

## Inference with Multiple Comparisons

### Concerns

- Multiple comparisons refers to making several comparisons simultaneously.
- *Comparisonwise error rate* (CWER) is the Type I error rate  $\alpha$  for each comparison (i.e. the probability of false rejection for each comparison).
- Note that if each comparison has  $\alpha = 0.05$  and suppose multiple comparisons, then the probability of having at least one significant comparison given that all  $H_0$ 's are true is  $> 0.05$ .
- A crude analogy (assuming independence): toss a coin once with  $P(H) = 0.05$ ; toss it twice, then  $P(\text{at least one } H) = 1 - 0.95 \times 0.95 = 1 - 0.9025 = 0.0975$ ; toss it many times, then  $P(\text{at least one } H)$  becomes much larger than 0.05.
- *Experimentwise error rate* (EWER) is the probability of *at least* one false rejection among multiple comparisons, given that all  $H_0$ 's are true.

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## Inference with Multiple Comparisons

### Bonferroni idea

- The problem is that suppose  $\text{CWER} = 0.05$ , then EWER can be much larger than 0.05 if many comparisons are made. In practice, control CWER, or EWER, or find a compromise.
- Consider two comparisons, each with  $\text{CWER} = \alpha$ .
- Let  $A$  denote the event that Type I error is made on the first comparison.
- Let  $B$  denote the event that Type I error is made on the second comparison.
- Then

$$\begin{aligned}\text{EWER} &= P(\text{at least one Type I error is made}) \\ &= P(A \text{ or } B) \\ &= P(A) + P(B) - P(A \text{ and } B) \\ &\leq P(A) + P(B) = 2\alpha\end{aligned}$$

- The inequality is known as the Bonferroni inequality.
- Usually  $P(A \text{ and } B)$  is small and thus

$$\text{EWER} \approx 2\alpha.$$

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## Inference with Multiple Comparisons

### Selection bias

- Consider  $k > 2$  trt comparisons in the following way.
- Take the largest and the smallest trt means and compare them at  $\alpha$  level.
- In testing whether the corresponding population means are equal, the actual Type I error rate is larger than  $\alpha$ , because we *selected* the test that has the highest chance of leading to rejection.
- Now we will learn how to make multiple comparisons with these concerns and ideas in mind.

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## Inference with Multiple Comparisons

### Barley root example

In a study of five varieties of barley, the weight of roots is recorded of  $n = 7$  plants per variety is recorded. The group means are

$$\bar{y}_1. = 16.3, \bar{y}_2. = 19.3, \bar{y}_3. = 14.7, \bar{y}_4. = 20.3, \bar{y}_5. = 18.5.$$

The ANOVA table is

Source	df	SS	MS	F	p-value
Trt	4	145.94	36.48	5.09	$< 0.01$
Error	30	214.74	7.16	–	–
Total	34	360.68	–	–	–

- Case I: general contrasts.
- Case II: all pairwise comparisons.

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## Inference with Multiple Comparisons

### Case I: general contrasts

- Among many approaches, we consider two approaches:
  - Bonferroni method
  - Protected t-test
- The Bonferroni method makes use of the Bonferroni idea to control EWER.
- For example, consider two comparisons in the barley example:

$$H_0 : \mu_1 = (\mu_2 + \mu_3 + \mu_4 + \mu_5)/4$$

$$H_0 : (\mu_2 + \mu_3)/2 = (\mu_4 + \mu_5)/2$$

and we want to control the EWER to be 0.05.

- By the Bonferroni idea, we want  $2\alpha \approx 0.05$  and thus  $\alpha = 0.025$  for *each* of the two comparisons. That is, for each  $H_0$ , perform a t-test and reject  $H_0$  if the p-value is  $< 0.025$ .
- In general, suppose there are  $r$  comparisons to be made (chosen in advance) and we want an EWER to be 0.05, then we want  $r\alpha \approx 0.05$  and thus  $\alpha = 0.05/r$  for *each* of the  $r$  comparisons. That is, for each  $H_0$ , perform a t-test and reject  $H_0$  if the p-value is  $< 0.05/r$ .

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## Inference with Multiple Comparisons

### Remarks

- The main idea in the Bonferroni method is
$$\text{EWER} = r \times \text{CWER}$$
- Thus EW p-value =  $r \times$  CW p-value.
- For example, if the CW p-value is between 0.005 and 0.01, then the EW p-value is between  $0.005r$  and  $0.01r$ . If  $r = 5$ , then the EW p-value is between 0.025 and 0.05.
- The Bonferroni method is quite conservative, especially when  $r$  is large. Some people rarely use it if  $r \geq 4$  or 5.

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## Inference with Multiple Comparisons

### Protected t-test

- The main focus is to control CWER, but with protection.
- The procedure is as follows. Perform an overall f-test for

$$H_0 : \mu_1 = \mu_2 = \cdots = \mu_k$$

and if the f-test is significant at  $\alpha$ , then perform a *usual* t-test at  $\alpha$  for each comparison.

- Past simulation studies show that the protected t-test performs well, even though it is somewhat liberal.

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## Inference with Multiple Comparisons

### Case II: all pairwise comparisons

- Recall the barley root example and that the f-test is significant.
- Now we want to compare pairwise the group means.

Group	3	1	5	2	4
Mean	14.7	16.3	18.5	19.3	20.3
- Among many approaches, we consider three approaches:
  - Fisher's least significant difference (LSD).
  - Bonferroni test.
  - Q-method (QD).
- We also focus on balanced data with  $n_1 = n_2 = \cdots = n_k$ .

