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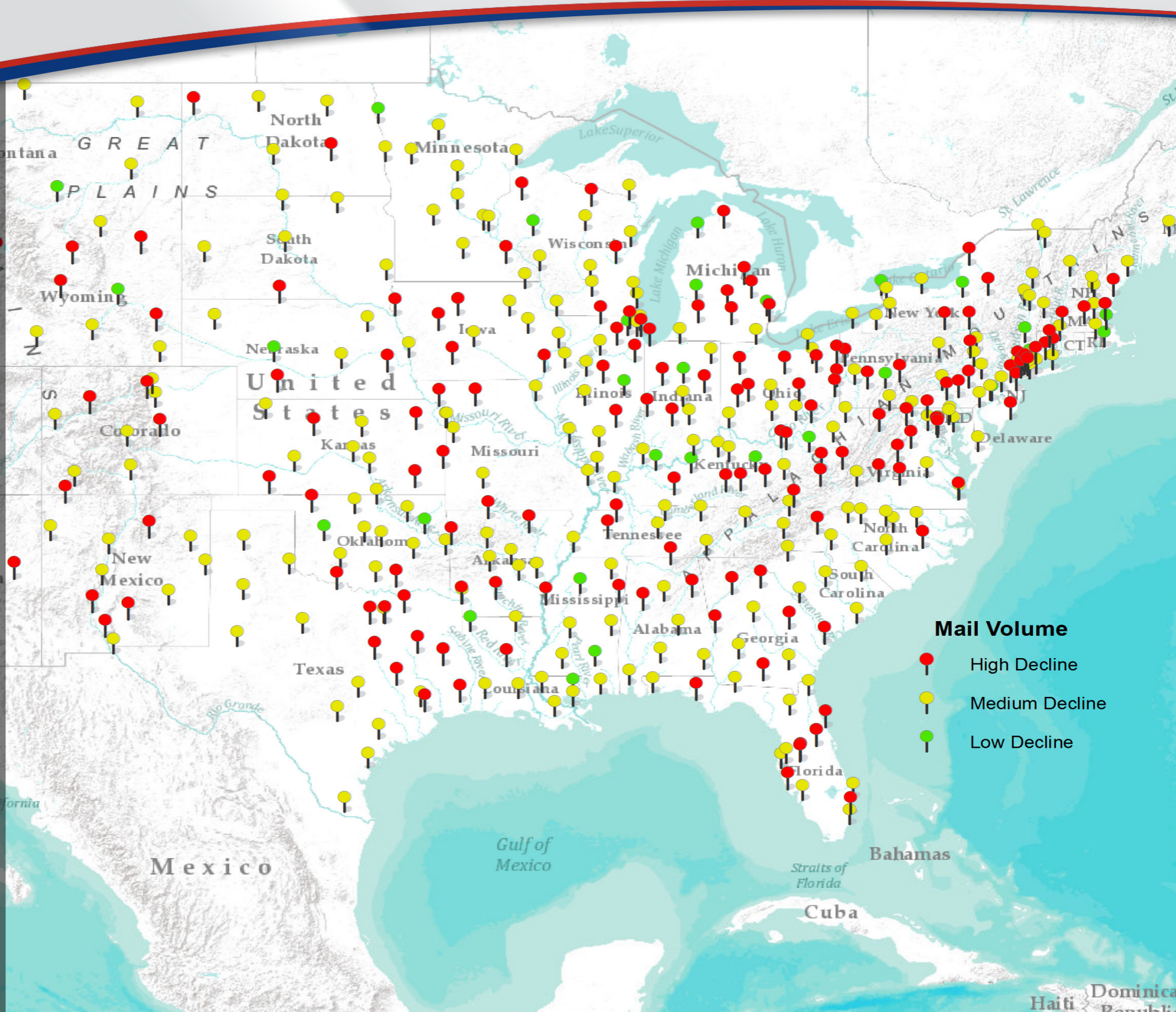
UNITED STATES POSTAL SERVICE

Declines in U.S. Postal Service Mail Volume Vary Widely across the United States

RARC Report

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Executive Summary

A careful look at trends in the U.S. Postal Service's mail volumes reveals that there is much more to them than the simple decline often discussed. The volumes of some types of mail, like Standard Mail, are fairly steady while some, like Packages, are growing at a healthy pace. Even in First-Class Mail (FCM) where average volumes are down significantly, the story is still very interesting. While some parts of the country, such as Arlington, VA, have experienced precipitous declines in originating FCM volume, the volumes in other areas, such as Charleston, WV, have not declined very much at all.

Declining FCM volumes pose a major financial challenge to the Postal Service because FCM contributes by far the largest proportion of revenue and contribution to the Postal Service's bottom line. Between Fiscal Year (FY) 1995 and FY 2013, FCM single-piece volume declined by 61 percent. In some areas, the percent of volume lost was even larger, but in other areas, it was close to zero. Additionally, the rate of decline is slowing or has stopped even in many of the areas that have lost the most mail volume. This suggests that there may be a new base level of demand for FCM nationwide. Because of the importance of FCM, both the overall declines and the extremely wide variations in those declines merit close attention.

In addition to geographic area, mail use also varies dramatically across different demographic groups. The Postal Service's Household Diary Study shows that college graduates consistently send about twice as much mail as people without high school diplomas, and mail use also increases substantially

Highlights

The recent volume declines in First-Class Mail vary widely across communities in the United States.

Even in those areas with the largest declines, it appears that volumes may be converging towards a lower limit representing a new base level of demand.

First-Class Mail volumes increase with higher age, income, and education, but the rates of First-Class Mail volume decline have been nearly identical across these demographic groups.

The Postal Service would benefit by examining the widely varying levels of demand for FCM and using that information to develop its operational and customer service plans.

with income and age. However, it is very interesting to note that the rates of mail decline follow very similar tracks across all these varying demographic groups. The Postal Service can gain great insight on how to best improve and expand its products and services, illuminating some of its core strengths and weaknesses, through a better understanding of why these trends are occurring.

As the Postal Service plans for its future, it must keep in mind that the needs of its customers vary at least as widely as these differences in mail volumes. Strategic planning designed around average mail volume data will inevitably result in inefficient solutions because there is no average mail customer. The Postal Service's success will depend on developing a strategy that recognizes all of its customers, including in areas that have lost significant amounts of mail volume and those that have lost little or no mail volume. FCM volume data makes it clear that there are still many customers across the country that rely on the Postal Service to meet their needs. If the Postal Service works to maintain FCM's reliability and usefulness, it can avoid alienating its remaining customers and exacerbating future volume declines.

This paper examines variations in FCM single-piece volumes by region and across various demographic groups and represents a modest but important first step in developing an understanding of their causes. Follow-up work examining mail trends on the destinating side, studying data on additional demographic

factors, and tracking mail volume data at a more granular geographic level will further develop this body of knowledge. A clear understanding of the causes of regional variations in mail volume will enable the Postal Service to better address variations in customer demand, helping it improve its services, guide development of new products, and increase its revenue.

This area of study has other implications as well. The Postal Service's universal service obligation requires the Postal Service to supply a base level of service nationwide, but varying levels of demand may complicate the determination of proper service levels. On the other hand, improved knowledge of these levels of demand can inform efforts at network rationalization, helping them to correspond with changing mail volume. It would also help the Postal Service to prioritize the allocation of resources and infrastructure, allowing the Postal Service to serve its customers as efficiently as possible. Such steps will be critical to meeting the future needs of customers and continuing to maintain the finances necessary to support the nationwide Postal Service network.

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Observations

Introduction

Americans use the U.S. Postal Service to meet a variety of needs. The letters, greeting cards, bills and statements, payments, advertising, magazines, catalogues, and packages the Postal Service delivers make it a vital infrastructure for a wide range of communication and commerce.¹ However, in recent years, the overall demand for postal services has been in decline.

Total mail volume reached a peak of 213 billion pieces in Fiscal Year (FY) 2006, but declined to only 155 billion pieces in FY 2014, a decrease of over 25 percent.² Major factors contributing to this recent decline include electronic substitution and the 2008 Great Recession.³ However, the mailstream is composed of many different products, and these products each have different types of customers and different demand characteristics.

There is more to the story of volume decline than a simple uniform drop in total demand. Mail has experienced an overall decline, but some products' volumes have remained essentially steady and some products' volumes even increased. From FY 1998 to FY 2013, Standard Mail's volume decreased by only about 2 percent, though there were a number of swings up and down during this timeframe.⁴ Between FY 2008 and FY 2013, overall parcel volumes actually grew significantly, increasing 23 percent even in the face of significant economic headwinds.⁵

With the rise in e-commerce driving tremendous growth in the package delivery market, the Postal Service has an opportunity to increase the revenue it earns from its parcel services and meet the growing needs of its customers.⁶ Identifying and improving products like these, products with steady or growing demand, will help the Postal Service attract the customers who use these products and to meet their needs. Making such customers aware of other products they could use is likely to help provide a sustainable source of revenue for the Postal Service.⁷

First-Class Mail (FCM) is the flagship product of the Postal Service, and has traditionally had the highest revenue and contribution of all mail. FCM is used by both households and businesses for the presentation and payment of bills, for professional and personal correspondence, advertising, notification, and more. The letters, flats (large envelopes), and cards that comprise FCM can be divided into single-piece (individual pieces of FCM) and workshared (bulk entry of FCM that has been presorted by mailers or consolidators).

The Postal Service's financial operating model and networks were largely built to support FCM letters and flats, which make up a critical portion of the Postal Service's revenue and volume. However, FCM volume has declined significantly over the last 15 years. FCM reached a peak volume of over 103 billion pieces in FY 2001, and fell to 64 billion pieces in FY 2014, a decline of over 37 percent.⁸ The decline has left the Postal Service in an increasingly difficult financial position, and it must find ways to adapt to its new circumstances.

1 U.S. Postal Service Office of Inspector General (OIG), *The Postal Service's Role as Infrastructure*, Report Number RARC-WP-15-003, December 15, 2014, <https://www.uspsoidg.gov/sites/default/files/document-library-files/2014/rarc-wp-15-003.pdf>.

2 Postal Service, *A Decade of Facts and Figures*, <http://about.usps.com/who-we-are/postal-facts/decade-of-facts-and-figures.htm>.

3 OIG, *State of the Mail*, Report Number RARC-WP-12-010, April 27, 2012, <https://www.uspsoidg.gov/sites/default/files/document-library-files/2013/rarc-wp-12-010.pdf>.

4 Postal Service, *Revenue, Pieces, and Weight Reports*, <http://about.usps.com/who-we-are/financials/welcome.htm>.

5 Postal Service, *A Decade of Facts and Figures*, <http://about.usps.com/who-we-are/postal-facts/decade-of-facts-and-figures.htm>.

6 OIG, *Package Services: Get Ready, Set, Grow!*, Report Number RARC-WP-14-012, July 21, 2014, <https://www.uspsoidg.gov/sites/default/files/document-library-files/2014/rarc-wp-14-012.pdf>.

