

May 11 Postage Increase Hits Nonprofits Hardest

BY HENRY RUDDLE

The most common non-profit postage rates took a big hit on May 11. The typical cost of mailing a letter under 3.3 ounces using nonprofit standard (aka third class) rates went up roughly 5%, while overall rates went up by 2.3% on average. (Legally postage must increase at the same rate or slower than inflation, and this year the Consumer Price Index rose 2.9%). Common commercial rates took an above average hit too, but not as much. For example, the cost of a basic first class stamp rose 4.8% from 42 to 44 cents. Rates for a typical standard mailing went up about 4.25%.

So where did the below-average increases come in? Strangely, many rates for nonautomation pieces either went down or rose only slightly. In general, the United States Postal Service took back about half a cent of the price advantage for automation-sorted pieces, and for the first time ever priced automation-qualified pieces with just a basic sort at a higher

rate than nonautomation pieces with an AADC sort, which is not much better.

Automation continues to be a terrific investment, often saving more on postage than the cost of mail processing, with the added bonus of nearly-first-class delivery speed because of the requirement that all pieces include an intelligent bar code. It appears that

the postal service must feel that automation is so commonplace and worthwhile that it no longer needs as big of a discount. Finally, speaking of savings, the discount for entering your standard mailing at the appropriate "sectional facility" went up from 4.2 to 4.3 cents per piece! Definitely still worth a bit of a drive for any large mailing.


Third Class Letters Under 3.3 Ounces

| Postage Rate Type | NONPROFIT | | | COMMERCIAL | | |
|----------------------------------|-----------------|--------------|--------|-----------------|--------------|--------|
| | Prior to May 11 | As of May 11 | Change | Prior to May 11 | As of May 11 | Change |
| Non-Automation Mixed AADC Sort | 0.173 | 0.172 | -0.6% | 0.271 | 0.273 | 0.7% |
| Non-Automation AADC Sort | 0.160 | 0.155 | -3.1% | 0.258 | 0.256 | -0.8% |
| Automation Basic Sort | 0.159 | 0.169 | 6.3% | 0.257 | 0.270 | 5.1% |
| Automation 3-digit Zip-Code Sort | 0.143 | 0.150 | 4.9% | 0.241 | 0.251 | 4.1% |
| Automation 5-digit Zip-Code Sort | 0.127 | 0.132 | 3.9% | 0.225 | 0.233 | 3.6% |
| Carrier Route - High Density | 0.119 | 0.121 | 1.7% | 0.190 | 0.193 | 1.6% |
| Carrier Route - Walk Sequence | 0.108 | 0.110 | 1.9% | 0.179 | 0.182 | 1.7% |

Post Office Fun Facts

- At the highest elevation – Leadville, CO (about 10,150 ft).
- At the lowest elevation – Mecca, CA (about 180 ft below sea level).
- At the coldest location – North Slope Borough, AK (average winter temp is -22°).
- At the hottest location – Death Valley, CA (average summer temp is 115°).
- Most unusual construction – The Corrales, NM, post office was

- built using 875 bales of straw. The facility looks like others, but has a "truth" window in the lobby so the public can see its uniqueness. It also has a hitching post for customers on horseback.
- Most unexpected – The Peach Springs, AZ, post office is equipped with walk-in freezers for food destined for delivery to the bottom of the Grand Canyon by mule train to the Havasupai Indians.
- Most isolated – Located in the far-

- thest reaches of northern Alaska, the Anaktuvuk Pass post office is the only link to the outside world for the residents. There are no roads to the town; everything must be flown in.
- Most in need of a bridge – The Point Roberts, WA, post office cannot be reached by vehicle unless you drive through British Columbia, Canada. Only a boat or float plane will get you there directly. 

(fun facts courtesy of the USPS)



Helpful Tip

Sometimes More is Less

BY HENRY RUDDLE



A good mailing house knows how to sort your list and fill out the USPS paperwork to capture every available postage discount. (Always get a copy of the 3502 mailing statement and, if it was filled out by hand, double check it carefully!) However, it takes a great mailing house to notice some list optimization tricks. Here are a few to consider:

► The cutoff to qualify for 3-digit and 5-digit sortation rates is 125 pieces. That is, if 125 or more letters are going to the same area, and you sort them that way, those pieces are charged a lower rate. The difference between “basic” and “3 digit” postage of 1.9 cents for non-profit letters may not seem like a lot, but it adds up. At 16.9 cents

each, you will pay \$20.96 for 124 pieces going to zip codes with the same first three digits, but just \$18.75 for 125 pieces because the “3 digit” rate is just 15 cents. In that case, either add another name or tell your mailing house to just add one to the total on the paperwork.

► Digging a bit deeper, if a large chunk of your mailing qualifies for 5-digit processing, portions of it may qualify for carrier route rates. It requires splitting the mailing up, but for large mailings the extra 1.1 cent per piece saving can more than make up for a small increase in processing fees. The lower rates require that at least 10 letters are on the same carrier route, so as before, adding a name to two to make bundles of 10 can save a bundle on postage.

► Have your list CASS certified (ensure the addresses are real and formatted properly) each time you mail, and consider updating it through the National Change of Address system at least once a year. On average, 10-15 percent of households change their address each year, and so you may either be mailing to nobody or paying expensive “address services requested” fees to update your database one record at a time. These services cost money, but often save much more by ensuring accurate delivery and eliminating bogus records. ■■



Henry Ruddle founded the marketing communications agency Ruddle Creative in 1988, specializing in turnkey writing, design, printing and mailing services.

Email him at arts@ruddle.com with your own cost-saving practices.

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