

How Every Organization Can Save Money on Postage

Postage makes up over 60% of the cost of any mailing, yet it often gets the least focus and visibility. It is looked at as a sunk cost, with little that can be done to control it. The goal of this article is to dispel this belief and to show what can be done to save money. This is more important than ever because costs are going up at the highest amounts in the history of the Postal Service. Prices have increased 35-74% over the last 4 years, with an anticipated two rate increases per year in the future.

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
2025-07-13	6.8%	7.2%	8.7%	8.3%	9.9%	7.5%	13.4%
2024-07-14	7.4%	7.8%	10.3%	8.3%	7.6%	4.4%	5.5%
2024-01-21	3.0%	1.6%	3.0%	1.8%	1.2%	1.1%	3.8%
2023-07-09	4.8%	5.0%	5.0%	5.8%	16.7%	6.4%	8.0%
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%
Last 4 Year Increase	36.7%	38.9%	57.9%	41.5%	73.7%	36.9%	34.7%

We are managing the postage spends for the largest organizations in the US and have found that there is only one process that works to save money in postage.

- Gain detailed visibility to your mail spends
- Have a resource that has expertise in the savings available and how to implement changes.
- Continually measure and monitor the volumes for the future.

Most Important Step – Gain Visibility

To be able to optimize postage spends, you need to get visibility to what you are mailing today. These are the main places to collect information:

- Permits - The largest mailings will be funded by a USPS Permit Imprint Account (Typically Marketing Mail® or First-Class® Mail). You can gain access to the details of these accounts by setting up a login on the USPS Customer Gateway and linking the unique customer account numbers (CRID's). This will give you visibility to the accounts and the unique transactions that were processed.
- Postage Meters – If the postage is being printed by a postage meter that is internal to your organization, you should be able to get visibility to the meter usage. This is done by creating access to the meter vendor's website and linking the account and serial numbers to the login.
- Presort Services – If you are using a service to pick up your mail and commingle with other customers, you will need to know the rate the mail is being metered at as well and the details of the fees they are charging on their invoices.

- **Outsource Print and Mail Services** – This is where most of the mail is produced in the US. You will need access to their invoices, backup detail spreadsheets, and potentially the vendor portals to be able to access the data.

Primary Postage Savings Methods

We are going to list out the most common postage savings methods, from the most basic to advanced. This can hopefully be used as a resource to drive future cost reductions.

	Single Piece Rates			Automation Mail with Barcodes		
Mail Piece Examples	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	\$0.78	\$0.74	\$0.686	.593-.686	\$.372-.433	\$.178-.239
3 Ounce Newsletter (6X9)	\$1.36	\$1.32	\$0.686	.593-.686	\$.372-.433	\$.178-.239
8 Ounce Flat (9X12)	\$3.56	\$3.56	\$3.450	\$2.90-.3.418	\$.997-1.412	\$.716-1.131
Post Card	\$0.61	\$0.61	\$0.462	.42-.462	n/a	n/a

- **Use Postage Meters or Online Postage** – Low volume single piece letters save \$.05 per piece. Priority Mail® and Ground Advantage® save 15-80% by using Online Postage.
- **Use Presort Services** – If you send at least 500 pieces per day or have 1000-piece one-time projects, these services pick up and commingle your envelopes with other mailers to submit deeper into the Postal Service network. Large mailers will find additional postage savings with the following:
 - o Negotiate your presort rates to maximize your discounts. This includes understanding the details of all the fees being charged (Sort, reject, NCOA, Pickup or other miscellaneous fees) and if there are other presort services in your area in which to leverage.
 - o Identify the high-volume mail not going through presort – This could be work done inhouse or through third parties. Make sure flats are included. If you have multiple facilities or outsource print providers, make sure all spending is reviewed.
 - o Compare the presort rates with the mail done at different internal and external locations. You may see large differences.
- **Automate Mailings** – Large volume mail should be run through a mail automation software to get the full discounts without needed to share with a presort service. Most of the users of this software will be the outsourced print and mail services, or large in-house production facilities. This software does the following:
 - o CASS – Validates that the address is correct and matches the USPS database.

