



FIGURE 7.1. The **Wage** data. Left: The solid blue curve is a degree-4 polynomial of **wage** (in thousands of dollars) as a function of **age**, fit by least squares. The dotted curves indicate an estimated 95 % confidence interval. Right: We model the binary event **wage**>250 using logistic regression, again with a degree-4 polynomial. The fitted posterior probability of **wage** exceeding \$250,000 is shown in blue, along with an estimated 95 % confidence interval.