

- [Home](#)
- [About Neighborhood Effects](#)
- [About the Bloggers](#)
- [Subscribe](#)

[Neighborhood Effects](#)

State and Local Public Policy from the Mercatus Center

The U.S. Postal Service Lumbers On

by [Eileen Norcross](#) on November 16, 2009

in [Uncategorized](#)

The [LA Times reports](#) that in spite of 40,000 job cuts and billions in cost-saving measures, the U.S. Postal Service lost \$3.8 billion in FY 2009, which is \$1 billion more than they lost in FY 2008. The USPS' financial health is "[sobering](#)" to quote Postmaster General John Potter. Decreased mail volume coupled with "the impossible demands" of pre-funding future health retiree benefits. The short-term worry, by September 1, 2010, the USPS must make a payment of \$5.5 billion for its retirees. The longer-term reality: e-mail or "[electronic diversion](#)" have taken a huge bite out of mail volume.

To address the immediate-term, like other "too-big-too fail" entities, the USPS has gotten a reprieve. In October, Congress allowed them to [defer contributions](#) to its health care plan.

To address the other matter – technology's effect on the market for snail mail – there is only one way out of the USPS's dilemma: "[Free the Mail](#)", as [CATO's Tad DeHaven and Chris Edwards note](#). But, there's a big obstacle in the room - [public sector unions](#).

Related posts



- No related posts.

 [Comments](#)  [Share](#)  [Print](#)  [Email](#)

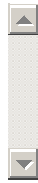


Add New Comment

You are commenting as a [Guest](#). Optional: Login below.

- 
- 
- 
- 

Type your comment here.



[Subscribe to all comments by email ▼](#)

- [Subscribe to all comments by email](#)
- [Do not subscribe to comments](#)

Post as Guest

Showing 0 comments

Sort by

[Subscribe by email](#) [Subscribe by RSS](#)

Trackback URL

[blog comments powered by Disqus](#)

Previous post: [Sacramento Shakedown: your paycheck just got 10 percent lighter](#)



-

- [twitter](#)
- [facebook](#)
- [amazonkindle](#)

Enter your Email Address to Receive New Posts in Your Inbox:

Subscribe

• Most Emailed

- [The non-protesting kind come to Washington, D.C. Tea Party 9/12](#) - 10 emails
- [Is the U.S. Senate Obsolete?](#) - 9 emails
- [Point Pleasant Beach to Mayor: "No New Taxes, or Police Furloughs."](#) - 6 emails

• Recent Comments



- [Ruth Crane](#) 2 comments: The ACFE refers to decreasing internal controls?? In the small business sector -...

[Spam Artists, Electronic Pickpockets and Online Jobs](#) · [1 day ago](#)



- [David Williams](#) The French are 6x more likely to immigrate than Americans...

[Chasing French Chefs out of France](#) · [2 weeks ago](#)



- [Sr. Rodriguez](#) The Governor Luis Fortuño is doing a massacre with the money, with the people sense, is leaving...

[Governor Fortuño Privatizes Jobs, Puerto Rican Unions Strike](#) · [1 month ago](#)

• Tags

[academic work](#) [beneficiaries](#) [boost](#) [brad humphreys](#) [championship](#) [coastal louisiana](#) [consumer spending](#) [consumption](#) [dennis coates](#) [disaster rebuilding](#) [economic development](#) [economic gains](#) [economist](#) [fema](#) [hurricane evacuees](#) [hurricane katrina](#) [incomes](#) [katrina](#) [League](#)

[Louisiana](#) [louisiana legislature](#) [major league baseball](#) [make](#) [Maryland](#) [metro areas](#) [mississippi](#) [multiplier effect](#)

[New Orleans](#) [new stadiums](#) [new urbanism](#) [Orleanians](#) [patrons](#) [percent](#) [regional economies](#) [Remedy](#) [Robert Baade](#) [selection](#) [sporting](#) [sporting events](#) [Stimulus](#) [Super Bowl](#) [superdome](#) [taxpayer subsidies](#) [tax revenues](#) [urban land institute](#)

- **About**

American state and local economic policy and political economy from the Mercatus Center at George Mason University.

[Read more...](#)

- **Authors**

- [Aaron Merrill](#)
- [Daniel M. Rothschild](#)
- [Eileen Norcross](#)
- [Emily Washington](#)
- [Robert Nelson](#)
- [_](#)

- **Categories**

- [Admin](#)
- [Alabama](#)
- [Arizona](#)
- [Boston](#)
- [California](#)
- [City Life](#)
- [Crime](#)
- [Delaware](#)
- [Detroit](#)
- [District of Columbia](#)
- [Economic Policy](#)
- [Education](#)
- [Environment](#)
- [Europe](#)
- [Events and Conventions](#)
- [Federalism](#)
- [Health policy](#)
- [Homeland Security](#)
- [Housing](#)
- [Infrastructure](#)
- [Insurance](#)
- [Louisiana](#)
- [Maine](#)
- [Maryland](#)
- [Natural Disasters](#)
- [New Jersey](#)
- [New Orleans](#)
- [New Publications](#)
- [New Research](#)
- [New York](#)
- [Pensions](#)

- [privatization](#)
 - [Public Finance](#)
 - [Puerto Rico](#)
 - [regulation](#)
 - [Social Policy](#)
 - [Stimulus](#)
 - [Tax and Budget](#)
 - [Texas](#)
 - [Transit and Transportation](#)
 - [Uncategorized](#)
 - [Urban Planning](#)
 - [Virginia](#)
- **Archives**

Select Month

- **More from Mercatus**



[Mercatus Center at George Mason University](#) - 3301 North Fairfax Drive, Suite 450, Arlington, VA 22201
Toll-free Phone: (800) 815-5711 - Local Phone: (703) 993-4930 - Fax: (703) 993-4935

71 readers
BY FEEDBURNER