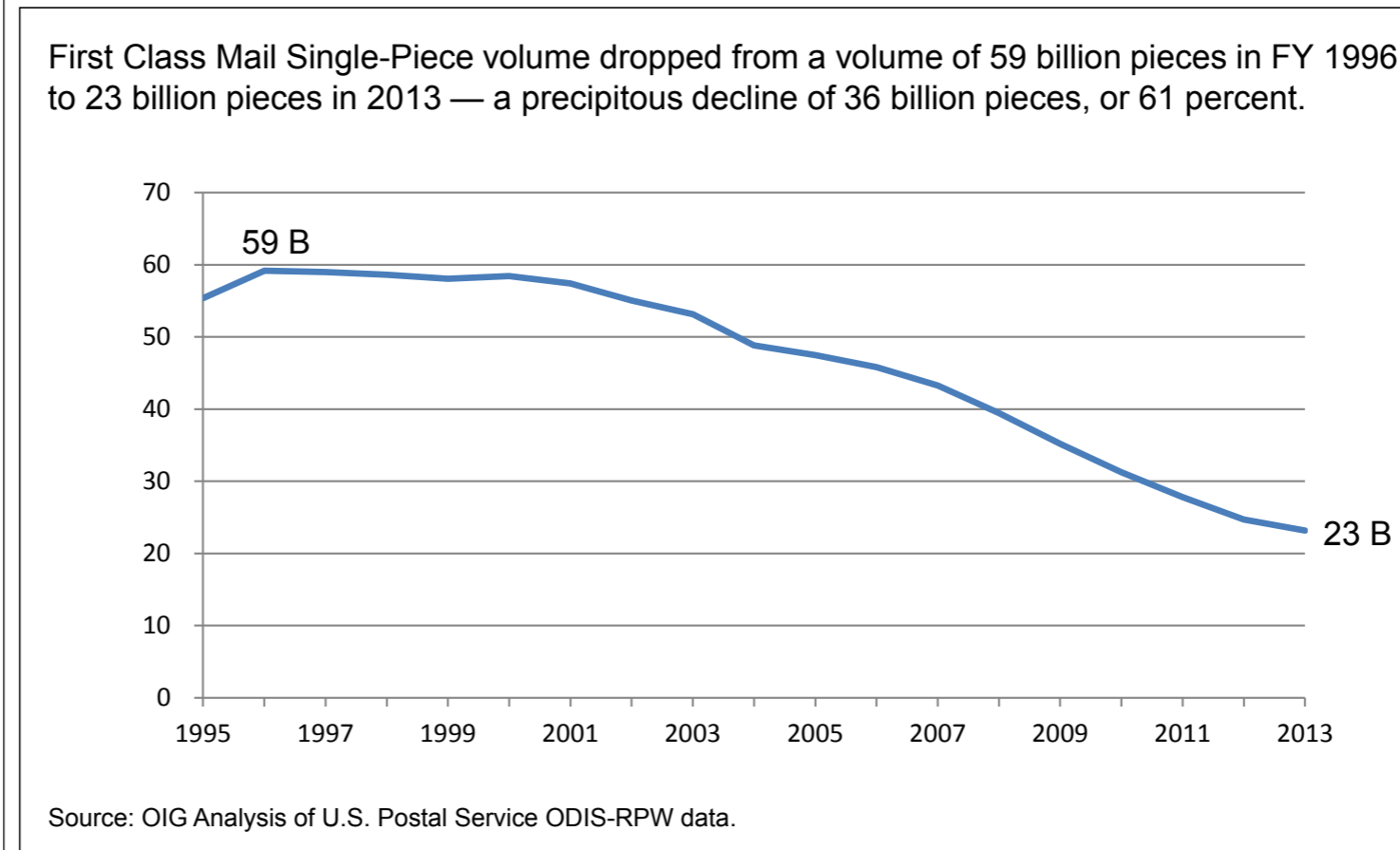
7 OIG, *Enhancing Mail for Digital Natives*, Report Number RARC-WP-14-001, November 18, 2013, https://www.uspsoidg.gov/sites/default/files/document-library-files/2013/rarc-wp-14-001_enhancing_mail_for_digital_natives.pdf and OIG, *Mail Innovations*, Report Number RARC-WP-14-013, September 22, 2014, <https://www.uspsoidg.gov/sites/default/files/document-library-files/2014/rarc-wp-14-013.pdf>.

8 Postal Service, *Revenue, Pieces, and Weight Reports*, <http://about.usps.com/who-we-are/financials/welcome.htm>.

Closely examining the changes in mail volume reveals some of the specific ways the Postal Service's circumstances have changed, and how it can best respond to those changes. This paper looks specifically at originating FCM Single-Piece (FCM SP) volume from FY 1995 to FY 2013.⁹ These data are the best available to the U.S. Postal Service Office of Inspector General (OIG) at the time of this analysis, but they result from many factors that change over time including where people live, how households use mail, and where mail processing operations are performed. While follow-up analyses should consider such changes, especially plant consolidations in outgoing mail processing, we do not expect these factors to significantly affect the fundamental conclusions of this initial analysis.

Figure 1 shows that FCM SP volume was 23 billion pieces in FY 2013 after reaching a volume of 59 billion in FY 1996, a precipitous decline of 36 billion pieces, or 61 percent.

Figure 1: Steep Decline in Originating First-Class Mail Single-Piece Volume



Although First-Class Mail exhibited a steep decline in mail volume, the total volume decline figure hides significant differences by geographic area.

Although the 61 percent decline in FCM SP volume is quite steep and worthy of concern, in some ways that figure is misleading. It treats all postal customers in all circumstances equally, when in fact different customers use different amounts of mail for different reasons. Notably, the total volume decline figure hides significant differences in mail volume by geographic area. Differences in mail use such as these have important policy implications for the nation and the Postal Service.

This paper examines FCM SP volumes across 501 different geographic areas and finds that while some areas lost a greater percent of their volume than the national decline, the decline in some areas was far lower. In fact, in some areas, FCM SP volumes

⁹ Originating mail is mail at the point at which it is sent. Destinating mail is mail at the point at which it is received.

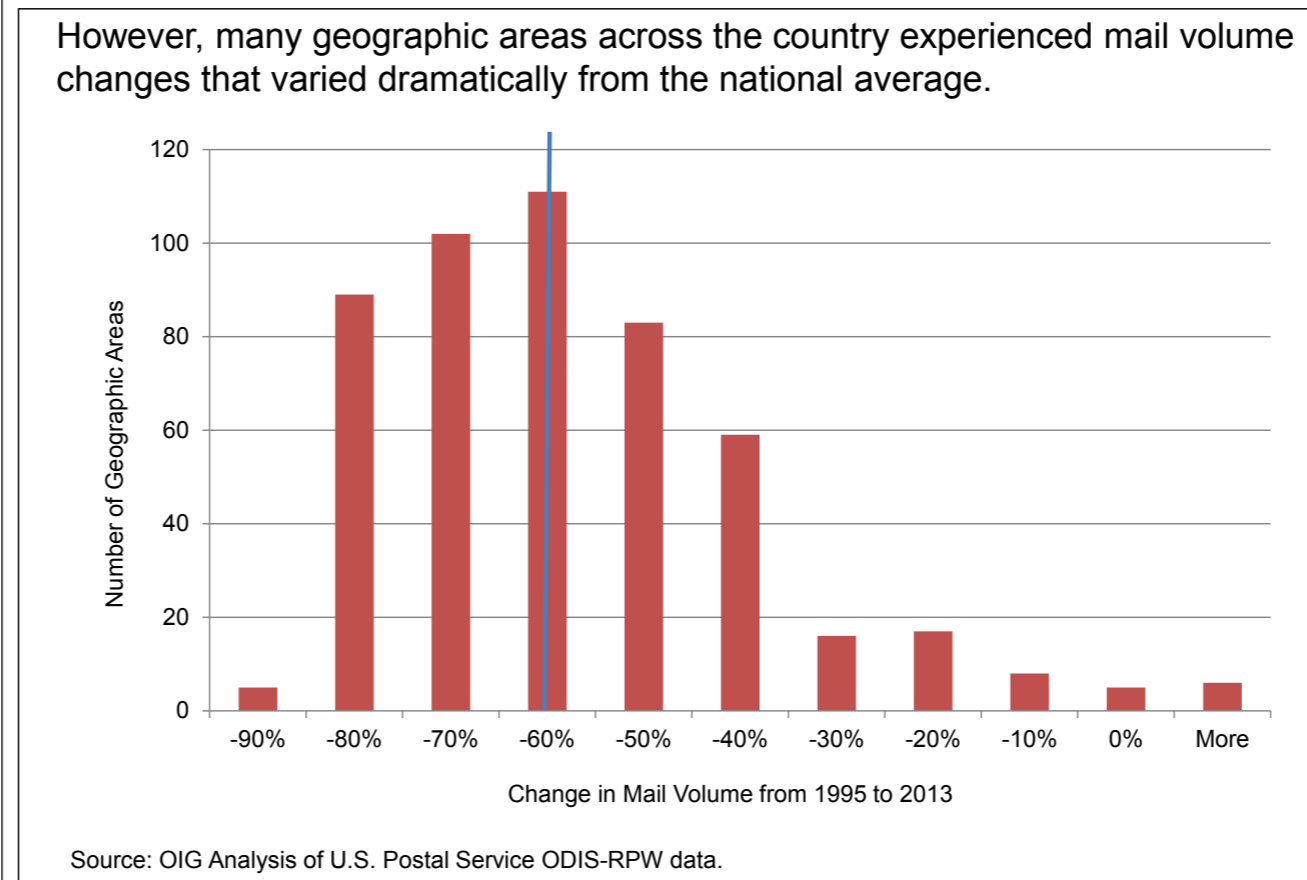
were almost flat, showing little or no decline at all. In some ways, the overall decline is irrelevant, and operational changes or national policies designed around it will lead to less than optimal choices in areas where volume declines were much higher or much lower. Customers in such areas may have particular needs that differ from what would seem to follow from the national level of decline, and working to meet those needs will help the Postal Service both retain and better serve those customers while improving its finances.

Mail Use by Geographic Region

This research started by examining volumes of originating FCM SP from FY 1995 to FY 2013. While some businesses also use FCM SP, the total originating volumes of FCM SP can be good indicators of the degree to which households generate mail and where these households are located. Specifically, we took volume figures at the 3-digit ZIP Code level and combined them into 501 unique population centers (areas), adjusted for changes in population, and analyzed the volume trends.¹⁰ [Appendix A](#) discusses the methodology in more detail. [Appendix B](#) and [Appendix C](#) list the mail volume changes for all 501 geographic areas and states, respectively.

Figure 2 sorts the 501 geographic areas into eleven segments according to their change in FCM SP volume in increments of 10 percent. It shows that many of the geographic areas across the country experienced mail volume changes that varied dramatically from the national percent change.¹¹

Figure 2: The National Average of Volume Decline is 61 Percent



¹⁰ These volume figures are from the Postal Service's Origin-Destination Information System and Revenue, Pieces, and Weight system (ODIS-RPW). ODIS-RPW collects, among other things, mail characteristics data with emphasis on transit information such as entry and destination ZIP Codes. The data supporting this research are based on the plant location where the mail is first processed.

