

Confidence Intervals

Objectives

- 1 Determine confidence intervals for population mean
- 2 Determine confidence intervals for population proportion
- 3 Determine the necessary sample size

How Close Are We to the Population Mean?

In the last section, we looked at sampling distributions of the sample mean (and proportion too). Throughout the series, we've used computer simulations to examine statistical concepts.

How Close Are We to the Population Mean?

In the last section, we looked at sampling distributions of the sample mean (and proportion too). Throughout the series, we've used computer simulations to examine statistical concepts.

However, in real life, there are factors that can limit the number of studies and samples we can take: time, cost, etc.

How Close Are We to the Population Mean?

In the last section, we looked at sampling distributions of the sample mean (and proportion too). Throughout the series, we've used computer simulations to examine statistical concepts.

However, in real life, there are factors that can limit the number of studies and samples we can take: time, cost, etc.

So, for our samples, how confident are we that they contain the population mean?

How Close Are We to the Population Mean?

In the last section, we looked at sampling distributions of the sample mean (and proportion too). Throughout the series, we've used computer simulations to examine statistical concepts.

However, in real life, there are factors that can limit the number of studies and samples we can take: time, cost, etc.

So, for our samples, how confident are we that they contain the population mean?

That is where confidence intervals come into play.

How Confident Are We?

Confidence Interval

A **confidence interval** for a population parameter is an estimate of possible values for the parameter with a *given* certain level of confidence.

How Confident Are We?

Confidence Interval

A **confidence interval** for a population parameter is an estimate of possible values for the parameter with a *given* certain level of confidence.

Confidence Level

The **confidence level**, or **level of confidence**, is the percentage of the number of times our confidence intervals will contain the population parameter.

How Confident Are We?

Confidence Interval

A **confidence interval** for a population parameter is an estimate of possible values for the parameter with a *given* certain level of confidence.

Confidence Level

The **confidence level**, or **level of confidence**, is the percentage of the number of times our confidence intervals will contain the population parameter.

Typical confidence levels are 90%, 95%, 98%, and 99%.

Confidence Interval Setup

A confidence interval for a population parameter is in the form

$$\text{point estimate} \pm \text{margin of error}$$

Confidence Interval Setup

A confidence interval for a population parameter is in the form

point estimate \pm margin of error

Point Estimate

A **point estimate** is a value based on our sample data that represents a reasonable value of the population parameter.

Confidence Interval Setup

A confidence interval for a population parameter is in the form

$$\text{point estimate} \pm \text{margin of error}$$

Point Estimate

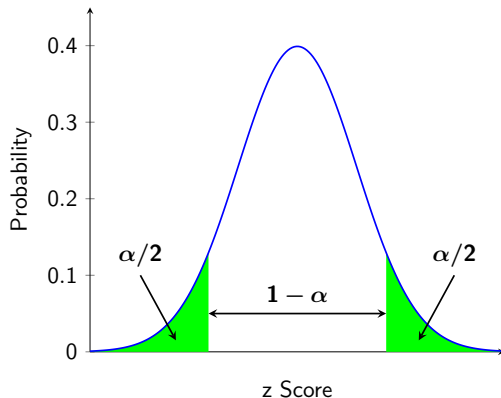
A **point estimate** is a value based on our sample data that represents a reasonable value of the population parameter.

The margin of error is in the form

$$\text{critical value} \times \text{standard error}$$

Critical Values

Critical values are typically in the form $z_{\alpha/2}$ where



Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645
95%	± 1.96

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645
95%	± 1.96
98%	± 2.326

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645
95%	± 1.96
98%	± 2.326
99%	± 2.576

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645
95%	± 1.96
98%	± 2.326
99%	± 2.576

Notice the higher the confidence level, the further away from $z = 0$ the critical value is.

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645
95%	± 1.96
98%	± 2.326
99%	± 2.576

Notice the higher the confidence level, the further away from $z = 0$ the critical value is.

