Does Social Capital Matter in Corporate Decisions? Evidence from Corporate Tax Avoidance (Detailed data steps)

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We are complying with the "Data and Code Sharing Policy for the Journal of Accounting Research" by providing "a detailed step-by-step description of the code or the relevant parts of the code."

1. Our sample construction starts with all publicly traded firms with headquarters located in US counties between 1990 and 2012 for which financial data are available from Standard & Poor's Compustat Annual database. The company financial information from Compustat is used to compute the firm-year level variables in our baseline regressions, such as effective tax rate variables, firm size, M/B ratio, leverage, etc. Please refer to Appendix A for the detailed variable definitions. Below, we provide the codes to compute our key dependent variables in the baseline regressions.

   The codes for TA_ETR (effective tax rate) and TA_CETR (cash effective tax rate) are as following:

```
data compu1;
  set compu1;
  ETR = TXT / (PI - SPI) ;
  if ETR < 0 and ETR ne . then ETR = 0 ;
  if ETR >= 1 then ETR = 1 ;
  TA_ETR = (-1) * ETR ;
  CETR = TXPD / (PI - SPI) ;
  if CETR < 0 and CETR ne . then CETR = 0 ;
  if CETR >= 1 then CETR = 1 ;
  TA_CETR = (-1) * CETR ;
  run;
```

   The codes for DTAX are as following:

```
* Frank, Lynch and Rego (2009 TAR) estimate the equation below by two-
digit SIC code and fiscal year, where all variables (including the
intercept) are scaled by beginning-of-year total assets and then use
the residuals from the Equation as the estimates of discretionary
permanent differences (i.e., DTAX). ;

proc reg data = compu1_6  noprint ;
  by SIC_2_digit  year;
  model PERM_lag_AT = Inverse_lag_AT  INTANG_lag_AT  UNCON_lag_AT
        MI_lag_AT  CSTE_lag_AT  Change_NOL_Lag_AT lag_PERM_lag_AT
        /noint ; output out= compu1_7 R = DTAX  ;
  run;
```

where the regression variables, e.g., PERM, INTANG, etc., are defined in Appendix A of the paper and these variables are scaled by beginning-of-year total assets.

2. The Compustat database reports the latest location for which the firm's headquarter is located, creating a potential matching problem for firms that relocated their headquarters to other counties during the sample period. We hand-collect firms' historical headquarter addresses by searching headers of electronic 10-K filings from the Securities and Exchange Commission Edgar database. We merge the data of historical headquarter addresses with the Compustat data using CIK number and year.

3. County-level social capital data were obtained from Northeast Regional Center for Rural Development (NRCRD) at http://aese.psu.edu/nercrd/community/social-capital-resources.
    a. NRCRD provides U.S. county-level social capital measures, i.e., Voter turnout (*Pvote*), census response rate (*Respn*), the number of non-profit organizations (*Assn*), and the number of social organizations (*Nccs*), for four different years in 1990, 1997, 2005, and 2009 within our sample period using 2 dataset: an old dataset, OLD_NRCRD, reports data for 1990, 1997, and 2005; a new dataset, NEW_NRCRD, reports data for 1997, 2005, and 2009.
    b. As discussed in our paper's Appendix B (Constructing social capital measures), we observe significant discrepancies in the reported Nccs values between the OLD_NRCRD and the NEW_NRCRD in 1997. There are two reasons. First, the OLD_NRCRD includes all non-profit organizations but the NEW_NRCRD excludes non-profit with an international reach. Second, the OLD_NRCRD data might be incomplete as it reports many counties with very few non-profit organizations in 1990. Accordingly, we use the 1997, 2005, and 2009 *Nccs* (Number of non-profit organizations) data from NEW_NRCRD and estimate the 1990 *Nccs* data as follows: *Estimated 1990 Nccs* = 1997 *Nccs* ÷ (1 + Average growth rate of *Nccs* between 1997 and 2005 and between 2005 and 2009), where *Nccs* data from the left-hand side of the equation are based on data from NEW_NRCRD, and average growth rate of *Nccs* between 1997 and 2005 is defined as the difference between 2005 *Nccs* and 1997 *Nccs* scaled by 1997 *Nccs*. We use this procedure because there is an upward trend in the number of non-profit organizations from 1997 to 2009 as reported in NEW_NRCRD.
    c. We also use the data for the 10 types of social organizations as listed in the table above to calculate the sum of social organizations because these are the organizations that are consistently reported in both the OLD_NRCRD and the NEW_NRCRD. Specifically, the 1990 and 1997 *Assn* (Sum of social organizations) using the 10 types of social organizations provided in the OLD_NRCRD and NEW_NRCRD. Appendix B (Constructing social capital measures) of the paper provides a detailed list of these 10 types of social organizations.
    d. The variable, *Social capital*, is the first principal component from a factor analysis on the 4 factors discussed above, *Pvote*, *Respn*, *Assn*, and *Nccs*, based on the 4-year NRCRD data using SAS PRINCOMP procedure.

```
proc princomp data = sc_1990 out= sc_1990_1;
```

```
VAR factor1 factor2 factor3 factor4;
      RUN;

proc princomp data = sc_1997 out= sc_1997_1;
VAR factor1 factor2 factor3 factor4;
      RUN;

proc princomp data = sc_2005 out= sc_2005_1;
VAR factor1 factor2 factor3 factor4;
      RUN;

proc princomp data = sc_2009 out= sc_2009_1;
VAR factor1 factor2 factor3 factor4;
      RUN;

data sc;
merge sc_1990_1 sc_1997_1 sc_2005_1 sc_2009_1;
by fips year;
      RUN;
```

