



Variance

Variance Formulas

Let's look at variance formulas.

The formula for the variance of a population is the mean of the squared differences from the mean, divided by the sample size

However, notice the slight difference for the variance formula for the sample. Notice that μ is replaced by Capital M, and then divided by the sample size minus 1. Remember the sample is just an estimate, so dividing by the sample size minus 1 gives a better estimate of variance of the larger population.