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Statistics Dictionary

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Coefficient of Determination

Coefficient of Determination

The **coefficient of determination** (denoted by R^2) is a key output of regression analysis. It is interpreted as the proportion of the variance in the dependent variable that is predictable from the independent variable.

- The coefficient of determination is the square of the correlation (r) between predicted y scores and actual y scores; thus, it ranges from 0 to 1.
- With linear regression, the coefficient of determination is also equal to the square of the correlation between x and y scores.
- An R^2 of 0 means that the dependent variable cannot be predicted from the independent variable.
- An R^2 of 1 means the dependent variable can be predicted without error from the independent variable.
- An R^2 between 0 and 1 indicates the extent to which the dependent variable is predictable. An R^2 of 0.10 means that 10 percent of the variance in *Y* is predictable from *X*; an R^2 of 0.20 means that 20 percent is predictable; and so on.

The formula for computing the coefficient of determination for a linear regression model with one independent variable is given below.

Coefficient of determination. The coefficient of determination (R^2) for a linear regression model with one independent variable is:

$$R^2 = \{ (1 / N) * \Sigma [(x_i - \bar{x}) * (y_i - \bar{y})] / (\sigma_x * \sigma_y) \}^2$$

where N is the number of observations used to fit the model, Σ is the summation symbol, x_i is the x value for observation i, $\bar{x}$ is the mean x value, y_i is the y value for observation i, $\bar{y}$ is the mean y value, σ_x is the standard deviation of x, and σ_y is the standard deviation of y.

See also: AP Statistics Tutorial: Least Squares Linear Regression | AP Statistics Tutorial: A Simple Regression Example