

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

$$\text{var}(\hat{\beta}_1) = \text{var} \left(\frac{\sum_{i=1}^n (x_i - \bar{x}) y_i}{\sum_{i=1}^n (x_i - \bar{x})^2} \right)$$

Recall the law of total variance.

$$\text{var}(Y) = E(\text{var}(Y|X)) + \text{var}(E(Y|X))$$

$$\begin{aligned} \text{var}(\hat{\beta}_1) &= E \left(\text{var} \left(\frac{\sum_{i=1}^n (x_i - \bar{x}) y_i}{\sum_{i=1}^n (x_i - \bar{x})^2} \mid x_i, \beta_i \right) \right) \\ &\quad + \text{var} \left(E \left(\frac{\sum_{i=1}^n (x_i - \bar{x}) y_i}{\sum_{i=1}^n (x_i - \bar{x})^2} \mid x_i, \beta_i \right) \right) \\ &= V_1 + V_2 \end{aligned}$$

$$V_1 = E \left(\frac{\sum_{i=1}^n (x_i - \bar{x})^2 \text{var}(y_i | x_i, \beta_i)}{\left[\sum_{i=1}^n (x_i - \bar{x})^2 \right]^2} \right)$$

$$= E \left(\frac{\sum_{i=1}^n (x_i - \bar{x})^2 \sigma^2}{S_x^4} \right)$$

$$= \sigma^2 E \left(\frac{S_x^2}{S_x^4} \right) = \frac{\sigma^2}{S_x^2}$$

$$V_2 = \text{var} \left(\frac{\sum_{i=1}^n (X_i - \bar{X}) (\beta_0 + \beta_1 X_i)}{\sum_{i=1}^n (X_i - \bar{X})^2} \right)$$

$$= \text{var} \left(\frac{\beta_0 \sum_{i=1}^n (X_i - \bar{X}) + \beta_1 \sum_{i=1}^n (X_i^2 - \bar{X} X_i)}{\sum_{i=1}^n (X_i - \bar{X})^2} \right)$$

$$= \text{var} \left(\frac{\beta_1 \sum_{i=1}^n (X_i^2 - \bar{X} X_i)}{\sum_{i=1}^n (X_i - \bar{X})^2} \right)$$

$$= \text{var}(\beta_1)$$

$$= 0$$

$$\Rightarrow \boxed{\text{var}(\hat{\beta}_1) = \frac{\sigma^2}{S_X^2}}$$