STA 610L: Module 2.8

RANDOM EFFECTS ANOVA (ILLUSTRATION)

Dr. Olanrewaju Michael Akande



Recall: we want to estimate the distribution of radon levels in houses i within the 85 counties j.

There are 919 total observations in the data. The data is in the file Radon.txt on Sakai.

Variable	Description
radon	radon levels for each house
log_radon	log(radon)
state	state
floor	lowest living area of each house: 0 for basement, 1 for first floor
countyname	county names
countyID	ID for the county names (1-85)
fips	state + county fips code
uranium	county-level soil uranium
log_uranium	log(uranium)

```
Radon <- read.csv("data/Radon.txt", header = T,sep="")</pre>
Radon$floor <- factor(Radon$floor,levels=c(0,1),labels=c("Basement","First Floor"))</pre>
str(Radon)
## 'data.frame':
                  919 obs. of 9 variables:
## $ radon
               : num 2.2 2.2 2.9 1 3.1 2.5 1.5 1 0.7 1.2 ...
## $ state
               : chr "MN" "MN" "MN" "MN" ...
## $ log radon : num 0.788 0.788 1.065 0 1.131 ...
## $ floor
                : Factor w/ 2 levels "Basement", "First Floor": 2 1 1 1 1 1 1 1 1 1 ...
## $ countyname : chr "AITKIN" "AITKIN" "AITKIN" ...
## $ countyID
               : int 1111222222...
## $ fips
                : int 27001 27001 27001 27001 27003 27003 27003 27003 27003 ...
## $ uranium
                : num 0.502 0.502 0.502 0.502 0.429 ...
## $ log uranium: num -0.689 -0.689 -0.689 -0.689 -0.847 ...
```



```
head (Radon)
     radon state log radon
                                  floor countyname countyID fips uranium
## 1
       2.2
              MN 0.7884574 First Floor
                                             AITKIN
                                                           1 27001 0.502054
## 2
       2.2
              MN 0.7884574
                               Basement
                                            AITKIN
                                                           1 27001 0.502054
## 3
       2.9
              MN 1.0647107
                               Basement
                                            AITKIN
                                                           1 27001 0.502054
       1.0
## 4
              MN 0.0000000
                               Basement
                                            AITKIN
                                                           1 27001 0.502054
## 5
       3.1
              MN 1.1314021
                               Basement
                                              ANOKA
                                                           2 27003 0.428565
## 6
       2.5
              MN 0.9162907
                               Basement
                                              ANOKA
                                                           2 27003 0.428565
     log uranium
     -0.6890476
## 2
     -0.6890476
     -0.6890476
## 3
     -0.6890476
## 5
     -0.8473129
## 6
     -0.8473129
summary(Radon[,-c(2,7)])
                       log_radon
        radon
                                                 floor
                                                            countyname
```

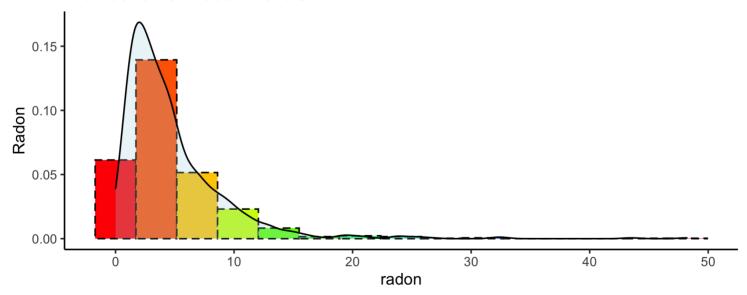
```
##
   Min.
           : 0.000
                             :-2.3026
                                                    :766
                                                           Length:919
                     Min.
                                        Basement
   1st Qu.: 1.900
                     1st Qu.: 0.6419
                                        First Floor:153
                                                           Class :character
   Median : 3.600
                     Median : 1.2809
                                                           Mode :character
   Mean : 4.768
                     Mean
                            : 1.2246
##
   3rd Qu.: 6.000
                     3rd Qu.: 1.7918
           :48.200
##
   Max.
                     Max.
                             : 3.8754
##
       countyID
                       uranium
                                       log_uranium
           : 1.00
   Min.
                    Min.
                            :0.4140
                                      Min.
                                             :-0.88183
   1st Ou.:21.00
                                      1st Qu.:-0.47467
                    1st Ou.:0.6221
   Median :44.00
                    Median :0.9080
                                      Median :-0.09652
   Mean
          :43.52
                    Mean
                            :0.9339
                                      Mean
                                             :-0.13171
    3rd Qu.:70.00
                    3rd Qu.:1.2011
                                      3rd Qu.: 0.18324
   Max.
           :85.00
                    Max.
                            :1.6956
                                      Max.
                                             : 0.52802
```

table(Radon\$countyname) #we don't have enough data in some counties, so we should look to borrow information across counties.

