



FOR IMMEDIATE RELEASE

Feb. 8, 2024

Contact: Martha Johnson  
[martha.s.johnson@usps.gov](mailto:martha.s.johnson@usps.gov)  
[usps.com/news](https://usps.com/news)

## U.S. Postal Service Reports First Quarter Fiscal Year 2024 Results

- Significant progress under the [Delivering for America](#) plan resulted in reduced transportation expenses and 8 million less work hours
- Operating revenue growth to \$21.6 billion
- Continued need for Administrative action to help achieve financial stability

**WASHINGTON** - The U.S. Postal Service today announced its financial results for the first quarter of fiscal year 2024 (Oct. 1, 2023 - Dec. 31, 2023). The net loss for the quarter totaled \$2.1 billion, compared to a net loss of \$1.0 billion for the same quarter last year. Results for the quarter were negatively impacted primarily by non-cash workers' compensation expenses due to actuarial revaluation and discount rate changes, the amortization of unfunded retiree pension liabilities, and the continued effect of inflation on operating expenses. Controllable income, as defined below, for the quarter was \$472 million, compared to controllable income of \$187 million for the same quarter last year, reflecting that the positive impacts of the *Delivering for America* plan are beginning to be realized.

Total operating revenue was \$21.6 billion for the quarter, an increase of \$115 million, or 0.5 percent, compared to the same quarter last year.

Revenue for the overall Shipping and Packages category increased \$240 million, or 2.7 percent, on a volume increase of 98 million pieces, or 5.1 percent, compared to the same quarter last year. *USPS Ground Advantage*, the Postal Service's shipping offering which provides a simple, reliable, and more affordable way to ship packages, has experienced wide adoption with both existing and new consumers and commercial customers. First-Class Mail revenue increased \$171 million, or 2.6 percent, on a volume decline of 704 million pieces, or 5.6 percent, compared to the same quarter last year.

Marketing Mail revenue decreased \$235 million, or 5.4 percent, on a volume decline of 2.4 billion pieces, or 13.5 percent, compared to the same quarter last year. The majority of the revenue and volume decreases are associated with political and election mail, which decreased by over \$275 million and 1.3 billion pieces, respectively, compared to the same quarter last year, reflecting the impact of the 2022 mid-term and related primary elections in the prior year quarter. Absent the impact of these cyclical mailings, Marketing Mail's adjusted results for the quarter would have been an increase in revenue of \$40 million, or 0.9 percent, and a decrease in volume of 1.1 billion pieces, or 6.2 percent, respectively, compared to the same quarter last year.

Total operating expenses were \$23.8 billion for the quarter, an increase of \$1.1 billion, or 4.9 percent, compared to the same quarter last year. Excluding those costs that we cannot control such as retiree pension benefits expense for the amortization of underfunded Civil Service Retirement System (CSRS) and Federal Employee Retirement System (FERS) plans and workers' compensation expenses caused by actuarial revaluation and discount rate changes, adjusted operating expenses decreased by \$218 million, or 1.0 percent, compared to the same quarter last year.

"While we have noteworthy accomplishments, we have far to go on our transformation journey. However, our performance during the recent holiday quarter demonstrates that our modernization strategies are putting the Postal Service on an upward trajectory," said Postmaster General Louis DeJoy. "We recorded revenue growth in the competitive shipping market, controlled costs more effectively, and expanded our controllable operating margin. We expect to continue this progress as we further implement the *Delivering for America* plan and transform our organization to better serve the American public."

"While our first quarter saw package revenue growth, we continue to see inflation impacting our business," said Chief Financial Officer Joseph Corbett. "We continue to implement components of the *Delivering for America* plan working towards financial stability. While full success of the plan will still require Administrative action on the apportionment of certain retiree pension benefit costs, we have been successful in managing the costs within our control, such as reducing work hours by 8 million hours and taking calculated steps to optimize our networks and decrease transportation costs."

### First Quarter Fiscal Year 2024 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 December 31, 2023 and 2022:

	Revenue		Volume	
	2023	2022	2023	2022
<i>(revenue in \$ millions; volume in millions of pieces)</i>				
<b>Service Category</b>				
First-Class Mail	\$ 6,728	\$ 6,557	11,929	12,633
Marketing Mail	4,128	4,363	15,522	17,935
Shipping and Packages	9,080	8,840	2,035	1,937
International	436	460	92	105
Periodicals	238	240	731	800
Other	1,004	1,039	194	190
<b>Total operating revenue and volume</b>	<b>\$ 21,614</b>	<b>\$ 21,499</b>	<b>30,503</b>	<b>33,600</b>

### Selected First Quarter Fiscal Year 2024 Results of Operations and Non-GAAP Measures

This news release includes *controllable income* 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 expenses caused by actuarial revaluation and discount rate changes and the amortization of the CSRS and FERS unfunded liabilities. These latter costs are largely outside of management's control as they 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 the three months ended December 31, 2023 and 2022:

	2023	2022
<i>(results in \$ millions)</i>		
<b>Net loss</b>	<b>\$ (2,072)</b>	<b>\$ (1,028)</b>
Workers' compensation non-cash expense (benefit) <sup>1</sup>	1,169	(35)
CSRS unfunded liability amortization expense <sup>2</sup>	800	775
FERS unfunded liability amortization expense <sup>3</sup>	575	475
<b>Controllable income</b>	<b>\$ 472</b>	<b>\$ 187</b>

<sup>1</sup> Represents workers' compensation non-cash expense (benefit) 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.

<sup>2</sup> Expense for the accrual for the annual payments due to the Office of Personnel Management (OPM) by September 30 of the respective fiscal year, to amortize the unfunded CSRS retirement obligation. Payments are to be made through 2043 based on OPM invoices.

<sup>3</sup> Expense for the accrual for the annual payment due to OPM by September 30 of the respective fiscal year, 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. These risks include, but are not limited to, the effects of COVID-19 on the Postal Service's business, financial condition, and results of operations. 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.

###

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 167 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.

For USPS media resources, including broadcast-quality video and audio and photo stills, visit the [USPS Newsroom](#). Follow us on [Twitter](#), [Instagram](#), [Pinterest](#) and [LinkedIn](#). Subscribe to the [USPS YouTube channel](#), like us on [Facebook](#) and enjoy our [Postal Posts blog](#). For more information about the Postal Service, visit [usps.com](#) and [facts.usps.com](#).