List 09: logit/probit-regression

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Содержание

1 Fitting & coefficients' interpretation

1.1 approve equation #1 (probit)

For the dataset `loanapp` consider probit-regression **approve on appinc, mortno, unem, dep, male, married, yjob, self**

Specification: $P(approve = 1) = \Phi(\beta_0 + \beta_1 appinc + \beta_2 mortno + \beta_3 unem + \beta_4 dep + \beta_5 male + \beta_6 married + \beta_7 yjob + \beta_8 self)$

An alternative specification: $probit(P(approve = 1)) = \beta_0 + \beta_1 appinc + \beta_2 mortno + \beta_3 unem + \beta_4 dep + \beta_5 male + \beta_6 married + \beta_7 yjob + \beta_8 self$

Fit the model and report coefficinets. **Round the answer to 3 decimal places.**

The answer:

(Intercept)	appinc	mortno	unem	dep	male
1.142	-0.001	0.407	-0.031	-0.083	0.020
married	yjob	self			
0.221	-0.001	-0.158			

Give the interpretation of coefficients.

1.2 approve equation #2 (logit)

For the dataset `loanapp` consider logit-regression **approve on appinc, mortno, unem, dep, male, married, yjob, self**

Specification: $P(approve = 1) = \Lambda(\beta_0 + \beta_1 appinc + \beta_2 mortno + \beta_3 unem + \beta_4 dep + \beta_5 male + \beta_6 married + \beta_7 yjob + \beta_8 self)$

An alternative specification: $logit(P(approve = 1)) = \beta_0 + \beta_1 appinc + \beta_2 mortno + \beta_3 unem + \beta_4 dep + \beta_5 male + \beta_6 married + \beta_7 yjob + \beta_8 self$

Здесь $logit(P(approve = 1)) = \log \frac{P(approve=1)}{1-P(approve=1)} = \log \frac{P(approve=1)}{P(approve=0)}$

Fit the model and report coefficients. **Round the answer to 3 decimal places.**

The answer:

```
(Intercept)      appinc      mortno        unem         dep        male
      1.931      -0.001       0.787      -0.055      -0.161       0.030
    married        yjob        self
      0.425      -0.006      -0.280
```

Give the interpretation of coefficinets..

1.3 labour force equation #1 (probit)

For the dataset `TableF5-1` consider probit-regression **LFP on WA, WA^2, WE, KL6, K618, CIT, UN, log(FAMINC)**

Specification: $P(LFP = 1) = \Phi(\beta_0 + \beta_1 WA + \beta_2 WA^2 + \beta_3 WE + \beta_4 KL6 + \beta_5 K618 + \beta_5 CIT + \beta_7 UN + \beta_8 \log(FAMINC))$

An alternative specification: $probit(P(LFP = 1)) = \beta_0 + \beta_1 WA + \beta_2 WA^2 + \beta_3 WE + \beta_4 KL6 + \beta_5 K618 + \beta_5 CIT + \beta_7 UN + \beta_8 \log(FAMINC)$

Fit the model and report coefficinets. **Round the answer to 3 decimal places.**

The answer:

```
(Intercept)           WA      I(WA^2)           WE          KL6         K618
     -2.005        0.008       -0.001        0.109       -0.851       -0.063
        CIT           UN log(FAMINC)
     -0.128       -0.011        0.200
```

Give the interpretation of coefficients.

1.4 labour force equation #2 (logit)

For the dataset `TableF5-1` consider logit-regression **LFP on WA, WA^2, WE, KL6, K618, CIT, UN, log(FAMINC)**

Specification: $P(LFP = 1) = \Lambda(\beta_0 + \beta_1 WA + \beta_2 WA^2 + \beta_3 WE + \beta_4 KL6 + \beta_5 K618 + \beta_5 CIT + \beta_7 UN + \beta_8 \log(FAMINC))$

An alternative specification: $logit(P(LFP = 1)) = \beta_0 + \beta_1 WA + \beta_2 WA^2 + \beta_3 WE + \beta_4 KL6 + \beta_5 K618 + \beta_5 CIT + \beta_7 UN + \beta_8 \log(FAMINC)$

Здесь $logit(P(LFP = 1)) = \log \frac{P(LFP=1)}{1-P(LFP=1)} = \log \frac{P(LFP=1)}{P(LFP=0)}$

Fit the model and report coefficients. **Round the answer to 3 decimal places.**

The answer:

```
(Intercept)          WA     I(WA^2)          WE         KL6        K618
     -3.241       0.007      -0.001       0.180      -1.414      -0.104
        CIT          UN log(FAMINC)
     -0.217      -0.018       0.333
```

Give the interpretation of coefficinets..