##				
##	AITKIN	ANOKA	BECKER	BELTRAMI
##	4	52	3	7
##	BENTON	BIG STONE	BLUE EARTH	BROWN
##	4	3	14	4
##	CARLTON	CARVER	CASS	CHIPPEWA
##	10	6	5	4
##	CHISAGO	CLAY	CLEARWATER	COOK
##	6	14	4	2
##	COTTONWOOD	CROW WING	DAKOTA	DODGE
##	4	12	63	3
##	DOUGLAS	FARIBAULT	FILLMORE	FREEBORN
##	9	6	2	9
##	GOODHUE	HENNEPIN	HOUSTON	HUBBARD
##	14	105	6	5
##	ISANTI	ITASCA	JACKSON	KANABEC
##	3	11	5	4
##	KANDIYOHI	KITTSON	KOOCHICHING	LAC OUI PARLE
##	4	3	7	2
##	LAKE	LAKE OF THE WOODS	LE SUEUR	LINCOLN
##	9	4	5	4
##	LYON	MAHNOMEN	MARSHALL	MARTIN
##	8	1	9	7
##	MCLEOD	MEEKER	MILLE LACS	MORRISON
##	13	5	2	9
##	MOWER	MURRAY	NICOLLET	NOBLES
##	13	1	4	3
##	NORMAN	OLMSTED	OTTER TAIL	PENNINGTON
##	3	23	OTTER TAIL	7 ENNINGION 3
##	PINE	PIPESTONE	POLK	POPE
##	6 PINE	PIPESTONE 4	PULK 4	2
##	RAMSEY	REDWOOD	RENVILLE	RICE
##	32	KEDWOOD 5	KENVILLE 3	11
##		ROSEAU	SCOTT	SHERBURNE
	ROCK			
##	2	14	13	8
##	SIBLEY	ST LOUIS	STEARNS	STEELE
##	4	116	25	10
##	STEVENS	SWIFT	TODD	TRAVERSE
##	2	4	3	4
##	WABASHA	WADENA	WASECA	WASHINGTON
##	7	5	4	46
##	WATONWAN	WILKIN	WINONA	WRIGHT
##	3	1	13	13
##	YELLOW MEDICINE			
##	2			

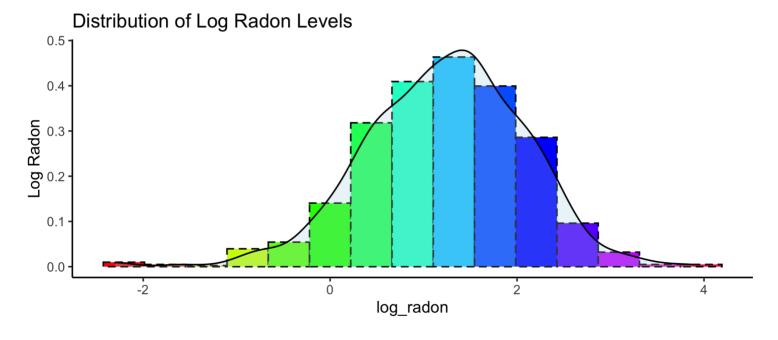
The raw radon levels can only take on positive values.

Distribution of Radon Levels



Obviously very skewed.

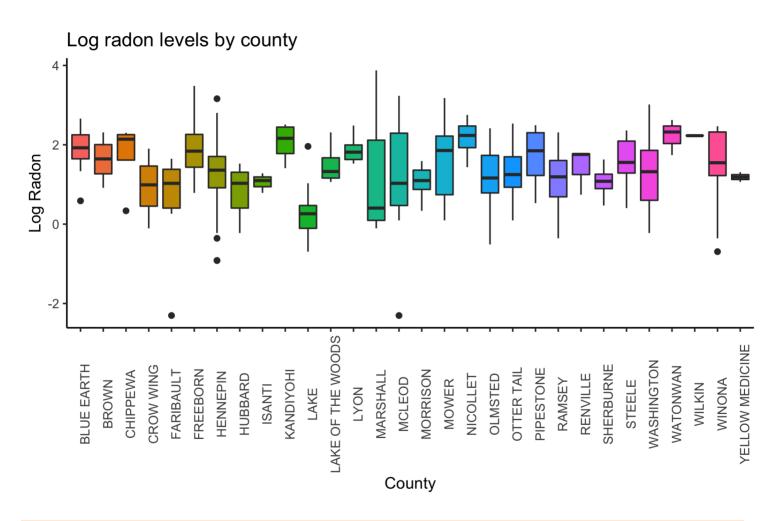
Let's look at log_radon instead.





