

# **Policy Brief**

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### The USPS and Rural America

#### The U.S. Postal Service is a critical source of decent jobs and revenue in rural states

In the 15 states with the largest share of their population in rural areas, more than 75,000 people work directly for the Postal Service — more than are employed in many other major job categories. The total mailing industry employs nearly 700,000 people and generates more than \$150 billion in revenue per year in these heavily rural states. Twelve of these states have larger than average shares of 65 and older residents, a group that tends to rely heavily on USPS for medicine, bill paying, and other services.

15 most rural states	% of rural residents	USPS employ- ees (#)	Select examples of occupations that employ less people than USPS	Total mailing industry*		% of pop.	Broad- band
				Jobs	Revenue (\$ bill)	over 65	cover- age
Maine	61%	3,356	Electricians, fast food cooks, construction workers, and childcare workers	21,824	4.8	20.6%	86.6%
Vermont	61%	1,634	Police officers, construction, childcare, and food prep workers, and farming, fishing, and forestry jobs	14,549	3.2	19.4%	79.0%
West Virginia	51%	3,702	Recreation workers, childcare workers, police officers, medical assistants, tellers	29,098	6.3	19.9%	69.2%
Mississippi	51%	4,935	Correctional officers and jailers, carpenters, plumbers, firefighters, tellers	43,648	9.5	15.9%	58.7%
Montana	44%	2,082	Middle school teachers, plumbers, all farming, fishing, and forestry jobs, police officers, and home health aides	14,549	3.2	18.7%	72.4%
Arkansas	44%	5,495	Construction workers, home health aides, bank tellers, carpenters, fast food cooks, and pharmacists	43,648	9.5	17.0%	54.3%
South Dakota	43%	2,019	Middle school teachers, insurances agents, highway maintenance workers, short order cooks, and fitness trainers	21,824	4.8	16.6%	78.2%
Kentucky	42%	7,877	Carpenters, bank tellers, pharmacists, firefighters, and nurse practitioners	72,746	15.8	16.4%	81.8%
Alabama	41%	9,032	Substitute teachers, auto mechanics, computer programmers, fast food cooks, and bartenders	80,021	17.4	16.9%	72.1%
North Dakota	40%	1,838	Food prep workers, plumbers, fast food cooks, dental assistants, and hairdressers	21,824	4.8	15.3%	86.8%
New Hampshire	40%	3,348	Construction workers, hairdressers, substitute teachers, childcare workers, and electricians	29,098	6.3	18.1%	89.6%
lowa	36%	7,659	Security guards, police and sheriff's patrol officers, dishwashers, lawyers, and correctional officers	65,472	14.3	17.1%	81.3%
Wyoming	35%	1,040	Bank tellers, security guards, preschool teachers, home health aides, and pharmacists	14,549	3.2	16.5%	62.1%
Alaska	34%	1,478	Dishwashers, middle school teachers, home health aides, fast food cooks, and tour and travel guides	21,824	4.8	11.8%	60.8%
North Carolina	34%	19,949	Food prep workers, childcare workers, carpenters, firefighters, electricians, and bartenders	203,689	44.3	16.3%	89.5%
total		75,444		698,363	152.2		

Sources: Rural Pop. (2010 Census). USPS employees (2018). Mailing industry (2019). State occupational employment (2018). Over 65 population (2018). Broadband (2020). \*Includes mail production and distribution (including USPS and private carriers), as well as jobs related to goods and services advertised and delivered through the mail.

#### Rural residents benefit by far the most from the Postal Service universal service mandate

USPS provides service at uniform and reasonable rates, delivering to <u>157 million</u> addresses at least six days a week, no matter where they live. The Postal Service uses revenue from more profitable services to cover much more expensive rural services. This allows it to not charge extra for deliveries to remote areas — unlike private carriers. UPS and FedEx charge more for deliveries to ZIP codes that are home to approximately <u>70 million people</u>, or approximately <u>21</u> percent of the U.S. population. Without competition from the public Postal Service, for-profit firms would likely further hike fees or halt deliveries altogether on less profitable rural routes.

#### Other carriers rely heavily on USPS for "last mile" rural deliveries

UPS, FedEx, and Amazon rely on the USPS to handle the "last mile" of their package deliveries, particularly in rural areas where USPS is the only carrier with a door-to-door network. USPS handled an estimated <u>55 percent</u> of the final stretch of Amazon's deliveries in 2018. For Fedex, the most recent available estimate is that USPS handled <u>30 percent of their</u> total ground packages. These figures are no doubt much higher for rural deliveries.

#### Many rural residents get medicine and other essentials through the mail

Across the country, an estimated <u>20 percent</u> of all Americans over 40 who are prescribed medication for a chronic condition get their prescriptions exclusively through the Postal Service. An even greater share of the rural population relies on mail order prescriptions since so many pharmacies in rural communities <u>have shut down</u>. Veterans, nearly <u>one-quarter</u> of whom live in rural communities, receive <u>80 percent</u> of their prescriptions through the mail. Under the COVID-19 pandemic, of course, USPS is delivering medicine, food, and other essentials to a much larger swath of the U.S. population. Even in normal times, Alaskan villages, Maine islands, and other remote areas <u>rely on USPS</u> for food and other vital goods.

## With less broadband access, rural residents rely more on USPS for bill paying and other first-class mail needs

The <u>FCC estimates</u> that 14.5 million rural residents lack broadband access. This suggests that rural residents make up a disproportionate share of the estimated <u>18 percent</u> of all Americans who pay their bills by the mail. USPS also allows sending of greeting cards and other first-class mail not handled by UPS or Fedex. USPS <u>has 31,000 post offices</u> in most ZIP codes in America.

#### Rural voters benefit significantly from "Vote By Mail" systems

Even in "normal times" (without a pandemic), many rural residents either must vote by mail or find it much more convenient to do so. In <u>Minnesota</u>, for example, 130,000 people in towns and townships with less than 400 voters automatically get mail ballots because they do not have physical polling sites. Rural voters <u>are older on average</u> than other voters and often <u>have</u> <u>long drives</u> to their nearest polling places. Vote by mail helps them exercise their fundamental democratic right to vote.

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