

### Logistic Regression

Who is Willing to Commute Long Distances?

Zi Ye
ENVS225
Exploring the Social World



#### So far - Multiple Linear Regression

$$Y = \beta_0 + \beta_1 X 1 + \beta_2 X 2 + \beta_3 X 3 + \epsilon$$

$$Scale/Continuous variables$$

$$Dummy variables$$

Scale/Continuous variables



#### But - Categorical Dependent Variables

$$Y = \beta_0 + \beta_1 X 1 + \beta_2 X 2 + \beta_3 X 3 + \epsilon$$

Categorical variables

## Binominal logistic regression for binary variable: 0 or 1

- Examples:
  - Health outcomes/behaviours
    - · eg. smoking, drinking, cancer, heart attack, HIV, etc.
  - Employment outcomes
    - unemployed, employed full-time, employed part-time, self-employed, job satisfaction, etc.
  - Decision making processes
    - · Brexit vote, travelling, migration, long-distance commuting, etc.



#### Learning Outcomes

Aim: Understanding how to estimate and interpret a <u>logistic regression model</u>



Binominal logistic regression for binary variable: 0 or 1

Estimate and interpret a logistic regression model



Make predictions using a logistic regression



Assess the model fit



# What is a Logistic Regression?

#### Logistic regression

- Used to calculate the probability of a binary event (1 or 0) occurring
- and to deal with issues of classification (1 or 0).

#### Examples:

- Pass the examination (1: Yes; 0: No)
- Disease (1: Yes; 0: No)
- Online purchase (1: Will buy; 0: No)
- Vote for candidate: (1: Will vote; 0: No)
- etc.

#### From Probability to Odds

Everything starts with the concept of probability.

Let's say that the probability of success of some event is p = 0.8

Then the probability of failure is 1 - p = 0.2

The odds of success are defined as the ratio of the probability of success over the probability of failure.

Odds of success are 
$$\frac{p}{1-p} = 0.8/0.2 = 4$$

We say the odds of success are 4 to 1.

If the probability of success is 0.5, i.e., 50-50 % chance, then the odds of success is 1 to 1.

# From probability to odds to log of odds

$$\frac{p}{1-p}$$
 Odds: from 0 to  $+\infty$ 

$$log\left(\frac{p}{1-p}\right)$$
 Log Odds: from -  $\infty$  to + $\infty$ 

alternative way of expressing probabilities, but why use the last one?

Linear model  $\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots$  can ranges over all real numbers  $(-\infty,\infty)$ 