Much better! Let's go with log radon for now.

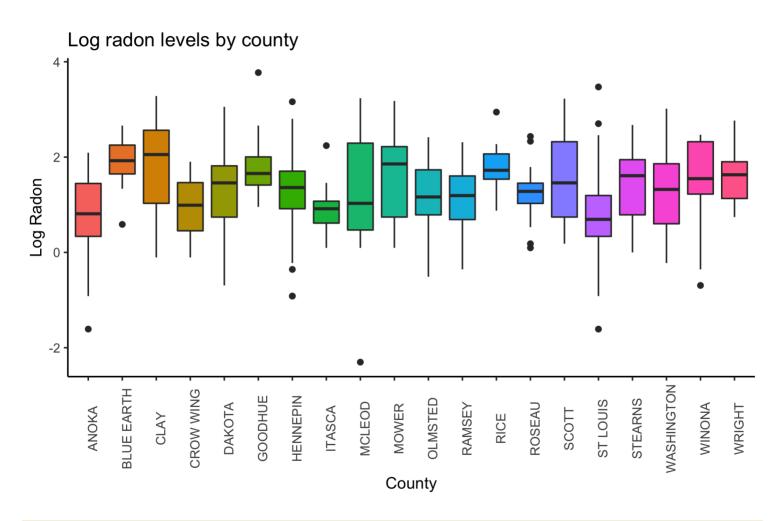
Are there any variations of radon levels by county? There are too many counties, so, let's do it for a random sample of counties.





Looks like the levels vary by county. However, there are many counties with very little data.

Let's focus on counties with at least 11 houses.





What can you conclude from this plot?

We start with a random effects ANOVA model. We can fit that model in R by doing

```
Model1 <- lmer(log_radon ~ (1 | countyname), data = Radon)</pre>
summary(Model1)
## Linear mixed model fit by REML ['lmerMod']
## Formula: log radon ~ (1 | countyname)
      Data: Radon
##
##
## REML criterion at convergence: 2259.4
##
## Scaled residuals:
               10 Median
      Min
                                30
                                       Max
## -4.4661 -0.5734 0.0441 0.6432 3.3516
##
## Random effects:
## Groups
              Name
                          Variance Std.Dev.
## countyname (Intercept) 0.09581 0.3095
## Residual
                           0.63662 0.7979
## Number of obs: 919, groups: countyname, 85
##
## Fixed effects:
##
              Estimate Std. Error t value
## (Intercept) 1.31258 0.04891
                                     26.84
```



coef(Model1)

```
## $countyname
                     (Intercept)
## AITKIN
                       1.0674994
## ANOKA
                       0.8875568
## BECKER
                       1.2303812
## BELTRAMI
                       1.2245444
## BENTON
                       1.2899760
## BIG STONE
                       1.3749235
## BLUE EARTH
                       1.7171954
## BROWN
                       1.4315991
## CARLTON
                       1.0833131
## CARVER
                       1.2608819
## CASS
                       1.3506019
## CHIPPEWA
                       1.4695309
## CHISAGO
                       1.1826263
## CLAY
                       1.6312662
## CLEARWATER
                       1.1867346
## COOK
                       1.1627174
## COTTONWOOD
                       1.0953027
## CROW WING
                       1.0736856
## DAKOTA
                       1.2944691
## DODGE
                       1.4642936
## DOUGLAS
                       1.5089532
## FARIBAULT
                       0.9349171
## FILLMORE
                       1.2494467
## FREEBORN
                       1.6743898
## GOODHUE
                       1.6755316
## HENNEPIN
                       1.2867314
## HOUSTON
                       1.4172565
## HUBBARD
                       1.0964581
## ISANTI
                       1.2327649
## ITASCA
                       1.0714227
## JACKSON
                       1.6165831
## KANABEC
                       1.2839088
## KANDIYOHI
                       1.5941519
## KITTSON
                       1.2495867
## KOOCHICHING
                       0.8482223
## LAC QUI PARLE
                       1.6101391
## LAKE
                       0.7427261
## LAKE OF THE WOODS
                       1.3858053
## LE SUEUR
                       1.4376932
## LINCOLN
                       1.6218834
## LYON
                       1.6209590
## MAHNOMEN
                       1.3189074
## MARSHALL
                       1.2489275
## MARTIN
                       1.1204333
## MCLEOD
                       1.1545020
## MEEKER
                       1.2705104
## MILLE LACS
                       1.1300481
## MORRISON
                       1.1719088
## MOWER
                       1.4969979
## MURRAY
                       1.4670206
## NICOLLET
                       1.6329198
```

