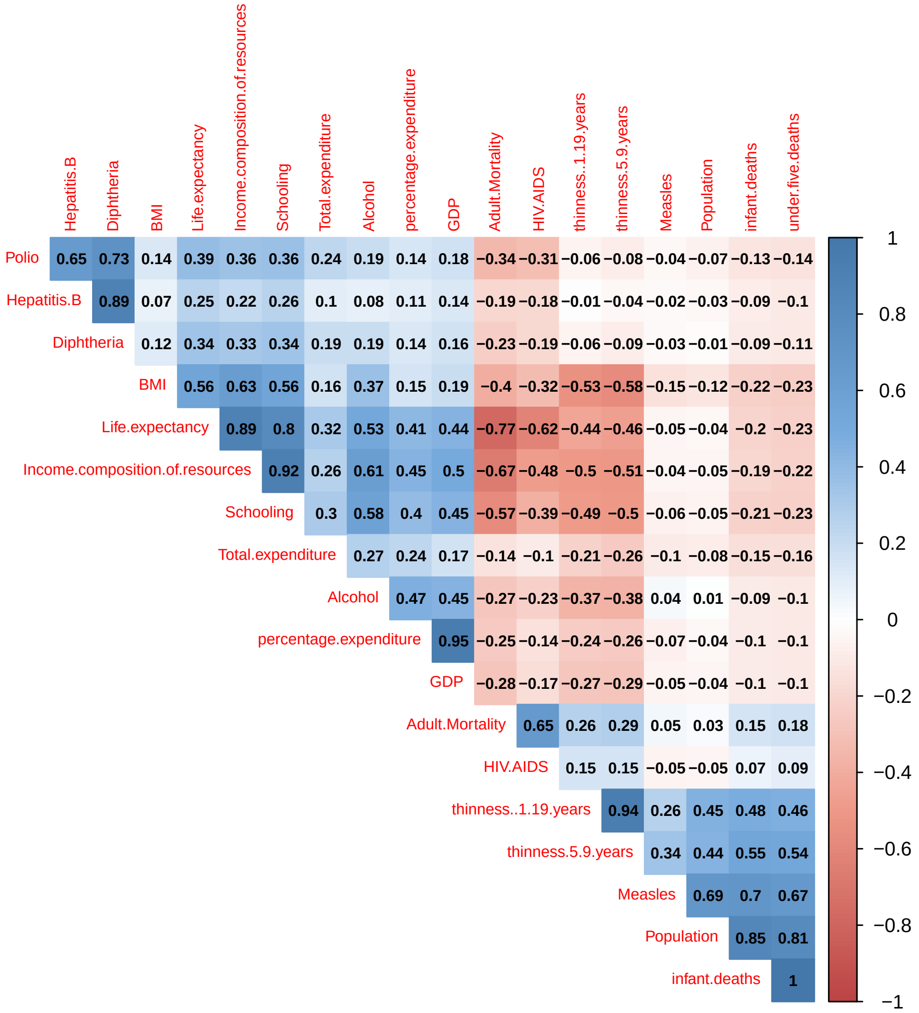
Primary relationship of interest

Team Orange

2022-10-19

Primary relationship of interest

Full correlation map (Maybe in appendix):