## Logistic Regression

Y — takes values of 1 or 0

p is the probability of the event occurring: Y=1

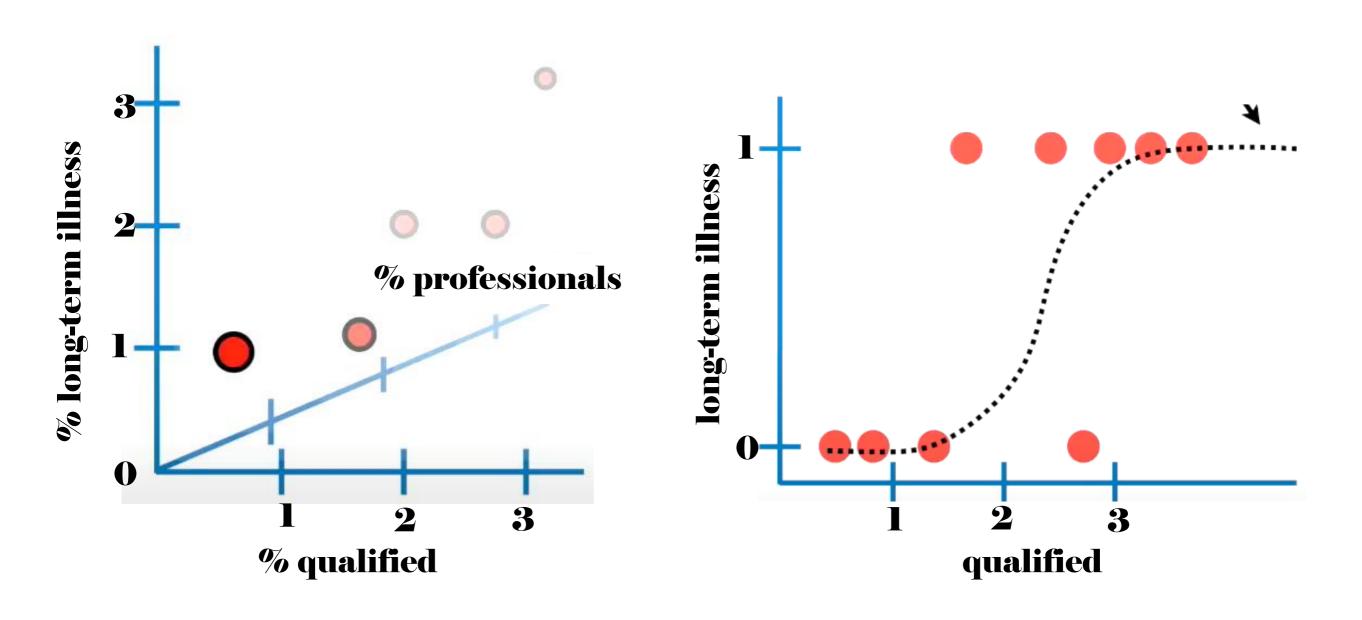
#### Log odds

$$logit(p) = log\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

#### THE LOGISTIC EQUATION



## Linear vs logistic





#### What Does a Logistic Regression Do?

- Predict the probability of an event happening based on at least one independent variable
  - vs. linear regression estimates the average value

- Dependent variable: qualitative (binary) variable 0 or 1,
  - vs. linear regression continuous variable

Model the probability of the dependent variable being 1, ensuring that predicted probabilities (p) always fall between 0 and 1.



#### Also Known as

- binary regression model
- Logit model
- discrete choice model
- probability regression model
- qualitative response regression model



### Interpretation of $\beta$ s

#### Intercept

• the <u>log-odds</u> of an event happening (i.e. Y=1) if the value of the explanatory variables Xs is zero.

#### Slope

 the <u>estimated change in the log-odds</u> for one unit change in X<sub>k</sub>, holding all other variables constant.



# Interpretation of Exp(\betas) Odds Ratio

Calculates the relationship between a variable (e.g., qualifications) and the likelihood of an event occurring (e.g., long-term ill)

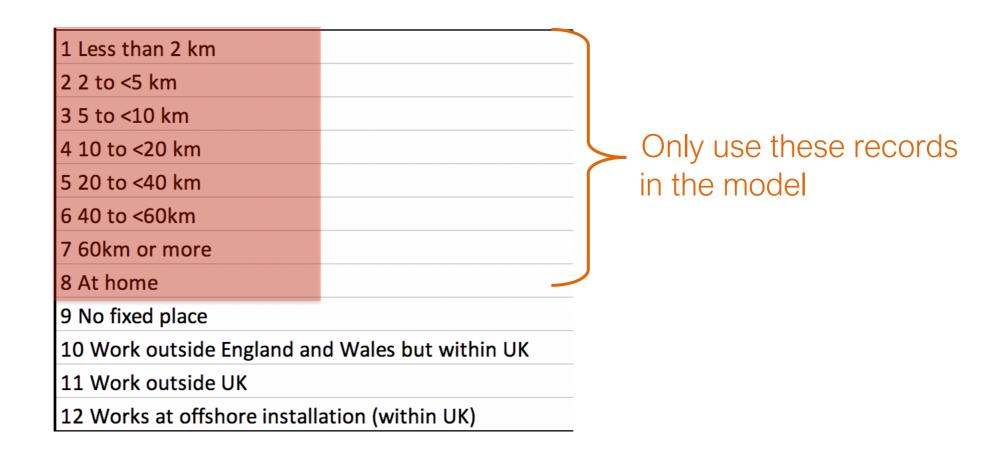
- gives the expected change in the odds for a unit change in Xs, holding all other variables constant.
- $Exp(\beta) = 1$  if  $\beta = 0$ : indicates is **equally likely** to occur.
- Exp( $\beta$ ) > 1 if  $\beta$  > 0: indicates an event is more likely to occur, or the odds are "exp(bk) times larger"
- Exp( $\beta$ ) < 1 if  $\beta$  < 0: indicates an event is less likely to occur, or the odds are "exp(bk) times smaller"