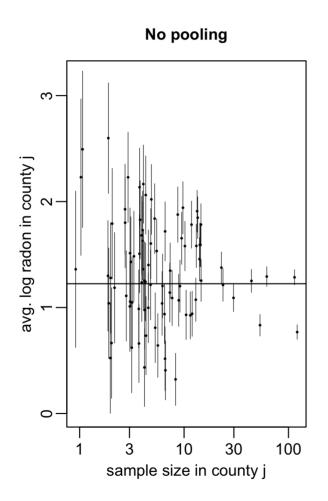
NOBLES

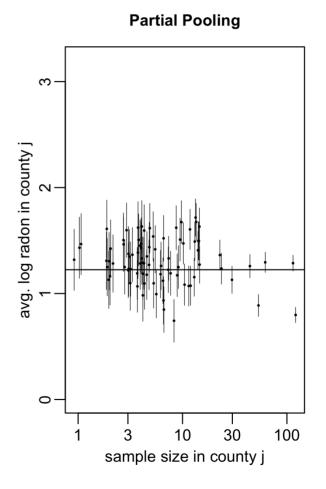
1.5039156

PLOTTING CODE

```
v <- Radon$log radon; ybarbar <- mean(y)</pre>
J <- length(unique(Radon$countyname))</pre>
sample size <- as.vector(table(Radon$countyname))</pre>
sample size jittered <- sample size*exp(runif(J, -.1, .1))</pre>
cty mns <- tapply(y,Radon$countyname,mean)
cty vars <- tapply(y,Radon$countyname,var)
cty sds <- mean(sqrt(cty vars[!is.na(cty vars)]))/sqrt(sample size)</pre>
cty sds sep <- sqrt(tapply(y,Radon$countyname,var)/sample size)
par(mfrow=c(1,2))
plot (sample size jittered, cty mns, cex.lab=.9, cex.axis=1,
      xlab="sample size in county j",
     ylab="avg. log radon in county j",
      pch=20, log="x", cex=.3, mgp=c(1.5,.5,0),
     vlim=c(0,3.2), yaxt="n", xaxt="n")
axis (1, c(1,3,10,30,100), cex.axis=.9, mgp=c(1.5,.5,0))
axis (2, seq(0,3), cex.axis=.9, mgp=c(1.5,.5,0))
for (j in 1:J){
 lines (rep(sample_size_jittered[j],2),
         cty_mns[j] + c(-1,1)*cty_sds[j], lwd=.5
          cty_mns[i] + c(-1,1)*mean(cty_sds[!is.na(cty_sds)]), lwd=.5)
title("No pooling",cex.main=.9, line=1)
abline(h=ybarbar)
library(arm)
plot (sample_size_jittered, coef(Model1)$countyname[,1], cex.lab=.9, cex.axis=1,
      xlab="sample size in county j",
     vlab="avg. log radon in county j".
      pch=20, log="x", cex=.3, mgp=c(1.5,.5,0),
     vlim=c(0,3.2), vaxt="n", xaxt="n")
axis (1, c(1,3,10,30,100), cex.axis=.9, mgp=c(1.5,.5,0))
axis (2, seq(0,3), cex.axis=.9, mgp=c(1.5,.5,0))
for (j in 1:J){
 lines (rep(sample_size_jittered[j],2),coef(Model1)$countyname[j,1] + c(-1,1)*se.ranef(Model1)$countyname[j,1], lwd=.5)
title("Partial Pooling",cex.main=.9, line=1)
abline(h=ybarbar)
```

PLOTS







RANDOM EFFECTS MODEL PLUS A GROUPING FACTOR

One important predictor of radon levels is the floor on which the measurement is taken: basement or first floor.

Radon comes from underground and can enter more easily when the house is built into the ground.

In addition, basements tend to have higher levels than ground floors.

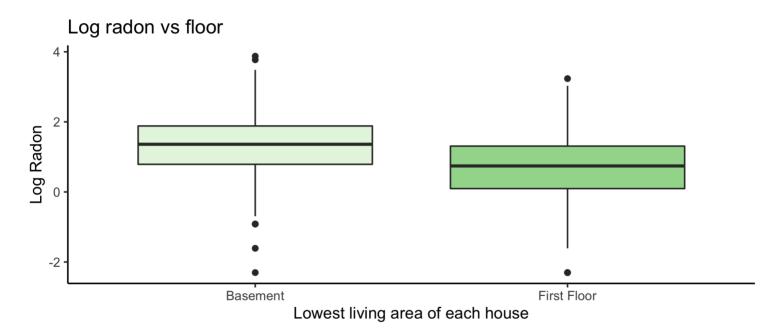
So, let's explore the relationship between log_radon and floor.

