

Linear Regression for Business Statistics

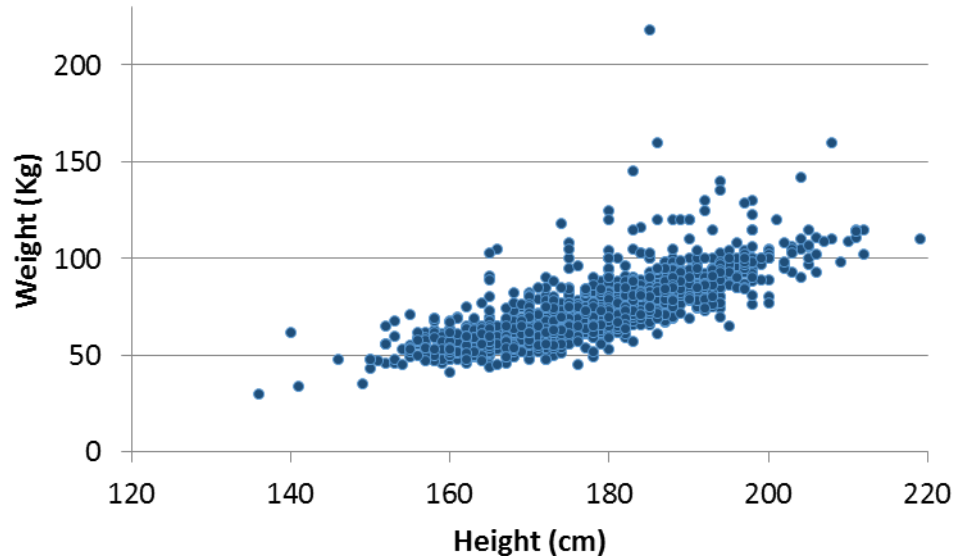
Mean-Centering of Variables. (Height and Weight.xlsx)

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Gender		
	Male	Female
Male	1	0

Linear Regression for Business Statistics

Regression does not imply causation.

- Regression by itself does not establish 'causation'.
- Regression is essentially a correlation technique.
- Some additional requirements are needed to interpret this correlation as causation.
- Wrong to say, '*Height causes Weight*'.

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- It redefines the zero point for that variable .
- We could also center a variable around some value other than the mean.

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When should you mean center your X variables?

- Depends on the kind of interpretations you are looking for.

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