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## Inference with Multiple Comparisons

### Fisher's LSD

1. Use protected LSD (basically the same as protected t-test).
2. Find the distance  $D_L = \bar{Y}_1 - \bar{Y}_2$ , so that this distance leads exactly to a p-value of  $\alpha$ :

$$\frac{D_L}{S_p \sqrt{\frac{2}{n}}} = t_{\alpha/2, \text{dfErr}}$$

and thus the LSD is:

$$D_L = t_{\alpha/2, \text{dfErr}} \times S_p \sqrt{\frac{2}{n}}$$

## Inference with Multiple Comparisons

### Remarks

- In the barley example, suppose  $\alpha = 0.05$ . Since  $f = 5.19$  on  $\text{df} = (4, 30)$  and the p-value is less than 0.01, proceed to perform all pairwise comparisons.
- Since  $n = 7$ ,  $s_p^2 = 7.16$ ,  $\text{dfErr} = 30$ ,  $t_{0.025, 30} = 2.042$ , we have

$$D_L = 2.042 \times \sqrt{7.16 \times 2/7} = 2.92$$

and

Group:	3	1	5	2	4
Mean:	14.7	16.3	18.5	19.3	20.3

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- That is, two group means that are within 2.92 of each other are connected with a line and are not significantly different.
- Interpretation is not transitive.
- Alternative displays are possible. See the bluebook.

## Inference with Multiple Comparisons

### Bonferroni tests

- Use the Bonferroni method for all pairwise comparisons.
- In the barley example, the total number of comparisons is 10.
- Bonferroni tests are overly conservative and are not useful.
- But Bonferroni tests may be useful for a subset of comparisons.

## Inference with Multiple Comparisons

### Q-method

- The Q-method (QD) does not involve a t-test.
- QD is also known as “studentized range”, or “Tukey’s W approach”, or HSD for honestly significant distance.
- The main idea is to control the EWER at  $\alpha$  by using the argument of selection bias. If  $\mu_i$ 's are all equal, then the probability that the largest group mean is different from the smallest group mean is  $\alpha$ .
- Let

$$D_Q = Q_{k, \text{dfErr}, \alpha} \times S_p \sqrt{\frac{1}{n}}$$

where  $Q_{k, \text{dfErr}, \alpha}$  is called the Q-score and we look up the Q-score from Table A15 (Snedecor and Cochran's book).

## Inference with Multiple Comparisons

### Remarks

- In the barley example,  $k = 5$ ,  $n = 7$ ,  $s_p^2 = 7.16$ ,  $df_{Err} = 30$ , and at  $\alpha = 0.05$ ,  $Q_{5,30,0.05} = 4.11$  and

$$D_Q = 4.11 \times \sqrt{7.16/7} = 4.16$$

and thus

Group:	3	1	5	2	4
Mean:	14.7	16.3	18.5	19.3	20.3
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- The QD tends to be conservative.

## Inference with Multiple Comparisons

### Final remarks

- If the sample sizes are not equal, both LSD and QD methods require adjustment.
- An intermediate approach between LSD and QD is Newman-Keuls (NK).
- Another sequential method commonly used is Duncan's multiple range test (DMRT)
- These methods represent a tradeoff between controlling Type I error and power. From conservative to liberal are Bonferroni, QD, NK, DMRT, and LSD.
- Choice of method depends on objectives and experiences.

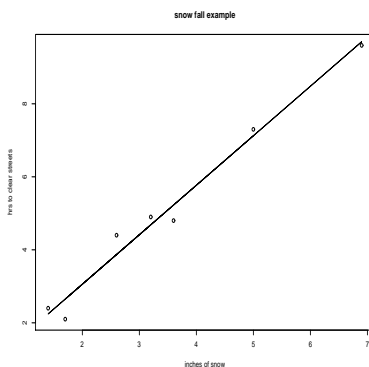
## Simple Linear Regression

### Snow fall example

From 7 small towns of Wisconsin, the following snow fall data were collected.

inches of snow fall $x$	3.2	1.4	2.6	6.9	3.6	1.7	5.0
hours to clear streets $y$	4.9	2.4	4.4	9.6	4.8	2.1	7.3

The question of interest is: What is the relationship between the amount of snow fall ( $x$ ) and the time it takes to clear the streets ( $y$ )?



## Simple Linear Regression

### Objectives

In the snow fall example, the objectives are to describe the relationship between the amount of snow fall ( $x$ ) and the time it takes to clear the streets ( $y$ ), estimate or predict time to clear the streets for a given amount of snowfall.

### Model

- The main idea behind simple linear regression is to fit data with a straight line

$$y = b_0 + b_1x$$

Recall equation for a straight line  $y = mx + b$ .

- Here  $b_0$  is an intercept and  $b_1$  is a slope (rise/run).
- We will discuss the statistical model later.
- The goal is to find  $b_0, b_1$  for the best fitting line.
- The approach is least squares.

## Simple Linear Regression

### Least squares

- Find  $b_0, b_1$  that minimize the sum of squares

$$\sum_{i=1}^n (y_i - \hat{y}_i)^2$$

where  $y_i$  is the observed value and  $\hat{y}_i$  is the fitted value  $\hat{b}_0 + \hat{b}_1 x_i$ .

- FACT: The best fitting line has slope and intercept:

$$\begin{aligned}\hat{b}_1 &= \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sum_{i=1}^n (x_i - \bar{x})^2} \\ &= \frac{\sum_{i=1}^n x_i y_i - \frac{1}{n}(\sum_{i=1}^n x_i)(\sum_{i=1}^n y_i)}{\sum_{i=1}^n x_i^2 - \frac{1}{n}(\sum_{i=1}^n x_i)^2}, \\ \hat{b}_0 &= \bar{y} - \hat{b}_1 \bar{x}.\end{aligned}$$

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## Simple Linear Regression

### Least squares

In the snow fall example,

$$\begin{aligned}\sum_{i=1}^n x_i &= 24.40, \quad \sum_{i=1}^n x_i^2 = 107.42, \quad \sum_{i=1}^n x_i y_i = 154.07 \\ \sum_{i=1}^n y_i &= 35.50, \quad \sum_{i=1}^n y_i^2 = 222.03.\end{aligned}$$

Thus

$$\begin{aligned}\hat{b}_1 &= \frac{154.07 - 24.40 \times 35.50/7}{107.42 - 24.4 \times 24.40/7} = \frac{30.33}{22.37} = 1.356 \\ \hat{b}_0 &= 35.50/7 - 1.356 \times 24.40/7 = 0.345\end{aligned}$$

We may also predict  $y$  at say  $x = 4$ ,

$$\hat{y} = 0.345 + 1.356 \times 4 = 5.77$$

How to account for uncertainty in the fitted line and variation?