Note that is an individual-level (different observation for each house) variable, unlike the uranium variable, which is county-level (group-level).

We will return to this point later.



```
ggplot(Radon,aes(x=floor, y=log_radon, fill=floor)) +
  geom_boxplot() + scale_fill_brewer(palette="Greens") +
  labs(title="Log radon vs floor", x="Lowest living area of each house",y="Log Radon") +
  theme_classic() + theme(legend.position="none")
```



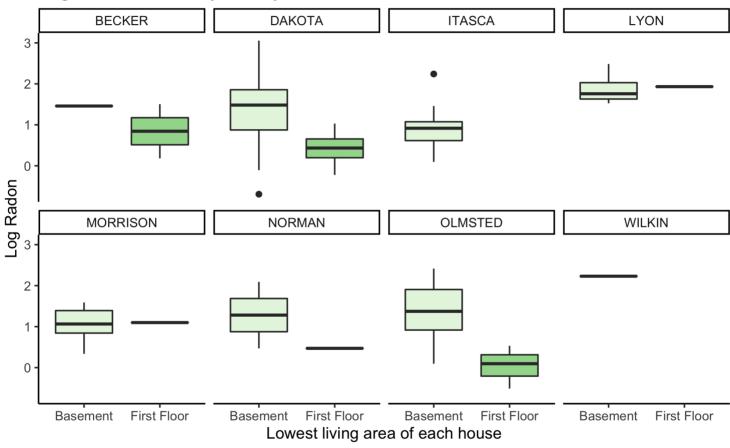
Looks like radon levels are indeed higher for houses with the basement as the lowest living area.

Let's look at the same relationship for a random sample of counties.

```
sample_county <- sample(unique(Radon$countyname),8,replace=F)
ggplot(Radon[is.element(Radon$countyname,sample_county),],
        aes(x=floor, y=log_radon, fill=floor)) +
    geom_boxplot() +
    scale_fill_brewer(palette="Greens") +
    labs(title="Log radon vs floor by county",
        x="Lowest living area of each house",y="Log Radon") +
    theme_classic() + theme(legend.position="none") +
    facet_wrap( ~ countyname,ncol=4)</pre>
```



Log radon vs floor by county



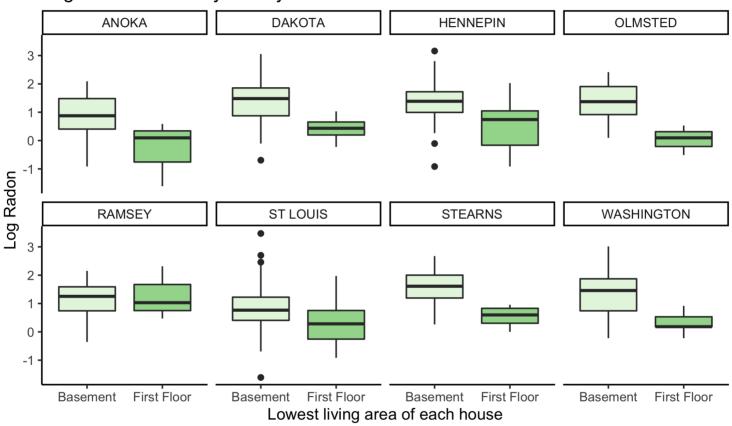
Again, not enough data for some counties.



Let's focus on counties with at least 16 houses.

```
sample_county <- which(table(Radon$countyID) > 15)
ggplot(Radon[is.element(Radon$countyID,sample_county),],
        aes(x=floor, y=log_radon, fill=floor)) +
geom_boxplot() +
scale_fill_brewer(palette="Greens") +
labs(title="Log radon vs floor by county",
        x="Lowest living area of each house",y="Log Radon") +
theme_classic() + theme(legend.position="none") +
facet_wrap( ~ countyname,ncol=4)
```

Log radon vs floor by county



Even though the overall direction is the same, it looks like the actual differences between floor = 0 and floor = 1 differs for some counties.