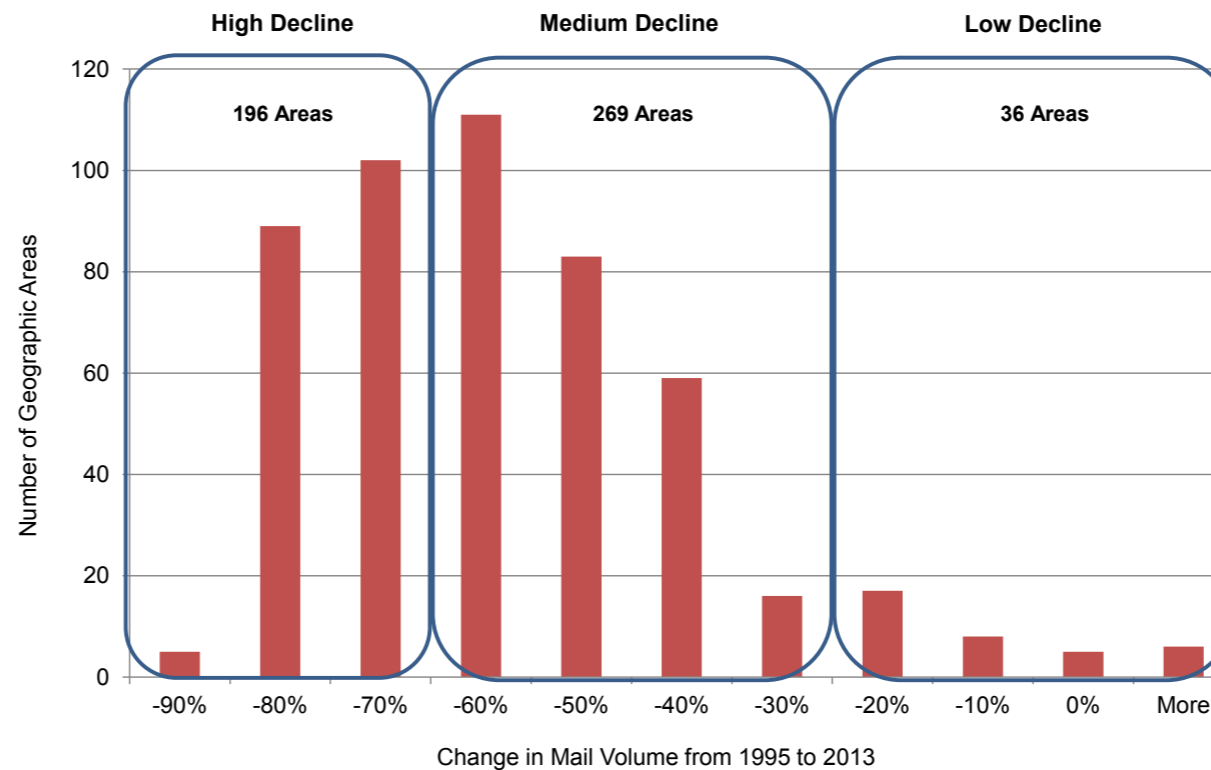
¹¹ After adjusting FCM SP volumes for changes in population, the overall decrease in mail volume is 65 percent, represented by the blue line in Figure 2. This is greater than the unadjusted change in mail volume because of the population increase between 1995 and 2013.

For purposes of explanation and analysis, we split the various geographic areas across the country into the following three groups based on the change in mail volume:

- high decline group (70 percent decline or greater);
- medium decline group (30 percent or greater, but less than 70 percent decline); and
- low decline group (less than 30 percent decline).

Figure 3: Grouping Geographic Areas By Changes in Mail Volume

Levels of decline are split into three categories, High, Medium, and Low, for purposes of explanation and analysis.



Source: OIG Analysis of U.S. Postal Service ODIS-RPW data.

By FY 2013, areas experiencing low volume decline retained nearly 86 percent of the volume they had in FY 1995.

Our analysis shows that 196 of these geographic areas experienced a decline in FCM SP greater than the overall level. However, even in most of those areas, such as New Haven, CT; Chicago, IL; Boston, MA; and Washington, DC, the volumes appear to be settling at a level that could represent a new base demand for postal services. Significant volume remains in these areas, and the customers there must not be ignored. Their mail use still supports the postal network in these areas, and the Postal Service is still providing services that customers value. The Postal Service should be proactive in identifying those customers, determining why volume has declined so much in these areas, and meeting the needs of the remaining customers and volume, rather than just

scaling back service in these areas.

Notably, most geographic areas fell into the middle category and experienced levels of decline slightly less than the overall decline. Such areas, including Baltimore, MD; Augusta, GA; Boise, ID; and Bakersfield, CA, are worth monitoring to see if their volume over time will eventually experience the same steep decline as the first group of areas, or if there are other factors that contribute to higher demand for mail there. Are there unique characteristics of customers in those areas that accounted for the lower declines in mail volume or might there be some differences in service provided in those areas that account for these differences that could be replicated elsewhere?

Some parts of the country experienced levels of decline far lower than the national average. Areas including Grand Rapids, MI; Shreveport, LA; White Plains, NY; and Grand Forks, ND each lost less than 30 percent of their FCM SP volume. In contrast with the high decline areas, which now have a mere 19 percent of the mail volume they had in 1995, the low decline areas have retained nearly 86 percent of their 1995 volume. For FCM SP mail, the drop in mail volume in these areas does not come close to the levels seen elsewhere or to the levels most often discussed.

Figure 4 presents the overall percent change in mail volume as well as the changes for the three groups relative to their volumes in FY 1995. It shows that mail volume has declined overall since 1995, but the rates of decline vary dramatically between the three groups.

Figure 4: Changes in Mail Volume Vary Dramatically Between the Three Groups

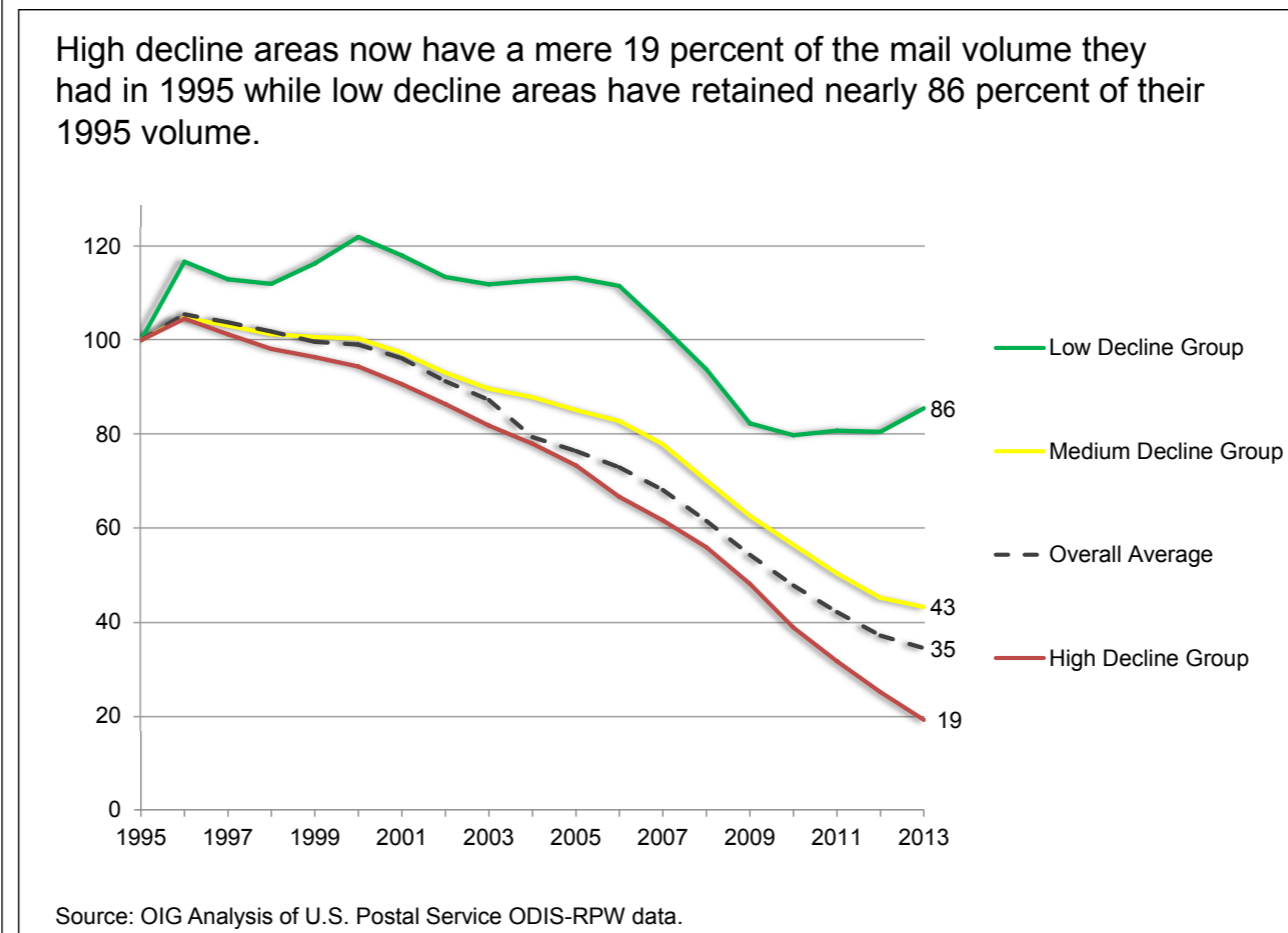
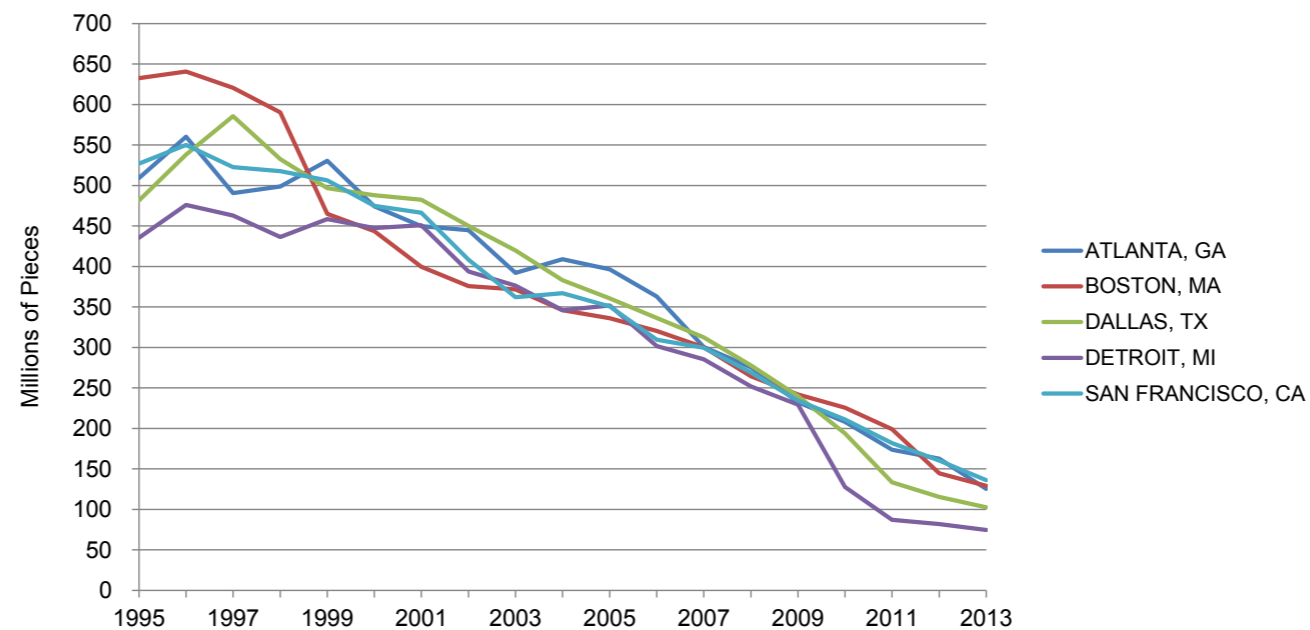


Figure 5 shows the decline in FCM SP volume for selected high decline areas: Atlanta, Boston, Dallas, Detroit, and San Francisco.¹² While the decline in these areas is extremely high and a sign of serious concern, the aggregate decline appears to be flattening out in most areas, converging at a new base level of around 100 million pieces in FY 2013. Consistent with this flattening, the spread between these areas' volumes is narrower in 2013 than in 1995. That this significant level of volume remains suggests that despite a radical decline, mail is still a critical method of communication even in areas where FCM SP volume has declined dramatically.

Figure 5: Mail Volumes in High Decline Areas Converge at 100 Million Pieces

Despite the overall steep decline, there remains a significant level of mail volume in major cities. While the overall decline in Atlanta, Boston, Dallas, Detroit, and San Francisco is extremely high and a sign of concern, the decline appears to have flattened in recent years, converging at a new base level of around 100 million pieces — a still significant level of volume.



Source: OIG Analysis of U.S. Postal Service ODIS-RPW data.

