year will be their new norm.

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
2023-01-22	5.0%	5.3%	4.0%	3.3%	8.0%	3.2%	6.1%
2022-07-10	4.2%	8.1%	10.9%	6.5%	13.0%	6.3%	7.8%
2021-08-29	5.5%	3.9%	16.0%	7.5%	17.3%	8.0%	9.0%
<b>Last 17 Month Increase</b>	<b>14.7%</b>	<b>17.3%</b>	<b>30.9%</b>	<b>17.3%</b>	<b>38.3%</b>	<b>17.5%</b>	<b>22.9%</b>

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 or 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 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 \(https://postaladvocate.com/wp-content/uploads/2022/12/January-2023-USPS-Rate-Change-Comparison-Grid\\_Final.pdf\)](https://postaladvocate.com/wp-content/uploads/2022/12/January-2023-USPS-Rate-Change-Comparison-Grid_Final.pdf) to a simple chart of all the rates below

### First-Class Mail® Single Piece – 2% – 9% Increase

First-Class Mail® Retail						
Weight Ounces	Letters			Flats		
	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase
1	\$0.60	\$0.63	5.0%	\$1.20	\$1.26	5.0%
2	\$0.84	\$0.87	3.6%	\$1.44	\$1.50	4.2%
3	\$1.08	\$1.11	2.8%	\$1.68	\$1.74	3.6%
6	N/A	N/A		\$2.40	\$2.46	2.5%
13	N/A	N/A		\$4.08	\$4.14	1.5%
Post Card	\$0.44	\$0.48	9.1%			

Metered Letters			
Weight Ounces	Letters		
	Prior to 01/22/23	New Rates 01/22/23	% Increase
1	\$0.570	\$0.600	5.3%
2	\$0.810	\$0.840	3.7%
3	\$1.050	\$1.080	2.9%

The price of a stamp and metered letters are seeing a \$.03 increase to \$.63 and \$.60. A single piece flat is increasing from \$1.20 - \$1.26 but the additional ounce rate is staying the same at \$.24. Post Cards are seeing the largest increase at \$.04 or a 9.1% change.

### First-Class Mail® Commercial – 3% - 24% Increase

Commercial First-Class Mail®										
		Letters			Flats*			Post Cards		
	Weight Ounces	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase
Automation 5 Digit	1	\$0.455	\$0.471	3.5%	\$0.555	\$0.689	24.1%	\$0.330	\$0.352	6.7%
Automation 3 Digit					\$0.762	\$0.896	17.6%			
Automation AADC	1	\$0.491	\$0.507	3.3%	\$0.821	\$0.955	16.3%	\$0.348	\$0.370	6.3%
Automation Mixed AADC	1	\$0.515	\$0.531	3.1%	\$0.934	\$1.068	14.3%	\$0.359	\$0.381	6.1%
Presorted (Non Automation)	1				\$1.080	\$1.185	9.7%			

Automation letters are going up 3-4% and Flats by 10-24%. The largest increases are at the highest sort levels which will impact most large volume mailers dramatically.

With any increase, it becomes more important to look for ways to reduce costs. These are the options available:

Mail Piece Examples	Single Piece Rates			Automation Mail with Barcodes		
	First-Class Mail® Retail Single Piece	First-Class Mail® Metered Single Piece	Typical Presort Service - First-Class Mail®	First-Class Mail® - Automation	Marketing Mail® - Automation	Marketing Mail® Non Profit-Automation
1 Ounce #10 Envelope	\$0.63	\$0.60	\$0.531	\$.471-.531	\$.305-.36	\$.158-.213
3 Ounce Newsletter (6X9)	\$1.11	\$1.08	\$0.531	\$.471-.531	\$.305-.36	\$.158-.213
8 Ounce Flat (9X12)	\$2.94	\$2.94	\$2.865	\$2.369-2.748	\$.8475-1.1715	\$.5925-.9165
Post Card	\$0.48	\$0.48	\$0.381	\$.352-.370	n/a	n/a