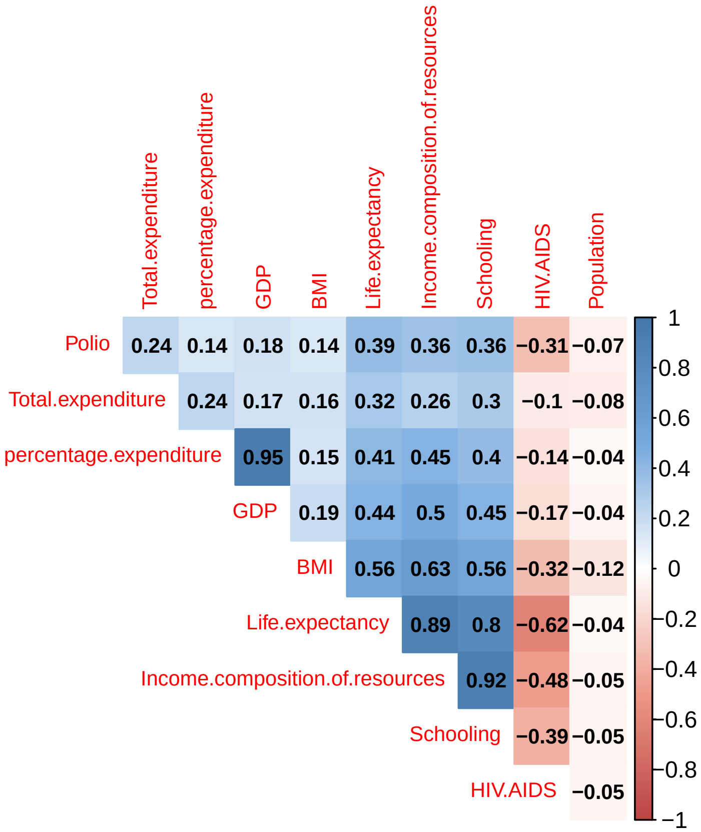
After piror selection:

When building a model, it is not wise use all variables when they are highly correlated with each other. To represent immunization coverage, among “Hepatitis.B”,“Polio”, “Diphtheria tetanus toxoid and pertussis (DTP3)”, we decide to use “polio”, since it has the highest correlation between Life Expectancy. Similarly, we see extremely high correlation between GDP and percentage expenditure, but both of them would have meaningful interpreation, we may want to decide which one goes to our final model when we conduct model selection.

On the one hand, with domain knowledge, we know “Adult.Mortality”, “infant.deaths” and “under.five.deaths” variables are directly correlated to Life Expectancy, we choose to drop them from the predictor variable list; on the other hand, we are interested in “HIV.AIDS” variable (Deaths per 1 000 live births HIV/AIDS (0-4 years)

We would like to omit the variables have Low correlation between Life Expectancy: “Measles”; however, we do want to include “population” because of our interest.

As for categorical variable, we would like to keep country status (developing/developed) as one of the predictors



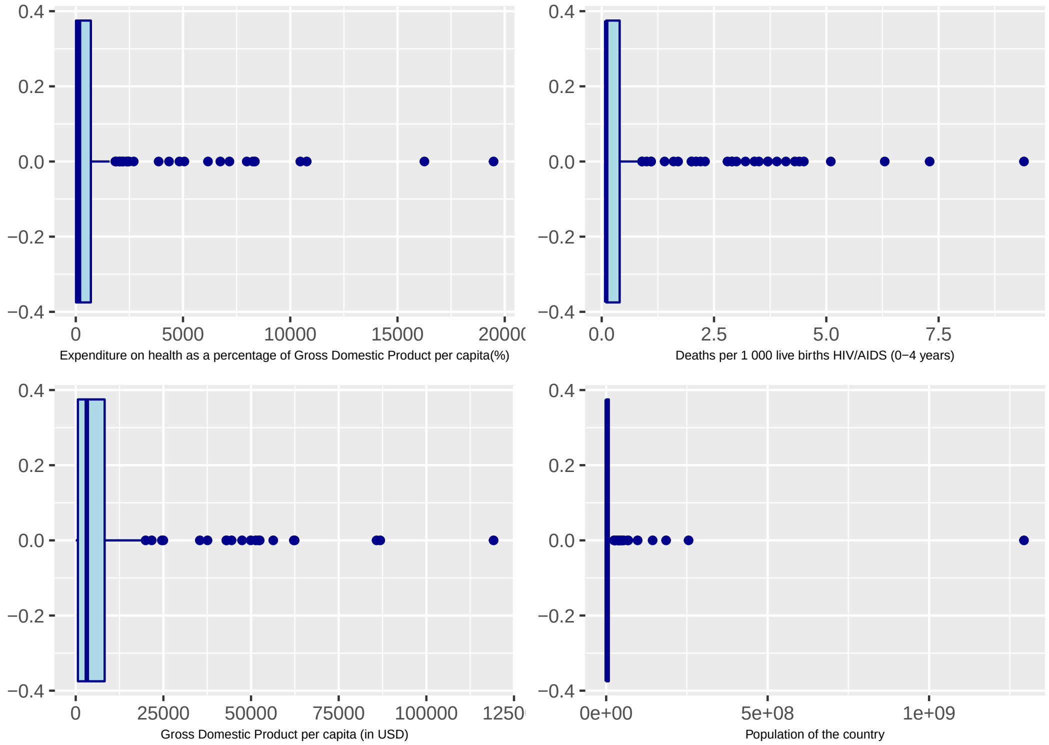
Potential predictor variables:

