Contents

Pr	eface	ix	
1	Introduction		
	1.1	Before You Start	1
	1.2	Initial Data Analysis	2
	1.3	· · · · · · · · · · · · · · · · · · ·	6
	1.4	History	7
2	Esti	mation	11
	2.1	Linear Model	11
	2.2	Matrix Representation	12
	2.3	Estimating β	12
	2.4	Least Squares Estimation	13
	2.5	Examples of Calculating $\hat{\beta}$	14
	2.6	Gauss-Markov Theorem	15
	2.7	Goodness of Fit	16
	2.8	Example	18
	2.9	Identifiability	21
3	Inference		25
	3.1	Hypothesis Tests To Compare Models	25
	3.2	Testing Examples	27
	3.3	Permutation Tests	32
	3.4	Confidence Intervals for β	34
	3.5	Confidence Intervals for Predictions	36
	3.6	Designed Experiments	39
	3.7	Observational Data	43
	3.8	Practical Difficulties	47
4	Diagnostics		53
	4.1	Checking Error Assumptions	53
	4.2	Finding Unusual Observations	64
	4.3	Checking the Structure of the Model	71
5	Pro	blems with the Predictors	75
	5.1	Errors in the Predictors	75

vi		CONTENTS
5.2	2 Changes of Scale	79
5.3	3 Collinearity	81
6 Pr	oblems with the Error	87
6.1	Generalized Least Squares	87
6.2	2 Weighted Least Squares	90
6.3	3 Testing for Lack of Fit	92
6.4	4 Robust Regression	96
7 Tr	ansformation	107
7.1	Transforming the Response	107
7.2	2 Transforming the Predictors	110
8 Va	riable Selection	119
8.1	Hierarchical Models	119
8.2	2 Testing-Based Procedures	120
8.3	3 Criterion-Based Procedures	123
8.4	4 Summary	128
9 Sh	rinkage Methods	131
9.1	Principal Components	131
9.2	2 Partial Least Squares	138
9.3	Ridge Regression	141
10 Sta	atistical Strategy and Model Uncertainty	145
10	.1 Strategy	145
10	.2 An Experiment in Model Building	146
10	.3 Discussion	147
11 In:	surance Redlining — A Complete Example	149
11	.1 Ecological Correlation	149
11	.2 Initial Data Analysis	151
11	.3 Initial Model and Diagnostics	154
11	.4 Transformation and Variable Selection	156
11	.5 Discussion	159
12 Mi	issing Data	161
13 Ar	nalysis of Covariance	165
	.1 A Two-Level Example	166
13	.2 Coding Qualitative Predictors	170
13	.3 A Multi-Level Factor Example	172
14 Or	ne-Way Analysis of Variance	179
14	.1 The Model	179

CONTENTS	vii	
14.2 An Example	180	
14.3 Diagnostics	183	
14.4 Pairwise Comparisons	184	
15 Factorial Designs	187	
15.1 Two-Way ANOVA	187	
15.2 Two-Way ANOVA with One Observation per Cell	188	
15.3 Two-Way ANOVA with More than One Observation per Cell	191	
15.4 Larger Factorial Experiments	195	
16 Block Designs	201	
16.1 Randomized Block Design	202	
16.2 Latin Squares	206	
16.3 Balanced Incomplete Block Design	210	
A R Installation, Functions and Data	215	
B Quick Introduction to R	217	
B.1 Reading the Data In	217	
B.2 Numerical Summaries	217	
B.3 Graphical Summaries	218	
B.4 Selecting Subsets of the Data	219	
B.5 Learning More about R	220	
Bibliography	221	
Index	225	