- Use meters or online postage to save \$.03 on letters.
- Consider presort services if you run over 500 pieces per day or have one-time mailings over 1000 pieces.
- Automating your mailings in house can have drastic postage savings.
- Presort and automation levels go up to 3.5 ounces for the same base rate.
- Flats and post cards can have the same automation rates as letters.
- Consider moving generic content mail from First-Class Mail® to Marketing Mail®



## Marketing Mail® (Formerly called Standard Mail) – 3-10% Increase

Marketing Mail®							
	Letters				Flats		
	Weight Ounces	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase
Automation 5 Digit	≤3.5	\$0.296	\$0.305	3.0%	\$0.530	\$0.572	7.9%
Automation 3 Digit	≤4				\$0.684	\$0.726	6.1%
Automation AADC/ADC	≤3.5	\$0.328	\$0.339	3.4%	\$0.782	\$0.824	5.4%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.349	\$0.360	3.2%	\$0.854	\$0.896	4.9%
Marketing Mail® Nonprofit							
	Letters				Flats		
	Weight Ounces	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase
Automation 5 Digit	≤3.5	\$0.154	\$0.158	2.6%	\$0.324	\$0.357	10.2%
Automation 3 Digit	≤4				\$0.478	\$0.511	6.9%
Automation AADC/ADC	≤3.5	\$0.186	\$0.192	3.2%	\$0.576	\$0.609	5.7%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.207	\$0.213	2.9%	\$0.648	\$0.681	5.1%

Marketing Mail® Letter rates are increasing at approximately 3% while Flats are going up at 5-10%. The best way to save money is to move mail closer to its final location utilizing destination entry level discounts. The savings for Letters are increasing 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 01/22/23	New Rates 01/22/23	% Change	Prior to 01/22/23	New Rates 01/22/23	% Change	Prior to 01/22/23	New Rates 01/22/23	% 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%



## Priority Mail®, Priority Mail® Express and First-Class® Package Service – **3-10% Increase**

The rates listed in the charts below are the average rate increase. Actual rates change by 1-26% based on weight and zone. One of the biggest changes is there was a specific zone called “Local, Zone 1 and 2”. This has now been split into two separate zones, where Zone 2 is seeing the highest increases.

USPS Priority Mail®		
Average % Increase	Retail	Commercial Base
Flat Rate	8%	4%
1-5LB	7%	4%
5-10LB	7%	5%
10-25LB	7%	5%
Over 25LB	8%	4%
USPS Priority Mail® Express		
Average % Increase	Retail	Commercial Base
Flat Rate	7%	6%
1-5LB	6%	6%
5-10LB	7%	6%
10-25LB	7%	6%
Over 25LB	7%	7%
First-Class® Package Service		
Average % Increase	Retail	Commercial Base
1-4 Ounce	7%	8%
5-8 Ounce	7%	8%
9-12 Ounce	7%	8%
13 Ounce	8%	8%
14-15.99 Ounce	N/A	8%

The best way to reduce costs in this area is to convert your items from Retail to Commercial Base rates. You must process your items through an online postage solution that can generate a 4” x6” shipping label with the address, barcode and return address embedded. USPS.com only allows for Retail rates so you will need to look at third party solutions that start at about \$15 per month. These average savings for items less than 10 LB (The most common for the USPS) is the following:

- Priority Mail® - 19% Savings
- Priority Mail® Express – 14% Savings



- First-Class® Package Service – 28% Savings

## Additional Rate Change Items

First-Class Mail International®									
	1 Ounce			2 Ounce			Post Cards		
Group	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase	Prior to 01/22/23	New Rates 01/22/23	% Increase
Canada	\$1.40	\$1.45	3.6%	\$1.40	\$1.45	3.6%	\$1.40	\$1.45	3.6%
Mexico (Group 2)	\$1.40	\$1.45	3.6%	\$2.11	\$2.19	3.8%	\$1.40	\$1.45	3.6%
Group 3-5	\$1.40	\$1.45	3.6%	\$2.62	\$2.71	3.4%	\$1.40	\$1.45	3.6%
Group 6-9	\$1.40	\$1.45	3.6%	\$2.42	\$2.51	3.7%	\$1.40	\$1.45	3.6%