2 z-test

2.1 approve equation #1 (probit)

For the dataset `loanapp` consider probit-regression **approve on appinc, mortno, unem, dep, male, married, yjob, self**

Fit the model and report the output result of z-test

The answer:

```
z test of coefficients:

            Estimate Std. Error z value Pr(>|z|)
(Intercept)   1.1418     0.1085 10.5241   <2e-16 ***
appinc       -0.0005     0.0004 -1.3564   0.1750
mortno        0.4071     0.0869  4.6840   <2e-16 ***
unem         -0.0308     0.0162 -1.8961   0.0579 .
dep          -0.0828     0.0352 -2.3558   0.0185 *
male          0.0200     0.0998  0.2002   0.8413
married       0.2208     0.0869  2.5394   0.0111 *
yjob         -0.0007     0.0345 -0.0202   0.9839
self         -0.1583     0.1073 -1.4751   0.1402
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

Significance level is 10%

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 1.645
```

Which coefficiants are significant? The answer

```
[1] "(Intercept)" "mortno"      "unem"        "dep"         "married"
```

2.2 approve equation #2 (logit)

For the dataset `loanapp` consider logit-regression **approve on appinc, mortno, unem, dep, male, married, yjob, self**

Fit the model and report the output result of z-test

The answer:

```
z test of coefficients:

            Estimate Std. Error z value Pr(>|z|)
(Intercept)   1.9315     0.1993  9.6891   <2e-16 ***
appinc       -0.0010     0.0007 -1.4717   0.1411
mortno        0.7868     0.1721  4.5714   <2e-16 ***
```

```
unem         -0.0549     0.0294 -1.8661   0.0620 .
dep          -0.1608     0.0647 -2.4861   0.0129 *
male          0.0300     0.1859  0.1612   0.8719
married       0.4246     0.1624  2.6145   0.0089 **
yjob         -0.0065     0.0651 -0.0993   0.9209
self         -0.2804     0.1967 -1.4257   0.1539
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

Significance level is 5%

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 1.96
```

Which coefficiants are significant? The answer

```
[1] "(Intercept)" "mortno"      "dep"         "married"
```

2.3 labour force equation #1 (probit)

For the dataset `TableF5-1` consider probit-regression **LFP on WA, WA^2, WE, KL6, K618, CIT, UN, log(FAMINC)**

Fit the model and report the output result of z-test

The answer:

```
z test of coefficients:

             Estimate Std. Error z value Pr(>|z|)
(Intercept)  -2.0046     1.7039 -1.1765   0.2394
WA            0.0076     0.0701  0.1087   0.9135
I(WA^2)      -0.0005     0.0008 -0.6554   0.5122
WE            0.1088     0.0241  4.5144   <2e-16 ***
KL6          -0.8513     0.1154 -7.3778   <2e-16 ***
K618         -0.0632     0.0417 -1.5157   0.1296
CIT          -0.1277     0.1070 -1.1932   0.2328
UN           -0.0106     0.0157 -0.6771   0.4983
log(FAMINC)   0.1996     0.1049  1.9021   0.0572 .
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

Significance level is 10%

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 1.645
```

Which coefficiants are significant? The answer

```
[1] "WE"          "KL6"         "log(FAMINC)"
```

2.4 labour force equation #2 (logit)

For the dataset `TableF5-1` consider logit-regression **LFP on WA, WA^2, WE, KL6, K618, CIT, UN, log(FAMINC)**