4. We estimate social capital indexes in 1990, 1997, 2005, and 2009 using NRCRD data. We fill in social capital indexes for the missing years using the estimated social capital index in the preceding year in which data are available.

5. Other county-level and state-level control-variable data were obtained from various data sources.
   a. We obtain county-level resident age, education, and income data from Census Bureau (Link: https://www.census.gov/support/USACdataDownloads.html) to compute the *Age*, *Education*, *Median income*, and *Income inequality* variables. Please refer to Appendix A of the paper for detailed definitions. We fill in these county-level variables for the missing years using the values in the preceding year in which data are available. For example, age and education census data are available in year 1990, 2000, and 2010, therefore we filled in missing data from 1991 to 1999 using the data in 1990. We merge these county-level data together using state and county code and year.
   b. We obtain state statutory tax rates are from Council of State Governments Knowledge Center (state finance chapter of Book of State: http://knowledgecenter.csg.org/kc/category/content-type/bos-archive).
   c. We obtain state-level organ donation data from the Organ Procurement and Transplantation Network (OPTN) via the link: http://optn.transplant.hrsa.gov/latestData/stateData.asp?type=state. State-level per capita organ donor is defined as the total number of organ donors in a state in a given year divided by total state population in that year then multiplied by 1,000.

6. We merge county-year level data (social capital and other county demographic variables) with firm-year level Compustat data using county name of each firm's headquarter location and year. We then merge the resulting data with state-level variables (state statutory tax rates and state-level organ donation) using state name and year.

7. All continuous variables are winsorized, at the 1% and the 99% levels using STATA code of winsor2.

8. The final sample contains 63,807 firm-year observations for which data are available for all independent variables in the baseline regressions and at least one tax avoidance variable (i.e., ETR and CETR). It includes 8,702 unique firms with headquarters located in 823 unique US counties in the period 1990-2012. The Excel file, titled GVKEY, contains the gvkey codes of all firms used in our analysis. Panel A of Table 1 reports the summary statistics of the sample that is used in the baseline regression.

9. We run our baseline regression (Table 2) using the following STATA codes
    a. ta_etr, ta_cetr, and dtax are the three measures of tax avoidance as described in the paper and Step 1 (on page 1) of this document
    b. social_capital is defined in the Appendix B of the paper and Step 3 (on page 2) of this document
    c. control variables are defined in Section 3.3 and Appendix A

```
**********************************
* Table 2: baseline regression with county cluster*
**********************************

xi: reg ta_etr social_capital $control i.sic2 i.year , cluster (fips)
outreg2 social_capital $control using $pathout\basic, lab tstat adjr2  nocons tdec(2) bdec(3) word replace
xi: reg ta_cetr social_capital  $control    i.sic2 i.year    ,  cluster (fips)
outreg2 social_capital $control  using $pathout\basic , lab tstat adjr2  nocons tdec(2) bdec(3) word append
xi: reg dtax social_capital $control   i.sic2 i.year ,  cluster(fips)
outreg2 social_capital $control  using $pathout\basic, lab tstat adjr2  nocons tdec(2) bdec(3) word append
```

