



POSTAL NEWS

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U.S. Postal Service Reports Third Quarter Fiscal Year 2025 Results

- *Controllable loss increased \$522 million, compared to same quarter last year*
- *USPS Ground Advantage continues to grow, providing customers with reliable low-cost service*
- *David Steiner becomes 76th Postmaster General on July 15th*

WASHINGTON - The U.S. Postal Service today announced its financial results for the third quarter of fiscal year 2025 (Apr. 1, 2025 - Jun. 30, 2025). Controllable loss, which excludes certain expenses that are not controllable by management, was \$1.6 billion for the quarter, compared to \$1.1 billion for the same quarter last year.

Net loss for the quarter totaled \$3.1 billion, compared to a net loss of \$2.5 billion for the same quarter last year. Results for the quarter were impacted by unfavorable non-cash workers' compensation adjustments of \$237 million, due to actuarial revaluation and discount rate change factors that are not controllable by the Postal Service, increased compensation and benefits expense of \$360 million, and higher other operating expenses of \$205 million.

"The Postal Service continues to play an important role in the American economy and society, and in the daily lives of the American public, as it has for 250 years," said Postmaster General David Steiner, at his first Board of Governors meeting since joining the Postal Service on July 15, 2025. "America needs a financially strong Postal Service to continue to meet the needs of the nation far into the future. To restore our financial strength, we must continue to evolve amid a changing business environment so that we can provide high-quality service at a reasonable cost. Growing our revenue and cutting our costs to serve is the only path to financial health."

Total operating revenue was \$18.8 billion for the quarter, essentially flat compared to the same quarter last year.

Shipping and Packages revenue increased \$58 million, or 0.8 percent, on a volume decline of 114 million pieces, or 6.5 percent, compared to the same quarter last year. Marketing Mail revenue decreased \$29 million, or 0.8 percent, on a volume increase of 65 million pieces, or 0.5 percent, compared to the same quarter last year. First-Class Mail revenue decreased \$86 million, or 1.4 percent, on a volume decline of 568 million pieces, or 5.4 percent, compared to the same quarter last year, with strategic price increases offsetting the declining volume impact.

"Our top priorities are improving performance and addressing and fixing the larger trends driving our financial losses," said Steiner. "I believe strongly that the Postal Service is capable of operating as Congress intended as an independent entity of the executive branch, that can compete effectively and operate efficiently in the performance of our public service mission and fully fund our operations."

Total GAAP operating expenses were \$22.0 billion for the quarter, an increase of \$613 million, or 2.9 percent, compared to the same quarter last year. The overall increase in operating expenses was primarily due to inflationary impacts on compensation costs (including workers' compensation) and other operating costs.

"While the Postal Service continues to face financial challenges, we are an organization pursuing continuous improvements and innovation," said Chief Financial Officer Luke Grossmann. "We remain focused on moving toward financial sustainability through operational efficiency, product strategies that will generate growth, and pricing adjustments."

Third Quarter Fiscal Year 2025 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 June 30, 2025 and 2024:

	Revenue		Volume	
	2025	2024	2025	2024
<i>(revenue in \$ millions; volume in millions of pieces)</i>				
Service Category				
First-Class Mail	\$ 5,854	\$ 5,940	9,920	10,488
Marketing Mail	3,519	3,548	13,563	13,498
Shipping and Packages	7,755	7,697	1,627	1,741
International	295	329	57	64
Periodicals	209	228	587	707
Other	1,165	1,022	68	71
Total operating revenue and volume	\$ 18,797	\$ 18,764	25,822	26,569

Selected Third Quarter Fiscal Year 2025 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 expense caused by actuarial revaluation and discount rate changes and the amortization of the Civil Service Retirement System (CSRS) and Federal Employee Retirement System (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 three months ended June 30, 2025 and 2024:

	2025	2024
<i>(results in \$ millions)</i>		
Net loss	\$ (3,076)	\$ (2,542)
Workers' compensation non-cash expense ¹	304	67
CSRS unfunded liability amortization expense ²	700	800
FERS unfunded liability amortization expense ³	450	575
Controllable loss	\$ (1,622)	\$ (1,100)

¹ Represents workers' compensation non-cash 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 annual payments due September 30 of the respective year, calculated by the Office of Personnel Management (OPM), to amortize the unfunded CSRS retirement obligation. Payments are to be made through 2043 based on OPM invoices.

³ Expense for the annual payments due September 30 of the respective year, calculated by OPM, 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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Please Note: 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 169 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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