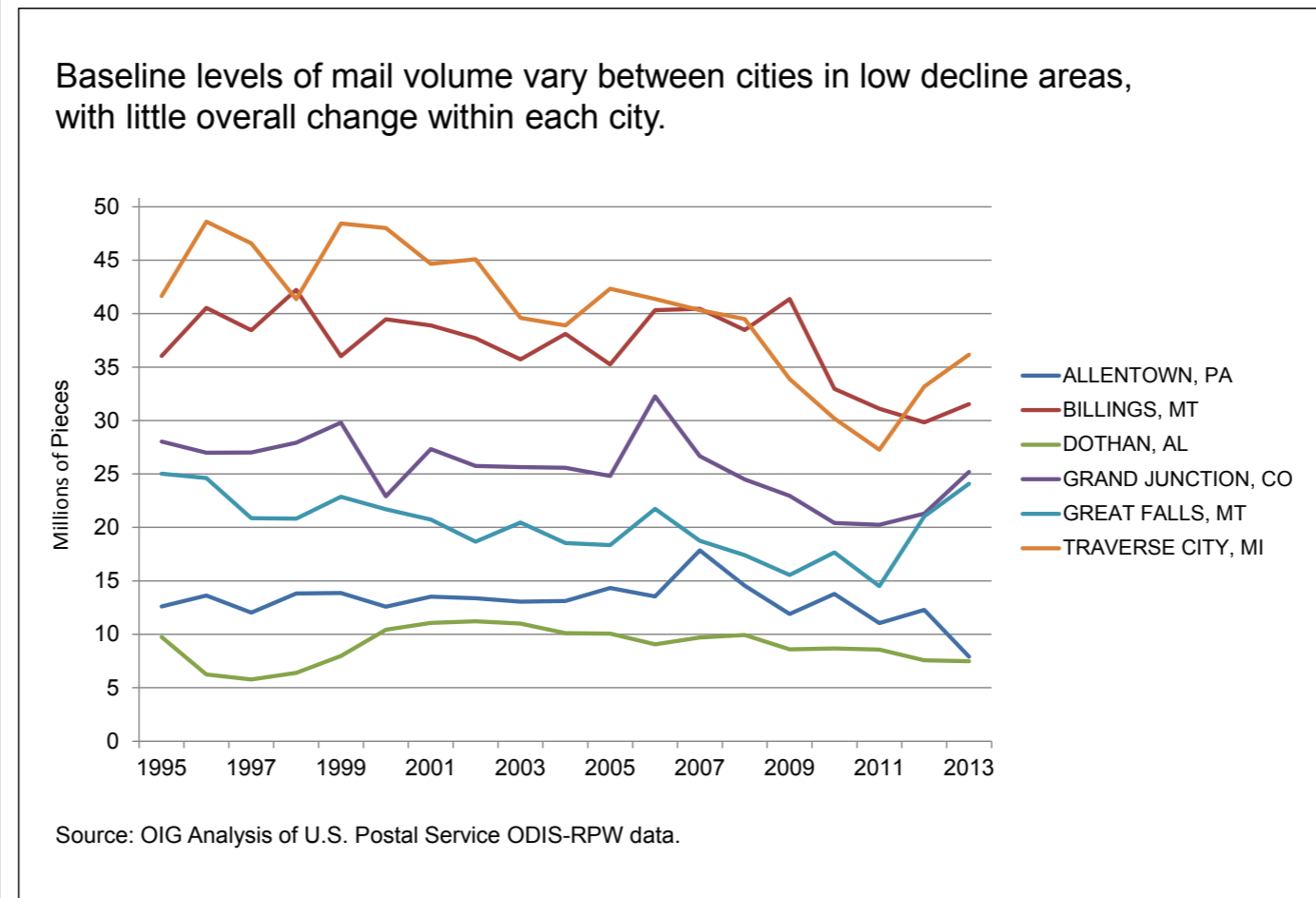
We also observed a similar trend in areas in the high decline group with smaller annual FCM SP volumes. Flattening volume decline could indicate a new base level of demand for FCM SP in these areas as well, showing that the Postal Service still plays a beneficial role in the lives of many customers there.

¹² This figure uses actual volumes, unadjusted for population changes.

There appears to be a baseline level of First-Class Mail demand that remains even in most of those areas with the greatest volume declines.

Mail has not declined steadily in all areas. Figure 6 shows FCM SP volume in selected areas with low mail volume decline: Traverse City, MI; Billings, MT; Grand Junction, CO; Great Falls, MT; Allentown, PA; and Dothan, AL.¹³ In these areas, mail volume has been steady with a general uptick over the last two years that bears monitoring. This paper cannot explain the reasons for lower levels of mail decline in these areas. Follow up research that does identify these reasons could yield extraordinarily valuable strategic insights for the Postal Service.

Figure 6: Mail Volumes in Low Decline Areas Are Relatively Unchanged



Demographic Reasons for Geographic Differences?

Traditionally, demographic factors such as higher age, increased education level, and greater income have been associated with higher demand for mail. For example, higher income households have tended to send and receive more mail than lower income households.¹⁴ For First-Class Mail single-piece letters, the Postal Service's demand forecasting models have found that price, employment, and access to the Internet are correlated with mail volume levels.¹⁵ There also could be other demographic or economic factors that have not been explored that might influence mail volumes.

¹³ Ibid.

¹⁴ Other factors could also explain the mail volume trends for some areas. One factor could be general economic conditions. Another factor could be Postal Service changes to mail processing operations over time. For example, consolidating outgoing processing between two areas would increase the volume in one, decrease the volume in the other, and affect both trend lines. It is plausible that this phenomenon has a significant impact on a few of the 501 areas in this analysis.

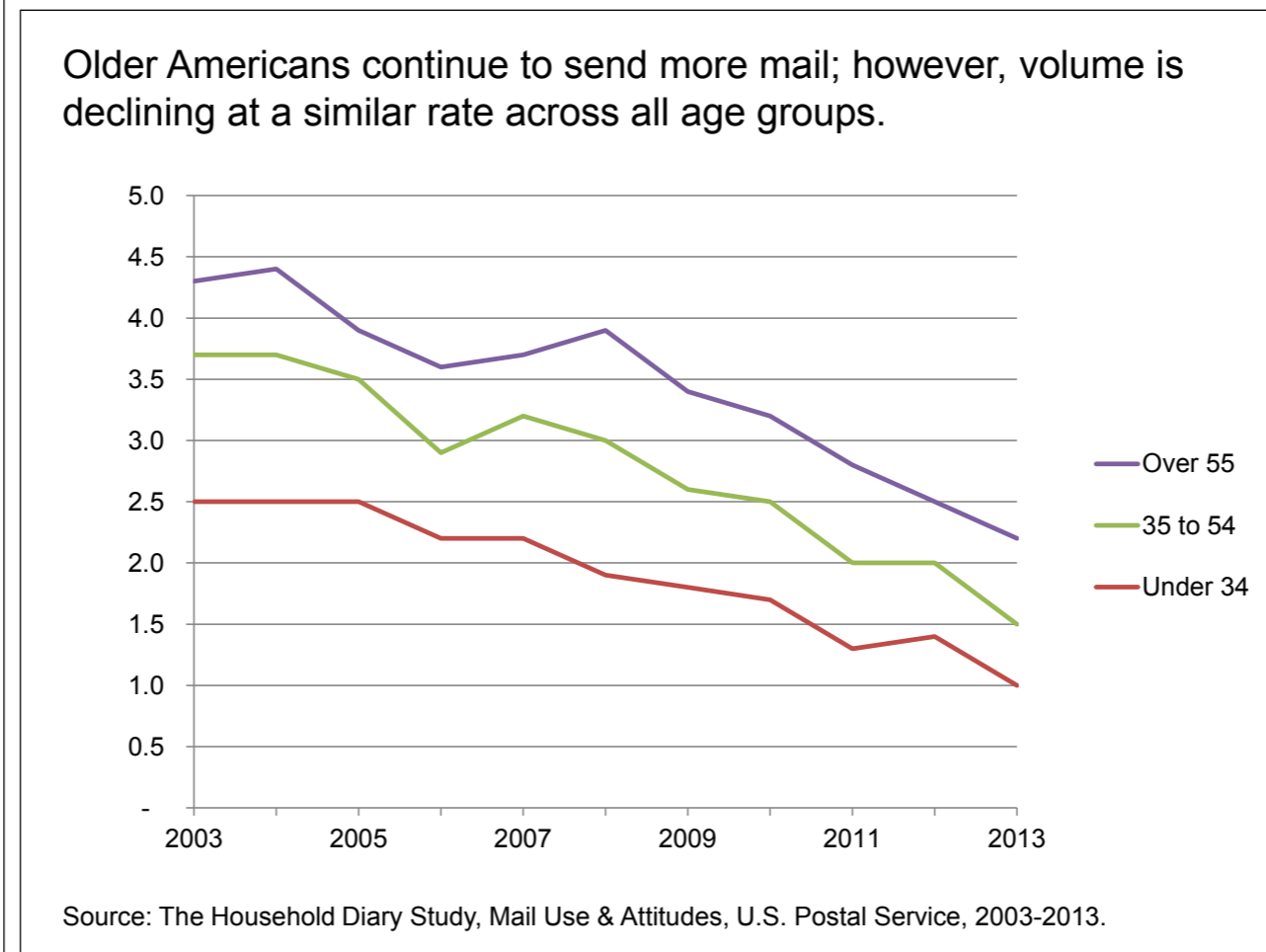
¹⁵ For example, see Postal Service, Direct Testimony of Thomas E. Thress, Docket Number R2006-1, USPS-T-7, <http://www.prc.gov/Docs/48/48717/USPS.T.7.pdf>, p. 58.

We examined over 10 years of mail use data from the Postal Service’s Household Diary Study, from 2003 to 2013, and confirmed that the total amount of mail sent varied across demographic factors.¹⁶ Older households, households with higher levels of income, and households with higher levels of education consistently sent far more pieces of FCM SP per week.¹⁷ These factors have consistently predicted how much mail a given demographic group will use relative to another. However, very surprisingly, we found that the rates of decline across all levels of age, of income, and of education level were nearly identical. This suggests the need for additional research and analysis to address the potential causes of such interesting findings.

Figure 7, Figure 8, and Figure 9 demonstrate these findings. They show, respectively, mail pieces households sent per week by age, income group, and education level from FY 2003 to FY 2013. In each figure, the total amount of mail pieces sent per household per week varies by demographic group. Households with older heads-of-household consistently sent more mail pieces per week than households with younger heads-of-household. Households with higher annual incomes or education levels also sent more mail pieces than households with lower annual incomes or education levels. However, the rates of decline over time were markedly similar across these differing groups within each category as shown in the figures below.

While mail use varies dramatically across different demographic groups, relative mail volume declines were nearly identical within these groups.

Figure 7: Age Does Not Explain Mail Volume Decline

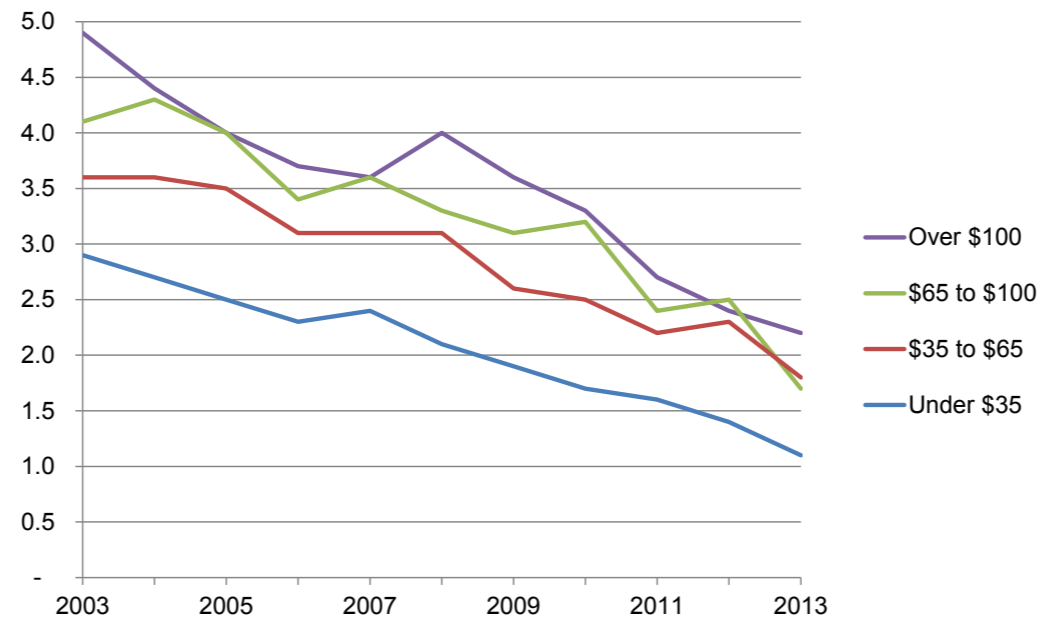


¹⁶ This paper combined data for correspondence and transactions mail sent by households. The Household Diary Study, Postal Service, <http://about.usps.com/current-initiatives/studying-americans-mail-use.htm>.