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## Simple Linear Regression

### SLR model

- Model  $y$  by random variable  $Y$ .
- Regard  $x$  as fixed, although  $x$  could be random.
- Consider the model of  $Y$  conditional on  $x$  ( $[Y|x]$ ) such that

$$E(Y|x) = b_0 + b_1 x.$$

where  $b_0, b_1$  are fixed unknown parameters (intercept, slope) characterizing the relationship between  $x$  and  $y$ .

- The formal simple linear regression (SLR) model is:

$$Y_i = b_0 + b_1 x_i + e_i$$

where  $e_i \sim \text{iid}N(0, \sigma^2)$ ,  $i = 1, \dots, n$ .

- $Y$  is called a *dependent variable* or *response variable*.
- $x$  is called an *independent variable* or *covariate*.
- $e$ 's are called *errors*.

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## Simple Linear Regression

### Assumptions

1. The model is correct:

$$E(Y_i) = b_0 + b_1 x_i$$

That is, a straightline relationship between  $y$  and  $x$ .

2. Errors  $e_i$  are independent.
3. Errors  $e_i$  have homogeneous variance:  $\text{Var}(e_i) = \sigma^2$ .
4. Errors  $e_i$  have normal distribution:  $e_i \sim N(0, \sigma^2)$ .

### Remarks

- $\sigma^2$  is sometimes written as  $\sigma_e^2$ .
- Equivalently,
  - 2'  $Y_i$  are independent.
  - 3'  $Y_i$  have homogeneous variance:  $\text{Var}(Y_i) = \sigma^2$ .
  - 4'  $Y_i$  have normal distribution:  $Y_i \sim N(b_0 + b_1 x_i, \sigma^2)$ .

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## Simple Linear Regression

### Model parameters

Estimate model parameters  $b_0, b_1, \sigma^2$  by estimators  $\hat{b}_0, \hat{b}_1, \hat{\sigma}^2$  (MSErr).

Test  $H_0 : b_1 = 0$

- Analysis of variance (ANOVA)
- T-test

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## Simple Linear Regression

ANOVA for testing  $H_0 : b_1 = 0$

Partition sum of squares (SS):

$$SSTotal = SSReg + SSErr,$$

where

$$SSTotal = \sum_{i=1}^n (y_i - \bar{y})^2 = \sum_{i=1}^n y_i^2 - \frac{1}{n} \left( \sum_{i=1}^n y_i \right)^2$$

$$df = n - 1$$

$$SSReg = \sum_{i=1}^n (\hat{y}_i - \bar{y})^2 = \hat{b}_1 \left[ \sum_{i=1}^n x_i y_i - \frac{1}{n} \left( \sum_{i=1}^n x_i \right) \left( \sum_{i=1}^n y_i \right) \right]$$

$$df = 1$$

$$SSErr = \sum_{i=1}^n (y_i - \hat{y}_i)^2 = SSTot - SSReg$$

$$df = n - 2$$

where  $\hat{y}_i = \hat{b}_0 + \hat{b}_1 x_i$  is the fitted value and  $r_i = y_i - \hat{y}_i$  is the raw residual.

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## Simple Linear Regression

ANOVA for testing  $H_0 : b_1 = 0$

In the snow fall example,

Source	df	SS	MS	F
Regression	1	41.13	41.13	239.13
Error	5	0.86	0.172	-
Total	6	41.99	-	-

- Estimate  $\sigma^2$  by  $s^2 = MSErr = 0.172$  on  $df = 5$ .
- Fact: Under  $H_0 : b_1 = 0$ ,

$$F = \frac{MSReg}{MSErr} \sim F_{1, n-2}$$

- In the snow fall example, the observed

$$f = \frac{41.13}{0.172} = 239.13.$$

Compare with  $F$  on  $df = (1, 5)$ , p-value is less than 0.01. Reject  $H_0$  at 5% and there is strong evidence against  $H_0 : b_1 = 0$ .

- If  $b_1 = 0$ , then the model becomes  $Y_i = b_0 + e_i$ . Hence the test can be viewed as choosing between the model  $Y_i = b_0 + e_i$  under  $H_0$  and the model  $Y_i = b_0 + b_1 x_i + e_i$  under  $H_A$ .

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## Simple Linear Regression

T-test for  $H_0 : b_1 = 0$

- Alternatively use  $\hat{b}_1$  directly where

$$\hat{b}_1 = \frac{\sum_{i=1}^n (x_i - \bar{x})(Y_i - \bar{Y})}{\sum_{i=1}^n (x_i - \bar{x})^2} = \frac{\sum_{i=1}^n (x_i - \bar{x})Y_i}{\sum_{i=1}^n (x_i - \bar{x})^2}$$

and thus  $\hat{b}_1$  is a r.v.

- Note that  $\hat{b}_1$  is a weighted sum of normal distributions and hence also has a normal distribution. Thus use t statistic of the form

$$\frac{\hat{b}_1 - \mu_{\hat{b}_1}}{s_{\hat{b}_1}}$$

- $\mu_{\hat{b}_1} = E(\hat{b}_1) = b_1$  and

$$\begin{aligned} Var(\hat{b}_1) &= Var\left(\frac{\sum (x_i - \bar{x})Y_i}{\sum (x_i - \bar{x})^2}\right) = \frac{\sum Var((x_i - \bar{x})Y_i)}{(\sum (x_i - \bar{x})^2)^2} \\ &= \frac{\sum (x_i - \bar{x})^2 \sigma^2}{(\sum (x_i - \bar{x})^2)^2} = \frac{\sigma^2}{\sum (x_i - \bar{x})^2} \end{aligned}$$

- Hence  $s_{\hat{b}_1} = \frac{s}{\sqrt{\sum (x_i - \bar{x})^2}}$  and in the snow fall example

$$s_{\hat{b}_1} = \frac{\sqrt{0.172}}{\sqrt{22.37}} = 0.0877.$$

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## Simple Linear Regression

**T-test for  $H_0 : b_1 = 0$**

- Fact: Under  $H_0 : b_1 = 0$ ,

$$T = \frac{\hat{b}_1 - 0}{s_{\hat{b}_1}} \sim T_{n-2}$$

- In the snow fall example,  $s_{\hat{b}_1} = 0.0877$  and thus the observed

$$t = \frac{1.356}{0.0877} = 15.46.$$

Compare with  $T$  on  $df = 5$ , the (two-tailed) p-value is less than 0.01. Reject  $H_0$  at 5% and there is strong evidence against  $H_0 : b_1 = 0$ .