# Who is Willing to Commute Long Distances?

#### Dependent Variable (1)

- Defining long-distance commuting using SAR:
  - Distance travelled to work categorical variable 12 cat.
  - Select cases reporting kms travelled





#### Dependent Variable (2)

Defining long-distance commuting using SAR:

id	distance travelled to work	long-distance commuting
1	5 to <10km	0
2	20 to <40km	0
3	60km or more	1
4	At home	0
5	60km or more	1

Travel over 60km defines as long-distance commuting



#### Explanatory Variables

- Gender:
  - Male (0) & Female (1)

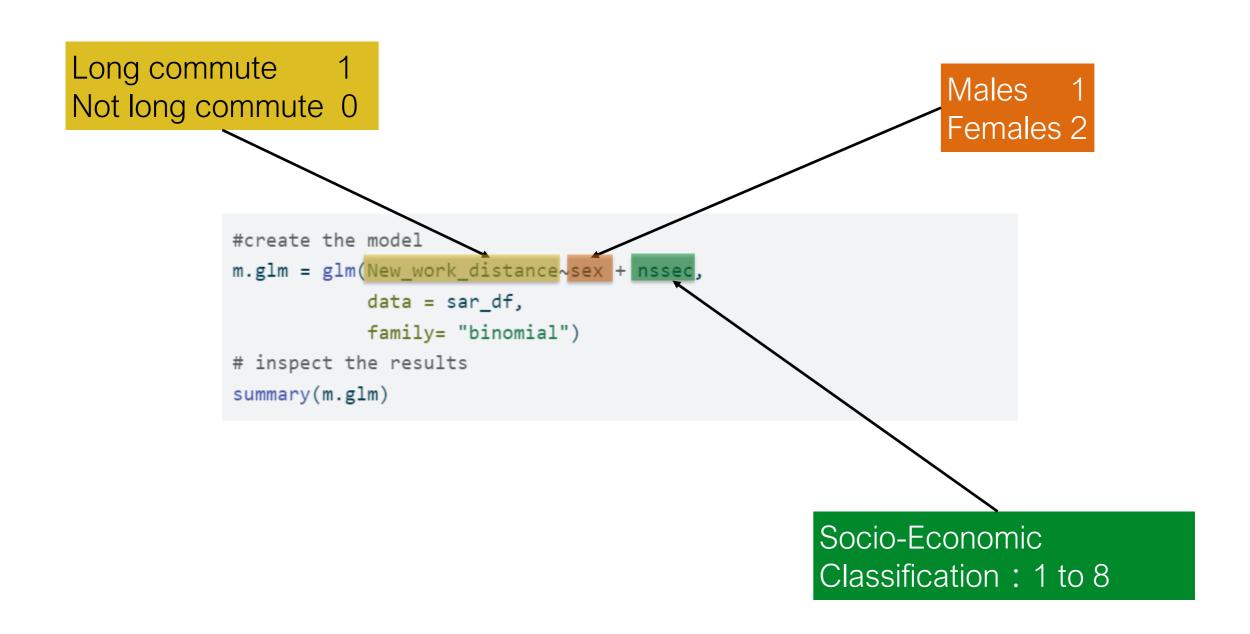
- Socio-Economic Classification:
  - 12 Categories, exclude
    - unemployed,
    - full-time students &
    - not classifiable,
    - child under 15

- 1 Large employers and higher managers
- 2 Higher professional occupations
- 3 Lower managerial and professional occupations
- 4 Intermediate occupations
- 5 Small employers and own account workers
- 6 Lower supervisory and technical occupations
- 7 Semi-routine occupations
- 8 Routine occupations
- 9 Never worked or long-term employed
- 10 Full-time student
- 11 Not classifiable
- 12 Child aged 0-15