¹⁷ Ibid.

Figure 8: Income Does Not Explain Mail Volume Decline

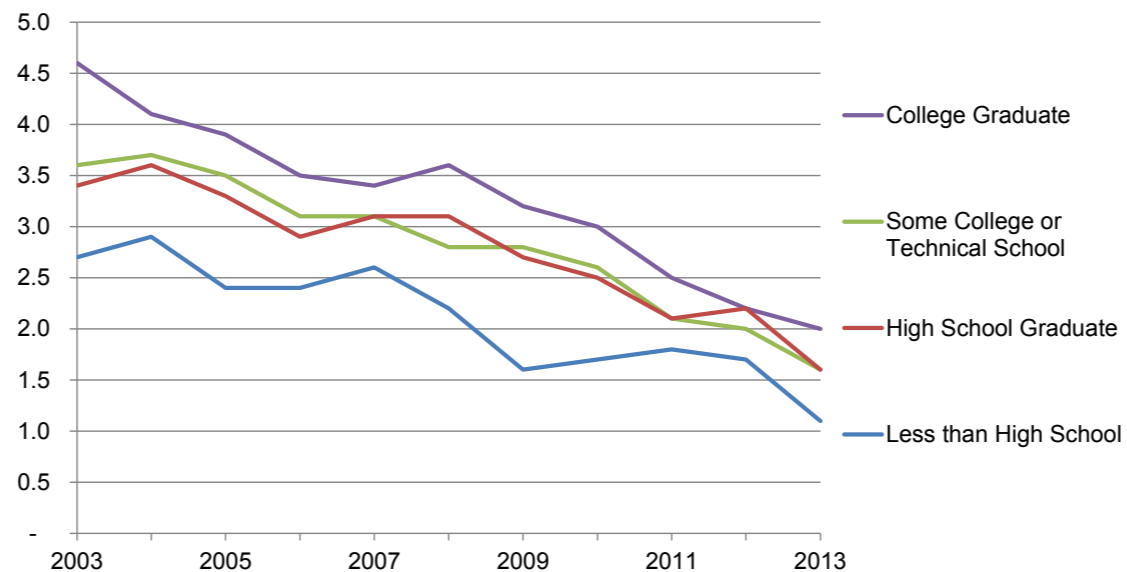
Higher income households continue to send more mail; however, volume is declining at a similar rate across all income brackets.



Source: The Household Diary Study, Mail Use & Attitudes, U.S. Postal Service, 2003-2013.

Figure 9: Education Does Not Explain Mail Volume Decline

College graduates continue to send more mail; however, volume is declining at a similar rate across all education levels.



Source: The Household Diary Study, Mail Use & Attitudes, U.S. Postal Service, 2003-2013.

A deeper examination of more individualized and granular (demographic) data could yield greater insight.

All households showed similar rates of decline in mail pieces sent per week over this period. Across all levels of household income or education, mail use declined around 55 to 60 percent, a remarkable level of consistency.

We also examined whether census demographic data could explain differences in mail use by geographic area.¹⁸ For example, we speculated whether advanced education levels or lower ages were associated with the geographic areas we studied. However, we found no statistically significant associations between these areas and education level or age. The data also did not show any statistically significant differences in broadband use between these groups. This does not necessarily mean broadband use is not an important factor in FCM SP mail use decline. However, if it is an important factor, it may influence the types of mail being sent, but not their volume. For example, it is possible that increased broadband use across demographic groups drives some portion of FCM SP volume decline overall and increases the volume of parcels. Nonetheless, at the level of data we examined, there does not appear to be any connection between broadband access and FCM SP mail volume decline by region.

Further analysis, with additional demographic information and data on broadband use at a finer level of geographic detail than at the level available and examined here, may help explain the interesting results we found. It would also be likely to reveal characteristics such as regional or local variation of mail use that the Postal Service can use in its strategic planning to help identify and support the needs of active customers. For example, it is possible that demand for mail might differ widely within the broad geographic areas we studied.¹⁹ This could have blurred our results, making it more difficult to find the specific factors that drive demand by area. It would follow that the Postal Service should strive to understand the loss of volume in differing geographic areas through focused customer outreach because once customers leave the mail, they may be unlikely to come back. While a broad examination of demographic data shows consistent declines in mail volume, it is possible that a deeper examination of more individualized and granular data could yield greater insight.

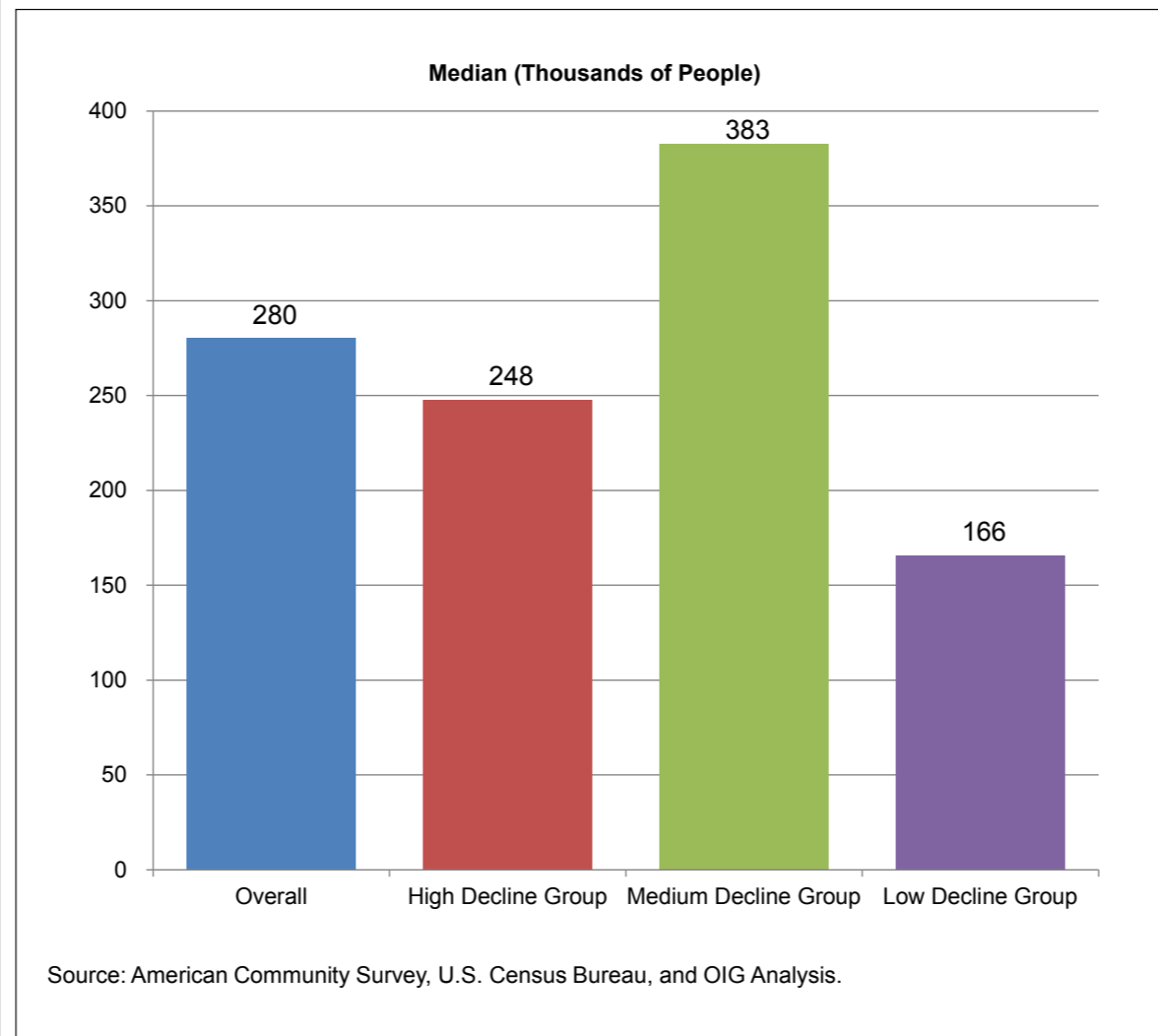
While demographic characteristics do not appear to influence rates of mail decline, based on our analysis, population levels seem to do so. The areas with the lowest mail volume decline also have the lowest population. However, this trend does not simply hold for the high and medium decline groups. Figure 10 shows the median populations levels within each decline group. It shows that the median population of the low decline group was much smaller than other groups.²⁰ Our analysis cannot definitively say why this may be the case. It could be that customers in the low decline group started at a much lower level of mail volume, and thus had less mail volume to lose over this period. It could be that customers in rural areas have more reasons to maintain their mail use because of less access to alternatives. It could be that customers in smaller areas receive better service from the Postal Service. It could be these or any number of other factors all combined. Further analysis, perhaps through a close examination of cities with similar populations but varying levels of mail volume and rates of decline, could help provide answers to these and other key strategic questions.

18 U.S. Census Bureau, *American FactFinder*, <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>. Due to scope and data availability, we focused on data for 2013 by metropolitan and micropolitan statistical areas from the American Community Survey, U.S. Census Bureau. Ideally, we would have analyzed these and other data by ZIP Code from 1995 to 2013.

19 For example, data at the New York-Newark-Jersey City metropolitan statistical area level represents over 19 million people and 25 counties in New York, New Jersey, and Pennsylvania with different ages, education, incomes, and levels of broadband penetration. Data at a more granular level would help to identify factors that drive mail volume in this geographic area and the others we studied.

20 Due to the disparate data sets, the analysis could only assign 2013 population to 421 of the 501 areas. This accounted for 254 million of the total 285 million people and did not appear to disproportionately affect any of the groups. In addition to the lower median population, the low decline group also had a lower maximum population than areas of high decline.

Figure 10: The Areas In The Low Decline Group Were Lower in Population (2013)



Policy Implications for the Postal Service

As customer demand varies by region and by demographic group, the Postal Service can best meet this demand by varying the provision of postal products accordingly. Regional, local, or even individual variations of mail volume, not national averages, will more effectively reflect different customer demands and attitudes. Strategic planning based on national volume figures may end up neglecting customers or regions who are particularly strong or weak users of the mail. As there is no single type of postal customer anymore, there must not be a single type of postal policy. Policy applied nationwide to some mythical average customer will simply not work anymore. Policies developed through more careful examination of demographic segments, by region, and crafted according to the widely varying customer demands for mail services must become more prominent by serving all customers without undue discrimination.

For example, any changes in service standards may have disproportionate impact in regions where mail volume declines have been below average. If customers there who have come to rely on a particular level of service to conduct their lives and business see their level of service diminished, they might leave the mail stream for that reason alone. They may be more severely affected by declines in service and start to seek alternatives to hard copy mail, eroding some of the last remaining core customer bases.

Instead of simply removing collection boxes in low volume areas and retaining them in other areas, the Postal Service could better serve its customers by studying who is using the mail where and why.