- Note that  $t^2 = (15.46)^2 = 239.13 = f$ . Again this relation holds only for  $F$  on  $df = (1, \text{something})$ .
- In general, under  $H_0 : b_1 = b_1^*$ ,

$$T = \frac{\hat{b}_1 - b_1^*}{s_{\hat{b}_1}} \sim T_{n-2}$$

- A  $(1 - \alpha)$  CI for  $b_1$  is

$$\hat{b}_1 \pm t_{\alpha/2, n-2} s_{\hat{b}_1}.$$

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## Simple Linear Regression

**T-test for  $H_0 : b_0 = b_0^*$**

- For inference of  $b_0$ , use

$$\hat{b}_0 = \bar{Y} - \hat{b}_1 \bar{x}$$

- Fact:  $\hat{b}_0$  has a normal distribution with  $E(\hat{b}_0) = b_0$  and

$$\text{Var}(\hat{b}_0) = \sigma^2 \left( \frac{1}{n} + \frac{(\bar{x})^2}{\sum (x_i - \bar{x})^2} \right)$$

- Thus

$$s_{\hat{b}_0} = s \sqrt{\frac{1}{n} + \frac{(\bar{x})^2}{\sum (x_i - \bar{x})^2}}$$

- For the snow fall example,

$$s_{\hat{b}_0} = \sqrt{0.172} \times \sqrt{\frac{1}{7} + \frac{3.486^2}{22.37}} = 0.344$$

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## Simple Linear Regression

**T-test for  $H_0 : b_0 = b_0^*$**

- Fact: Under  $H_0 : b_0 = b_0^*$ ,

$$T = \frac{\hat{b}_0 - b_0^*}{s_{\hat{b}_0}} \sim T_{n-2}$$

- In the snow fall example, suppose  $H_0 : b_0 = 0$  and since  $s_{\hat{b}_0} = 0.344$ , the observed

$$t = \frac{0.345 - 0}{0.344} = 1.00.$$

Compare with  $T$  on  $df = 5$ , the p-value  $2 \times P(T_5 \geq 1.00) > 0.10$ . Do not reject  $H_0$  and there is no evidence against  $H_0 : b_0 = 0$ .

- Suppose  $H_0 : b_0 = 0$ . If  $b_0 = 0$ , then the model becomes  $Y_i = b_1 x_i + e_i$ . Hence the test can be viewed as choosing between the model  $Y_i = b_1 x_i + e_i$  under  $H_0$  and the model  $Y_i = b_0 + b_1 x_i + e_i$  under  $H_A$ .

- A  $(1 - \alpha)$  CI for  $b_0$  is

$$\hat{b}_0 \pm t_{\alpha/2, n-2} s_{\hat{b}_0}.$$

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## Simple Linear Regression

**Estimation vs prediction**

- Consider a simpler model

$$Y_i = \mu_i + e_i$$

where  $e_i \sim \text{iid } N(0, \sigma^2)$ .

- Then

$$\hat{Y}_{\text{est}} = \bar{Y}$$

estimates  $\mu$  with

$$\text{Var}(\hat{Y}_{\text{est}}) = \text{Var}(\bar{Y}) = \frac{\sigma^2}{n}$$

- Also

$$\hat{Y}_{\text{pred}} = \bar{Y}$$

predicts a future observation with

$$\text{Var}(\hat{Y}_{\text{pred}}) = \text{Var}(\bar{Y} + e) = \frac{\sigma^2}{n} + \sigma^2$$

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## Simple Linear Regression

### Inference of the fitted line

- Estimate (predict)  $Y$  at a given  $x^*$  of interest by

$$\hat{Y} = \hat{b}_0 + \hat{b}_1 x^*$$

- In the snow fall example, suppose  $x^* = 6$ , then the estimated (predicted)  $y$  is

$$\hat{y} = 0.345 + 1.356 \times 6 = 8.48.$$

- But the standard error depends on the objective.
- Case 1: use  $\hat{Y}$  to estimate the true value  $b_0 + b_1 x^*$  for a given  $x^*$ .
- Case 2: use  $\hat{Y}$  to predict a future obs for a given  $x^*$ .

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## Simple Linear Regression

### Case 1: estimation

- If  $\hat{Y}$  is an estimator of the true value  $b_0 + b_1 x^*$ , then denote  $\hat{Y} = \hat{b}_0 + \hat{b}_1 x^*$  by  $\hat{Y}_{\text{est}}$ .

- Then we have

$$E(\hat{Y}_{\text{est}}) = E(\hat{b}_0 + \hat{b}_1 x^*) = b_0 + b_1 x^*$$

$$\text{Var}(\hat{Y}_{\text{est}}) = \text{Var}(\hat{b}_0 + \hat{b}_1 x^*) = \sigma^2 \left( \frac{1}{n} + \frac{(x^* - \bar{x})^2}{\sum_{i=1}^n (x_i - \bar{x})^2} \right)$$

- Hence

$$s_{\hat{Y}_{\text{est}}} = s \times \sqrt{\frac{1}{n} + \frac{(x^* - \bar{x})^2}{\sum_{i=1}^n (x_i - \bar{x})^2}}$$

- A  $(1 - \alpha)$  CI for  $b_0 + b_1 x^*$  is

$$\hat{y}_{\text{est}} \pm t_{\alpha/2, n-2} s_{\hat{Y}_{\text{est}}}$$

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## Simple Linear Regression

### Remarks

- In the snow fall example,  $\bar{x} = 3.486$ . For  $x^* = 6$ ,

$$s_{\hat{Y}_{\text{est}}} = \sqrt{0.172} \times \sqrt{\frac{1}{7} + \frac{(6 - 3.486)^2}{22.37}} = 0.271.$$

- A 95% CI for  $b_0 + b_1 x^*$  is

$$8.48 \pm 2.571 \times 0.271$$

which is  $[7.78, 9.18]$  or  $8.48 \pm 0.70$ .

