

Report: Post Office Has Lost More Than \$50 Billion Since 2007

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The U.S. Postal Service has lost more than \$50 billion since 2007, and without major reforms, it is likely that it will continue to lose money, according to a report from the Cato [Institute](#).

One of the reasons this has occurred is the decline in first-class mail volume, which has fallen from a peak of 104 billion pieces in 2001 to 62 billion pieces in 2015. This 40 percent decline combined with the rise of email communications, Internet bill pay, Facebook, Evite, online advertising, and the decline of printed magazines have contributed to lost revenue.

“USPS’s costly union workforce is another problem,” states the report. “USPS worker compensation is substantially higher, on average, than for comparable private-sector workers. The USPS’s financial challenges have been compounded by a requirement passed in 2006 to pay down the company’s large unfunded liabilities for retiree health care.”

According to the report, solutions for money-losing mail systems are to either privatize them or open them up to competition. “In New Zealand and Sweden, government postal firms slashed their workforces about one third when they were restructured and opened to competition,” states the report. “Similar job cuts were prompted when Germany and the Netherlands privatized their systems.”

“Congress should privatize the USPS, repeal its legal monopolies, and give the company the flexibility it needs to innovate and reduce costs,” the report states. “Those reforms would give entrepreneurs a chance to improve America’s postal services.”