

ESSAYS IN HONOR OF NANCY AND RICHARD RUGGLES:
EDITOR'S INTRODUCTION

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This Special Issue of the *Review of Income and Wealth* pays tribute to the memory of Nancy and Richard Ruggles. Their scientific contributions and the qualities of intellect and character that made them possible continue to inspire those whose work builds on that legacy.

Nancy and Richard Ruggles worked on a wide range of measurement issues, as indicated by the full bibliography of their work, both joint and separate (Ruggles and Ruggles, 1999a, pp. 515–28). Here one finds papers on topics as diverse as demography, empirical economic intelligence, saving and investment, social indicators, techniques for merging and matching microdata sets, price indexes and quality change, public finance, economic development, preservation and use of microdata, the use of the computer in statistical operations, and the development of integrated databases for economic, social and demographic data. But several themes emerge from this rich and varied output of two intellectually curious minds, themes that are reflected also in the essays included here.

The first is the Ruggles' deep and abiding interest in the national accounts, which they increasingly saw as a comprehensive framework for coordinating and integrating economic and social data at various levels of aggregation. The 1956 edition of their textbook *National Income Accounts and Income Analysis* contains an early statement of their view of the role of the accounts:

... the national income accounts should be viewed as a framework for classifying the transactions that take place in the economy rather than as a method of deriving specific economic aggregates. Certain economic constructs, such as consumers' expenditures or gross domestic investment, may emerge from the accounts, but they should emerge because they represent useful classifications of certain types of transactions. (Ruggles and Ruggles, 1956, p. 106)

It also suggests that both stocks and flows are of interest:

The balance sheet and the income statement provide a framework within which the operations of the firm can be analyzed and from which a structure of the relationships among firms in the economy can be built up . . . (Ruggles and Ruggles, 1956, p. 33)

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However, although this book contains a chapter on related systems of economic accounting (input-output and flow of funds), their integration into a single system is not recommended (Ruggles and Ruggles, 1956, p. 208). That synthesis would have to wait until their 1982 paper “The Integrated Economic Accounts of the United States, 1947–80” (Ruggles and Ruggles, 1999b, pp. 243–304), which proposed a set of sector accounts—current, capital and balance sheet—that would be conceptually consistent with the underlying microdata.

Thus another theme in the Ruggles’ work is the desirability of building the macroeconomic accounts on good microeconomic foundations and source data. Again, this concept is present in their early work, which builds up national income accounting concepts and measurements from the income statements of individual productive units (Ruggles and Ruggles, 1956, p. 33). However, it was the growing availability of both microdata sets and the computational power to make use of them that enabled Nancy and Richard to put the concept into practice empirically. Much of their work in the 1970s was devoted to devising the statistical methods and conceptual framework for constructing microdata sets integrated with the national accounts (Ruggles and Ruggles, 1999a). This work responded to the need of analysts and policy makers to look beneath national accounts aggregates in order to address distributional questions and social concerns that were becoming increasingly prominent.

Nancy and Richard were always interested in the practical application of national accounts (and other data) in analyses with policy implications. Their concern that the national accounts be more than a formal exercise is evident in the titles chosen for some of their work: *National Income Accounts and Income Analysis*; *National Accounts and Economic Policy*, *Macro-and Microdata Analyses and Their Integration*. They recognized that with modern information technology, a comprehensive and integrated accounting system can support a variety of analytical structures, some standard and some designed for particular policy needs. And although Nancy and Richard paid little attention to industry classification, their early observation

Any aggregation is a poor classification if there is little that is similar about the categories that it aggregates. The basis of proper classification should be homogeneity in terms that are meaningful for economic analysis. (Ruggles and Ruggles, 1956, p. 105)

could have emerged just as readily from the conceptual discussions during the development of the North American Industry Classification four decades later.

Finally, Nancy and Richard Ruggles trusted their own instincts about what is important. Not content with the status quo, Nancy and Richard always brought a fresh look and an open mind to topics long regarded as settled, and although these “reopenings” were not always welcomed initially, over time changes were introduced. They did not merely advocate the use of microdata; they actually worked with such data sets, demonstrating both the feasibility of such analyses and the utility of the results. They built statistical infrastructure rather than taking up a series of currently fashionable topics. They served the International Association for Research in Income and Wealth as secretary and editor of its *Review*. Most importantly, Nancy and Richard encouraged new ideas and the colleagues

who presented them, and many in the profession felt privileged to regard them as friends and mentors.

My thanks go to the reviewers for their thorough evaluations and helpful suggestions, to the authors for their timely drafts and patience with the revision process, and to both for their good-natured acceptance of the tight time schedule. Special thanks are due Harry Postner. He proposed this Special Issue, provided good counsel and support throughout its production, and contributed the paper that introduces the issue, providing both practitioners and users of national accounts the background and tools needed to work more effectively in the tradition of Nancy and Richard Ruggles.

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