- NCOA – Validates that the recipient is still at this address.
 - PAVE – Ensures that the piece is presorted to proper postal sequence.
 - USPS Submission - Submit mail at discounted rates with the proper documentation.
- **Move Marketing Mail® to USPS Sectional Centers** – Marketing Mail® has extra discounts if you can move mail closer to its final destination. Although the discounts were reduced in July 2025, it is still one of the best ways to reduce costs. Letters save \$.017, Flats save \$.038 (<4 Ounce) and \$.312 (>4 Ounce). Since this work is typically outsourced, measure how much of your mail is receiving these discounts.
- **Additional USPS Automation Discounts:**
 - Full Service Intelligent Mail - \$.005
 - Seamless Acceptance - \$.002
 - SCF Pallet Discount - \$.003-.018
- **USPS Incentives and Promotions** – The USPS offers different ways for mailers to reduce costs if they can tie to the Post Office’s objectives to grow mail. These typically link to connecting a physical mail piece to an online experience or utilizing new USPS technology. The current incentives are the following:
 - Growth Incentive – 30% credit for qualifying volume (must exceed established threshold).
 - Marriage Mail Incentive – Combines advertisements from multiple businesses into a single mail piece.
 - Integrated Technology Promotion – 3% Discount
 - Reply Mail IMbA Promotion – 3 or 6% Discount
 - First Class® Mail Advertising Promotion – 3% Discount
 - Continuous Contact Promotion – 3% Discount
 - Catalog Insights Promotion – 10% Discount
 - Informed Delivery Add-On – 1-1.5% Discount
 - Sustainability Add-On – 1% Discount
- **Optimizing Mail Classes** – Some of the largest savings come from changing the way we submit mailings so they can qualify for lower prices. Here are some of the best examples:
 - Folding Flats – These are 9 x12 or 10x13 mail pieces that have increased by up to 74% over the last 4 years. If these items can be folded into 6x9.5 envelopes (Half fold), the cost can go down by as much as 73%. This same holds true for Marketing® mailings that are moved to the maximum letter size of 6.125”x11.5”. You want to check on how many sheets your in-house or outsource provider can



get into a half fold envelope to qualify for the letter rates. Also, if the Marketing Mail® pieces can be redesigned to meet these size or piece requirements.

	Flat Envelope	Letter Envelope - Example 6x9 or #10			
Sheets	First Class Mail® Flat - Large Envelope	First Class Mail® Letter - 6x9 Envelope (Metered)	Typical Presort Service - First-Class Mail® Letter	First-Class Mail® - Automation Letter	Savings
1-2	\$1.63	\$0.74	\$0.686	\$.593-.686	55-64%
3-4	\$1.90	\$0.74	\$0.686	\$.593-.686	61-69%
6-10	\$2.17	\$1.01	\$0.686	\$.593-.686	53-73%

Weight Assumptions - Paper = .16 Ounces, Flat = .6 Ounces, 6x9 Envelope = .3 Ounces

- Certified Mail with Electronic Return Receipt – Moving from the retail Return Receipt (Green card) to the electronic version saves \$1.58 per item. It also gives you an electronic view of every item submitted and access to the electronic signature files.
- Reduced USPS Priority Mail® and Ground Advantage® Rates – There are additional negotiated service agreement rates available using specific online platforms that can save 25-80% off the Retail rates.
- Business Reply Mail – There are different rate structures based on the amount of mail that is being returned. By optimizing accounts, you can save over \$1 per returned item. The issue is that this is often put on autopilot without any visibility to return volumes.
- Moving mail from First Class® to Marketing Mail® – As you can see from the chart at the start of the article, Marketing Mail® is significantly less expensive. If mail does not have personal information (With the exception of the delivery address), and you can plan your projects around a slower delivery time, it may qualify for Marketing Mail®.
- Moving UPS® and FedEx® to USPS® – Most organizations have an agreement with one of the private carriers. This may still make sense for most of their items, but the USPS will be less expensive on light weight items (<10LBs) going to residences because they do not charge for the following items:
 - Residential Fees
 - Delivery Area Surcharges
 - Fuel Surcharges
 - Saturday Delivery
 - Address Corrections

- Dimensional Rates for items under a cubic foot

Continual Measurement

Now that you have visibility to the data and have started to implement some of the savings' methods above you need a way to monitor future volumes, document the savings, and look for future change opportunities. We recommend having your own repository for your data, so you can pull the information from the portals and invoices we discussed in the visibility stage above. This is important because without future access, additional savings will be missed. Our firm is pulling this data monthly to maintain access and see changes over time. This can be done on your own with a structured approach and a central owner of the data. There are continual changes in postage rates, USPS Promotions and your own internal mail volumes, and if it is not continually monitored, savings will be missed.

Conclusion

If you listen to the Media, you will think mail is dying, but we are spending \$80 Billion on postage to process 112 billion pieces per year, and the largest production volumes are going down at very low levels. Postage costs just increased 7-12% in July 2025, and you can expect another large increase in January and the following July. It is more important than ever for businesses to gain visibility to the mail they are sending and developing strategies to reduce their costs using any and all savings methods available.

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