Fit the model and report the output result of z-test

The answer:

```
z test of coefficients:

            Estimate Std. Error z value Pr(>|z|)
(Intercept)  -3.2407     2.8337 -1.1436   0.2528
WA            0.0070     0.1159  0.0602   0.9520
I(WA^2)      -0.0008     0.0013 -0.6061   0.5444
WE            0.1800     0.0404  4.4535   <2e-16 ***
KL6          -1.4138     0.1987 -7.1152   <2e-16 ***
K618         -0.1042     0.0687 -1.5166   0.1294
CIT          -0.2165     0.1765 -1.2267   0.2199
UN           -0.0176     0.0258 -0.6812   0.4957
log(FAMINC)   0.3331     0.1729  1.9272   0.0540 .
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

Significance level is 5%

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 1.96
```

Which coefficiants are significant? The answer

```
[1] "WE"  "KL6"
```

3 LR-test: overall significance

3.1 approve equation #1 (probit)

For the dataset `loanapp` consider probit-regression **approve on appinc, unem, male, yjob, self**

Fit the model and test overall significance. Significance level is 10%.

Evaluate test statistics. **Round the answer to 3 decimal places.**

The answer:

```
[1] 8.573
```

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 9.236
```

Is the regression significant? The answer

```
[1] "Insignificant"
```

Which coefficinets are significante?

```
[1] "(Intercept)" "unem"
```

3.2 approve equation #2 (logit)

For the dataset `loanapp` consider logit-regression **approve on appinc, appinc^2, mortno, unem, dep, male, married, yjob, self**

Fit the model and test overall significance. Significance level is 5%.

Evaluate test statistics. **Round the answer to 3 decimal places.**

The answer:

```
[1] 48.496
```

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 16.919
```

Is regression significant? The answer

```
[1] "Significant"
```

Which coefficinets are significante?

```
[1] "(Intercept)" "I(appinc^2)" "mortno"      "dep"         "married"
```

3.3 labour force equation #1 (probit)

For the dataset `TableF5-1` consider a collection of probit-regression. Fitting results

	Dependent variable			
	LFP			
	(1)	(2)	(3)	(4)
WA	0.0076	0.1084*	0.1297**	
	(0.0701)	(0.0635)	(0.0630)	
I(WA2)	-0.0005	-0.0014*	-0.0016**	
	(0.0008)	(0.0007)	(0.0007)	
WE	0.1088***			
	(0.0241)			
KL6	-0.8513***			
	(0.1154)			
K618	-0.0632			
	(0.0417)			
CIT	-0.1277	-0.1026	0.0053	-0.0024
	(0.1070)	(0.1029)	(0.0983)	(0.0975)
UN	-0.0106	-0.0101	-0.0102	-0.0115
	(0.0157)	(0.0152)	(0.0151)	(0.0150)
log(FAMINC)	0.1996*	0.3621***		
	(0.1049)	(0.0957)		
Constant	-2.0046	-5.2365***	-2.1745	0.2733*
	(1.7039)	(1.5600)	(1.3281)	(0.1410)
Observations	753	753	753	753
Log Likelihood	-462.3402	-502.2236	-509.6532	-514.5631
Akaike Inf. Crit.	942.6804	1016.4470	1029.3060	1035.1260

```
Note:                              *p<0.1; **p<0.05; ***p<0.01
```

For each regression evauate LR-statistics for overall significance. **Round the answer to 3 decimal places.**

The answer

```
==================
Regression LR.stat
------------------
1          105.066
2          25.299
3          10.440
4           0.620
------------------
```

For each regression evaluate necessary critical value. Significance level is 10%. **Round the answer to 3 decimal places.**

The answer

```
====================
Regression Critical
--------------------
1           13.362
2           9.236
3           7.779
4           4.605
--------------------
```

Which regression is significant?

```
========================
Regression Significance
------------------------
1           Significant
2           Significant
3           Significant
4          Insignificant
------------------------
```

3.4 labour force equation #2 (logit)

