

Unit 4: Regression and Prediction

5. Model Selection

(Chapter 6.2)

11/27/2017

Quiz 9 Regression and refresher

Recap from last time

1. In multiple regression, every variable is conditional on every other variable
2. For inference, we care about both the whole model and the individual variables
3. We use adjusted R^2 to account to penalize additional variables

Key ideas

1. For many real-world problems, lots of variables contribute a little bit
2. All of these variables affect all of the other variables in your regression model
3. Stepwise approaches try to correct for this, but there is no “one true way”

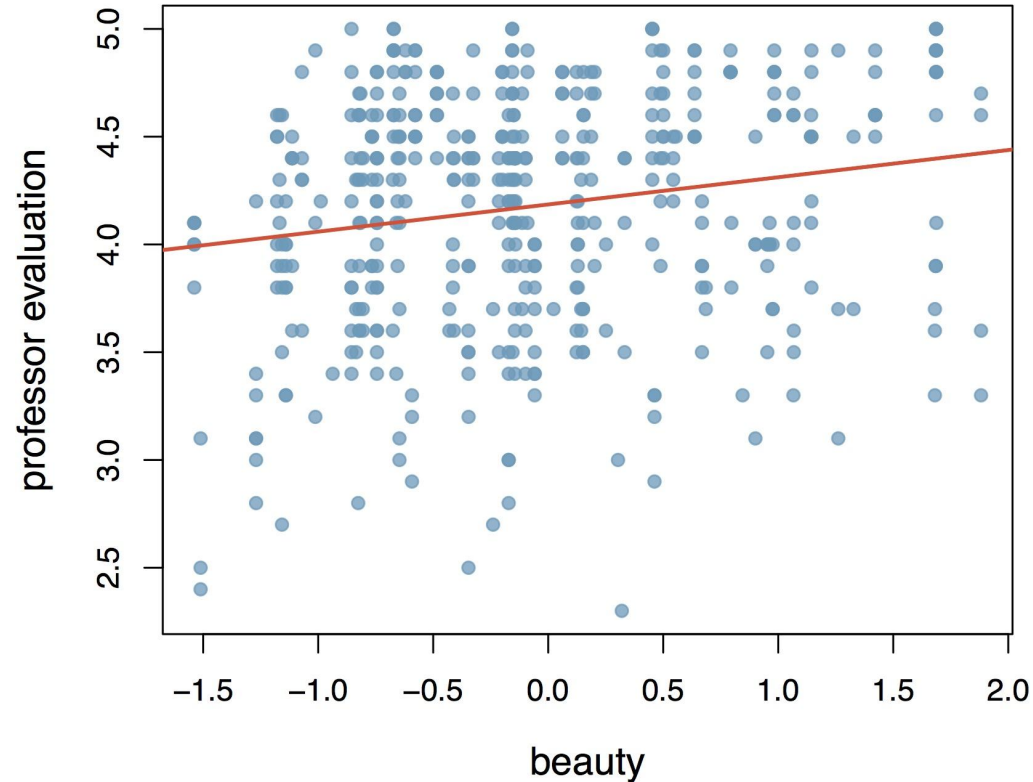
How we judge our professors

Data: Student evaluations of instructors' beauty and teaching quality for 463 courses at the University of Texas.

Evaluations conducted at the end of semester. Also judgments of the professors "beauty" made later, by six students who had not attended the classes and were not aware of the course evaluations (2 upper level females, 2 upper level males, one lower level female, one lower level male)

Hamermesh & Parker (2004). Beauty in the classroom: instructors' pulchritude and putative pedagogical productivity. *Economics Education Review*,

Predicting professor evaluation



Practice Question 1: Understanding regression models

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	4.19	0.03	167.24	0.00
beauty	0.13	0.03	4.00	0.00

$R^2 = 0.0336$

Which of these correctly describes the model output?

- (a) The model predicts 3.36% of professor ratings correctly
- (b) Beauty is not a significant predictor of professor evaluation
- (c) Professors who score 1 point above average in their beauty score tend to also score 0.13 points higher in their evaluation.
- (d) 3.36% of variability in beauty scores can be explained by professor evaluation.

