

```
. egen means_repdem = mean(repdem) , by(muniID)

. gen dm_repdem = repdem - means_repdem

.
. * regression with demeaned data
. reg dm_nat_rate dm_repdem , cl(muniID)
```

Linear regression

Number of obs = 4655
F(1, 244) = 265.18
Prob > F = 0.0000
R-squared = 0.1052
Root MSE = 3.6017

(Std. Err. adjusted for 245 clusters in muniID)

dm_nat_rate	Robust					
	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
dm_repdem	3.0228	.1856244	16.28	0.000	2.657169	3.388431
_cons	6.65e-10	5.81e-09	0.11	0.909	-1.08e-08	1.21e-08