10. Table 3 provides sensitivity analysis by adding firm fixed effect or county fixed effect

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**********************************
*Table 3: Panel A: firm fixed effect *
**********************************

xi: areg ta_etr social_capital $control  i.year , cluster (fips)   absorb (gvkey)
outreg2 social_capital $control   using $pathout\fim_fixed, lab tstat adjr2   nocons tdec(2) bdec(3) word
replace
xi: areg ta_cetr social_capital $control  i.year   ,  cluster (fips)   absorb (gvkey)
outreg2 social_capital $control   using $pathout\fim_fixed, lab tstat adjr2   nocons tdec(2) bdec(3) word
append
xi: areg dtax social_capital $control  i.year   , cluster (fips)   absorb (gvkey)
outreg2 social_capital $control   using $pathout\fim_fixed, lab tstat adjr2   nocons tdec(2) bdec(3) word
append

**********************************
*Table 3: Panel B: county fixed effect*
**********************************
xi: areg ta_etr social_capital $control i.year   , cluster (fips)   absorb (fips)
outreg2 social_capital $control  using $pathout\county_fixed, lab tstat adjr2  nocons tdec(2) bdec(3) word
replace
```

```
xi: areg ta_cetr social_capital $control  i.year    , cluster (fips)   absorb (fips)
outreg2 social_capital $control  using $pathout\county_fixed, lab tstat adjr2  nocons tdec(2) bdec(3) word
append
xi: areg dtax social_capital $control  i.year    , cluster (fips)   absorb (fips)
outreg2 social_capital $control  using $pathout\county_fixed, lab tstat adjr2  nocons tdec(2) bdec(3) word
append
```

11. Table 4 provides sensitivity analysis by adding religious adherence and corporate social irresponsibility controls.
    a. Religion data were obtained from The Association of Religion Data Archives (http://www.thearda.com/archive/browse.asp). *Religious adherence* is the fraction of a county's population that claims affiliation with an organized religion.
    b. Corporate social responsibility data were obtained from Kinder, Lydenberg, Domini Research & Analytics (KLD) database. *Corporate irresponsibility* equals one if a firm has more than three negative social ratings in a year and it equals zero otherwise. Negative social ratings are aggregated across the seven categories of corporate activities evaluated by KLD Research & Analytics.

```
**********************************
* Table 4: additional control for religiosity and CSR*
**********************************

xi: reg ta_etr social_capital Religious_adherence $control i.sic2 i.year   , cluster (fips)
outreg2 social_capital Religious_adherence $control  using $pathout\acc, groupvar (social_capital
Religious_adherence  Corporate_irresponsibility  ) lab  tstat  adjr2   nocons  tdec(2)  bdec(3)  word
replace
xi: reg ta_cetr social_capital  Religious_adherence    $control i.sic2 i.year   , cluster (fips)
outreg2  social_capital  Religious_adherence  $control  using  $pathout\acc,  groupvar
(social_capital  Religious_adherence  Corporate_irresponsibility ) lab tstat adjr2  nocons tdec(2)
bdec(3) word append
xi: reg dtax social_capital  Religious_adherence  $control i.sic2 i.year   , cluster (fips)
outreg2 social_capital  Religious_adherence $control  using $pathout\acc, groupvar (social_capital
Religious_adherence   Corporate_irresponsibility  ) lab tstat adjr2  nocons tdec(2) bdec(3) word
append
xi: reg  ta_etr  social_capital  Religious_adherence   Corporate_irresponsibility   $control  i.sic2
i.year   , cluster (fips)
outreg2  social_capital  Religious_adherence   Corporate_irresponsibility   $control   using
$pathout\acc, groupvar (social_capital  Religious_adherence  Corporate_irresponsibility ) lab tstat
adjr2  nocons tdec(2) bdec(3) word append
xi: reg  ta_cetr  social_capital  Religious_adherence  Corporate_irresponsibility   $control  i.sic2
i.year   , cluster (fips)
outreg2  social_capital  Religious_adherence   Corporate_irresponsibility   $control   using
$pathout\acc, groupvar (social_capital  Religious_adherence  Corporate_irresponsibility ) lab tstat
adjr2  nocons tdec(2) bdec(3) word append
xi: reg dtax social_capital  Religious_adherence  Corporate_irresponsibility  $control i.sic2 i.year
, cluster (fips)
outreg2  social_capital  Religious_adherence   Corporate_irresponsibility   $control   using
$pathout\acc, groupvar (social_capital  Religious_adherence  Corporate_irresponsibility ) lab tstat
adjr2  nocons tdec(2) bdec(3) word append
```

12. Table 5 provides an alternative measure (organ donation) of social capital.

a. We use Organ donation as an alternative measure social capital. As discussed above, organ donation data were obtained from Organ Procurement and Transplantation Network (OPTN). The OPTN is a unified transplant network established by the United States Congress under the National Organ Transplant Act of 1984.
b. We obtain the state-level organ donation data from the website of OPTN. Specifically, we obtain the annual total number of organ donors in each state in the United States for our sample period, from 1990 to 2012. Organ donation is the state-level per capita organ donor multiplied by 1,000.
c. We matched Organ donation data with our baseline sample based on state and year.