First, we will begin by examining the complete-pooling regression,

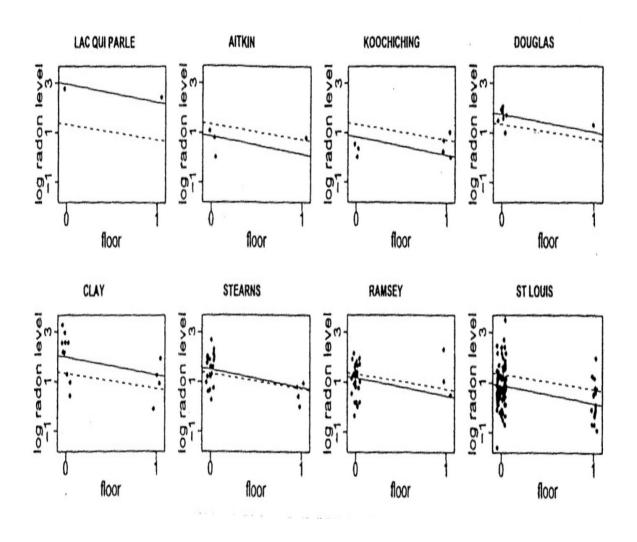
$$y_{ij} = lpha + eta x_{ij} + arepsilon_{ij}; \;\;\; arepsilon_{ij} \sim N(0,\sigma^2)$$

and the no-pooling regression

$$y_{ij} = lpha_j + eta x_{ij} + arepsilon_{ij}; \;\;\; arepsilon_{ij} \sim N(0,\sigma^2)$$

where α_j is the mean log radon level from basement measures of homes (indexed by i) in county j.

The following plot shows the dashed lines $\hat{y}=\widehat{\alpha}+\widehat{\beta}x$ for eight selected counties from the complete pooling model, and the solid lines $\hat{y}=\widehat{\alpha}_j+\widehat{\beta}x$ from no pooling model.





The estimates of β (the association between floor of home and radon level) differ slightly for the two regressions, with $\widehat{\beta}=-0.61$ for the pooling model, and $\widehat{\beta}=-0.72$ for the no-pooling model.

As we might expect, we tend to have higher radon levels in the basement (p < 0.0001).

Neither analysis is perfect.

The complete-pooling analysis ignores variation in radon levels between counties, which is undesirable because our goal is to identify counties with high-radon homes -- we can't pool away the main research question!

The no-pooling analysis is also problematic -- for example the Lac Qui Parle County line is estimated based on just two data points.

Let's turn to a simple multilevel model instead:

$$y_{ij} = \gamma_0 + lpha_j + eta x_{ij} + arepsilon_{ij},$$

where now $lpha_j \sim N(0, au^2)$ and $arepsilon_{ij} \sim N(0, \sigma^2)$.

We fit this model using the lmer() function in the lme4 package.

This model can also be parameterized as

$$y_{ij} \sim N(lpha_j + eta x_{ij}, \sigma^2); ~~ lpha_j \sim N\left(\gamma_0, au^2
ight).$$

First, the pooled model

```
###pooled model
lm_pooled <- lm(log_radon ~ floor, data = Radon)</pre>
summary(lm pooled)
##
## Call:
## lm(formula = log_radon ~ floor, data = Radon)
##
## Residuals:
      Min
               10 Median
##
                               30
                                      Max
## -3.6293 -0.5383 0.0342 0.5603 2.5486
##
## Coefficients:
##
                   Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                   1.32674 0.02972 44.640 <2e-16
## floorFirst Floor -0.61339 0.07284 -8.421 <2e-16
##
## Residual standard error: 0.8226 on 917 degrees of freedom
## Multiple R-squared: 0.07178, Adjusted R-squared: 0.07077
## F-statistic: 70.91 on 1 and 917 DF, p-value: < 2.2e-16
```



Next, the unpooled model.

```
###unpooled model
 lm_unpooled <- lm(log_radon ~ floor + countyname, data = Radon)</pre>
summary(lm unpooled)
##
## Call:
## lm(formula = log_radon ~ floor + countyname, data = Radon)
##
  Residuals:
        Min
                  10
                       Median
                                     30
##
                                             Max
## -3.14595 -0.45405
                      0.00065
                                0.45376
##
## Coefficients:
##
                                Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                                 0.84054
                                            0.37866
                                                       2.220
                                                             0.02670
## floorFirst Floor
                                -0.72054
                                            0.07352
                                                      -9.800 < 2e-16
## countynameANOKA
                                            0.39274
                                                       0.087
                                                             0.93047
                                 0.03428
## countynameBECKER
                                 0.68816
                                            0.57854
                                                       1.189 0.23459
## countynameBELTRAMI
                                            0.47470
                                                       1.500
                                                              0.13392
                                 0.71218
## countynameBENTON
                                 0.59203
                                            0.53487
                                                       1.107
                                                              0.26867
## countynameBIG STONE
                                 0.67247
                                            0.57802
                                                       1.163
                                                              0.24500
## countynameBLUE EARTH
                                 1.17162
                                            0.42892
                                                       2.732
                                                              0.00644
## countynameBROWN
                                 1.14904
                                            0.53519
                                                       2.147
                                                              0.03208
## countynameCARLTON
                                 0.16250
                                            0.44764
                                                       0.363
                                                              0.71669
## countynameCARVER
                                 0.72336
                                            0.48861
                                                       1.480
                                                              0.13913
## countynameCASS
                                 0.56059
                                            0.50775
                                                       1.104
                                                              0.26988
                                                       1.662
## countynameCHIPPEWA
                                 0.88971
                                            0.53519
                                                              0.09680
## countynameCHISAGO
                                            0.48861
                                                       0.406
                                 0.19818
                                                              0.68514
## countynameCLAY
                                 1.14784
                                            0.42886
                                                       2.677
                                                              0.00759
## countynameCLEARWATER
                                            0.53519
                                                       0.929
                                                              0.35292
                                 0.49743
```

