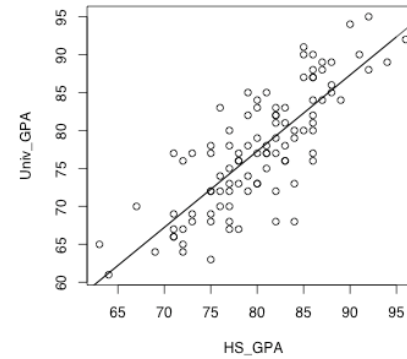
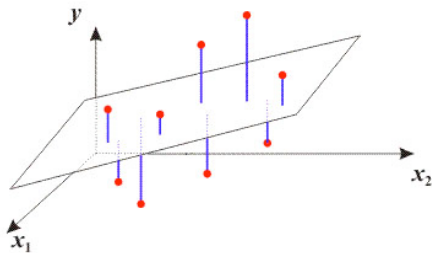


# Least Squares Line

## Regression: Part One



## Least Squares Plane



$$\hat{Y} = b_0 + b_1x_1 + b_2x_2$$

## What is $b_2$ ?

- $\hat{Y} = b_0 + b_1x_1 + b_2x_2$
- Hold  $x_1$  constant at some fixed level
- What is predicted  $Y$ , as a function of  $x_2$ ?
- $\hat{Y} = (b_0 + b_1x_1) + b_2x_2$
- $b_1x_1$  is now part of the intercept,
- And  $b_2$  is the slope.

$$\hat{Y} = (b_0 + b_1x_1) + b_2x_2$$

- $b_2$  is the slope
- It's the rate at which predicted  $Y$  changes as a function of  $x_2$ , with  $x_1$  held constant.
- Say "controlling" for  $x_1$ .

## Significance tests for the Regression Coefficients

- Test for  $b_k$  tells you whether,  $x_k$  makes a meaningful contribution to predicting  $Y$ , controlling for the other independent variables
- "Allowing for"
- "Holding constant"

$$\hat{Y} = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

## Control for $x_1$ , $x_3$ and $x_4$

$$\hat{Y} = (b_0 + b_1x_1 + b_3x_3 + b_4x_4) + b_2x_2$$

## Statistical **MODEL**

- There are  $p-1$  independent variables
- For each *combination* of IVs, the conditional distribution of the dependent variable  $Y$  is normal, with constant variance
- The conditional population mean of  $Y$  depends on the  $X$  values, as follows:

$$E[Y|\mathbf{X} = \mathbf{x}] = \beta_0 + \beta_1x_1 + \dots + \beta_{p-1}x_{p-1}$$

## Statistics b estimate parameters beta

$$E[Y|\mathbf{X} = \mathbf{x}] = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4$$

$$\hat{Y} = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

## Think of “control” in terms of conditional distributions

- For every combination of control variable values, there is a joint distribution of the IV and DV, and a possible relationship between them.
- $H_0$ : There is no relationship between  $x_k$  and  $Y$  for *any* combination of control variable values.

$$H_0 : \beta_k = 0$$

- This is the test of  $b_k$

## Categorical IVs

- $X=1$  means Drug,  $X=0$  means Placebo
- Population mean is  $E[Y|X = x] = \beta_0 + \beta_1x$
- For patients getting the drug, mean response is  $E[Y|X = 1] = \beta_0 + \beta_1$
- For patients getting the placebo, mean response is  $E[Y|X = 0] = \beta_0$

## Sample regression coefficients for a binary IV

- $X=1$  means Drug,  $X=0$  means Placebo
- Predicted response is  $\hat{Y} = b_0 + b_1x$
- For patients getting the drug, predicted response is  $\hat{Y} = b_0 + b_1 = \bar{Y}_1$
- For patients getting the placebo, predicted response is  $\hat{Y} = b_0 = \bar{Y}_0$

## Regression test of $b_1$

- Same as an independent t-test
- Same as a oneway ANOVA with 2 categories
- Same t, same F, same p-value.

