

# Preface

This book project dates back to January 1998 when I had just started my doctoral studies at the Maxwell School of Syracuse University. The Government Performance Project (GPP), funded by the Pew Charitable Trusts, had then just been launched and I worked on the financial management section. Volumes of detailed survey responses from the state governments overwhelmed me, but soon I was beginning to absorb a lot of substance from this sea of rich materials on state practices in managing their revenue, expenditure, investment, pension, and debt, among others. Somehow a particular practice, the “rainy day fund,” attracted my attention. GPP’s survey had contained a question on the adoption and use of the rainy day fund, great insight from the project’s Advisory Committee, from which I got the first spark of inspiration. I dug in, deeper and wider, for state legislation on this fund. In the next year or so, I was the heaviest user of the interlibrary loan service at Syracuse University Library for *Annual Budgets* and (*Comprehensive*) *Annual Financial Reports* of all 50 states. That extremely time consuming but worthwhile exercise sent me down the road ... A 50-state 21-year data set was put together, with legislation of 39 states on the fund.

I decided to write a dissertation on the economics, law, and politics of the adoption, use, and effects of the rainy day fund. The literature was then thin, just starting to accumulate; I looked sideways to related literatures for ideas, insights, and methods. The 2001 recession provided a boost to this project; the research community began to pay more attention to this area; I was encouraged. In May 2002, I defended my dissertation that won a best dissertation awards from the Maxwell School and the Syracuse University. Since then I have been working in this narrow area, updating the data set every now and then, writing on different aspects of this topic. Over this period, I published over a dozen papers in different journals. Then the Great Recession struck. It is time for a summary of what I have done so far. Springer and the series editor Professor Randall Holcombe very quickly endorsed my book proposal and encouraged me to put together this volume.

Athens, GA, USA

Yilin Hou