- Note that for  $x^* = \bar{x} = 3.486$ ,

$$s_{\hat{Y}_{\text{est}}} = \sqrt{0.172 \times \frac{1}{7}} = 0.157.$$

- In general,  $s_{\hat{Y}_{\text{est}}}$  is larger when  $x^*$  is far away from  $\bar{x}$  and smallest when  $x^* = \bar{x}$ .
- Caution against extrapolation.

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## Simple Linear Regression

### Case 2: prediction

- If  $\hat{Y}$  is a predictor of a new/future observation, then denote  $\hat{Y} = \hat{b}_0 + \hat{b}_1 x^*$  by  $\hat{Y}_{\text{pred}}$ .

- Then we have

$$E(\hat{Y}_{\text{pred}}) = E(\hat{b}_0 + \hat{b}_1 x^*) = b_0 + b_1 x^*$$

$$\begin{aligned} \text{Var}(\hat{Y}_{\text{pred}}) &= \text{Var}(\hat{b}_0 + \hat{b}_1 x^* + e) \\ &= \sigma^2 \left( 1 + \frac{1}{n} + \frac{(x^* - \bar{x})^2}{\sum_{i=1}^n (x_i - \bar{x})^2} \right) \end{aligned}$$

- Hence

$$s_{\hat{Y}_{\text{pred}}} = s \times \sqrt{1 + \frac{1}{n} + \frac{(x^* - \bar{x})^2}{\sum_{i=1}^n (x_i - \bar{x})^2}}$$

- A  $(1 - \alpha)$  prediction interval (PI) is

$$\hat{y}_{\text{pred}} \pm t_{\alpha/2, n-2} s_{\hat{Y}_{\text{pred}}}$$

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## Simple Linear Regression

### Remarks

- In the snow fall example, for  $x^* = 6$ ,

$$s_{\hat{Y}_{\text{pred}}} = \sqrt{0.172} \times \sqrt{1 + \frac{1}{7} + \frac{(6 - 3.486)^2}{22.37}} = 0.495.$$

- A 95% PI is  $8.48 \pm 2.571 \times 0.495$  which is  $[7.21, 9.75]$  or  $8.48 \pm 1.27$ .
- How about predicting  $Y$  at  $x^* = 14$ ? Again caution against extrapolation.

## Simple Linear Regression

### Model fitting

- A useful quantity for assessing the overall regression fit is the *coefficient of determination*:

$$R^2 = \frac{\text{SS Regression}}{\text{SS Total}}$$

- $R^2$  represents the proportion of the total SS that is explained by the regression model.
- In the snow fall example,

$$R^2 = \frac{41.13}{41.99} = 0.98$$

which is very high.

## Simple Linear Regression

### Model diagnostics

- Recall the four model assumptions:
  1. The model is correct:

$$E(Y_i) = b_0 + b_1 x_i$$

That is, a straightline relationship between  $y$  and  $x$ .

2. Errors  $e_i$  are independent.
  3. Errors  $e_i$  have homogeneous variance:  $\text{Var}(e_i) = \sigma^2$ .
  4. Errors  $e_i$  have normal distribution:  $e_i \sim N(0, \sigma^2)$ .
- Check model assumptions by examining the residuals

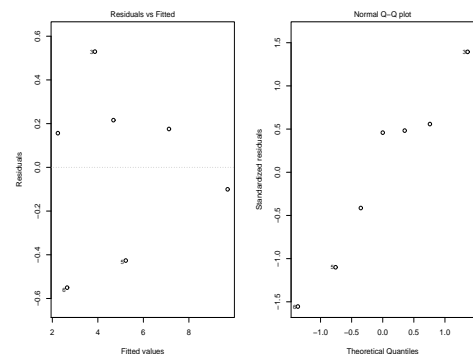
$$r_i = y_i - \hat{y}_i$$

- Note that  $\sum_{i=1}^n r_i = 0$  and  $\sum_{i=1}^n r_i^2 = \text{SSError}$ .
- Residual plot:  $r_i$  versus  $\hat{y}_i$ .
- The assumptions are probably OK if the residual plot is a random scatter. Otherwise various patterns may indicate problems such as wrong model, or nonhomogeneous variance, or outliers.
- It may be hard to interpret when  $n$  is small.

## Simple Linear Regression

### Model diagnostics

In the snow fall example, the residual plot and the normal scores plot are shown below.



