

LRM

Q10

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Two related measures of multicollinearity

- 1) VARIANCE INFLATION FACTOR
- 2) tolerance

Both can be reported in SPSS output

$$VIF = \frac{1}{\text{Tolerance}}$$

Conversely

$$\text{Tolerance} = \frac{1}{VIF}$$

NO FORMAL Threshold exists, but the following is accepted as a Rule of Thumb that is suitable in many occasions

- * $VIF > 5$
- * $\text{Tolerance} < 0.20$

Tolerances down to 0.333 (i.e. VIFs up to 3) are considered acceptable.

(Again : not formally defined)