

Postal Regulatory Commission Publishes Contractor Research Exploring Aspects of Social and Economic Benefits of Postal Services

In February 2010, the Urban Institute completed its study, “A Framework for Considering the Social Value of Postal Services” commissioned by the Postal Regulatory Commission.¹ The study identified dozens of ancillary benefits from postal services that result in improvement in the lives of individuals and society. It recommended additional research to quantify the social and economic value of these benefits. In May 2010, the Commission issued a Request for Proposal (RFP) seeking research proposals to quantify the value of social benefits of postal services including those identified by the Urban Institute study. In November 2010, the Commission selected three contractors to perform a total of six studies of various aspects of the social value of postal services to the nation. Activities in support of those studies were completed in late August 2011.

These studies fall into two broad categories. Three of the studies evaluate the value of social benefits that derive from the provision of postal services in ways that complement services provided by the private sector. SJ Consulting Group, Inc. quantified the benefits of the Postal Service’s parcel service to and from rural areas, including a separate analysis of service to Alaska and Hawaii. The Urban Institute researched the role and benefits of the price leadership role of the Postal Service for parcels, expedited services, money orders, and post office boxes. And Joy Leong Consulting, LLC quantified the value of essential services for the unbanked and underbanked populations by the Postal Service.

Three other studies address security and economic benefits that are an indirect result of the Postal Service’s performance of its traditional core mail services. Joy Leong Consulting, LLC quantified the benefits of the Postal Service’s role in disaster response and emergency preparedness. The Urban Institute quantified the economic benefits of post offices by measuring the effect on local employment when a post office is closed in a community. The Urban Institute was also selected to quantify community security and public safety benefits from the presence of letter carriers and post offices. Some work in study design and data collection was done, but for budgetary reasons this last study was not completed.

The reports describing the research methods and findings are available on the Commission’s website. Additional supporting documentation provided by the contractors is posted with the reports.

¹ The report is available on the Commission’s website Library, under Archived Documents.