## Estimation

## Estimation by using R





#### Y=willing to commute long distance

### R Output (1)

What is the base category for Sex and Socio-economic status?

```
Call:
glm(formula = New_work_distance ~ sex + nssec, family = "binomial",
   data = sar df)
            Loa odds
Coefficients:
           Estimate Std. Error z value Pr(>|z|)
(Intercept) -1.67337
                    0.05329 -31.401 < 2e-16 ***
                    0.04196 -8.742 < 2e-16 ***
sex2
           -0.36678
                    0.11306 -1.139
nssec1
         -0.12881
                                        0.255
        -0.38761 0.06467 -5.994 2.05e-09 ***
nssec3
nssec4 -1.03079 0.08439 -12.214
                                      < 2e-16 ***
                     0.06489 18.898
                                      < 2e-16 ***
           1.22639
nssec5
                    0.10919 -12.730 < 2e-16 ***
nssec6
         -1.38992
                    0.09002 -15.986 < 2e-16 ***
       -1.43909
nssec7
                      0.09646 -15.398 < 2e-16 ***
           -1.48534
nssec8
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
(Dispersion parameter for binomial family taken to be 1)
   Null deviance: 20441 on 33025 degrees of freedom
Residual deviance: 17968 on 33017 degrees of freedom
AIC: 17986
Number of Fisher Scoring iterations: 6
```

#### As Before, Sig!

If p-value < 0.05; Statistically significant

## R Output (2)

```
# odds ratios
                                             Odds Exp(\beta)
 exp(coef(m.glm))
(Intercept)
                                                                   nssec5
                   sex2
                                          nssec3
                                                      nssec4
                                                                               Exp(\beta) > 1
                           0.8791416 9/10.6786766
                                                   0.3567267
                                                                3.4088847
  0.1876138
              0.6929649
     nssec6
                 nssec7
                              nssec8
  0.2490946
              0.2371432
                           0.2264258
# confidence intervals
                                          Confidence intervals (CI)
exp(confint(m.glm, level = 0.95))
Waiting for profiling to be done...
                                                Large employers and higher managers
                                                Higher professional occupations (baseline)
                2.5 %
                         97.5 %
(Intercept) 0.1688060 0.2080319
                                         3
                                                Lower managerial and professional occupations
sex2
            0.6381810 0.7522773
                                                Intermediate occupations
            0.7017990 1.0935602
nssec1
                                         4
            0.5981911 0.7708192
nssec3
                                                Small employers and own account workers
                                         5
            0.3020431 0.4205270
nssec4
                                                Lower supervisory and technical occupations
            3.0037298 3.8739884
                                         6
nssec5
            0.2002766 0.3073830
nssec6
                                                Semi-routine occupations
            0.1984396 0.2824629
nssec7
            0.1869397 0.2729172
nssec8
                                         8
                                                Routine occupations
```

## Interpretation

# Think about what are the expected signs?

Positive/Negative?

Why?



#### Interpretation of Socio-economics

#### Y=willing to commute long distance

```
# odds ratios
exp(coef(m.glm))
```

0.2490946

The predicted change in odds Exp(β) for a unit increase in the predictor (independent variable)

```
(Intercept) sex2 hsec1 nssec3 nssec4 nssec5
0.1876138 0.6929649 0.8791416 0.6786766 0.3567267 3.4088847
nssec6 nssec7 nssec8
```

0.2264258

```
Exp(\beta) = 1: equally likely
```

```
\text{Exp}(\beta) < 1: less likely
```

```
Exp(\beta) > 1: more likely
```

```
# confidence intervals
exp(confint(m.glm, level = 0.95))
```

0.2371432

Waiting for profiling to be done...

```
2.5 %
                         97.5 %
(Intercept) 0.1688060 0.2080319
sex2
            0.6381810 0.7522773
            0.7017990 1.0935602
nssec1
            0.5981911 0.7708192
nssec3
            0.3020431 0.4205270
nssec4
            3.0037298 3.8739884
nssec5
            0.2002766 0.3073830
nssec6
        0.1984396 0.2824629
```

Indicates that the probability of long-distance commuting for those whose socio-economic classification as small employers and own account workers are 3.409 times more likely than the higher prof occupations holding all other variables constant, with a likely range (CI) of between 3.0 to 3.8.

Think about the findings for other socioeconomic classification?