Library Mail			
	Single Piece		
Weight LB's	Prior to 01/22/23	New Rates 01/22/23	% Increase
1	\$3.32	\$3.47	4.5%
2	\$3.95	\$4.13	4.6%
5	\$5.84	\$6.11	4.6%
10	\$9.08	\$9.41	3.6%

Media Mail			
	Single Piece		
Weight LB's	Prior to 01/22/23	New Rates 01/22/23	% Increase
1	\$3.49	\$3.65	4.6%
2	\$4.16	\$4.35	4.6%
5	\$6.17	\$6.45	4.5%
10	\$9.61	\$9.95	3.5%



Special Services	Retail			Electronic			
	Prior to 01/22/23	New Rates 01/22/23	% Increase	New Rates 01/22/23	New Rates 01/22/23	% Increase	
Certificate of Mailing	\$1.75	\$1.85	5.7%				
Registered™ without Insurance	\$14.65	\$15.25	4.1%				
Certified Mail™	\$4.00	\$4.15	3.8%				
Return Receipt	\$3.25	\$3.35	3.1%	\$2.00	\$2.10	5.0%	
Insurance \$100	\$3.35	\$3.40	1.5%				
Insurance \$500	\$8.15	\$8.60	5.5%				
Marketing Mail® parcels Tracking				\$0.26	\$0.26	0.0%	
Signature Confirmation	\$3.65	\$3.80	4.1%	\$3.10	\$3.25	4.8%	
Annual Permit Fees	\$275.00	\$290.00	5.5%				
Business Reply Mail							
Permit Fee	\$275.00	\$290.00	5.5%				
Account Maintenance Fee	\$825.00	\$860.00	4.2%				
Quarterly Fee	\$2,850	\$2,970	4.2%				
Basic	\$0.92	\$1.00	8.7%				
High Volume	\$0.115	\$0.120	4.3%				
QBRM Basic	\$0.084	\$0.087	3.6%				
QBRM High Volume	\$0.018	\$0.018	0.0%				

## Conclusion

15-38% increases in 17 months are unheard of and is impacting every organization. Mailers are going to need to look for savings strategies to help offset these changes. Our recommendation is to create visibility to all mailings and look for automation methods 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 ([https://postaladvocate.com/wp-content/uploads/2022/12/Postal-Advocate-January-2023-Rate-Change-Budget-Calculator\\_Final.xlsx](https://postaladvocate.com/wp-content/uploads/2022/12/Postal-Advocate-January-2023-Rate-Change-Budget-Calculator_Final.xlsx)) 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.



Rate Change Budget Calculator January 2023						
Class	Weight	% Of Class	% Change	Estimated Current Spend	Estimated New Spend	Difference
<b>First-Class Mail® Metered Letter</b>	1	85%	7.5%			
	2	10%	11.0%			
	3	5%	12.9%			
<b>Total</b>			<b>8.1%</b>		<b>\$0.00</b>	<b>\$0.00</b>
<b>First-Class Mail® Flats</b>			<b>11%</b>		<b>\$0.00</b>	<b>\$0.00</b>
<b>First-Class Mail® Parcels - Retail</b>			<b>0%</b>		<b>\$0.00</b>	<b>\$0.00</b>
<b>First-Class Mail® Parcels - Commercial</b>			<b>0%</b>		<b>\$0.00</b>	<b>\$0.00</b>
<b>First-Class Mail® Automation Letters</b>		<b>100%</b>	<b>7%</b>		<b>\$0.00</b>	<b>\$0.00</b>
<b>First-Class Mail® Automation Flats</b>			<b>13%</b>		<b>\$0.00</b>	<b>\$0.00</b>

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