This will be the case even in areas like New Haven, CT; Dallas, TX; and Arlington, VA that have experienced high mail volume declines; these areas still have customers who have many uses for mail. Even in most of the areas with the greatest decline, mail volumes appear to have flattened out, and are no longer experiencing the sharp volume declines of past years. The absolute levels of mail volume in these areas are still high. Ignoring or reducing the service that these customers receive could put this volume at risk and cause further volume reductions in the future. If the Postal Service instead focuses on identifying and meeting the needs of these customers, it might be able to preserve or increase these volumes and the revenue associated with them. Additionally, in areas of low volume decline, the Postal Service should examine the reasons for its success and seek to emulate them elsewhere, in appropriate and similar circumstances. The converse is also true; the reasons for higher volume decline can help the Postal Service determine ways to avoid further decline in similar circumstances. There are actions the Postal Service can take to preserve its volumes if it starts to break down mail use into its various segments, learn why those segments are different, and respond appropriately.

Regional variations in mail use may, for example, complicate deliberations on the size and location of key parts of postal infrastructure. The demand on everything from small retail counters and individual collection boxes to large processing and distribution centers will vary between regions with different levels of mail use. One way to gauge demand on a granular level could be through a detailed study of levels of volume at individual post office locations and collection boxes, along with surveys of the customers who use them. The specific reasons why some post offices and collection boxes see little volume, or a great deal of volume, could provide great insight on ways to improve service to the customers who use them. Instead of simply removing boxes and reducing service in areas of low volume, or, alternately, being satisfied with continued volume in areas that have seen little decline, studying who is using the mail in these specific places, and why and how they are using it, will help the Postal Service to better serve these customers. More generally, the type of information that this research is likely to provide can guide and harmonize efforts at network rationalization as mail volumes and the demands of customers change and develop.

As noted, areas that have experienced high declines in mail volumes still have an adequate base level of demand for postal products. The Postal Service's universal service obligation (USO) is critical, but it lacks a clear definition under law, and the various legal requirements and regulations that make up the USO only give general guidance on the level of service that the Postal Service is obligated to provide to all of its customers.²¹ Though the OIG's guiding principles on the USO indicate that it should be flexible and should define the base level of service, not its ceiling, the appropriate way to meet that obligation may still vary from place to place according to variations in mail demand. These variations must inform strategic planning and decisions on the future size of the postal network, but it also raises questions on how the network and USO are funded.

Conclusion

The decline in mail volume in recent years poses a tremendous challenge for the Postal Service. While FCM volume is still at a level consistent with its volume in 1988, the current network is designed to handle a larger volume of FCM overall.²² However, the mailstream is not a monolith, and neither are postal customers. Different mail products exhibit different levels of demand, at different locations, and at different times of the year. While the volume of some products have declined precipitously, other products' volumes have remained flat or increased. This research on FCM SP mail volumes shows that trends in mail volume differ by geographic area, and is a modest but important first step in developing a comprehensive understanding of the trends' causes. As the Postal Service seeks to best meet the needs of its customers, it would benefit from shaping its strategy around clear explanations of these trends and the widely varying needs of its customers.

²¹ OIG, *Guiding Principles for a New Universal Service Obligation*, Report Number RARC-WP-15-001, November 17, 2014, <https://www.usps.oig/sites/default/files/document-library-files/2014/rarc-wp-15-001.pdf>.

²² Postal Service, *Revenue, Pieces, and Weight Reports*, <http://about.usps.com/who-we-are/financials/welcome.htm>.

A close look at mail volume data reveals that the Postal Service still has many customers who rely on its services and makes it clear that there are significant regional differences in mail volume usage. Additionally, even as mail volumes decline, certain groups consistently use the mail more than other groups do. Even in areas where mail volumes have declined the most, they appear to be bottoming out at a minimum level in most regions, indicating that a new base level of demand might remain even with all of the factors that have caused it to decline.

More research is likely needed to explain why these trends in mail use exist and how they are evolving. Future studies could examine volume trends at a greater level of detail. They could determine whether the new base level of demand will be a long-term or transitory trend, and could identify why and how postal customers use the Postal Service's products and services. Studies of trends in destinating volumes and in the volumes of other postal products would help develop a more comprehensive understanding of customer demand and the effects that e-commerce has on it. As higher levels of income continue to be associated with higher mail volumes, perhaps the booming growth level of e-commerce will reinforce this trend. Customer demographic data at a finer level of geographic detail, and on other demographic characteristics, could help to identify factors that drive demand for postal products. Studies on regional differences in the effects of service level changes and facility consolidations on volumes might help the Postal Service to make adjustments to mail processing operations more efficient and less disruptive. This will help it to retain customers and avoid exacerbating the potential problem of volume losses through overly aggressive cost cutting measures. A greater understanding of trends in mail use will inform the decisions the Postal Service will need to make in order to make products more valuable and its strategic planning decisions sound, helping it to succeed in its mission of binding the nation together for many years to come.

Appendices

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Appendix A: Analytical Framework and Methodology

Table 1 presents selected steps in the analysis. We also performed data quality checks during the steps. For example, we examined if the choice of beginning year was biased by looking at FY 1995 and FY 2000 and combining several years together. We also evaluated the shapes of the volume curves from FY 1995 to FY 2013 for each geographic area. Only a few appeared to have possible data issues (e.g., bad data for a year or two), so we left them in the analysis. The data appeared well behaved.

Table 1: Description of Primary Analytical Steps

Step	Description
1	Obtained ODIS-RPW volume data for the following specified attributes: <ul style="list-style-type: none"> • Year (1995 to 2013) • Quarter (1 to 4) • 3-Digit ZIP Code (001 to 999) • Selected Mail Products (First-Class Mail Single-Piece (FCM SP), First-Class Mail presort, Standard Mail presort, Standard Mail Enhanced Carrier Route, Standard Mail Nonprofit presort, Standard Mail Nonprofit Enhanced Carrier Route) • Shape (Card, Letter, Flat, Parcel) • Indicia (Stamp, Meter, Permit Imprint, Government) • Indicator (Originating, Destinating)
2	Extracted total volume for originating FCM SP mail by year, quarter, and 3-Digit ZIP Code.
3	Assigned 3-Digit ZIP Codes to geographic areas (approximating city and state).
4	Computed total volume for FCM SP by year by geographic area.
5	Cleaned data set (e.g., removed 3-Digit ZIP Codes with no volume or corresponding geographic area).
6	Computed index for changes in total FCM SP volume by year by geographic area using 1995 as a base value of 100 (volume index).
7	Extracted population by metropolitan and micropolitan statistical areas (MSA) from 1995 to 2012 (source: CA30 Regional economic profiles, U.S. Department of Commerce, Bureau of Economic Analysis, http://www.bea.gov/itable/).
8	Computed index for changes in population using 1995 as a base value of 100 and projected average annual change for 2013 (population index).
9	Assigned population indices by MSA to geographic areas.
10	Adjusted FCM SP volumes for changes in population by dividing the volume index by the population index by year by geographic area (adjusted volume).
11	Computed the change in FCM SP mail volume by geographic area by dividing the adjusted volume for 2013 by the adjusted volume for 1995.

Source: OIG Analysis.

Table 2 presents selected steps in the demographic analysis.

Table 2: Description of Demographic Analysis

Step	Description
1	<p>Extracted demographic data by metropolitan and micropolitan statistical areas (MSA) for 2013 (source: American FactFinder, U.S. Department of Commerce, United States Census Bureau, http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml).</p> <ul style="list-style-type: none"> • Age (Under 5 years, 5 to 9 years, 10 to 14 years, 15 to 19 years, 20 to 24 years, 25 to 34 years, 35 to 44 years, 45 to 54 years, 55 to 59 years, 60 to 64 years, 65 to 74 years, 75 to 84 years, 85 years and over) • Education (Less than 9th grade, 9th to 12th grade (no diploma), High school graduate (includes equivalency), Some college no degree, Associate’s degree, Bachelor’s degree, Graduate or professional degree) • Computers and Internet Use (Households, Households w/ Broadband)
2	Assigned data by MSA to geographic areas.
3	Computed descriptive statistics by high decline, medium decline, and low decline groups.

Source: OIG Analysis.

Appendix B: Changes in First-Class Mail Single Piece Volumes by Geographic Area

Table 3 lists the changes in FCM SP volumes by geographic area.²³ The division between the high and medium decline groups that we identify is noted with a dark green bar between Orlando, FL and Tucumcari, NM. The division between the medium and low decline groups that we identify is noted with a dark green bar between Bismarck, ND and Elizabethtown, KY.

Table 3: Change In First-Class Mail Single Piece Volumes By Geographic Area

City	State	Change in FCM SP Mail Volume from 1995 to 2013
WORCESTER	MA	-96.4%*
JERSEY CITY	NJ	-95.5%
NEW HAVEN	CT	-92.9%
LAFAYETTE	IN	-92.4%
BRIDGEPORT	CT	-90.1%
BOULDER	CO	-89.7%
STEUBENVILLE	OH	-89.5%
FLUSHING	NY	-89.1%
WORLAND	WY	-88.8%
WICHITA FALLS	TX	-88.7%
CHICAGO	IL	-88.1%
LEWISBURG	WV	-87.8%
TERRE HAUTE	IN	-87.7%
WINCHESTER	VA	-87.6%
INGLEWOOD	CA	-87.4%
BRISTOL	VA	-87.3%
BOWLING GREEN	KY	-87.3%
COLUMBUS	GA	-87.2%
BLOOMINGTON	IL	-87.2%
GLENWOOD SPRINGS	CO	-86.8%
BLOOMINGTON	IN	-86.8%
LONDON	KY	-86.8%
PATERSON	NJ	-86.7%
CAMDEN	AR	-86.5%
PANAMA CITY	FL	-86.5%
ANNISTON	AL	-86.5%
MUNCIE	IN	-86.4%
MANASOTA	FL	-86.1%
DALLAS	TX	-85.9%
MID-FLORIDA	FL	-85.8%

²³ As previously stated, we suspect that a few geographic areas (particularly those with significant volume increases - most notably Brockton, MA and Central, MA) have possible data issues or experienced significant changes to mail processing operations over time. Nonetheless, we do not expect this to affect the report's overall conclusions.