# Simple Linear Regression

## Key R Commands

```
> x = c(3.2, 1.4, 2.6, 6.9, 3.6, 1.7, 5.0)
> y = c(4.9, 2.4, 4.4, 9.6, 4.8, 2.1, 7.3)
> snow.lm = lm(y~x) #SLR
> summary(snow.lm)

Call:
lm(formula = y ~ x)

Residuals:
    1     2     3     4     5     6     7 
0.2159 0.1564 0.5294 -0.1005 -0.4264 -0.5504 0.1755

Coefficients:
            Estimate Std. Error t value Pr(>|t|)
(Intercept) 0.34552    0.34688   0.996   0.365
x           1.35579    0.08855  15.311 2.16e-05 ***
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.4188 on 5 degrees of freedom
Multiple R-Squared: 0.9791,    Adjusted R-squared: 0.9749
F-statistic: 234.4 on 1 and 5 DF,  p-value: 2.156e-05

> anova(snow.lm) #ANOVA
Analysis of Variance Table

Response: y
          Df Sum Sq Mean Sq F value    Pr(>F)
x           1  41.117  41.117  234.43 2.156e-05 ***
Residuals  5   0.877   0.175
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
>
> #scatter plot
> plot(x,y,xlab="inches of snow", ylab="hrs to clear streets", main="snow fall example")
> lines(x,fitted(snow.lm))
```

```
> predict(snow.lm, data.frame(x=6), se.fit=T, interval="confidence")
$fit
      fit      lwr      upr
[1,] 8.480278 7.778058 9.182498

$se.fit
[1] 0.2731755

$df
[1] 5

$residual.scale
[1] 0.4188009

> predict(snow.lm, data.frame(x=6), se.fit=T, interval="prediction")
$fit
      fit      lwr      upr
[1,] 8.480278 7.194939 9.765618

$se.fit
[1] 0.2731755

$df
[1] 5

$residual.scale
[1] 0.4188009

# model diagnostics
> par(mfrow=c(1,2))
> plot(snow.lm, which=1)
> plot(snow.lm, which=2)
```

# Correlation

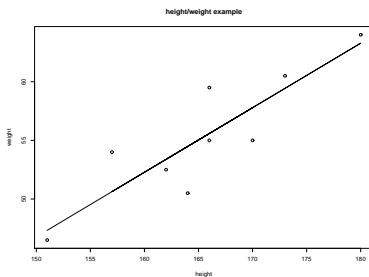
## An overview

In simple linear regression, we predict  $Y$  given  $x$ . Now we are interested in how two variables are related to each other and hence  $X$  and  $Y$  are treated symmetrically.

## Height/weight example

Relation of height ( $X$ ) and weight ( $Y$ ) of adult women

X(cm):166 162 170 164 157 173 180 166 151  
Y(kg): 59.5 52.5 55.0 50.5 54.0 60.5 64.0 55.0 46.5



# Correlation

## Simple linear regression

```
> ht = c(166, 162, 170, 164, 157, 173, 180, 166, 151)
> wt = c(59.5, 52.5, 55.0, 50.5, 54.0, 60.5, 64.0, 55.0, 46.5)
> htwt.lm = lm(wt~ht) #SLR
> summary(htwt.lm)
```

```
Call:
lm(formula = wt ~ ht)

Residuals:
    Min       1Q   Median       3Q      Max
-3.9832 -0.8829 -0.5834  1.0658  3.9166

Coefficients:
            Estimate Std. Error t value Pr(>|t|)
(Intercept) -35.7355    18.9906  -1.882   0.10190
ht           0.5501     0.1146   4.798   0.00197 **
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

Residual standard error: 2.771 on 7 degrees of freedom  
Multiple R-Squared: 0.7668, Adjusted R-squared: 0.7335  
F-statistic: 23.02 on 1 and 7 DF, p-value: 0.001970