Finally, the random intercepts model with a fixed effect for floor.

```
Model2 <- lmer(log_radon ~ floor + (1 | countyname), data = Radon)</pre>
summary(Model2)
## Linear mixed model fit by REML ['lmerMod']
## Formula: log radon ~ floor + (1 | countyname)
      Data: Radon
##
##
## REML criterion at convergence: 2171.3
##
## Scaled residuals:
##
       Min
                10 Median
                                30
                                       Max
## -4.3989 -0.6155 0.0029 0.6405 3.4281
##
## Random effects:
## Groups
                           Variance Std.Dev.
               Name
## countyname (Intercept) 0.1077
                                    0.3282
## Residual
                           0.5709
                                    0.7556
## Number of obs: 919, groups: countyname, 85
##
## Fixed effects:
##
                    Estimate Std. Error t value
## (Intercept)
                   1.46160 0.05158 28.339
## floorFirst Floor -0.69299 0.07043 -9.839
##
## Correlation of Fixed Effects:
               (Intr)
## florFrstFlr -0.288
```

coef(Model2)

##	\$countyname		
##			floorFirst Floor
##	AITKIN	1.1915003	-0.6929937
##	ANOKA	0.9276468	-0.6929937
##	BECKER	1.4792143	-0.6929937
##	BELTRAMI	1.5045012	-0.6929937
##	BENTON	1.4461503	-0.6929937
##	BIG STONE	1.4801817	-0.6929937
##	BLUE EARTH	1.8581255	-0.6929937
##	BROWN	1.6827736	-0.6929937
##	CARLTON	1.1600746	-0.6929937
##	CARVER	1.5086099	-0.6929937
##	CASS	1.4322449	-0.6929937
##	CHIPPEWA	1.5771520	-0.6929937
##	CHISAGO	1.2370518	-0.6929937
##	CLAY	1.8380232	-0.6929937
##	CLEARWATER	1.4024982	-0.6929937
##	COOK	1.2432992	-0.6929937
##	COTTONWOOD	1.3723633	-0.6929937
##	CROW WING	1.2209415	-0.6929937
##	DAKOTA	1.3462611	-0.6929937
##	DODGE	1.5840333	-0.6929937
##	DOUGLAS	1.6311136	-0.6929937
##	FARIBAULT	1.0211902	-0.6929937
##	FILLMORE	1.4409443	-0.6929937
##	FREEBORN	1.8605721	-0.6929937
##	GOODHUE	1.8135585	-0.6929937
#	HENNEPIN	1.3626875	-0.6929937
#	HOUSTON	1.6222663	-0.6929937
##	HUBBARD	1.3467692	-0.6929937
##	ISANTI	1.3149878	-0.6929937
##	ITASCA	1.0999775	-0.6929937
##	JACKSON	1.7329563	-0.6929937
##	KANABEC	1.3646863	-0.6929937
##	KANDIYOHI	1.7197951	-0.6929937
##	KITTSON	1.5015319	-0.6929937
##	KOOCHICHING	1.0870316	-0.6929937
##	LAC QUI PARLE	1.8680900	-0.6929937
##	LAKE	0.7928241	-0.6929937
##	LAKE OF THE WOODS	1.6303574	-0.6929937
##	LE SUEUR	1.5979923	-0.6929937
##	LINCOLN	1.8260565	-0.6929937
##	LYON	1.7636308	-0.6929937
##	MAHNOMEN	1.4456250	-0.6929937
	MARSHALL	1.5404841	-0.6929937
##	MARTIN	1.2199767	-0.6929937
##	MCLEOD	1.3375197	-0.6929937
##	MEEKER	1.3416955	-0.6929937
##	MILLE LACS	1.2995480	-0.6929937
#	MORRISON	1.2623707	-0.6929937
##	MOWER	1.6294468	-0.6929937
##	MURRAY	1.6253581	-0.6929937
	NICOLLET	1.7641694	-0.6929937
##	NOBLES	1.6300755	-0.6929937

