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Contact: Martha Johnson
martha.s.johnson@usps.gov
usps.com/news

U.S. Postal Service Reports Second Quarter Fiscal Year 2024 Results

- *USPS Ground Advantage leads Shipping and Package growth*
- *Reductions in transportation expenses reflect continued progress under the [Delivering for America](#) plan*
- *Operating revenue increase of \$410 million to \$19.7 billion*

WASHINGTON - The U.S. Postal Service today announced its financial results for the second quarter of fiscal year 2024 (Jan. 1, 2024 - Mar. 31, 2024). The net loss for the quarter under generally accepted accounting principles (GAAP) totaled \$1.5 billion, compared to a net loss of \$2.5 billion for the same quarter last year. GAAP results for the quarter were negatively impacted by \$1.4 billion of expenses attributed to the amortization of unfunded retiree pension liabilities, offset by a workers' compensation non-cash benefit of \$224 million driven by actuarial revaluation and discount rate changes; these factors are not controllable by the Postal Service. Controllable loss, as defined below, for the quarter was \$317 million, compared to a controllable loss of \$498 million for the same quarter last year. These results were favorably impacted by increased revenue and lower transportation costs, partially offset by the continued effect of inflation on operating expenses.

Total operating revenue was \$19.7 billion for the quarter, an increase of \$410 million, or 2.1 percent, compared to the same quarter last year.

Revenue for the overall Shipping and Packages category increased \$89 million, or 1.2 percent, on a volume increase of 25 million pieces, or 1.5 percent, compared to the same quarter last year. *USPS Ground Advantage*, the Postal Service's shipping offering which provides a simple, reliable, and more affordable way to ship packages, has continued to experience wide adoption in the marketplace.

First-Class Mail revenue increased \$280 million, or 4.4 percent, on a volume decline of 261 million pieces, or 2.2 percent, compared to the same quarter last year. Marketing Mail revenue increased \$74 million, or 2.1 percent, on a volume decline of 282 million pieces, or 2.0 percent, compared to the same quarter last year.

"Our financial results this quarter demonstrated positive trends regarding improved revenue generation and cost control. This reflected progress in the implementation of our 10-year transformation and modernization plan," said Postmaster General Louis DeJoy. "We also saw gains in package deliveries through our successful *USPS Ground Advantage* offering, which was enabled by our new operating model. As we continue to modernize our processing, transportation, and delivery functions, we will increasingly operate with greater efficiency and capability, and at a consistently higher level of performance."

Total operating expenses were \$21.3 billion for the quarter, a decrease of \$685 million, or 3.1 percent, compared to the same quarter last year, reflecting our cost control efforts over transportation expenses and work hours.

"The second quarter saw continued growth in package revenues, which along with lower transportation expenses, favorably impacted our business," said Chief Financial Officer Joseph Corbett. "Inflation, and higher mandated retirement benefit costs, continue to offset these positive efforts. We continue to manage the costs within our control, working toward financial stability for our organization through the full implementation of the *Delivering for America* plan."

Second Quarter Fiscal Year 2024 Operating Revenue and Volume by Service Category Compared to Prior Year

The following table presents revenue and volume by service category for the three months ended March 31, 2024 and 2023:

	Revenue		Volume	
	2024	2023	2024	2023
<i>(revenue in \$ millions; volume in millions of pieces)</i>				
Service Category				
First-Class Mail	\$ 6,590	\$ 6,310	11,678	11,939
Marketing Mail	3,653	3,579	13,814	14,096
Shipping and Packages	7,711	7,622	1,714	1,689
International	366	400	75	82
Periodicals	221	226	671	737
Other	1,171	1,165	59	67
Total operating revenue and volume	\$ 19,712	\$ 19,302	28,011	28,610

Selected Second Quarter Fiscal Year 2024 Results of Operations and Non-GAAP Measures

This news release includes *controllable loss* which is not calculated and presented in accordance with GAAP. This non-GAAP measure is calculated as net loss adjusted for costs outside of management's control, including workers' compensation expenses caused by actuarial revaluation and discount rate changes and the amortization of the CSRS and FERS unfunded liabilities. These latter costs not only are largely outside of management's control but also can fluctuate significantly based on actuarial assumptions and interest rates.

This non-GAAP measure provides meaningful information to assist users of the Postal Service's financial statements to more fully understand the financial results and assess the Postal Service's ongoing performance because it excludes items that may not be indicative of, or are unrelated to, underlying operations.

Non-GAAP financial measures should be considered in addition to, and not as an alternative for, the Postal Service's reported results prepared in accordance with GAAP. This adjusted financial information does not represent a comprehensive basis of accounting.

The following table reconciles GAAP net loss to our non-GAAP financial measure for the three months ended March 31, 2024 and 2023:

	2024	2023
<i>(results in \$ millions)</i>		
Net loss	\$ (1,468)	\$ (2,480)
Workers' compensation non-cash (benefit) expense ¹	(224)	732
CSRS unfunded liability amortization expense ²	800	775
FERS unfunded liability amortization expense ³	575	475
Controllable loss	\$ (317)	\$ (498)

¹ Represents workers' compensation non-cash (benefit) expense resulting from fluctuations in discount rates, changes in assumptions, valuation of new claims, revaluation of existing claims, and the administrative fee paid to the U.S. Department of Labor, less current year claim payments.

² Expense for the accrual for the annual payments due to the Office of Personnel Management (OPM) by September 30 of the respective fiscal year, to amortize the unfunded CSRS retirement obligation. Payments are to be made through 2043 based on OPM invoices.

³ Expense for the accrual for the annual payment due to OPM by September 30 of the respective fiscal year, to amortize the unfunded FERS retirement obligation. Payments are to be made over a 30-year rolling period based on OPM invoices.

Financial results in the Form 10-Q are available at <http://about.usps.com/what/financials/>.

Forward-Looking Statements

Forward-looking statements contained in this release represent the Postal Service's best estimates of known and anticipated trends believed relevant to future operations. However, actual results may differ significantly from current estimates. Certain forward-looking statements included in this release use such words as "may," "will," "could," "expect," "believe," "plan," "estimate," "project," or other similar terminology. These forward-looking statements, which involve a number of risks and uncertainties, reflect current expectations regarding future events and

operating performance as of the date of this report. The Postal Service has no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to nearly 167 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, [Delivering for America](#), to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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