For the dataset `TableF5-1` consider a collection of logit-regressions. fitting results

```
============================================================
                            Dependent variable
                    ---------------------------------------
                                    LFP
                       (1)         (2)         (3)         (4)
------------------------------------------------------------
WA                    0.0070
                     (0.1159)

I(WA2)               -0.0008
```

```
                    (0.0013)

WE                 0.1800***  0.2028***
                    (0.0404)   (0.0396)

KL6                -1.4138*** -1.0154*** -0.8645***
                    (0.1987)   (0.1646)   (0.1585)

K618                -0.1042     0.0509     0.0288    -0.0031
                    (0.0687)   (0.0594)   (0.0581)  (0.0558)

CIT                 -0.2165    -0.2753    -0.2200    -0.0043
                    (0.1765)   (0.1726)   (0.1691)  (0.1564)

UN                  -0.0176    -0.0287    -0.0196    -0.0185
                    (0.0258)   (0.0254)   (0.0248)  (0.0240)

log(FAMINC)         0.3331*    0.2808*   0.5829***
                    (0.1729)   (0.1683)   (0.1580)

Constant            -3.2407   -4.3882*** -5.0277***  0.4420*
                    (2.8337)   (1.5718)   (1.5542)  (0.2383)

-----------------------------------------------------------
Observations          753        753        753        753
Log Likelihood    -462.2363  -475.6736  -489.7908  -514.5605
Akaike Inf. Crit.  942.4726   965.3473   991.5816  1037.1210
===========================================================
Note:                              *p<0.1; **p<0.05; ***p<0.01
```

For each regression evauate LR-statistics for overall significance. **Round the answer to 3 decimal places.**

The answer

```
==================
Regression LR.stat
------------------
1          105.274
2          78.399
3          50.165
4           0.625
------------------
```

For each regression evaluate necessary critical value. Significance level is 5%. **Round the answer to 3 decimal places.**

The answer

```
====================
Regression Critical
--------------------
1           15.507
2           12.592
3           11.070
4           7.815
--------------------
```

Which regression is significant?

```
========================
Regression Significance
------------------------
1           Significant
2           Significant
3           Significant
4         Insignificant
------------------------
```

4 Wald-test: joint significance

4.1 swiss labour force equation #1

For the dataset `SwissLabour` consider logit-regression **participation on income, income^2, age, age^2, youngkids, oldkids, foreign**

Fitting result

```
MODEL INFO:
Observations: 872
Dependent Variable: as.numeric(participation) - 1
Type: Generalized linear model
  Family: binomial
  Link function: logit

MODEL FIT:
χ²(7) = 185.1659, p = 0.0000
Pseudo-R² (Cragg-Uhler) = 0.2556
Pseudo-R² (McFadden) = 0.1539
AIC = 1034.0575, BIC = 1072.2238

Standard errors:MLE
```

	Est.	S.E.	z val.	p	VIF
(Intercept)	-9.4763	17.2451	-0.5495	0.5827	
income	1.8753	3.2660	0.5742	0.5658	276.5677
I(income^2)	-0.1377	0.1552	-0.8875	0.3748	276.4963
age	3.4025	0.6866	4.9553	0.0000	83.0214
I(age^2)	-0.4846	0.0851	-5.6916	0.0000	83.3744
youngkids	-1.1813	0.1723	-6.8578	0.0000	1.5869
oldkids	-0.2471	0.0843	-2.9321	0.0034	1.4726
foreignyes	1.0728	0.1870	5.7371	0.0000	1.0847

Fit the model and test the following hypothesis with Wlad test (use χ^2-statistics). Significance level is 5%.

4.1.1 Hypothesis 1

Test the significance of income, i.e. test the hypothesis $H_0 : \beta_{income} = \beta_{income^2} = 0$.

Evaluate test statistics and its P-value.

```
==================
Chisq  Pr(> Chisq)
------------------
24.441   0.00000
------------------
```

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 5.991
```

Conclusion

```
[1] "Significant"
```

4.1.2 Hypothesis 2

Test the significence of the numter of kids, i.e. the hypothesis $H_0 : \beta_{youngkids} = \beta_{oldkids} = 0$.

Evaluate test statistics and its P-value.

```
==================
Chisq  Pr(> Chisq)
------------------
48.420      0
------------------
```

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 5.991
```

Conclusion

```
[1] "Significant"
```

4.1.3 Hypothesis 3

Test the significence of age, i.e. the hypothesis $H_0 : \beta_{age} = \beta_{age^2} = 0$.

Evaluate test statistics and its P-value.

```
==================
Chisq  Pr(> Chisq)
------------------
58.911      0
------------------
```

Evaluate critical value. **Round the answer to 3 decimal places.**

```
[1] 5.991
```

Conclusion

```
[1] "Significant"
```