## Drug A, Drug B, Placebo

- $x_1 = 1$  if Drug A, Zero otherwise
- $x_2 = 1$  if Drug B, Zero otherwise
- $E[Y|\mathbf{X} = \mathbf{x}] = \beta_0 + \beta_1x_1 + \beta_2x_2$
- Fill in the table

Group	$x_1$	$x_2$	$\beta_0 + \beta_1x_1 + \beta_2x_2$
A			$\mu_1 =$
B			$\mu_2 =$
Placebo			$\mu_3 =$

## Drug A, Drug B, Placebo

- $x_1 = 1$  if Drug A, Zero otherwise
- $x_2 = 1$  if Drug B, Zero otherwise
- $E[Y|\mathbf{X} = \mathbf{x}] = \beta_0 + \beta_1x_1 + \beta_2x_2$

Group	$x_1$	$x_2$	$\beta_0 + \beta_1x_1 + \beta_2x_2$
A	1	0	$\mu_1 = \beta_0 + \beta_1$
B	0	1	$\mu_2 = \beta_0 + \beta_2$
Placebo	0	0	$\mu_3 = \beta_0$

## Indicator dummy variable coding with intercept

- Need p-1 indicators to represent a categorical IV with p categories
- If you use p dummy variables, trouble
- Regression coefficients are **contrasts** with the category that has no indicator
- Call this the **reference category**

## Now add a quantitative variable (covariate)

- $x_1 = \text{Age}$
- $x_2 = 1$  if Drug A, Zero otherwise
- $x_3 = 1$  if Drug B, Zero otherwise
- $E[Y|\mathbf{X} = \mathbf{x}] = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3$

Drug	$x_2$	$x_3$	$\beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3$
A	1	0	$(\beta_0 + \beta_2) + \beta_1 x_1$
B	0	1	$(\beta_0 + \beta_3) + \beta_1 x_1$
Placebo	0	0	$\beta_0 + \beta_1 x_1$

Parallel slopes, ANCOVA

## Set all covariates to their sample mean values

- And compute  $\hat{Y}$  for each group
- Call it an “adjusted” mean, or something like “average university GPA adjusted for High School GPA.”
- SAS calls it a **least squares mean** (lsmeans)

## What do you report?

- $x_1 = \text{Age}$
- $x_2 = 1$  if Drug A, Zero otherwise
- $x_3 = 1$  if Drug B, Zero otherwise
- $\hat{Y} = b_0 + b_1 x_1 + b_2 x_2 + b_3 x_3$

Drug	$x_2$	$x_3$	$b_0 + b_1 x_1 + b_2 x_2 + b_3 x_3$
A	1	0	$(b_0 + b_2) + b_1 x_1$
B	0	1	$(b_0 + b_3) + b_1 x_1$
Placebo	0	0	$b_0 + b_1 x_1$

## Analysis of Variance

- Variation to explain: **Total Sum of Squares**

$$SSTO = \sum_{i=1}^n (Y_i - \bar{Y})^2$$

- Variation that is still unexplained: **Error Sum of Squares**

$$SSE = \sum_{i=1}^n (Y_i - \hat{Y}_i)^2$$

- Variation that is explained: **Regression (or Model) Sum of Squares**

$$SSR = SSTO - SSE = \sum_{i=1}^n (\hat{Y}_i - \bar{Y})^2$$

## ANOVA Summary Table

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Prob>F
Model	$p - 1$	$SSR$	$MSR = SSR/(p - 1)$	$F = \frac{MSR}{MSE}$	$p$ -value
Error	$n - p$	$SSE$	$MSE = SSE/(n - p)$		
Total	$n - 1$	$SSTO$			

$$H_0 : \beta_1 = \beta_2 = \dots = \beta_{p-1} = 0$$

Proportion of variation in the dependent variable that is explained by the independent variables

$$R^2 = \frac{SSR}{SSTO}$$

## Significance Testing

- Overall F test for all the IVs at once,
- T-tests for each regression coefficient: Controlling for all the others, does that IV matter?
- Test a collection of IVs controlling for another collection,
- Most general: Testing whether sets of linear combinations of regression coefficients differ from specified constants.

