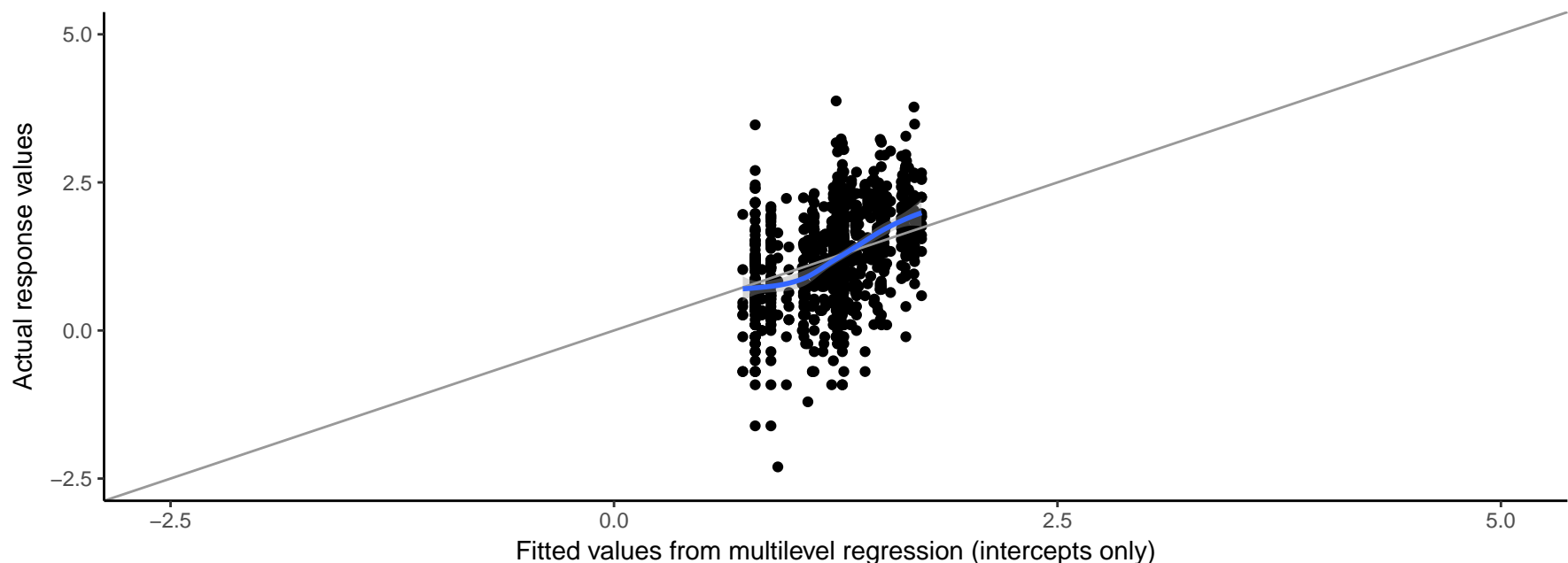
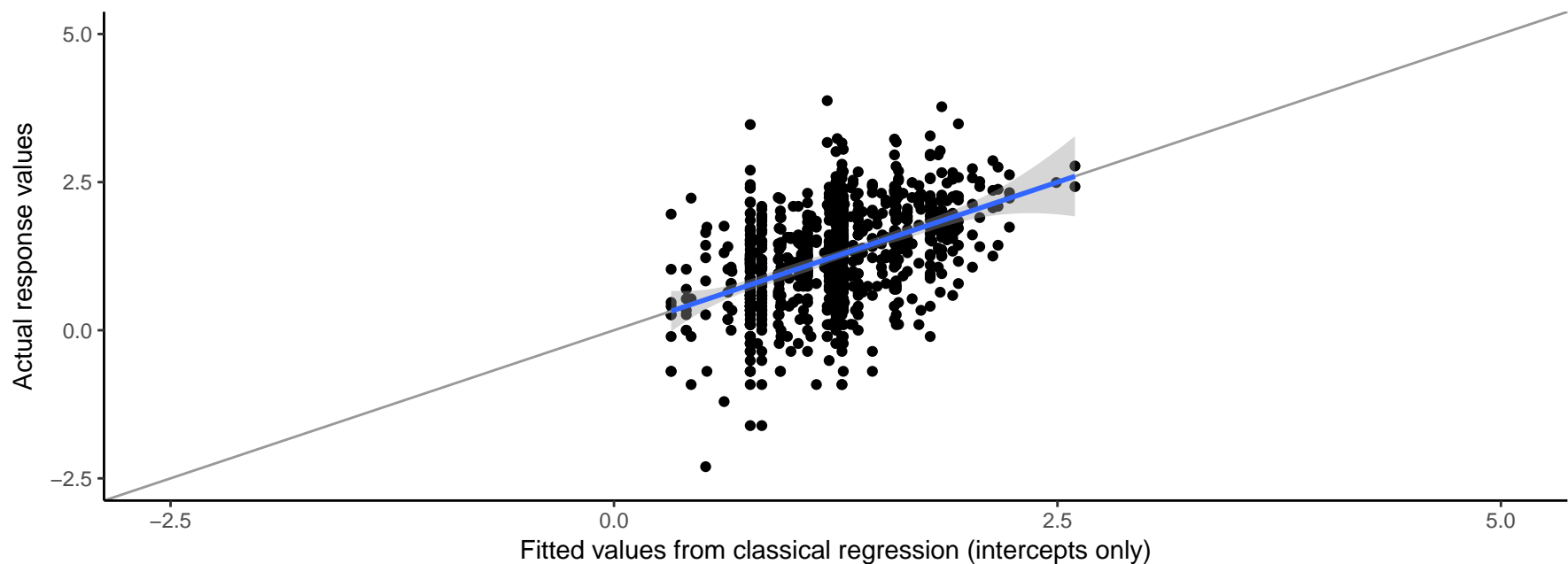


Compared to classical regression with only county indicators (top plot), the multilevel regression with only county indicators restricts the range of predicted values



See Gelman and Hill, p257: "The higher-level distribution has the effect of pulling the estimates of α_j toward the mean level μ_j "

This is especially useful for estimates in counties with very small sample sizes

It also allows us to account for the fact that individuals within the same county are correlated with one another