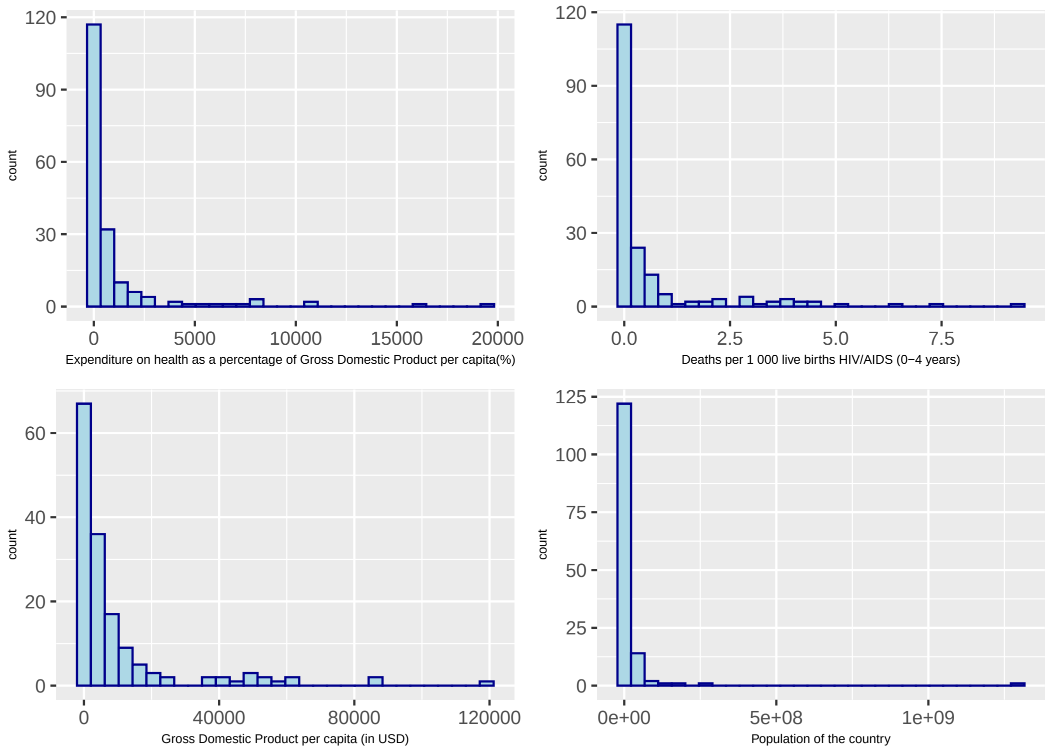
- *Percentage Expenditure* or *GDP*
- *BMI*
- *Polio*
- *HIV/AIDS*
- *Total.expenditure*

- *Schooling*
- *Income Composition of Resources*
- *Country Status (Developed/Developing)*
- *Population*

Transformation if needed when modeling

We may want to use log transformation for population and GDP, since the magnitude of gaps are huge. But for other two, we need more investigation, plus the difficulty of interpretation.