The standard error is still $\frac{\sigma}{\sqrt{n}}$

Common Critical Values of $z_{\alpha/2}$

Confidence Level	Critical Value of $z_{\alpha/2}$
90%	± 1.645
95%	± 1.96
98%	± 2.326
99%	± 2.576

Notice the higher the confidence level, the further away from $z = 0$ the critical value is.

The standard error is still $\frac{\sigma}{\sqrt{n}}$

Note: If σ is unknown, you can use the sample standard deviation, s , when the sample size is large enough ($n \geq 30$).

Example 1

The waiting time of a sample of 100 patients at a hospital is 3.5 minutes. Construct a 95% confidence interval for the mean waiting time of all patients at the hospital. Assume $\sigma = 0.75$ minutes.

Example 1

The waiting time of a sample of 100 patients at a hospital is 3.5 minutes. Construct a 95% confidence interval for the mean waiting time of all patients at the hospital. Assume $\sigma = 0.75$ minutes.

$$\bar{x} \pm \frac{s}{\sqrt{n}}$$

Example 1

The waiting time of a sample of 100 patients at a hospital is 3.5 minutes. Construct a 95% confidence interval for the mean waiting time of all patients at the hospital. Assume $\sigma = 0.75$ minutes.

$$\bar{x} \pm \frac{s}{\sqrt{n}}$$

$$3.5 \pm 1.96 \left(\frac{0.75}{\sqrt{100}} \right)$$

Example 1

The waiting time of a sample of 100 patients at a hospital is 3.5 minutes. Construct a 95% confidence interval for the mean waiting time of all patients at the hospital. Assume $\sigma = 0.75$ minutes.

$$\bar{x} \pm \frac{s}{\sqrt{n}}$$

$$3.5 \pm 1.96 \left(\frac{0.75}{\sqrt{100}} \right)$$

$$3.5 \pm 0.147$$

Example 1

The waiting time of a sample of 100 patients at a hospital is 3.5 minutes. Construct a 95% confidence interval for the mean waiting time of all patients at the hospital. Assume $\sigma = 0.75$ minutes.

$$\bar{x} \pm \frac{s}{\sqrt{n}}$$

$$3.5 \pm 1.96 \left(\frac{0.75}{\sqrt{100}} \right)$$

$$3.5 \pm 0.147$$

$$= 3.353 \text{ to } 3.647$$

Example 1

The waiting time of a sample of 100 patients at a hospital is 3.5 minutes. Construct a 95% confidence interval for the mean waiting time of all patients at the hospital. Assume $\sigma = 0.75$ minutes.

$$\bar{x} \pm \frac{s}{\sqrt{n}}$$

$$3.5 \pm 1.96 \left(\frac{0.75}{\sqrt{100}} \right)$$

$$3.5 \pm 0.147$$

$$= 3.353 \text{ to } 3.647$$

A 95% confidence interval for the population mean waiting time is 3.353 to 3.647 minutes.

Error Bars

Often times, margins of error are graphed as *error bars* on a visual display.

Error Bars

Often times, margins of error are graphed as *error bars* on a visual display.



However, be advised that some graphs use standard deviation for their error bars.

Example 2

What the Confidence Interval Is Not

The following are incorrect interpretations of a confidence interval:

What the Confidence Interval Is Not

The following are incorrect interpretations of a confidence interval:

- We are ____ % confident that the population mean is in this interval.

What the Confidence Interval Is Not

The following are incorrect interpretations of a confidence interval:

- We are ____ % confident that the population mean is in this interval.
- There is a ____ % chance that the population mean is (*whatever the sample mean is*).

Objectives

- 1 Determine confidence intervals for population mean
- 2 Determine confidence intervals for population proportion
- 3 Determine the necessary sample size

Objectives

- 1 Determine confidence intervals for population mean
- 2 Determine confidence intervals for population proportion
- 3 Determine the necessary sample size