

Z-scores: Takeaways

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Syntax

- Writing a function that converts a value to a z-score:

```
import numpy as np
def z_score(value, array, bessel=0):
    mean = np.mean(array)
    st_dev = np.std(array, ddof=bessel)
    distance = value - mean
    z = distance / st_dev
    return z
```

- Standardizing a series:

```
standardized_distro = Series.apply(
    lambda x: (x - Series.mean()) / Series.std()
)
```

- Transforming a standardized distribution to a different distribution, with a predefined mean and standard deviation:

```
mean = some_mean
st_dev = some_standard_deviation
standardized_distro = Series.apply(
    lambda z: z * st_dev + mean
)
```

Concepts

- A **z-score** is a number that describes the location of a value within a distribution. Non-zero z-scores (+1, -1.5, +2, -2, etc.) consist of two parts:
 - A *sign*, which indicates whether the value is above or below the mean.
 - A *value*, which indicates the number of standard deviations that a value is away from the mean.
- The z-score of the mean is 0.
- To compute the z-score z for a value x coming from a population with mean μ and standard deviation σ , we can use this formula:

$$z = \frac{x - \mu}{\sigma}$$

- To compute the z-score z for a value x coming from a sample with mean \bar{x} and standard deviation s , we can use this formula:

$$z = \frac{x - \bar{x}}{s}$$

- We can **standardize** any distribution by transforming all its values to z-scores. The resulting distribution will have a mean of 0 and a standard deviation of 1. Standardized distributions are often called **standard distributions**.
- Standardization is useful for **comparing values** coming from distributions with different means and standard deviations.
- We can transform any population of z-scores with mean $\mu_z = 0$ and $\sigma_z = 1$ to a distribution with any mean μ and any standard deviation σ by converting each z-score z to a value x using this formula:

$$x = z\sigma + \mu$$

- We can transform any sample of z-scores with mean $\bar{x}_z = 0$ and $s_z = 1$ to a distribution with any mean \bar{x} and any standard deviation s by converting each z-score z to a value x using this formula:

$$x = zs + \bar{x}$$

Resources

- [The `z-score\(\)` function from `scipy.stats.mstats`](#) — useful for standardizing distributions.
- [The Wikipedia entry on z-scores](#).