

January 21, 2024 USPS® Rate Change – What you need to know

USPS® is raising rates on January 21, 2024, for the fifth time in 29 months with some of the largest increases in history and at significantly higher increases 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
1/21/2024	3.0%	1.6%	3.0%	1.8%	1.2%	1.1%	3.8%
7/9/2023	4.8%	5.0%	5.0%	5.8%	16.7%	6.4%	8.0%
1/22/2023	5.0%	5.3%	4.0%	3.3%	8.0%	3.2%	6.1%
7/10/2022	4.2%	8.1%	10.9%	6.5%	13.0%	6.3%	7.8%
8/29/2021	5.5%	3.9%	16.0%	7.5%	17.3%	8.0%	9.0%
Last 29 Mo Increase	22.5%	23.9%	38.9%	24.9%	56.2%	25.0%	34.7%

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.

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 \(https://postaladvocate.com/rate-change-tools/\)](https://postaladvocate.com/rate-change-tools/) to a simple chart of all the rates below

First-Class Mail® Single Piece – 1% – 4% Increase

First-Class Mail® Retail						
Weight Ounces	Letters			Flats		
	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase
1	\$0.66	\$0.68	3.0%	\$1.35	\$1.39	3.0%
2	\$0.90	\$0.92	2.2%	\$1.59	\$1.63	2.5%
3	\$1.14	\$1.16	1.8%	\$1.83	\$1.87	2.2%
6	N/A	N/A		\$2.55	\$2.59	1.6%
13	N/A	N/A		\$4.23	\$4.27	0.9%
Post Card	\$0.51	\$0.53	3.9%			

Metered Letters			
Weight Ounces	Letters		
	Prior to 01/21/24	New Rates 01/21/24	% Increase
1	\$0.630	\$0.640	1.6%
2	\$0.870	\$0.880	1.1%
3	\$1.110	\$1.120	0.9%

The retail rate of an ounce letter goes up by \$0.02 to \$0.68, but the metered letter rate is only increasing \$0.01 to \$0.64. This means there is a \$.04 savings by having a meter or online postage platform vs. buying stamps at the USPS. A single piece flat is increasing from \$1.35 - \$1.39, but the additional ounce rate is staying the same at \$.24. Postcards are seeing the largest increase at \$.02 or a 4% change.

First-Class Mail® Commercial – 1% - 21% Increase

Commercial First-Class Mail®										
	Weight Ounces	Letters			Flats*			Post Cards		
		Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase
Automation 5 Digit	1	\$0.498	\$0.507	1.8%	\$0.831	\$0.841	1.2%	\$0.355	\$0.357	0.6%
Automation 3 Digit					\$1.037	\$1.047	1.0%			
Automation AADC	1	\$0.537	\$0.547	1.9%	\$1.098	\$1.108	0.9%	\$0.376	\$0.378	0.5%
Automation Mixed AADC	1	\$0.561	\$0.571	1.8%	\$1.234	\$1.244	0.8%	\$0.388	\$0.390	0.5%
Presorted (Non Automation)	1				\$1.270	\$1.300	2.4%			

Automation letters are going up 2% and Flats by 1-2%. 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	\$0.68	\$0.64	\$0.571	.507-.571	\$.33-.385	\$.173-.228
3 Ounce Newsletter (6X9)	\$1.14	\$1.11	\$0.561	\$.498-.561	\$.33-.385	\$.173-.228
8 Ounce Flat (9X12)	\$3.03	\$3.03	\$2.950	\$2.511-2.914	\$1.09-1.46	\$.75-1.12
Post Card	\$0.51	\$0.51	\$0.388	\$.357-.390	n/a	n/a

- Use Meters or Online Postage to save \$.04 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 or through third party mail services to have drastic postage savings.
- Presort and automation levels go up to 3.5 ounces for the same base rate.
- Flats and postcards can have the same automation rates as letters.
- Consider moving generic content mail from First Class to Marketing Mail

Marketing Mail® (Formerly called Standard Mail) – 1-5% Increase

Marketing Mail®							
		Letters			Flats		
	Weight Ounces	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase
Automation 5 Digit	≤3.5	\$0.326	\$0.330	1.2%	\$0.609	\$0.639	4.9%
Automation 3 Digit	≤4				\$0.786	\$0.816	3.8%
Automation AADC/ADC	≤3.5	\$0.361	\$0.365	1.1%	\$0.893	\$0.923	3.4%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.381	\$0.385	1.0%	\$0.976	\$1.006	3.1%
Marketing Mail® Nonprofit							
		Letters			Flats		
	Weight Ounces	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase
Automation 5 Digit	≤3.5	\$0.171	\$0.173	1.2%	\$0.384	\$0.400	4.2%
Automation 3 Digit	≤4				\$0.561	\$0.577	2.9%
Automation AADC/ADC	≤3.5	\$0.206	\$0.208	1.0%	\$0.668	\$0.684	2.4%
Automation Mixed AADC/ADC-Origin	≤3.5	\$0.226	\$0.228	0.9%	\$0.751	\$0.767	2.1%

Marketing Mail® Letter rates are increasing at approximately 1% while Flats are going up at 2-5%.



The best way to save money is to move mail closer to its final location utilizing destination entry level discounts. The savings increased by 17% back in July and you can subtract \$.027-.035 per letter and \$.07-.09 per flat.

USPS Competitive Services

UPS® and FedEx® just announced a 5.9% increase for 2024 and USPS increases are right in line with this as you can see below.

