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MONTANA PERSONAL INCOME HIGHEST EVER BUT LOWER THAN NATIONAL LEVEL

Total personal income in Montana in 1956, at $1,188 million, was the highest ever recorded, but it has not kept pace either in total income or per capita income, with national growth or with growth in the five northern Mountain States.

These facts were revealed in an analysis of World War II income trends that appears in the latest issue of Montana Business Review, published by the Montana State University Bureau of Business and Economic Research, Missoula. The monthly bulletin, formerly titled Montana Business, claims a need for more manufacturing in the state to raise and stabilize income.

While Montana ranked 20th among the 48 states in per capita income in 1956, the state’s position in the income picture is not so favorable as it was in early post-war years. Personal income in Montana since 1946 has increased less than in either the United States or in the northern Rocky Mountain region comprising Utah, Wyoming, Idaho, Colorado, and Montana.

The decline of agricultural income since 1951 largely explains Montana's lag, according to the Montana Business Review article by Mrs. Maxine C. Johnson, research associate in the bureau. After rising to abnormally high levels immediately after World War II, agricultural income has fallen 3½ per cent since 1951, from $290 million in 1956, back to the 1946 level. This is a substantially greater decline than occurred nationally and is particularly significant because of agriculture's importance in the state, according to the article.

The Review notes that nonagricultural income has shown a steady growth since 1946 and has been surprisingly successful in offsetting the decline in farm income. Total nonfarm income increased 11½ per cent between 1946 and 1956. This was well
above the national gain (95 per cent) but slightly below the combined growth in the
five Mountain States (118 per cent).

In the nonfarm sector, the growth in manufacturing payrolls is seen by the
University publication as a basis for some optimism. While of much less importance
in Montana than in the nation as a whole, manufacturing wage payments have actually
increased at a faster rate in Montana than in the United States, 166 compared to 113
per cent from 1946 to 1956. Montana's neighboring states have fared even better,
with combined manufacturing payrolls in the five-state area recording an increase of
171 per cent over the same period.

Little diversification has accompanied the expansion of manufacturing payrolls
in Montana, the Review reports. Lumber and wood products and the primary metals
industries continue to account for a large proportion of total manufacturing pay-
rolls - over 58 per cent in 1956.

The Review sees little probability that agricultural income will regain its
postwar importance and concludes that if Montana is to raise and stabilize its in-
come level, the further expansion and diversification of nonagricultural industries,
particularly growth-generating industries such as manufacturing, is of primary im-
portance.

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