City	State	Change in FCM SP Mail Volume from 1995 to 2013
KLAMATH FALLS	OR	-85.7%
SHOW LOW	AZ	-85.7%
YELLOWSTONE NL PK	WY	-85.6%
ATLANTIC CITY	NJ	-85.6%
MARYSVILLE	CA	-85.5%
NORTH BAY	CA	-85.4%
BEAUMONT	TX	-85.2%
LAKELAND	FL	-85.1%
FT WORTH	TX	-85.0%
SAGINAW	MI	-85.0%
ROCKFORD	IL	-85.0%
SPRINGFIELD	MA	-84.9%
STOCKTON	CA	-84.9%
HUNTSVILLE	AL	-84.7%
FLAGSTAFF	AZ	-84.6%
JAMESTOWN	ND	-84.6%
DAYTONA BEACH	FL	-84.3%
OSHKOSH	WI	-84.3%
WASHINGTON	DC	-84.2%
BRYAN	TX	-84.2%
WEST JERSEY	NJ	-84.2%
CHARLOTTESVLE	VA	-84.1%
NEW BRUNSWICK	NJ	-84.0%
ATLANTA	GA	-84.0%
WATERBURY	CT	-83.9%
NORTHWEST BOS	MA	-83.9%
GAYLORD	MI	-83.8%
FLINT	MI	-83.7%
LAS CRUCES	NM	-83.7%
COLUMBUS	MS	-83.7%
KINSTON	NC	-83.5%
WILKES BARRE	PA	-83.5%
PASADENA	CA	-83.4%
ASHLAND	KY	-83.2%
KALAMAZOO	MI	-83.2%
TRUTH OR CONS	NM	-83.1%
SIOUX CITY	IA	-83.1%
OXNARD	CA	-83.0%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
HARRISON	AR	-82.6%
KINGMAN	AZ	-82.5%
DETROIT	MI	-82.4%
GREENSBURG	PA	-82.4%
MOJAVE	CA	-82.3%
WHEELING	WV	-82.3%
READING	PA	-82.3%
MANSFIELD	OH	-82.1%
GREENVILLE	TX	-81.7%
HICKORY	NC	-81.6%
TEXARKANA	TX	-81.5%
TWIN FALLS	ID	-81.5%
BOSTON	MA	-81.5%
JACKSON	TN	-81.3%
KANKAKEE	IL	-81.1%
ALEXANDRIA	LA	-81.1%
MONMOUTH	NJ	-81.0%
KILMER	NJ	-80.9%
LUFKIN	TX	-80.7%
HUNTINGTON	WV	-80.4%
SALINAS	CA	-80.3%
FARMVILLE	VA	-80.2%
FT LAUDERDALE	FL	-80.2%
LONG BEACH	CA	-80.2%
OLYMPIA	WA	-80.0%
FT SCOTT	KS	-80.0%
STATEN ISLAND	NY	-79.9%
CANTON	OH	-79.9%
MC COOK	NE	-79.6%
SUBURBAN	MD	-79.6%
DURANT	OK	-79.4%
ZANESVILLE	OH	-79.3%
SOUTH FLORIDA	FL	-79.3%
ARLINGTON	VA	-79.2%
INDEPENDENCE	KS	-79.2%
SAN MATEO	CA	-79.2%
TUCSON	AZ	-79.2%
WESTERN NASSAU	NY	-79.1%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
SWAINSBORO	GA	-79.1%
BECKLEY	WV	-79.0%
ELMIRA	NY	-78.9%
NEW CASTLE	PA	-78.9%
BLUEFIELD	WV	-78.9%
PETERSBURG	WV	-78.7%
EFFINGHAM	IL	-78.6%
HAZARD	KY	-78.6%
SPOONER	WI	-78.6%
ALEXANDRIA	VA	-78.4%
SOUTHEASTERN	PA	-78.4%
FREDERICK	MD	-78.3%
EVERETT	WA	-78.1%
GLOBE	AZ	-78.0%
CHILLICOTHE	MO	-78.0%
BINGHAMTON	NY	-78.0%
BURLINGTON	IA	-77.9%
HOUSTON	TX	-77.8%
ROCHESTER	MN	-77.8%
SAN FRANCISCO	CA	-77.7%
BRONX	NY	-77.6%
LYNCHBURG	VA	-77.6%
PRESCOTT	AZ	-77.4%
FOX VALLEY	IL	-77.2%
GARY	IN	-77.2%
LANSING	MI	-77.1%
LIMA	OH	-77.0%
WILLISTON	ND	-76.8%
ALTOONA	PA	-76.6%
LAS VEGAS	NM	-76.6%
MCKENZIE	TN	-76.4%
PALESTINE	TX	-76.2%
GILLETTE	WY	-76.2%
DAYTON	OH	-76.2%
GREENVILLE	MS	-76.1%
TUSCALOOSA	AL	-76.0%
BATESVILLE	AR	-76.0%
ST JOSEPH	MO	-75.9%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
OGDEN	UT	-75.7%
ALAMOGORDO	NM	-75.7%
WATERTOWN	NY	-75.3%
WENATCHEE	WA	-75.3%
CAPE COD	MA	-75.2%
PALO ALTO	CA	-75.2%
FORT DODGE	IA	-75.1%
CULPEPER	VA	-75.0%
PALATINE	IL	-74.9%
CARROLL	IA	-74.9%
PORTSMOUTH	VA	-74.8%
CRESTON	IA	-74.8%
KALISPELL	MT	-74.6%
RHINELANDER	WI	-74.5%
ATHENS	GA	-74.3%
TOPEKA	KS	-74.2%
SAVANNAH	GA	-74.2%
QUEENS	NY	-74.2%
PASCO	WA	-74.1%
LIBERAL	KS	-74.1%
VALENTINE	NE	-74.1%
COLORADO SPGS	CO	-74.0%
PARKERSBURG	WV	-73.9%
FORT SMITH	AR	-73.8%
ELY	NV	-73.7%
RIVERTON	WY	-73.6%
FARMINGTON	NM	-73.4%
UTICA	NY	-73.3%
SOUTHERN	MD	-73.1%
LINCOLN	NE	-73.1%
SPRINGFIELD	OH	-73.1%
EUREKA	CA	-73.0%
YORK	PA	-72.8%
HAYS	KS	-72.5%
VALDOSTA	GA	-72.4%
PORTSMOUTH	NH	-72.4%
WACO	TX	-72.3%
SAN JOSE	CA	-72.2%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
YOUNGSTOWN	OH	-71.7%
LANCASTER	PA	-71.7%
STAMFORD	CT	-71.4%
JACKSON	MI	-71.1%
YAKIMA	WA	-71.1%
PROVO	UT	-71.0%
BEND	OR	-71.0%
WHEATLAND	WY	-70.9%
NORTHERN	VA	-70.8%
SOMERSET	KY	-70.6%
RICHMOND	CA	-70.5%
LEWISTON	ID	-70.3%
WOODWARD	OK	-70.3%
ORLANDO	FL	-70.3%
TUCUMCARI	NM	-69.9%
AUSTIN	TX	-69.8%
GALLUP	NM	-69.7%
NEW YORK	NY	-69.7%
BUTTE	MT	-69.5%
MOBRIDGE	SD	-69.5%
MERIDIAN	MS	-69.4%
GAINESVILLE	FL	-69.4%
DECORAH	IA	-69.3%
KANSAS CITY	KS	-69.2%
SAN ANTONIO	TX	-69.0%
SALEM	OR	-69.0%
COLBY	KS	-68.9%
ST PETERSBURG	FL	-68.6%
ENID	OK	-68.5%
EASTERN SHORE	MD	-68.4%
MCALLEN	TX	-68.3%
DENVER	CO	-68.0%
FRANKFORT	KY	-68.0%
EAST TEXAS	TX	-67.9%
CLOVIS	NM	-67.7%
DEVILS LAKE	ND	-67.6%
ALLIANCE	NE	-67.6%
RALEIGH	NC	-67.4%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
MIDDLESEX-ESX	MA	-67.3%
MIDLAND	TX	-67.2%
ALBUQUERQUE	NM	-67.1%
RENO	NV	-67.1%
AMARILLO	TX	-67.0%
LA CROSSE	WI	-66.8%
QUINCY	IL	-66.8%
EVANSTON	IL	-66.7%
BRAINERD	MN	-66.6%
FRESNO	CA	-66.5%
PIKEVILLE	KY	-66.5%
WINSTON-SALEM	NC	-66.5%
DURHAM	NC	-66.2%
CHEYENNE	WY	-66.0%
FAIRBANKS	AK	-65.8%
SN BERNARDINO	CA	-65.7%
LAS VEGAS	NV	-65.6%
EVERGREEN	AL	-65.3%
FLORENCE	SC	-65.3%
MCCOMB	MS	-65.3%
SAN DIEGO	CA	-65.0%
PORTAGE	WI	-65.0%
SOUTH BEND	IN	-65.0%
ELKO	NV	-64.8%
RAWLINS	WY	-64.8%
PHOENIX	AZ	-64.8%
FT MYERS	FL	-64.7%
GULFPORT	MS	-64.7%
SCHENECTADY	NY	-64.6%
SPRINGFIELD	MO	-64.6%
WILLIAMSPORT	PA	-64.6%
LA SALLE	IL	-64.5%
SILVER SPRING	MD	-64.5%
SALISBURY	MD	-64.0%
LAWTON	OK	-64.0%
MIAMI	FL	-64.0%
PONCA CITY	OK	-64.0%
HUTCHINSON	KS	-63.8%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
ANNAPOLIS	MD	-63.7%
NE ARKANSAS	AR	-63.7%
NORFOLK	VA	-63.6%
COOKEVILLE	TN	-63.6%
SPRINGFIELD	IL	-63.5%
LAFAYETTE	LA	-63.3%
TUPELO	MS	-63.3%
CUMBERLAND	MD	-63.2%
PHILADELPHIA	PA	-62.8%
HARRISONVILLE	MO	-62.8%
TACOMA	WA	-62.8%
HICKSVILLE	NY	-62.7%
EUGENE	OR	-62.6%
MINNEAPOLIS	MN	-62.6%
DULLES	VA	-62.6%
JUNEAU	AK	-62.5%
ALBANY	GA	-62.5%
CINCINNATI	OH	-62.5%
PLATTSBURGH	NY	-62.4%
WAYCROSS	GA	-62.4%
MADISON	WI	-62.2%
WILLMAR	MN	-62.2%
SEATTLE	WA	-62.1%
LONGMONT	CO	-62.1%
CEDAR RAPIDS	IA	-62.1%
DES MOINES	IA	-62.0%
ROCKY MOUNT	NC	-62.0%
BAKERSFIELD	CA	-61.9%
ASHEVILLE	NC	-61.7%
ROSWELL	NM	-61.7%
SALIDA	CO	-61.5%
MANKATO	MN	-61.5%
RUSSELLVILLE	AR	-61.5%
MONTGOMERY	AL	-61.4%
BALTIMORE	MD	-61.4%
COLUMBIA	TN	-61.4%
INDUSTRY	CA	-61.3%
HAVRE	MT	-61.2%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
EVANSVILLE	IN	-61.0%
AUGUSTA	GA	-61.0%
PORTLAND	OR	-61.0%
FORT WAYNE	IN	-61.0%
CHATTANOOGA	TN	-60.9%
WILMINGTON	DE	-60.8%
BOISE	ID	-60.7%
OAK PARK	IL	-60.4%
WEST PALM BCH	FL	-60.4%
OAKLAND	CA	-60.3%
COLUMBIA	SC	-60.2%
ANCHORAGE	AK	-60.0%
NEW ORLEANS	LA	-59.5%
RAPID CITY	SD	-59.3%
ABERDEEN	SD	-59.2%
COLUMBUS	IN	-59.0%
MILES CITY	MT	-59.0%
SHERIDAN	WY	-59.0%
RACINE	WI	-58.9%
TALLAHASSEE	FL	-58.9%
GRAND ISLAND	NE	-58.7%
MANCHESTER	NH	-58.6%
WESTCHESTER	NY	-58.3%
GASSAWAY	WV	-58.2%
NORTH METRO	GA	-58.2%
JACKSONVILLE	FL	-58.0%
HONOLULU	HI	-58.0%
MID-HUDSON	NY	-57.9%
GREENVILLE	SC	-57.6%
GALESBURG	IL	-57.6%
CHARLESTON	SC	-57.5%
LUBBOCK	TX	-57.5%
ST PAUL	MN	-57.4%
NEW ROCHELLE	NY	-57.2%
NORTH HOLLYWOOD	CA	-57.1%
LAKE CHARLES	LA	-57.0%
FAR ROCKAWAY	NY	-57.0%
TEXARKANA	AR	-56.8%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
SALT LAKE CTY	UT	-56.8%
GREENSBORO	NC	-56.6%
HELENA	MT	-56.5%
TULSA	OK	-56.4%
ALAMOSA	CO	-56.3%
INDIANAPOLIS	IN	-56.2%
CARBONDALE	IL	-56.1%
SOUTH JERSEY	NJ	-56.1%
RICHMOND	VA	-56.0%
MID-MISSOURI	MO	-56.0%
ELIZABETH	NJ	-55.9%
CHARLOTTE	NC	-55.8%
BERKELEY	CA	-55.5%
BUFFALO	NY	-55.5%
BIRMINGHAM	AL	-55.1%
PENSACOLA	FL	-55.1%
HOUMA	LA	-54.5%
CORPUS CHRISTI	TX	-54.4%
PENDLETON	OR	-53.8%
DODGE CITY	KS	-53.6%
PINE BLUFF	AR	-53.5%
KANSAS CITY	MO	-53.3%
ALBANY	NY	-53.3%
TAMPA	FL	-53.2%
LITTLE ROCK	AR	-52.9%
MOBILE	AL	-52.8%
CENTRALIA	IL	-52.8%
PROVIDENCE	RI	-52.8%
CONCORD	NH	-52.7%
PORTLAND	ME	-52.7%
ERIE	PA	-52.6%
OKLAHOMA CITY	OK	-52.6%
ROCK SPRINGS	WY	-52.5%
HOT SPRINGS NTL PK	AR	-52.5%
BEMIDJI	MN	-52.3%
SPOKANE	WA	-52.3%
JOHNSON CITY	TN	-52.3%
MEMPHIS	TN	-52.3%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
DUBUQUE	IA	-52.1%
LOS ANGELES	CA	-52.0%
DURANGO	CO	-51.9%
NW ARKANSAS	AR	-51.9%
MCALESTER	OK	-51.8%
POTEAU	OK	-51.7%
KNOXVILLE	TN	-51.6%
CHILLICOTHE	OH	-51.1%
WAUSAU	WI	-51.0%
LOUISVILLE	KY	-50.8%
MARTINSBURG	WV	-50.6%
ST LOUIS	MO	-50.6%
CARSON CITY	NV	-50.5%
WHITE RIV JCT	VT	-50.5%
CAPE GIRARDEAU	MO	-50.4%
MACON	GA	-50.2%
NASHVILLE	TN	-50.1%
COLUMBUS	OH	-50.1%
SCRANTON	PA	-49.7%
KETCHIKAN	AK	-49.7%
LEXINGTON	KY	-49.6%
SIOUX FALLS	SD	-49.4%
TOLEDO	OH	-49.3%
IRON MOUNTAIN	MI	-49.1%
ROCHESTER	NY	-49.0%
POCATELLO	ID	-49.0%
SANTA MONICA	CA	-49.0%
MEDFORD	OR	-49.0%
OMAHA	NE	-48.9%
SACRAMENTO	CA	-48.8%
VAN NUYS	CA	-48.6%
AKRON	OH	-48.0%
JAMAICA	NY	-47.8%
WICHITA	KS	-47.8%
GLENS FALLS	NY	-47.6%
VICTORIA	TX	-47.4%
MONROE	LA	-47.0%
SHAWNEE	OK	-46.7%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
BURLINGTON	VT	-46.5%
HARTFORD	CT	-46.5%
BANGOR	ME	-46.3%
CLARKSBURG	WV	-46.3%
LINTHICUM	MD	-46.1%
QUAD CITIES	IL	-46.1%
ALLENTOWN	PA	-46.0%
ST CLOUD	MN	-45.9%
MILWAUKEE	WI	-45.8%
YONKERS	NY	-45.2%
EL PASO	TX	-45.0%
MID-ISLAND	NY	-44.9%
HACKENSACK	NJ	-44.7%
CLEVELAND	OH	-44.7%
ROANOKE	VA	-44.5%
WATERLOO	IA	-44.4%
DETROIT LAKES	MN	-44.0%
PEORIA	IL	-44.0%
ATHENS	OH	-44.0%
REDDING	CA	-43.7%
TRENTON	NJ	-43.6%
ARDMORE	OK	-43.3%
GLENDALE	CA	-42.9%
SOCORRO	NM	-42.9%
JACKSON	MS	-42.9%
CHILDRESS	TX	-42.9%
SANTA BARBARA	CA	-42.6%
PIERRE	SD	-42.5%
ABILENE	TX	-42.0%
NORFOLK	NE	-41.8%
DULUTH	MN	-41.6%
NEWARK	NJ	-41.5%
SALINA	KS	-41.3%
BATON ROUGE	LA	-41.3%
WOLF POINT	MT	-41.3%
MISSOULA	MT	-40.9%
BURBANK	CA	-40.8%
FARGO	ND	-40.2%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
DAVENPORT	IA	-40.0%
BROOKLYN	NY	-39.9%
SANTA ANA	CA	-39.4%
JAMESTOWN	NY	-38.0%
HARRISBURG	PA	-37.5%
NORTH HOUSTON	TX	-37.5%
PADUCAH	KY	-37.0%
GRAND JUNCTION	CO	-36.8%
ANAHEIM	CA	-36.0%
GREEN BAY	WI	-35.7%
PITTSBURGH	PA	-35.4%
MINOT	ND	-35.2%
DOTHAN	AL	-35.2%
LEHIGH VALLEY	PA	-35.1%
PITTSFIELD	MA	-34.7%
FAYETTEVILLE	NC	-32.7%
BISMARCK	ND	-32.7%
ELIZABETHTOWN	KY	-29.6%
TRAVERSE CITY	MI	-29.5%
BILLINGS	MT	-28.1%
GRAND RAPIDS	MI	-27.8%
SHREVEPORT	LA	-27.7%
MANDEVILLE	LA	-27.5%
NIAGARA FALLS	NY	-27.1%
ROYAL OAK	MI	-26.4%
TORRANCE	CA	-26.1%
LONG ISLAND CITY	NY	-25.6%
DAKOTA CENTRAL	SD	-25.2%
WHITE PLAINS	NY	-25.2%
CHAMPAIGN	IL	-25.1%
EAU CLAIRE	WI	-24.5%
SYRACUSE	NY	-23.6%
CAROL STREAM	IL	-21.1%
SOUTHERN	CT	-20.8%
GRAND FORKS	ND	-18.5%
NORTH TEXAS	TX	-17.2%
OWENSBORO	KY	-16.9%
CAMPTON	KY	-16.7%