INTERPRETATION OF FIXED EFFECTS

- Intuitively, we have an overall "average" regression line for all houses across all counties in Minnesota which has slope -0.69 and intercept 1.46.
- That is, the general estimated line for any of the houses in Minnesota is:

$$\widehat{\log(\text{radon})}_{ij} = 1.46 - 0.69 \times \text{floor}_{ij}$$

- For any house in Minnesota with a basement as the lowest living area, the baseline radon level is $e^{1.46}=4.31$.
- Then, for any house in Minnesota, having a first floor as the lowest living area, instead of a basement, reduces the radon level by a multiplicative effect of $e^{-0.69} \approx 0.5016$, that is, about a 49.84% reduction.
- However, if the house is in Dakota county for example, we also need to add on the random intercept for that county.

INTERPRETATION OF FIXED EFFECTS

For Dakota county, we have

```
(ranef(Model2)$countyname)["DAKOTA",]
## [1] -0.1153368
```

so that the estimated regression line for Dakota county is approximately

$$\widehat{\log(\mathrm{radon})}_{ij} = (1.46 - 0.12) + 0.69 \times \mathrm{floor}_{ij} = 1.35 - 0.69 \times \mathrm{floor}_{ij}$$

- Thus, for any house in Dakota county in Minnesota with a basement as the lowest living area, the baseline radon level is actually $e^{1.34} \approx 3.82$, which is lower than the overall state wide average.
- For floor effect remains the same, at least until we explore random slopes.

Again,

```
summary(Model2)
## Linear mixed model fit by REML ['lmerMod']
## Formula: log radon ~ floor + (1 | countyname)
     Data: Radon
##
##
## REML criterion at convergence: 2171.3
##
## Scaled residuals:
##
      Min
               10 Median
                               30
                                      Max
## -4.3989 -0.6155 0.0029 0.6405 3.4281
##
## Random effects:
## Groups
              Name
                          Variance Std.Dev.
## countyname (Intercept) 0.1077
                                   0.3282
## Residual
                          0.5709
                                   0.7556
## Number of obs: 919, groups: countyname, 85
##
## Fixed effects:
##
                   Estimate Std. Error t value
## (Intercept)
                   1.46160 0.05158 28.339
## floorFirst Floor -0.69299 0.07043 -9.839
##
## Correlation of Fixed Effects:
              (Intr)
## florFrstFlr -0.288
```

INTERPRETATION OF RANDOM EFFECTS

- The estimated standard error $\hat{\sigma}=0.76$ describes the within-county or remaining unexplained variation.
- \blacksquare The estimated $\hat{\tau}=0.33$ describes the across-county variation attributed to the random intercept.
- The correlation between two houses in the same county is then given by

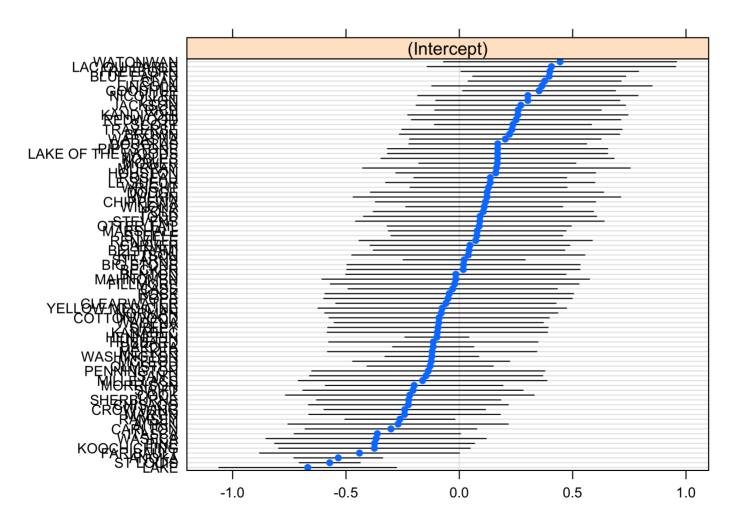
$$\widehat{\mathrm{Corr}(y_{ij},y_{i'j})} = rac{\hat{ au}^2}{\hat{\sigma}^2 + \hat{ au}^2} = rac{0.1077}{0.5709 + 0.1077} pprox 0.16.$$

- We do have some correlation, but not that strong.
- You can visualize the random effects by typing dotplot(ranef(Model2, condVar=TRUE))\$countyname in R.
- So many counties! So, you will need to zoom out on your computer.



INTERPRETATION OF RANDOM EFFECTS

countyname



WHAT'S NEXT?

MOVE ON TO THE READINGS FOR THE NEXT MODULE!