```
> anova(htwt.lm) #ANOVA
Analysis of Variance Table

Response: wt
          Df Sum Sq Mean Sq F value    Pr(>F)
ht           1  176.801  176.801  23.023 0.001970 **
Residuals  7   53.755   7.679
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
> cor(ht, wt)
[1] 0.8756973
> cor(wt, ht)
[1] 0.8756973
>
```

## Correlation

### Model

- $X$  and  $Y$  are both random and have a bivariate distribution.
- The most useful distribution is a bivariate normal distribution.
- Probability density surface can be plotted using a 3D or contour plot.
- $Y|X = x$  is normal and so is  $X|Y = y$ .

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## Correlation

### Population correlation coefficient

- $\rho = \text{Corr}(X, Y) = \frac{\text{Cov}(X, Y)}{\sqrt{\text{Var}(X)}\sqrt{\text{Var}(Y)}}$  is the population correlation coefficient between  $X$  and  $Y$ .
- $\rho$  is a measure of linear relationship between  $X$  and  $Y$ .
- $-1 \leq \rho \leq 1$ .
- $\rho = 1$  indicates perfect positive correlation.
- $0 < \rho < 1$  indicates modest positive correlation.
- $\rho = 0$  indicates no linear relationship.
- $-1 < \rho < 0$  indicates modest negative correlation.
- $\rho = -1$  indicates perfect negative correlation.

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## Correlation

### Sample correlation coefficient

- Based on data  $(x_1, y_1), (x_2, y_2), \dots, (x_n, y_n)$ , the sample correlation coefficient

$$r = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_{i=1}^n (x_i - \bar{x})^2} \sqrt{\sum_{i=1}^n (y_i - \bar{y})^2}}$$

estimates  $\rho$ .

- Note the symmetry between  $x$  and  $y$  in  $r$ .
- Working formula is

$$r = \frac{\sum_{i=1}^n x_i y_i - \frac{1}{n}(\sum_{i=1}^n x_i)(\sum_{i=1}^n y_i)}{\sqrt{\sum_{i=1}^n x_i^2 - \frac{1}{n}(\sum_{i=1}^n x_i)^2} \sqrt{\sum_{i=1}^n y_i^2 - \frac{1}{n}(\sum_{i=1}^n y_i)^2}}$$

- For the height-weight data, the observed  $r$  is

$$r = \frac{82630 - 82308.61}{\sqrt{584.22} \sqrt{230.56}} = 0.876.$$

- Note that  $\hat{b}_1 = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sum_{i=1}^n (x_i - \bar{x})^2} = r \times \sqrt{\frac{\sum_{i=1}^n (y_i - \bar{y})^2}{\sum_{i=1}^n (x_i - \bar{x})^2}}$

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## Correlation

### Statistical inference

- Assume  $X$  and  $Y$  are from a bivariate normal distribution.
- Test  $H_0 : \rho = 0$  versus  $H_a : \rho \neq 0$ .
- Use  $T = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}} \sim T_{n-2}$  under  $H_0$ .
- For the height-weight data, the observed

$$t = \frac{0.876 \times \sqrt{7}}{\sqrt{1 - 0.876^2}} = 4.80$$

on df = 7 with a p-value < 0.01.

- Remark:

$$\frac{r\sqrt{n-2}}{\sqrt{1-r^2}} = \frac{\hat{b}_1}{s.e.(\hat{b}_1)}.$$

Thus testing  $H_0 : \rho = 0$  is the same as testing  $H_0 : b_1 = 0$ .

- Remark: CI uses Fisher transformation and is more involved. See the bluebook.

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## Correlation

### More relation to regression

For the height-weight data, ANOVA for regression is

Source	df	SS	MS	F
regression	1	176.80	176.80	23.02
error	7	53.76	7.68	–
total	8	230.56	–	–

- $f = 23.02 = (4.8)^2 = t$ .
- $R^2 = \frac{176.80}{230.56} = 0.767 = (0.876)^2 = r^2$ .

### Final remarks

- $\rho$  measures linear relationship.  $Y$  can be perfectly related to  $X$ , but not linear (e.g.,  $Y = X^2$ ).
- It is easy to find spurious correlation. No causality established here.

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## Categorical Data

### An overview

- Case 1: Binomial, 1 sample
- Case 2: Multinomial, 1 sample
- Case 3: Binomial, 2 samples
- Case 4: Binomial, multiple samples

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## Case 1: Binomial, 1 sample

### Example

- For  $Y \sim B(100, p)$ , test  $H_0 : p = 0.6$  versus  $H_0 : p \neq 0.6$
- Suppose we observe 72 heads, by normal approximation, we have

$$Y_{NA} \sim N(60, 24)$$

and

$$\hat{p}_{NA} \sim N(0.6, 0.24)$$

under  $H_0$ .

- Thus

$$Z = \frac{Y_{NA} - 60}{\sqrt{24}} \sim N(0, 1)$$

and the observed

$$z = \frac{72 - 60}{\sqrt{24}} = 2.45$$

with p-value =  $0.007 \times 2 = 0.014$ .

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## Case 1: Binomial, 1 sample

### New approach

- Draw the following contingency tables

	H	T	
observed data	72	28	100
	H	T	
expected values	60	40	100

- Compute

$$X^2 = \sum_{\text{all possibilities}} \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

- FACT: If  $H_0$  is true, then  $X^2$  is approximately  $\chi^2$  on 1 df.
- Thus the observed

$$x^2 = \frac{(72 - 60)^2}{60} + \frac{(28 - 40)^2}{40} = 6$$

and compared with  $\chi^2$  on 1 df, p-value =  $P(\chi_1^2 \geq 6)$  [one-sided]. From Table B, the p-value is between 0.01 and 0.025.

- $x^2 = 6 = (2.45)^2 = z^2$  holds for  $\chi_1^2$ .
- Same condition as Z-test for a good approximation:  $np \geq 5$  and  $n(1 - p) \geq 5$ .

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## Case 2: Multinomial, 1 sample

### Example

A specially constructed die is such that three sides are labeled 1, the other three sides are labeled 2, 3, and 4. Roll the die 240 times for testing  $H_0 : p_1 = 1/2, p_2 = p_3 = p_4 = 1/6$  versus  $H_a : \text{not } H_0$ , where  $p_i = \text{probability that the die comes up with } i$ . Note that  $p_1 + p_2 + p_3 + p_4 = 1$ .

	1	2	3	4							
obs	108	27	39	66	240	exp	120	40	40	40	240

$$X^2 = \sum_{\text{all possibilities}} \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

Thus the observed

$$x^2 = \frac{(108 - 120)^2}{120} + \frac{(27 - 40)^2}{40} + \frac{(39 - 40)^2}{40} + \frac{(66 - 40)^2}{40} = 1.2 + 4.225 + 0.025 + 16.9 = 22.35$$

and compared with  $\chi^2$  on 3 df,  $p\text{-value} = P(\chi_3^2 \geq 22.35) < 0.01$ .

## Case 2: Multinomial, 1 sample

### Remarks

- In general,  $df = \# \text{ of cells} - 1$ .
- Formally, the model is a multinomial distribution (a generalization of binomial) with 3 assumptions:
  1.  $n$  independent trials.
  2. Each trial has  $k$  mutually exclusive outcomes.
  3. Constant probability for each outcome in each trial  $p_i = \text{prob. of the } i\text{-th outcome}$ .

Then  $Y_i = \# \text{ of } i\text{-th outcome in } n \text{ trial, } i = 1, \dots, k$ , follows a multinomial distribution.

- Conditions for  $\chi^2$  test:
  1. All expected values  $> 1$ .
  2. At least 80% of the expected values  $\geq 5$ .

## Case 3: Binomial, 2 samples

### Example

- Compare two treatments A and B. For A, there are 71 successes among 105 trials. For B, there are 45 successes among 87 trials. Test  $H_0 : p_1 = p_2$  versus  $H_a : p_1 \neq p_2$ .

- We compute

$$\hat{p}_1 = 71/105 = 0.676$$

for A and

$$\hat{p}_2 = 45/87 = 0.517$$

for B.

- Then use the fact that

$$Z = \frac{\hat{p}_1 - \hat{p}_2}{\sqrt{p(1-p)(1/n_1 + 1/n_2)}} \sim N(0, 1)$$

under  $H_0$ .

- Here the pooled

$$p = \frac{71 + 45}{105 + 87} = \frac{116}{192} = 0.604$$

- Thus the observed  $z = 2.24$  with a  $p\text{-value}$  of 0.025.

## Case 3: Binomial, 2 samples

### New approach

observed	A	B	
success	71	45	116
failure	34	42	76
	105	87	192

Under  $H_0$ , the probability of success is the pooled  $p = \frac{116}{192}$ .

expected	A	B	
success	63.44	52.56	116
failure	41.56	34.44	76
	105	87	192

Under  $H_0$ ,

- the expected # of successes for A is  $105 \times \frac{116}{192} = 63.44$ ,
- the expected # of failures for A is  $105 \times \frac{76}{192} = 41.56$ ,
- the expected # of successes for B is  $87 \times \frac{116}{192} = 52.56$ ,
- the expected # of failures for B is  $87 \times \frac{76}{192} = 34.44$ .

$$X^2 = \sum_{\text{all possibilities}} \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

### Case 3: Binomial, 2 samples

#### New approach

• FACT: If  $H_0$  is true, then  $X^2$  is approximately  $\chi^2$  on 1 df.

• Thus the observed

$$x^2 = \frac{(71 - 63.44)^2}{63.44} + \frac{(34 - 41.56)^2}{41.56} + \frac{(45 - 52.56)^2}{52.56} + \frac{(42 - 34.44)^2}{34.44} = 5.023$$

compared with  $\chi^2$  on 1 df, p-value =  $P(\chi_1^2 \geq 5.023)$  [one-sided]. From Table B, the p-value is between 0.025 and 0.05.

•  $x^2 = 5.023 = (2.24)^2 = z^2$ .

• df = 1 because given the marginals and the total, there is only 1 piece of independent information.

### Case 4: Binomial, multiple samples

#### Contingency tables

Compare 4 species (1–4) of pine for disease resistance in a study:

observed	1	2	3	4	
disease	22	10	15	20	67
no disease	29	28	29	17	103
	51	38	44	37	170

Under  $H_0 : p_1 = p_2 = p_3 = p_4$ ,

expected	1	2	3	4	
disease	20.10	14.98	17.34	14.58	67
no disease	30.90	23.02	26.66	22.42	103
	51	38	44	37	170

### Case 4: Binomial, multiple samples

#### Contingency tables

Let  $p_i$  denote the disease rate for the  $i$ th species of pine. Then  $\hat{p}_1 = 0.431$ ,  $\hat{p}_2 = 0.263$ ,  $\hat{p}_3 = 0.341$ ,  $\hat{p}_4 = 0.541$ .

Under  $H_0 : p_1 = p_2 = p_3 = p_4$ ,

expected # of diseased pines for species 1 =  $51 \times \frac{67}{170} = 20.10$ ,

expected # of healthy pines for species 1 =  $51 \times \frac{103}{170} = 30.90$ ,

expected # of diseased pines for species 2 =  $38 \times \frac{67}{170} = 14.98$ ,

expected # of healthy pines for species 2 =  $38 \times \frac{103}{170} = 23.02$ ,

etc...

Let

$$X^2 = \sum_{\text{all possibilities}} \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

### Case 4: Binomial, multiple samples

#### Fact and remarks

• FACT: If  $H_0$  is true, then  $X^2$  is approximately  $\chi^2$  on 3 df.

• Thus the observed

$$x^2 = \frac{(22 - 20.10)^2}{20.10} + \frac{(29 - 30.90)^2}{30.90} + \dots = 6.876$$

compared with  $\chi^2$  on 3 df, p-value =  $P(\chi_3^2 \geq 6.876)$  [one-sided]. From Table B, the p-value is between 0.05 and 0.10.

• This idea can be extended to general  $r \times c$  case, where  $r$  is the # of rows and  $c$  is the # of columns. Then df =  $(r - 1) \times (c - 1)$ .

• This is an overall test. It may be important to look at individual pieces.

• Conditions for the  $\chi^2$  test are again:

1. All expected values  $> 1$ .
2. At least 80% of the expected values  $\geq 5$ .

# Categorical Data

## Key R commands