Average % Increase	USPS Priority Mail®			USPS Priority Mail® Express			USPS Ground Advantage™		
	Retail	Commercial Base	Commercial Savings over Retail	Retail	Commercial Base	Commercial Savings over Retail	Retail	Commercial Base	Commercial Savings over Retail
Flat Rate	4%	7%	13%	6%	6%	13%	5%	5%	24%
1-5LB	6%	5%	31%	6%	6%	15%	5%	5%	23%
6-10LB	6%	5%	29%	6%	6%	15%	5%	6%	30%
11-25LB	6%	6%	30%	6%	6%	13%	5%	6%	32%
Over 25LB	13%	10%	17%	6%	6%	12%	5%	3%	16%

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" x 6" 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 LBs (The most common for the USPS) is the following:

- Priority Mail® - 30% Savings
- Priority Mail® Express – 14% Savings
- Ground Advantage – 26% Savings

Additional Rate Change Items

First-Class Mail International®									
Group	1 Ounce			2 Ounce			Post Cards		
	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase
Canada	\$1.50	\$1.55	3.3%	\$1.50	\$1.55	3.3%	\$1.50	\$1.55	3.3%
Mexico (Group 2)	\$1.50	\$1.55	3.3%	\$2.27	\$2.35	3.5%	\$1.50	\$1.55	3.3%
Group 3-5	\$1.50	\$1.55	3.3%	\$2.80	\$2.80	0.0%	\$1.50	\$1.55	3.3%
Group 6-9	\$1.50	\$1.55	3.3%	\$2.60	\$2.80	7.7%	\$1.50	\$1.55	3.3%



Library Mail				Media Mail		
	Single Piece			Single Piece		
Weight LB's	Prior to 01/21/24	New Rates 01/21/24	% Increase	Prior to 01/21/24	New Rates 01/21/24	% Increase
1	\$3.72	\$3.92	5.4%	\$3.92	\$4.13	5.4%
2	\$4.43	\$4.62	4.3%	\$4.67	\$4.87	4.3%
5	\$6.56	\$6.72	2.4%	\$6.92	\$7.09	2.5%
10	\$10.11	\$10.25	1.4%	\$10.67	\$10.82	1.4%

Special Services	Retail			Electronic			
	Prior to 01/21/24	New Rates 01/21/24	% Increase	New Rates 01/21/24	New Rates 01/21/24	% Increase	
Certificate of Mailing	\$1.95	\$2.00	2.6%				
Registered™ without Insurance	\$16.80	\$16.80	0.0%				
Certified Mail™	\$4.35	\$4.40	1.1%				
Return Receipt	\$3.55	\$3.65	2.8%	\$2.10	\$2.32	10.5%	
Insurance \$100	\$3.45	\$3.50	1.4%				
Insurance \$500	\$9.05	\$9.15	1.1%				
Marketing Mail® parcels Tracking				\$0.26	\$0.29	11.5%	
Signature Confirmation	\$4.05	\$4.15	2.5%	\$3.25	\$3.50	7.7%	
Annual Permit Fees	\$310.00	\$320.00	3.2%				
Business Reply Mail							
Permit Fee	\$310.00	\$320.00	3.2%				
Account Maintenance Fee	\$910.00	\$930.00	2.2%				
Quarterly Fee	\$3,150	\$3,200	1.6%				
Basic	\$1.05	\$1.07	1.9%				
High Volume	\$0.130	\$0.133	2.3%				
QBRM Basic	\$0.090	\$0.091	1.1%				
QBRM High Volume	\$0.018	\$0.019	5.6%				

Conclusion

23-56% increases in 29 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 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 (<https://postaladvocate.com/rate-change-tools/>) that



should help you better plan for this year. Most of the most popular USPS classes are going up, but luckily there are ways to help mitigate this through automation and technology.

Class	Weight	% Of Class	% Change	Estimated		
				Current Spend	Estimated New Spend	Difference
<u>First-Class Mail® Metered Letters</u>	1	85%	3.0%			
	2	10%	2.2%			
	3	5%	1.8%			
Total			2.9%		\$0.00	\$0.00
<u>First-Class Mail® Flats</u>			3%		\$0.00	\$0.00
<u>First-Class Mail® Automation Letters</u>			2%		\$0.00	\$0.00
<u>First-Class Mail® Automation Flats</u>			1%		\$0.00	\$0.00
<u>Certified with Return Receipt</u>			3%		\$0.00	\$0.00
<u>Priority Mail® Express Retail</u>			6%		\$0.00	\$0.00
<u>Priority Mail® Express Commercial</u>			6%		\$0.00	\$0.00
<u>Priority Mail® Retail</u>			7%		\$0.00	\$0.00
<u>Priority Mail® Commercial</u>			7%		\$0.00	\$0.00
<u>Ground Advantage® Retail</u>			5%		\$0.00	\$0.00
<u>Ground Advantage® Commercial</u>			5%		\$0.00	\$0.00
<u>Marketing Mail®</u>						
Letters			1%		\$0.00	\$0.00
Flats			15%		\$0.00	\$0.00
<u>Other Misc Mail</u>			3%		\$0.00	\$0.00
Total				\$0.00	\$0.00	\$0.00

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 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 \$88 million on equipment, presort, avoidable fees, and lost postage. He can be reached at (617) 372-6853 or adam.lewenberg@postaladvocate.com.