```
**********************************
*Table 5 organ donation as alternative measure *
**********************************
xi: reg  ta_etr organ_donation $control  i.sic2 i.year  , cluster (fips)
outreg2 organ_donation $control using $pathout\organ, lab tstat adjr2   nocons tdec(2) bdec(3) word
replace
xi: reg  ta_cetr organ_donation $control  i.sic2 i.year    ,  cluster (fips)
outreg2 organ_donation $control  using $pathout\organ , lab tstat adjr2  nocons tdec(2) bdec(3) word
append
xi: reg dtax organ_donation $control  i.sic2 i.year  ,  cluster(fips)
outreg2 organ_donation $control  using $pathout\organ, lab tstat adjr2  nocons tdec(2) bdec(3) word
append
```

13. Table 6 provides additional tests on tax aggressiveness based tax rates
    a. Table 6 provides alternative measures of tax aggressiveness based on ETR and CETR. Low ETR (Low CETR) equals one if a firm's ETR (CETR) in a given year ranks in the bottom quintile of the corresponding distribution among firms with the same two-digit SIC code, and zero otherwise. ETR Dodger (CETR Dodger) equals one if a firm has a positive pretax profit and a zero ETR (CETR) in a given year, and zero otherwise. TA ETR5 is the ratio of total tax expense scaled by total pretax income net of total special items averaged over a five-year period. TA CETR5 is the ratio of total tax paid scaled by total pretax income net of total special items averaged over a five-year period.

```
**********************************
*Table 8: alternative ETR/CETR*
**********************************
xi: logit Low_ETR social_capital   $control i.sic2 i.year   , cluster(fips)
outreg2 social_capital     $control  using $pathout\alter_etr,  lab nocons tstat tdec(2) bdec(3) nor2
e(chi2 r2_p) word replace
xi: logit Low_CETR social_capital   $control i.sic2 i.year   , cluster(fips)
outreg2 social_capital  $control  using $pathout\alter_etr,  lab nocons tstat tdec(2) bdec(3) nor2
e(chi2 r2_p) word append
xi: logit ETR_Dodger social_capital   $control i.sic2 i.year   , cluster(fips) iterate (10)
outreg2 social_capital     $control  using $pathout\alter_etr,  lab nocons tstat tdec(2) bdec(3) nor2
e(chi2 r2_p) word append
xi: logit CETR_Dodger social_capital  $control i.sic2 i.year   , cluster(fips) iterate (10)
```