#### Interpretation of Gender

```
# odds ratios
exp(coef(m.glm))
(Intercept)
                              nssec1
                                           nssec3
                                                       nssec4
                                                                    nssec5
                   sex2
 0.1876138
              0.6929649
                           0.8791416
                                       0.6786766
                                                    0.3567267
                                                                 3.4088847
     nssec6
                 nssec7
                              nssec8
 0.2490946
              0.2371432
                           0.2264258
# confidence intervals
exp(confint(m.glm, level = 0.95))
```

 $Exp(\beta) < 1$ 

```
Waiting for profiling to be done...
```

```
2.5 %
                         97.5 %
(Intercept) 0.1688060 0.2080319
            0.6381810 0.7522773
sex2
            0.7017990 1.0935602
nssec1
            0.5981911 0.7708192
nssec3
            0.3020431 0.4205270
nssec4
            3.0037298 3.8739884
nssec5
nssec6
            0.2002766 0.3073830
nssec7
            0.1984396 0.2824629
       ERS 17 7869397 0.2729172
```

Indicates that the probability of commuting over long distances for female is 0.693 times less likely than male (the reference group), with the CI between 0.6 to 0.7, holding all other variables constant, or, being females reduces the probability of long-distance commuting by 30.7%(1-0.693).

## Assessing the Model

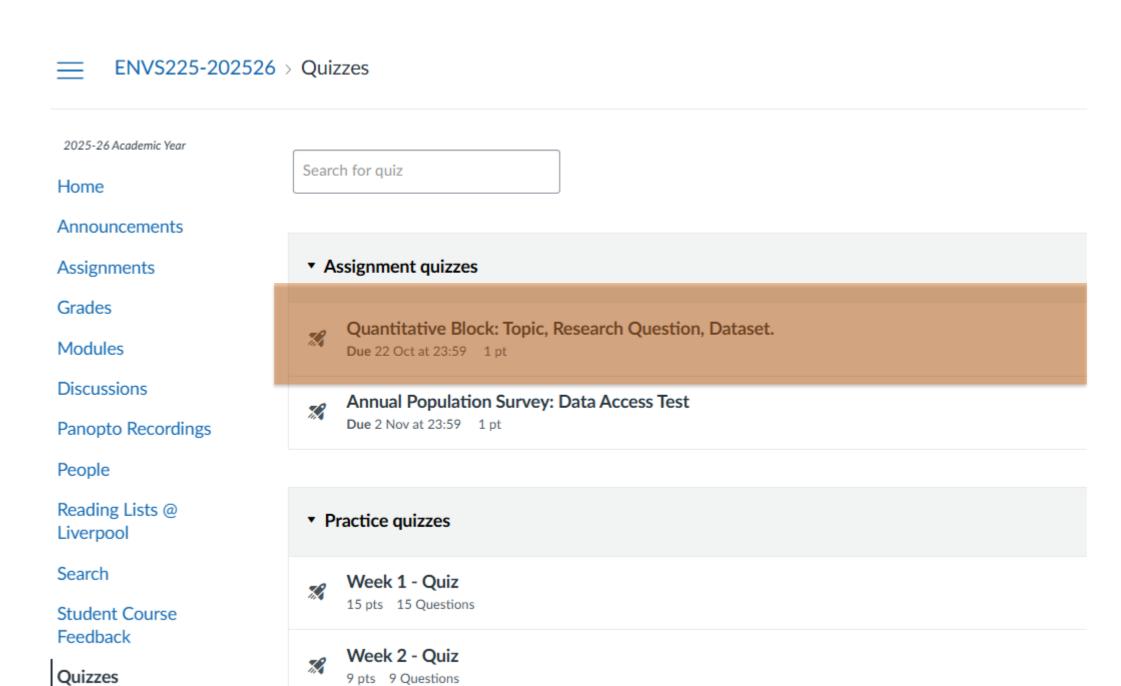
#### Overall Model Assessment

#### Pseudo R<sup>2</sup>s

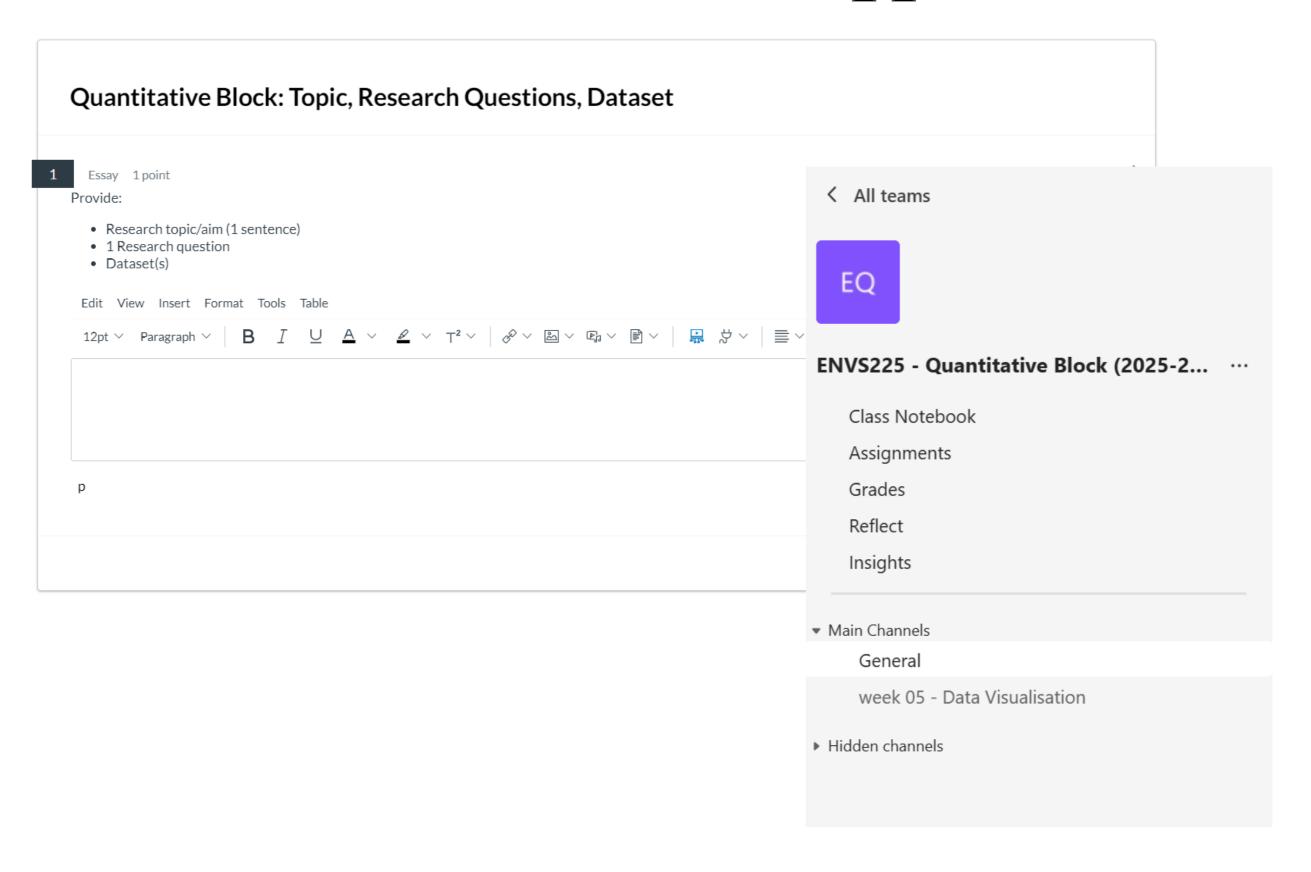
```
# or in better format
pR2(m.glm) %>% round(4) %>% tidy()
fitting null model for pseudo-r2
# A tibble: 6 \times 2
  names
                      Х
  <chr>
                  <dbl>
1 11h
            -8984.
2 11hNull
           -10220.
3 G2
              2473.
4 McFadden
                 0.121
                 0.0721
5 r2ML
6 r2CU
                 0.156
```

- IIh: The log-likelihood of the fitted model.
- IlhNull: The log-likelihood of the null model (without predictors).
- G2: The likelihood ratio statistic, showing the model's improvement over the null model.
- o **McFadden**: McFadden's pseudo R<sup>2</sup>.
- o **r2ML**: Maximum likelihood pseudo R<sup>2</sup>.
- o **r2CU**: Cox & Snell pseudo R<sup>2</sup>.
- Pseudo R<sup>2</sup>s ~ 0.3 are considered fairly good, if using individual-level data
- Note: Pseudo-R<sup>2</sup>s do NOT have the same meaning that R<sup>2</sup> (i.e.% of explained variance in Y)

#### Formative assessment support



#### Formative assessment support



#### Assessment 1

- Drop-in session
  - This Thursday 15:00-17:00, reservation opened!
  - Week 5 Thursday 11:00-13:00
  - Week 6Wednesday 11:00-13:00
- Formative feedback quiz: 22<sup>nd</sup> Oct

Submission Date: Week 7 Monday 3rd November

### Book drop-in session

