



## Black Families Have a Major Stake in the Future of the Postal Service

*USPS has the fourth-largest share of black employees of any U.S. industry or occupation*

*Postal banking would benefit African Americans, who are more likely than whites to lack access to affordable financial services*

### The debate over the future of the postal service

The United States Postal Service is under strong pressure to make deep spending cuts that would be devastating for customers and employees across the country. The justification for these cuts is a phony financial “crisis” created by Congress through a [2006 law](#) that required the USPS to pre-fund employee retirement health care costs 75 years into the future. This pre-funding mandate applies to no other federal agency or private corporation. Without it, the Postal Service would have been profitable in each of the last six years.<sup>1</sup>

The Trump administration’s Office of Management and Budget published [a report](#) in June 2018, calling for USPS to be sold off to for-profit corporations. In December 2018, a Trump task force issued a more [detailed plan](#) for privatizing wide swaths of the Postal Service, reducing delivery days, closing post offices, and jacking up prices on package service and the mail.

While proposed USPS cuts would be devastating for customers and employees across the country, black families have a particularly large stake in the debate over the future of this vital public service. USPS has long been a major source of good middle-class jobs for black workers. Post offices are also well-positioned to expand to address the needs of the disproportionate share of African Americans who currently lack access to affordable financial services.

### Postal jobs have long been a road to the middle-class for African Americans

The postal service began employing African Americans shortly after the Civil War. It became a major source of good, middle class jobs for African Americans [in the early 20<sup>th</sup> Century](#). During the 1940s, civil rights advocacy, combined with wartime needs, created even more opportunities for black postal workers. By the mid-1960s, African American leadership in the postal service had increased significantly. The three biggest post offices in the country — New York, Chicago, and Los Angeles — were all headed by black postmasters.

In 2018, black workers made up [28.6 percent](#) of the postal service workforce — more than [double](#) their share of the U.S. population. According to the Bureau of Labor Statistics, the postal service ranks fourth among all U.S. occupations or industries in terms of the workforce share that is African American. Among the 10 occupations with the heaviest representation of African American workers, the postal service is the only one with average annual wages on par with the national average (\$51,540 for postal workers versus \$51,960 for all occupations). The other occupations all have substantially lower average income levels, ranging from \$25,330 for home health aides to \$44,650 for bus and urban transit workers.

Of the 10 heavily African American occupations, postal work employed the sixth largest number of total employees in 2018, with 619,000 (approximately 177,000 of whom are black). These numbers make clear that cutting postal service jobs would have an especially painful impact on black families.

<b>Wages in U.S. Occupations with the Largest Shares of African Americans, 2018</b>			
<b>Occupation/Industry</b> (ranked by % African American)	<b>Total people Employed</b>	<b>% African American</b>	<b>Average Annual Wage</b>
1. Bus service and urban transit	576,000	35.6%	\$44,650
2. Barber shops	123,000	30.8%	\$33,220
3. Taxi and limousine service	689,000	30.2%	\$28,450
<b>4. Postal Service</b>	<b>619,000</b>	<b>28.6%</b>	<b>\$51,540</b>
5. Nursing Care Facilities	1,652,000	28.3%	\$29,580
6. Investigation and security services	839,000	27.0%	\$32,050
7. Residential Care Facilities	930,000	26.3%	\$28,180
8. Home Health Care	1,472,000	26.1%	\$25,330
9. Auto rental and leasing	185,000	25.8%	\$31,200
10. Animal Slaughtering/Processing	512,000	25.5%	\$28,450
<b>All U.S. occupations</b>	<b>155,761, 000</b>	<b>12.3%</b>	<b>\$51,960</b>

Source: U.S. Bureau of Labor Statistics.<sup>2</sup>

### **Many black families stand to gain from expanded postal financial services**

Instead of making more cuts to the postal service, policymakers should repeal the retiree health benefit pre-funding mandate that is the main source of their financial challenges. They should also explore new revenue sources, particularly those that would help meet important social needs, such as postal banking.

African Americans, along with young people and Latinx, are much more likely than other Americans to be “unbanked,” meaning they don't have a bank account, or “underbanked,” meaning they have to supplement their bank account with alternatives, such as predatory payday loans and expensive check cashing services.

According to the [FDIC](#), black households are five times more likely and Latinx households are four times more likely to be unbanked or underbanked than white households. The majority of unbanked households (52.7%) gave their top reason for being in this condition as not having enough money for an account. But other reasons included distrust of banks, high and unpredictable fees, and inconvenient locations.

With post offices across the country and a high level of public trust, the USPS is well-positioned to provide dependable, affordable financial services. According to a 2015 USPS Office of Inspector General [report](#), expanding postal financial services such as check-cashing, ATMs, and electronic money orders could generate as much as \$1.1 billion in annual revenue.

Such services would be particularly beneficial to black families. In fact, a recent [report](#) by the Institute for Policy Studies, the National Community Reinvestment Coalition, and Darrick Hamilton from the Kirwan Institute for the Study of Race and Ethnicity listed postal banking among 10 proposed solutions for our country's extreme racial wealth divide.

Every community across the United States benefits from a strong USPS. Rather than weakening this vital public infrastructure, policymakers should focus on strengthening —and expanding — this service to meet 21<sup>st</sup> century needs.

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<sup>1</sup> See row 3 of table on p. 19 of U.S. Department of the Treasury, [United States Postal Service: A Sustainable Path Forward Report from the Task Force on the United States Postal System](#), December 2018.

<sup>2</sup> Annual mean wages: BLS Occupational Employment Statistics [from May 2018](#). Occupation demographics: BLS Current Population Survey [data](#) for 2018. Occupation codes used for mean wages: Bus Service—53-3021; Barber shops—39-5011; Taxi and Limousine—53-3040; Postal Service—43-5050; Nursing Care Facilities—31-1014; Residential Care Facilities—31-1000; Animal Slaughtering—51-3023; Investigation and Security Services—33-9032 (security guards); Home Health Care Services—31-1011 (home health aide); Automotive Equipment Rental and Leasing—41-2021 (counter and rental clerk).

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