```
outreg2 social_capital    $control  using $pathout\alter_etr,  lab nocons tstat tdec(2) bdec(3) nor2
e(chi2 r2_p) word append
xi: reg  ETR_5y social_capital   $control  i.sic2 i.year    , cluster (fips)
outreg2 social_capital    $control  using $pathout\alter_etr, lab tstat adjr2  nocons tdec(2) bdec(3)
word append
xi: reg  CETR_5y social_capital   $control  i.sic2 i.year    , cluster (fips)
outreg2 social_capital    $control  using $pathout\alter_etr, lab tstat adjr2  nocons tdec(2) bdec(3)
word append
```

14. Table 7 provides corporate headquarter relocation test
    a. We use historical corporate headquarter information (discussed in bullet 2) to identify social-capital-changing relocation events. A social-capital-changing relocation event occurs when a firm reports headquarter addresses in two different counties in its 10-K filings in two successive years.
    b. We require that all relocated firms have at least two years of data before and after the year of the relocation. Moreover, we require that relocated firms have the same old headquarter location in 10-K filings in the two years immediately preceding the relocation event and the same new headquarter location reported in 10-K filings in the two years immediately after the relocation event.
    c. As mandatory electronic SEC filings began in 1993, we are able to identify social-capital-changing relocation events starting in 1995 and ending in 2010 because data for 1993 and 1994 are required for relocations in 1995 and data for 2011 and 2012 are required for relocations in 2010.
    d. We identify 462 social-capital-changing relocations for all Compustat firms in the period 1995–2010. Of these, 382 relocation events were from firms in our sample. To avoid confounding time windows, we purge another 98 firms with multiple relocation events during the sample period and rely on a sample that contains 284 firms with a unique social-capital-changing relocation in the period 1995–2010. In the end, we have 145 firms with a unique social-capital-increasing relocation and 139 firms with a unique social-capital-decreasing relocation.
    e. For these 284 firms, we directly extract the corresponding data and variables from the sample of 63,807 firm-year observations that we use in the baseline regressions, resulting in a sample containing firm-year observations that straddle the year of the relocation. We then exclude data in the year of the relocation because the level of social capital in that year is changing and therefore indeterminate.
    f. The final sample contains 2,280 firm-year observations spanning the time period 1993–2012. Of these, 1,199 are from the pre-relocation window and 1,081 are from the post-relocation window.

```
**********************************
* Table 7: relocation test *
**********************************
xi: reg  ta_etr i.post_relocation*relocation_up  $control  i.sic2   if  relocation_out_county1==1 &
year>1992 & relative_year!=0, cluster (fips)
outreg2  using $pathout\uptodown_short, lab tstat adjr2  nocons tdec(2) bdec(3) word replace
```

```
xi: reg  ta_cetr i.post_relocation*relocation_up $control  i.sic2  if  relocation_out_county1==1 &
& year>1992 & relative_year!=0, cluster (fips)
outreg2  using $pathout\uptodown_short , lab tstat adjr2  nocons tdec(2) bdec(3) word append
xi: reg  dtax i.post_relocation*relocation_up $control  i.sic2   if  relocation_out_county1==1 &
year>1992 & relative_year!=0, cluster (fips)
outreg2  using $pathout\uptodown_short , lab tstat adjr2  nocons tdec(2) bdec(3) word append
```

15. Table 8 provides 2-stage instrumental variable test
    a. The two instruments for social capital are Log(Distance) and Ethnicity homogeneity. Log(Distance) is the natural logarithm of the closest distance between the U.S.-Canadian border and the county in which the firm's headquarter is located. We use the SAS ZIPCITYDISTANCE function to obtain the distance in miles between a specific company's headquarter zip code location and the closest U.S. county located along the U.S.-Canadian border. The closest county for a given firm is the county with the minimum distance among all U.S. counties located along the U.S.-Canadian border.
    b. Ethnicity homogeneity is a Herfindahl index calculated across four basic Census tract ethnic categories including Hispanic, non-Hispanic black, non-Hispanic white, and Asian in a county during a given year.

```
**********************************
* Table 8: two stage 2sls*
**********************************
xi: ivregress 2sls ta_etr  (social_capital  =log_border ethnic_diversity) $control  i.sic2 i.year,
cluster (fips) first
outreg2 social_capital  $control  using $pathout\sls, lab tstat adjr2  nocons tdec(2) bdec(3) word
replace

 xi: ivregress 2sls ta_cetr  (social_capital  =log_border ethnic_diversity) $control  i.sic2 i.year ,
cluster (fips) first
outreg2 social_capital  $control  using $pathout\sls, lab tstat  adjr2 nocons tdec(2) bdec(3) word
append