City	State	Change in FCM SP Mail Volume from 1995 to 2013
MUSKOGEE	OK	-14.8%
CAMDEN	NJ	-13.0%
KOKOMO	IN	-12.5%
S SUBURBAN	IL	-10.7%
NORTH PLATTE	NE	-7.3%
JOHNSTOWN	PA	-7.0%
GRENADA	MS	-6.7%
CLINTON	OK	-3.2%
GREAT FALLS	MT	-3.2%
CASPER	WY	7.1%
POUGHKEEPSIE	NY	7.5%
CHARLESTON	WV	15.5%
HATTIESBURG	MS	21.7%
CENTRAL	MA	59.9%*
BROCKTON	MA	128.0%*

Source: OIG Analysis.

* As stated above, these areas may have data issues or may have experienced significant changes to mail processing operations.

Appendix C: Changes in First-Class Mail Single Piece Volumes by State

Table 4: Change In First-Class Mail Single-Piece Volumes By State from 1995 to 2013*

States Above National Average Decline	
State	Change in FCM SP Mail Volume
DC	-81%
GA	-70%
CO	-68%
MA	-68%
FL	-67%
MD	-67%
NM	-67%
AZ	-67%
DE	-67%
VA	-66%
TX	-66%
NV	-66%
WA	-65%
NJ	-65%
CA	-64%
IN	-64%
NH	-62%
IL	-62%
KS	-62%
CT	-61%
UT	-61%

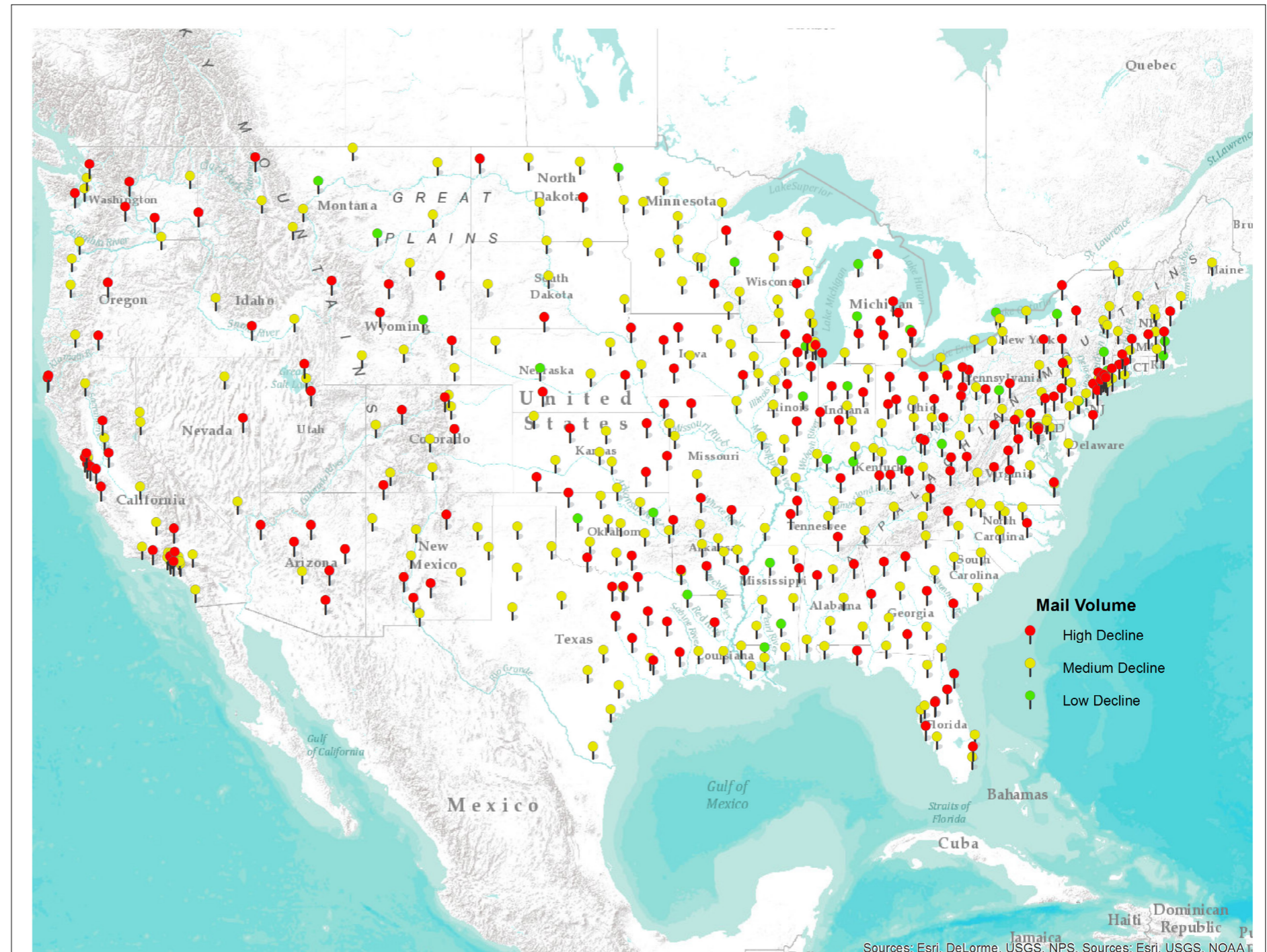
States Below National Average Decline	
State	Change in FCM SP Mail Volume
AL	-60%
HI	-60%
OR	-60%
NY	-60%
IA	-59%
AK	-59%
SC	-59%
ID	-59%
MI	-59%
NC	-58%
MN	-58%
PA	-57%
OH	-57%
WY	-57%
AR	-56%
KY	-56%
WI	-53%
MO	-53%
TN	-53%
RI	-52%
OK	-52%
LA	-52%
NE	-52%
MS	-50%
ME	-49%
WV	-48%
VT	-47%
MT	-44%
SD	-43%
ND	-37%

Source: OIG Analysis.

* As previously noted, we suspect a few geographic areas have possible data issues or experienced significant changes to mail processing operations over time. In addition, some facilities process mail for multiple states, which would impact the state level data in this table. Nonetheless, we do not expect this to affect the report's overall conclusions. This table divides the states above and below the national average decline based on the unadjusted national average volume decline of 61 percent.

Appendix D: Map of Changes in First-Class Mail Single Piece Volumes

The map below shows the locations of the geographic areas we studied in the lower 48 states. The colors of the pins showing the geographic areas indicate the levels of decline that the areas experienced.





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