

USPS to Cut Another 35,000 Jobs: Can the Post Office Be Saved? Should It Be?

By Stacy Curtin | Daily Ticker – Fri, Feb 24, 2012 12:57 PM EST

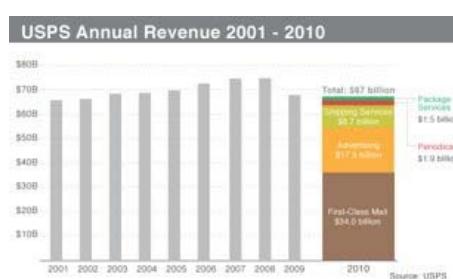
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The U.S. Postal Service plans to eliminate 35,000 jobs starting this summer by closing or consolidating 223 mail processing plants.

In the last quarter of 2011, the Postal Service lost \$3.3 billion due in large part the retirement and healthcare benefits it owes to future retirees as well as decreased volumes of mail being sent. The cuts are part of the agency's plan to avoid an \$18 billion loss by 2015 if nothing is done.

In an effort to prevent further bleeding, the Postal Service released a five-year plan to Congress outlining ways the agency could cut spending and raise revenue earlier this month. The plan includes proposals such as ending Saturday delivery, closing post offices and cutting jobs in addition to raising the price of a first-class stamp from \$0.45 to \$0.50.

Raising the price of postage five cents could add \$1 billion in revenue and the agency expects this latest consolidation of plants and job cuts to save \$2.1 billion.



While the Postal Service continues to slash costs and service, people are starting to wonder whether the day will come when the agency will cease to exist.

"There is a huge difference between what the Post Office is being forced to do now and the Post Office disappearing completely," says The Daily Ticker's Henry Blodget, who believes that while the agency may have to restructure, it is not going anywhere. "The reality is people are sending less physical mail than they used to [and] we do not need the Postal Service of the same size."

Many of the plants to be effected by this consolidation will be in rural areas. For such small communities, these closing will have a huge negative impact on the quality of life in terms of both jobs and the fabric of the society, as going to the Post Office for some remains a social experience and a way to actually see government in action, as Aaron Task points out in the accompany video.

The harsh reality is that dealing with debt has become a theme of the times. The U.S. faces a \$1.3 trillion deficit. States across the country are facing budget shortfalls and across the pond Greece and other European nations face crippling debt issues. The USPS is just one more instance of an entity that needs to cut back. Both Aaron and Henry agree, the Postal Service needs to change but is not going anywhere anytime soon.

In the video above, Aaron says he thinks one fair solution would be to raise the price of a first-class stamp dramatically to at least double its current \$0.45. Tell us what you think and how much would you be willing to pay for postage a first-class stamp.