 xi: ivregress 2sls dtax  (social_capital  =log_border ethnic_diversity) $control  i.sic2 i.year ,
cluster (fips) first
outreg2 social_capital  $control  using $pathout\sls, lab tstat  adjr2 nocons tdec(2) bdec(3) word
append
```

16. Table 9 provides additional tests on tax aggressiveness
    a. We use the level of unrecognized tax benefits (UTB) that a firm discloses in pursuant to FASB Interpretation No. 48 to capture tax aggressiveness. We define Log(UTB) as the natural logarithm of (1 + TXTUBEND), where TXTUBEND is the end-of-year UTB balance for a firm in a given year as reported in the Compustat database.
    b. Following Rego and Wilson [2012], we use the model as reported in Table 5, Column 3 in Wilson [2009] to estimate a tax sheltering probability for each Compustat firm with sufficient data in each year. We use a dummy variable to capture the incidence in which a firm's annual sheltering probability ranks in the

top quartile of the corresponding distribution in the year. Specifically, Dummy(Shelter) equals one if a firm's sheltering probability in a year is in the top quartile of the corresponding distribution in that year, and zero otherwise.

c. We use a dummy variable to capture those firms with at least one offshore tax haven subsidiary because there is a widespread concern among policy makers and government agencies that US companies are using offshore tax haven subsidiaries to avoid taxes in the US. Dummy(Tax haven) equals one if a firm has at least one offshore tax haven subsidiary, and zero otherwise. The list of tax haven countries is based on information provided by Dyreng and Lindsay [2009] and Scott Dyreng's personal webpage (https://sites.google.com/site/scottdyreng/Home/data-and-code).

```
**********************************
*Table 9: alternative tax aggressiveness measures*
**********************************
xi: reg log_utb social_capital    $control i.sic2 i.year  , cluster(fips)
outreg2  social_capital       $control    using  $pathout\alternative,  lab  tstat  adjr2    nocons  tdec(2)
bdec(3) word replace
xi: logit shelter social_capital   $control i.sic2 i.year   , cluster(fips)
outreg2 social_capital   $control using $pathout\alternative,  lab nocons tstat tdec(2) bdec(3) nor2
e(chi2 r2_p) word append
xi: logit taxhaven  social_capital   $control i.sic2 i.year   , cluster(fips)
outreg2 social_capital   $control using $pathout\alternative,  lab nocons tstat tdec(2) bdec(3) nor2
e(chi2 r2_p) word append
```

17. Table 10 provides test on the effect of geographical diversification
    a. We use material subsidiary disclosures in Exhibit 21 in 10K filings as required by the SEC. The data are collected and provided by Dyreng Scott via his personal website at https://sites.google.com/site/scottdyreng/Home/data-and-code.
    b. We define a geographically-diversified firm as a firm that reports material subsidiaries in at least four different states in a given year. The dummy variable, *High*, equals to one if a firm has material subsidiaries in at least four different states in a given year, and it equals zero otherwise.

```
**********************************
* Table 10: geographic effect*
**********************************
xi: reg ta_etr i.high*social_capital    $control i.sic2 i.year   , cluster (fips)
outreg2 using $pathout\diver, lab tstat adjr2  nocons tdec(2) bdec(3) word replace
xi: reg ta_cetr i.high*social_capital     $control    i.sic2 i.year    ,  cluster (fips)
outreg2 using $pathout\diver , lab tstat adjr2  nocons tdec(2) bdec(3) word append
xi: reg dtax i.high*social_capital    $control     i.sic2 i.year ,  cluster(fips)
outreg2 using $pathout\diver, lab tstat adjr2  nocons tdec(2) bdec(3) word append
```

18. Table 11 provides the relative effects of civic norms and social network.
    a. We use the first principal component from a factor analysis based on Pvote and Respn to capture the strength of civic norms in a county, creating the *Civic norm* variable. We use the first principal component from a factor analysis based on

Assn and Nccs to capture the density of social networks in a county, creating the *Social network* variable.

```
**********************************
* Table 11: network vs norm*
**********************************
xi: reg ta_etr  p_norm p_network  $control i.sic2 i.year   , cluster (fips)
outreg2 p_norm p_network  $control  using $pathout\demensions, groupvar (p_norm p_network )
lab tstat adjr2  nocons tdec(2) bdec(3) word replace
xi: reg ta_cetr p_norm p_network  $control i.sic2 i.year   , cluster (fips)
outreg2 p_norm p_network  $control  using $pathout\demensions, groupvar (p_norm p_network )
lab tstat adjr2  nocons tdec(2) bdec(3) word append
xi: reg dtax p_norm p_network  $control i.sic2 i.year   , cluster (fips)
outreg2 p_norm p_network $control  using $pathout\demensions, groupvar (p_norm p_network )
lab tstat adjr2  nocons tdec(2) bdec(3) word append
```