```
> # case 1 binomial 1 sample
> prop.test(72, 100, p=0.6, correct=F)
```

1-sample proportions test without continuity correction

```
data: 72 out of 100, null probability 0.6
X-squared = 6, df = 1, p-value = 0.01431
alternative hypothesis: true p is not equal to 0.6
95 percent confidence interval:
 0.6251197 0.7986031
sample estimates:
      p
 0.72
```

```
> chisq.test(c(72,28), p=c(0.6,0.4), correct=F)
```

Chi-squared test for given probabilities

```
data: c(72, 28)
X-squared = 6, df = 1, p-value = 0.01431
```

```
> # case 2 multinomial 1 sample
> chisq.test(c(108,27,39,66), p=c(1/2,1/6,1/6,1/6), correct=F)
```

Chi-squared test for given probabilities

```
data: c(108, 27, 39, 66)
X-squared = 22.35, df = 3, p-value = 5.516e-05
```

```
> # case 3 binomial 2 samples
> prop.test(c(71,45), c(105,87), correct=F)
```

2-sample test for equality of proportions without continuity correction

```
data: c(71, 45) out of c(105, 87)
X-squared = 5.0264, df = 1, p-value = 0.02496
```

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```
alternative hypothesis: two.sided
95 percent confidence interval:
 0.02097751 0.29692068
sample estimates:
 prop 1 prop 2
0.6761905 0.5172414
```

```
> matrix(c(71,34,45,42),2,2)
      [,1] [,2]
[1,]  71  45
[2,]  34  42
> chisq.test(matrix(c(71,34,45,42),2,2), correct=F)
```

Pearson's Chi-squared test

```
data: matrix(c(71, 34, 45, 42), 2, 2)
X-squared = 5.0264, df = 1, p-value = 0.02496
```

```
> # case 4 binomial multiple samples
> prop.test(c(22,10,15,20), c(51,38,44,37), correct=F)
```

4-sample test for equality of proportions without continuity correction

```
data: c(22, 10, 15, 20) out of c(51, 38, 44, 37)
X-squared = 6.8694, df = 3, p-value = 0.07618
alternative hypothesis: two.sided
sample estimates:
 prop 1 prop 2 prop 3 prop 4
0.4313725 0.2631579 0.3409091 0.5405405
```

```
> matrix(c(22,29,10,28,15,29,20,17),2,4)
      [,1] [,2] [,3] [,4]
[1,]  22  10  15  20
[2,]  29  28  29  17
> chisq.test(matrix(c(22,29,10,28,15,29,20,17),2,4), correct=F)
```

Pearson's Chi-squared test

```
data: matrix(c(22, 29, 10, 28, 15, 29, 20, 17), 2, 4)
X-squared = 6.8694, df = 3, p-value = 0.07618
```

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