UNITED STATES POSTAL SERVICE ®

POSTAL NEWS

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

FOR IMMEDIATE RELEASE
Aug. 7, 2026

U.S. Postal Service Reports Third Quarter Fiscal Year 2026 Results

- *Operating revenue was $19.9 billion, a 6.1 percent increase, compared to same quarter last year*
- *Controllable loss decreased $584 million and net loss decreased $562 million, compared to same quarter last year*
- *Despite improved third quarter results, the long-term liquidity crisis continues*

WASHINGTON - The U.S. Postal Service today announced its financial results for the third quarter of fiscal year 2026 (Apr. 1, 2026 - Jun. 30, 2026). Controllable loss, which excludes certain expenses that are not controllable by management, was $1.0 billion for the quarter, compared to controllable loss of $1.6 billion for the same quarter last year.

Net loss for the quarter under generally accepted accounting principles (GAAP) totaled $2.5 billion, compared to $3.1 billion for the same quarter last year. This $562 million decrease is attributed to an operating revenue increase of $1.1 billion along with a decrease in workers' compensation of $416 million. These are partially offset by increases in retirement benefits of $324 million, retiree health benefits of $195 million, and compensation and benefits of $129 million.

"Our results this quarter reflect some progress relative to those areas of the business where we can exercise control, namely with revenue generation, cost control and service improvement," said Postmaster General David Steiner. "Nevertheless, the Postal Service is today continuing to face a severe liquidity crisis, and our financial losses this quarter reflect systemic challenges inherent in our Congressionally established business model and regulatory framework. We are taking responsible steps to conserve cash to extend our operating window, but we require thoughtful legislative and other actions to establish a financially sustainable Postal Service capable of serving the American public far into the future."

Total operating revenue was $19.9 billion for the quarter, an increase of $1.1 billion, or 6.1 percent, compared to the same quarter last year. The increase was driven by continued growth in our USPS Ground Advantage Shipping and Packages subcategory and strength in our Marketing Mail category. This was supplemented by price increases in our First-Class Mail and Marketing Mail categories and a transportation-related, time-limited price increase implemented on April 26, 2026, for certain offerings in the Shipping and Packages category. These increases were partially offset by declining volumes in the First-Class Mail and Shipping and Packages categories.

Shipping and Packages revenue increased $588 million, or 7.7 percent, on a volume decline of 55 million pieces, or 3.4 percent, compared to the same quarter last year. Marketing Mail revenue increased $440 million, or 12.3 percent, on a volume increase of 574 million pieces, or 4.3 percent, compared to the same quarter last year. First-Class Mail revenue increased $255 million, or 4.3 percent, on a volume decline of 343 million pieces, or 3.5 percent, compared to the same quarter last year.

Total operating expenses were $22.5 billion for the quarter, an increase of $438 million, or 2.0 percent, compared to the same quarter last year. This increase was primarily due to higher retirement benefits, accrued retiree health benefits top-up expenses, higher compensation and benefits expenses, and the impacts of rising fuel costs that led to higher transportation expenses and higher other operating expenses. These increases were partially offset by the favorable impact of actuarial revaluation of existing workers' compensation cases.

On April 9, 2026, the Postal Regulatory Commission (PRC) granted a Temporary Conditional Waiver of required payments towards the annual pension amortization obligations. In addition, the organization elected to suspend payments for the bi-weekly normal cost contributions for employees covered under the Federal Employees Retirement System (FERS) and deferred approximately $1.4 billion this quarter. However, the Postal Service's financial situation, and specifically its liquidity, remains precarious as these actions are only temporary measures.

The pension obligations will have to be eventually satisfied, therefore these measures cannot represent long-term solutions for the Postal Service.

The Postal Service continues to urge the PRC to provide needed flexibility to their regulations in order to help enable the Postal Service to achieve long-term financial sustainability, while also fulfilling the primary mission to serve the American public.

Additionally, the Postal Service continues to urgently request administrative and legislative reforms to address the following:

- Increase the statutory debt limit of $15.0 billion, which is set by Congress and has not been increased since 1992, to access the capital necessary to achieve our mission and continue to compete with private sector companies that have access to credit and capital markets
- Modify retiree pension benefit funding rules determining how the Office of Personnel Management (OPM) apportions the costs for the Civil Service Retirement System (CSRS) benefits of employees and retirees that worked for both the Postal Service and the Post Office Department to allocate these costs between the Postal Service and Treasury by utilizing modern actuarial principles
- Allow diversification of pension assets and the ability to invest in market-based instruments to allow greater flexibility
- Adopt private sector best practices for workers' compensation administration

Absent such changes and reforms, the Postal Service's financial outlook remains dire.

"The financial results for the quarter reflect a slight improvement compared to the same quarter last year, as we continue to grow revenue and manage the costs under our control, including reducing 4 million work hours during the quarter," said Chief Financial Officer Luke Grossmann. "However, management actions alone will not resolve ongoing financial problems that are caused by an outdated business model that isn't responsive to change. We need to pair those helpful management actions with legislative, regulatory, and administrative reforms to get our organization on its way to financial sustainability."

Third Quarter Fiscal Year 2026 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, 2026 and 2025:

	Revenue		Volume	
(revenue in $ millions; volume in millions of pieces)	**2026**	**2025**	**2026**	**2025**
Service Category				
First-Class Mail	$ 6,133	$ 5,878	9,460	9,803
Marketing Mail	4,018	3,578	13,782	13,208
Shipping and Packages	8,250	7,662	1,554	1,609
International	229	295	43	56
Periodicals	201	210	519	587
Other	1,109	1,174	69	65
Total operating revenue and volume	**$ 19,940**	**$ 18,797**	**25,427**	**25,328**

Selected Third Quarter Fiscal Year 2026 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 the accrued retiree health benefits top-up expense, workers' compensation (benefit) expense 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 the presented non-GAAP financial measure for the three months ended June 30, 2026 and 2025:

(results in $ millions)	2026	2025
Net loss	**$ (2,514)**	**$ (3,076)**
Retiree health benefits top-up expense[1]	195	—
Workers' compensation non-cash (benefit) expense[2]	(119)	304
CSRS unfunded liability amortization expense[3]	825	700
FERS unfunded liability amortization expense[4]	575	450
Controllable loss	**$ (1,038)**	**$ (1,622)**

[1] Expense for the accrual for the annual Postal Service Retiree Health Benefits Fund top-up payment due to OPM by September 30 of the respective fiscal year. OPM has calculated the top-up payment due on September 30, 2026 to be $726 million.

[2] 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

[3] Expense for the annual payments due September 30 of the respective year, calculated by OPM, to amortize the unfunded CSRS retirement obligation. Payments are to be made through 2043 based on OPM invoices.

[4] 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.

# # #

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 more than 170 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is currently pursuing a transformation plan aimed at restoring long-term financial sustainability, improving service, and maintaining 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.

For USPS media resources, including broadcast-quality video and audio and photo stills, visit the *USPS Newsroom*. Follow us on *X*, *Facebook*, *Instagram*, *Pinterest*, *Threads*, and *LinkedIn*. Subscribe to the *USPS YouTube Channel*. For more information about the Postal Service, visit *usps.com* and *facts.usps.com*.