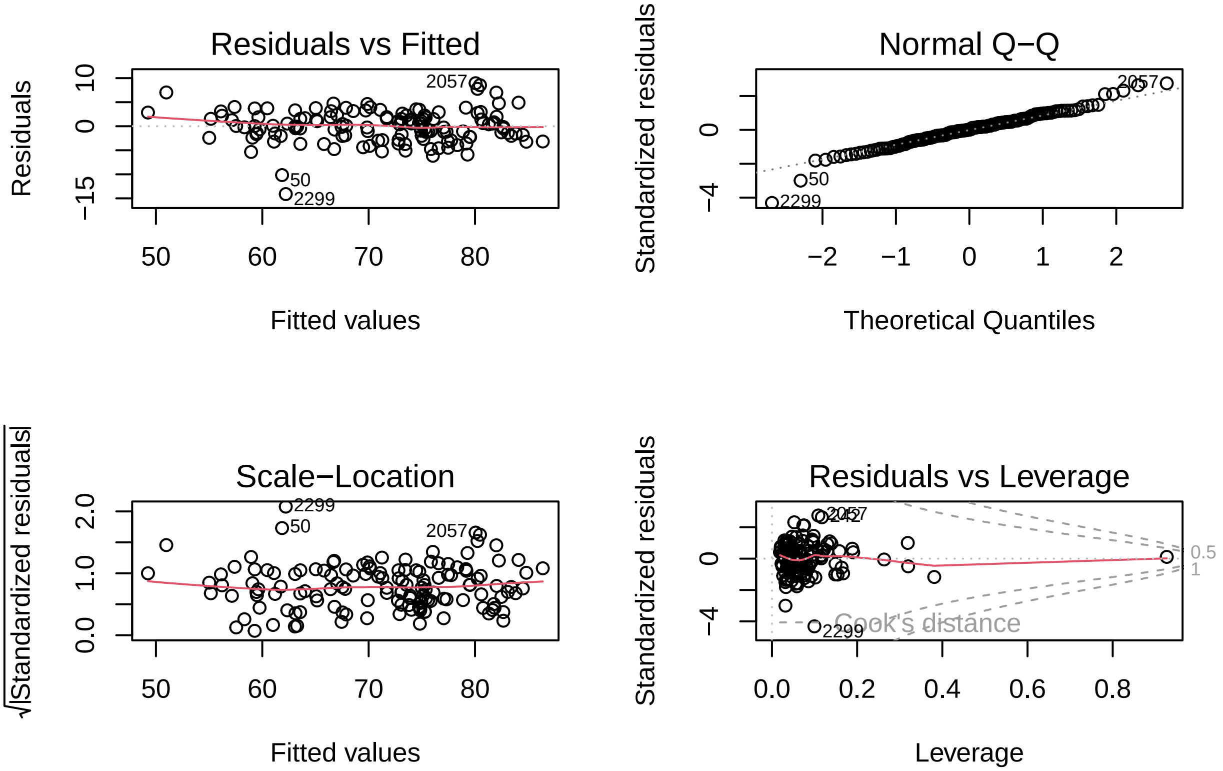


(For our reference)

After selection Model:

Table 1: Regression Summary

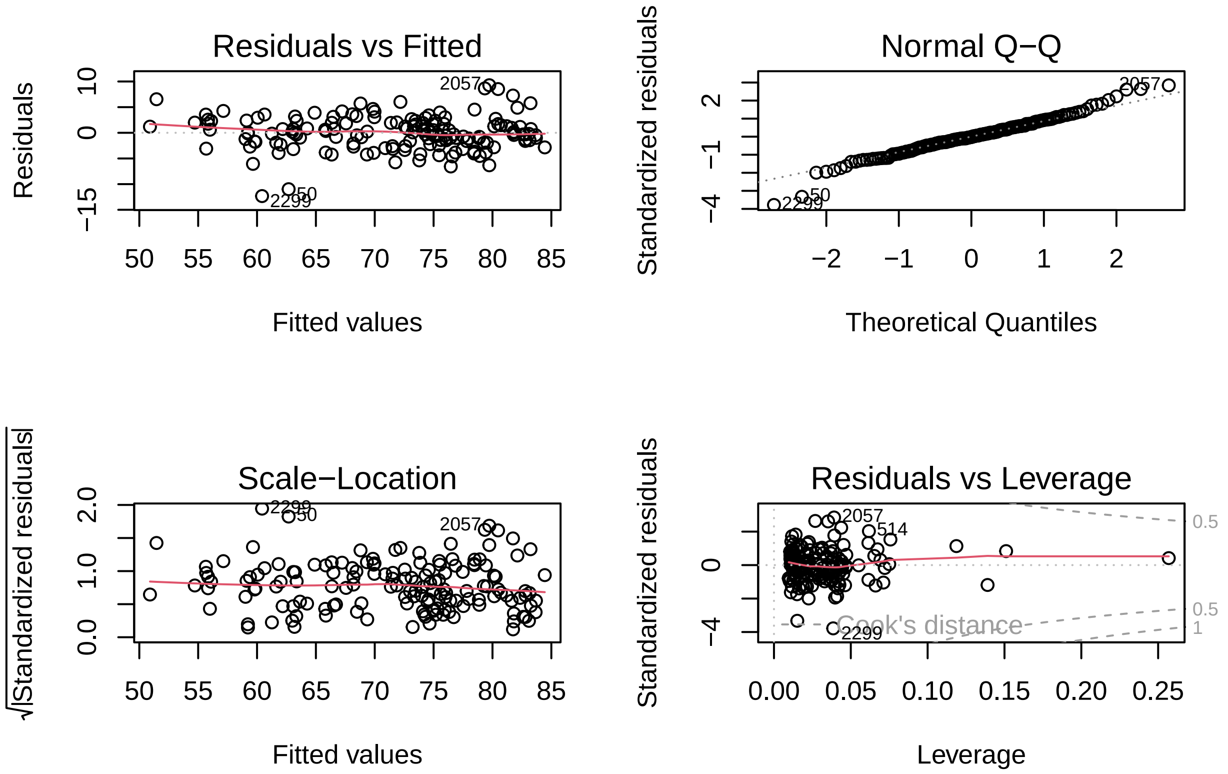
	Dependent variable:
	Life.expectancy
BMI	−0.001 (0.018)
	p = 0.942
log10(GDP)	−0.215 (0.525)
	p = 0.683
percentage.expenditure	0.0001 (0.0001)
	p = 0.534
Polio	0.009 (0.015)
	p = 0.535
HIV.AIDS	−1.347 (0.230)
	p = 0.00000***
Total.expenditure	0.282 (0.120)
	p = 0.021**
Population	−0.000 (0.000)
	p = 0.920
Income.composition.of.resources	44.229 (5.872)
	p = 0.000***
StatusDeveloping	−0.574 (1.015)
	p = 0.573
Schooling	−0.106 (0.270)
	p = 0.697
Constant	42.063 (2.718)
	p = 0.000***
Observations	139
R^2	0.862
Adjusted R^2	0.851
Residual Std. Error	3.444 (df = 128)
F Statistic	79.651*** (df = 10; 128)
Note:	*p<0.1; **p<0.05; ***p<0.01



Potential Final Model :

Table 2: Regression Summary

	Dependent variable:
	Life.expectancy
log10(GDP)	−0.201 (0.422)
	p = 0.634
HIV.AIDS	−1.372 (0.214)
	p = 0.000***
Income.composition.of.resources	42.946 (2.947)
	p = 0.000***
StatusDeveloping	−1.259 (0.853)
	p = 0.143
Constant	44.597 (2.177)
	p = 0.000***
Observations	154
R^2	0.860
Adjusted R^2	0.856
Residual Std. Error	3.326 (df = 149)
F Statistic	228.657*** (df = 4; 149)
Note:	*p<0.1; **p<0.05; ***p<0.01


Residuals vs Fitted
Residuals
10
0
−15
50
55
60
65
70
75
80
85
Fitted values
2057
50
2299
Normal Q−Q
Standardized residuals
2
−1
−4
−2
−1
0
1
2
Theoretical Quantiles
2057
50
2299
Scale−Location
√|Standardized residuals|
2.0
1.0
0.0
50
55
60
65
70
75
80
85
Fitted values
2299
50
2057
Residuals vs Leverage
Standardized residuals
0
−4
0.00
0.05
0.10
0.15
0.20
0.25
Leverage
2057
514
2299
Cook's distance
0.5
0.5
1