Beta 1: White :1 = white, 0 = not white

Beta 2: African American

Beta0 : Asian

Y = beta 0 + beta 1 \* White + beta 2 \* AA + eps

Response 🡪 Any race

Asian: Y\_hat = beta 0

White: Y\_hat = beta 0 + beta 1

AA: Y\_hat = beta 0 + beta 2

Beta 0:

Beta 1: X1: white = 0, Asian = 1, AA = 2