



# Postal Regulatory Commission

Postal Regulatory Commission  
901 New York Avenue, NW  
Suite 200  
Washington, DC 20268-0001  
[www.prc.gov](http://www.prc.gov)

Phone: 202-789-6829  
Fax: 202-789-6891

Contact: Gail Adams  
[gail.adams@prc.gov](mailto:gail.adams@prc.gov)

## Press Release

April 26, 2021

### PRC Releases Analysis of Postal Service Finances in FY 2020

Total losses top \$9.2 billion

**Washington, DC** – The Postal Regulatory Commission (Commission) today released its *Financial Analysis*, an examination of the U.S. Postal Service’s (Postal Service) financial results and 10-K Statements for Fiscal Year (FY) 2020. Despite an increase in Competitive products revenue, the Commission’s overall analysis supports the conclusion that the Postal Service is on a highly unstable financial path.

Total net operating losses were \$3.6 billion in FY 2020, continuing the trend of significant operational losses. When non-operating expenses are included, such as non-cash workers’ compensation costs and accruals to retirement accounts, the net operating loss of \$3.6 billion becomes a total net loss of \$9.2 billion. The net operating losses are predominantly due to persistent declines in Market Dominant mail volume and higher operating expenses. The key areas of concern from FY 2020 are:

- Market Dominant revenue decreased by \$4.0 billion, exacerbated by the rise in pandemic-related business closings.
- Marketing Mail volume declined sharply by 11.5 billion pieces. This volume accounts for 62.7 percent of the overall decline of 18.3 billion pieces of Marketing Mail over the last decade.
- Net operating expenses climbed to \$76.6 billion, a \$2.4 billion increase over FY 2019 and \$1 billion more than estimated in the pre-pandemic Integrated Financial Plan (Plan). Contributing to this rise were increases in compensation, transportation, and supplies and services.

However, the Postal Service had its highest cash balance since FY 2006—\$14.4 billion. This was due to the following factors:

- Missed payments on retirement expenses.
- Operating revenue of \$73.1 billion was \$2.0 billion higher than in FY 2019 and \$1.5 billion more than anticipated in the pre-pandemic Plan.
- Pandemic-related rise in e-commerce, which led to \$6.4 billion or 26.5 percent more Competitive products revenue, the largest increase in over a decade.

At the end of FY 2020, the Postal Service had a net deficit of \$80.7 billion, primarily the result of multiple years of net losses that started in FY 2007.

The Commission's *Financial Analysis* report was developed using information from the Postal Service's FY 2020 10-K statement and measured against its FY 2019 and FY 2020 Integrated Financial Plan, *Annual Compliance Report, Cost and Revenue Analysis Report, Cost Segments and Components* report, and the *Revenue, Pieces, and Weight Report*.

For full details of the Commission's analysis, visit [www.prc.gov](http://www.prc.gov).

*The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The President designates the Chairman. In addition to Chairman Michael Kubayanda, the other commissioners are Vice Chairwoman Ashley Poling and Commissioners Mark Acton, Ann Fisher, and Robert Taub. Follow the PRC on Twitter: @PostalRegulator and LinkedIn.*