UNITED STATES POSTAL SERVICE®

POSTAL NEWS

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U.S. Postal Service Reports Fiscal Year 2026 Results

- *Operating revenue was $82.9 billion, a 3.0 percent increase, compared to the prior year*
- *Net loss decreased by $2.5 billion while controllable loss decreased by $344 million, compared to the prior year*
- *Financial crisis continues in spite of self-help efforts, with reforms now urgently needed*

WASHINGTON — The U.S. Postal Service today announced its financial results for the 2026 fiscal year ended September 30. Net loss for the year under generally accepted accounting principles (GAAP) totaled $6.5 billion, compared to $9.0 billion for the prior year.

This $2.5 billion decrease in net loss is attributed to a $2.4 billion increase in operating revenue, along with a $2.4 billion decrease in workers' compensation expense and a $277 million decrease in retirement expenses. These improvements were partially offset by increases in other operating expenses of $894 million, retiree health benefits of $726 million, compensation and benefits of $456 million, transportation expense of $225 million, along with the net decrease in interest income (expense) of $252 million, and a decrease in other revenue of $106 million.

Controllable loss, which excludes certain expenses that are not controllable by management, was $2.4 billion for the year, compared to controllable loss of $2.7 billion for the prior year.

"While the Postal Service continues to face systemic challenges associated with the business model and regulatory framework established by Congress, the results we are reporting for the year demonstrate solid improvements in revenue generation, cost control and service performance," said Postmaster General David Steiner. "Because of our ongoing financial crisis, we are continuing to balance the needs of our daily business operations with our need to conserve cash. We are also seeking legislative actions to establish a better and more durable business model for the Postal Service and for the benefit of the American public we serve."

Total operating revenue was $82.9 billion for the year, an increase of $2.4 billion, or 3.0 percent, compared to the prior year. The improvement continues to be driven by expansion and positive response to 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 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 $1.7 billion, or 5.1 percent, on a volume decline of 359 million pieces, or 5.3 percent, compared to the prior year. Marketing Mail revenue increased $843 million, or 5.3 percent, on a volume decline of 640 million pieces, or 1.1 percent, compared to the prior year. First-Class Mail revenue increased $311 million, or 1.2 percent, on a volume decline of 2.2 billion pieces, or 5.1 percent, compared to the prior year.

Total operating expenses were $89.4 billion for the year, a decrease of $404 million, or 0.4 percent, compared to the prior year. This decrease was primarily due to the impact of actuarial revaluation of existing workers' compensation cases and discount rates on workers' compensation costs, as well as a decrease in retirement expenses. These impacts were partially offset by higher other operating expenses, 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.

In 2026, the Postal Service continued efforts to address its financial challenges, which included lowering costs by streamlining networks and optimizing air and surface options; reducing 19 million work hours; and implementing other cash conservation efforts. The organization also increased prices on many products and services. Price

increases have been and will continue to be part of the Postal Service's strategy in achieving long-term financial sustainability. These changes also provide better alignment between the Postal Service and its competitors within the shipping industry.

Despite aggressively pursuing self-help avenues within the mandated business model, the organization's financial position remains precarious and urgently needs the following administrative and legislative reforms:

- 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 the 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 and retiree health assets and the ability to invest in market-based instruments to allow greater flexibility
- Adopt private sector best practices for workers' compensation administration

Additionally, the Postal Service continues to request that Congress eliminate certain uneconomical aspects of our legislative business model or help fund them through modest appropriations.

In April 2026, the Postal Regulatory Commission (PRC) provided some relief in the form of 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 Employee Retirement System (FERS) and deferred approximately $2.6 billion this year. Pension obligations will have to be eventually satisfied, therefore these measures do not represent long-term solutions for the Postal Service.

The Postal Service continues to urge the PRC to provide needed flexibility to its regulations in order to help enable long-term financial sustainability and continue providing the nation with reliable, affordable, universal mail service.

"Our financial results for the year reflect improvement compared to the prior year, as we continue to grow revenue and manage the costs under our control, transportation network consolidation, and reduction of work hours," said Chief Financial Officer Luke Grossmann. "However, our actions alone cannot resolve the challenges brought on by an outdated business model. We will continue to do our part but we need meaningful legislative, regulatory, and administrative reforms to propel the Postal Service toward long-term financial sustainability."

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 years ended September 30, 2026 and 2025:

	Revenue		Volume	
(revenue in $ millions; volume in millions of pieces)	**2026**	**2025**	**2026**	**2025**
Service Category				
First-Class Mail	$ 26,161	$ 25,850	39,852	42,014
Marketing Mail	16,695	15,852	56,109	56,749
Shipping and Packages	34,101	32,436	6,454	6,813
International	945	1,265	186	250
Periodicals	830	884	2,114	2,443
Other	4,141	4,166	359	373
Total operating revenue and volume	**$ 82,873**	**$ 80,453**	**105,074**	**108,642**

Selected Fiscal Year 2026 Results of Operations and Non-GAAP Measures

This news release includes c*ontrollable 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 years ended September 30, 2026 and 2025:

(results in $ millions)	2026	2025
Net loss	**$ (6,512)**	**$ (8,978)**
Retiree health benefits top-up expense[1]	726	—
Workers' compensation non-cash (benefit) expense[2]	(1,444)	972
CSRS unfunded liability amortization expense[3]	2,970	3,122
FERS unfunded liability amortization expense[4]	1,879	2,159
Controllable loss	**$ (2,381)**	**$ (2,725)**

[1] Expense for the accrual for the annual Postal Service Retiree Health Benefits Fund (PSRHBF) top-up payment due to OPM by September 30 of the respective fiscal year. The annual top-up payment is based on the difference between PSRHBF annuitant premiums and net claims costs, but only in the event premium payments exceed the claims costs.

[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-K 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 more than 172 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.

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