Controlling for mother's education and father's education, are (any of) total family income, assessed value of home and total market value of all vehicles owned by the family related to High School GPA?

$$E[Y | \mathbf{X} = \mathbf{x}] = \beta_0 + \beta_1 x_1 + \dots + \beta_5 x_5$$

$$H_0 : \beta_3 = \beta_4 = \beta_5 = 0$$

## Full vs. Reduced Model

- You have 2 sets of variables, A and B
- Want to test B controlling for A
- Fit a model with both A and B: Call it the **Full Model**
- Fit a model with just A: Call it the **Reduced Model**

$$R_F^2 \geq R_R^2$$

F test is based not just on change in  $R^2$ , but upon

$$a = \frac{R_F^2 - R_R^2}{1 - R_R^2}$$

Increase in explained variation expressed as a fraction of the variation that the reduced model does *not* explain.

When you add independent variables,  $R^2$  can only go up

- By how much? Basis of F test.
- Same as testing  $H_0$ : All betas in set B (there are  $s$  of them) equal zero

$$F = \frac{(SSR_F - SSR_R)/s}{MSE_F}$$

$$F = \left( \frac{n-p}{s} \right) \left( \frac{a}{1-a} \right)$$

- For any given sample size, the bigger  $a$  is, the bigger  $F$  becomes.
- For any  $a \neq 0$ ,  $F$  increases as a function of  $n$ .
- So you can get a large  $F$  from strong results and a small sample, or from weak results and a large sample.

## Can express $a$ in terms of $F$

$$a = \frac{sF}{n - p + sF}$$

- Often, scientific journals just report  $F$ , numerator df =  $s$ , denominator df =  $(n-p)$ , and a  $p$ -value.
- You can tell if it's significant, but how strong are the results? Now you can calculate it.

## Watch out for measurement error in the independent variables

- When we test for a relationship “controlling” for some set of variables, we are seeking it in the conditional distributions - conditional on the values of the variables for which we are controlling
- If the control variables are measured with error, the conditional distributions given the observed variables need not be the same as the conditional distributions given the real variables

## When you add independent variables to a model

- Statistical significance can appear when it was not present originally
- Statistical significance that was originally present can disappear
- Even the signs of the  $b$  coefficients can change, reversing the interpretation of how their variables are related to the dependent variable.

Suppose you are testing the relationship of age to BMI, controlling for exercise and calorie intake.

- Questionnaire measures are known to be inaccurate. People mis-report, and *not* by a constant amount.
- And, age is related to both independent variables, especially exercise
- Can't see the control variables clearly to hold them constant
- So even if age is unrelated to BMI for every combination of *true* exercise and *true* calorie intake, a relationship can exist conditionally upon *observed* exercise and *observed* calorie intake.



## Want to test B controlling for A: The poison combination

- A is related to the dependent variable
- A and B are related to each other, and
- A is measured with error
  
- Estimation of B's relationship with Y is biased
- Type I error is badly inflated (Brunner and Austin, 2009)
- Large sample size makes it *worse!*
- For observational studies, all three conditions usually are present.

## But all is not lost

- As long as you are interested in prediction rather than interpretation, there is no problem. Test for whether age is a useful predictor is still valid, even if its usefulness comes from its correlation with true exercise.
- The problem comes from trying to use regression as a *causal* model for observational data.
- If one or more categorical independent variables are experimentally manipulated, analysis of covariance can help reduce MSE and makes the analysis more precise, even if the covariates (control variables) are measured with error.
- No inflation of Type I error rate for ANCOVA - because random assignment breaks up the association between A and B.

## Especially a problem in observational medical research

- Seek to assess potential risk factors, controlling for known risk factors
- The known risk factors do matter
- Known and potential risk factors are correlated
- Known risk factors are difficult to measure without error
- Experimental research is essential to confirm findings - and it often does not.

## If it's an observational study, just ask

- How did you control for \_\_\_\_\_?
- How did you take measurement error into account? (There are ways, but if it were easy people would do it more often. Nature of data collection is involved, not just statistical analysis.)
  
- If they say "Oh, there was just a little measurement error," observe that if the sample is large enough, no amount of measurement error is safe. Brunner and Austin (2009) give a proof.
- If they say "Well, it's the best we could do," you could ask whether it's better to say something incorrect, or to be silent.

## In this course

- We will carry out classical regression analysis on observational data *only* when our primary purpose is prediction.
- We will be very careful about the way we describe the results.
- We will use regression methods extensively on experimental data.