Practice Question 1: Understanding regression models

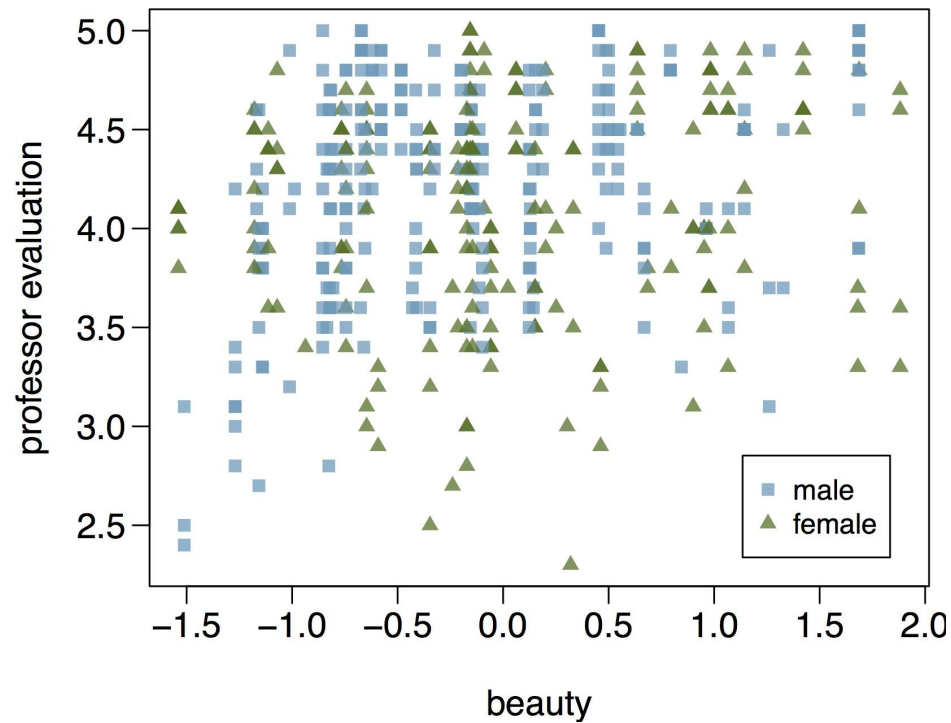
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Adding a second variable



For a given beauty score, are males rated higher or lower?

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	4.09	0.04	107.85	0.00
beauty	0.14	0.03	4.44	0.00
gender.male	0.17	0.05	3.38	0.00

$R^2_{adj} = 0.057$

- (a) higher
- (b) lower
- (c) about the same

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- (a) **higher! Holding beauty constant, men are rated .17 points higher**
- (b) lower
- (c) about the same

Let's look at the full model

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	4.6282	0.1720	26.90	0.00
beauty	0.1080	0.0329	3.28	0.00
gender.male	0.2040	0.0528	3.87	0.00
age	-0.0089	0.0032	-2.75	0.01
formal.yes ¹	0.1511	0.0749	2.02	0.04
lower.yes ²	0.0582	0.0553	1.05	0.29
native.non english	-0.2158	0.1147	-1.88	0.06
minority.yes	-0.0707	0.0763	-0.93	0.35
students ³	-0.0004	0.0004	-1.03	0.30
tenure.tenure track ⁴	-0.1933	0.0847	-2.28	0.02
tenure.tenured	-0.1574	0.0656	-2.40	0.02

¹ formal: picture wearing tie&jacket/blouse, levels: yes, no

² lower: lower division course, levels: yes, no

³ students: number of students

⁴ tenure: tenure status, levels: non-tenure track, tenure track, tenured

Testing Hypotheses

Just as the interpretation of the slope parameters take into account all other variables in the model, the hypotheses for testing for significance of a predictor also takes into account all other variables.

$H_0: \beta_i = 0$ when other predictors are included in the model

$H_A: \beta_i \neq 0$ when other predictors are included in the model

Practice Question 2: Assessing significance of numerical variables

	Estimate	Std. Error	t value	Pr(> t)
...				
age	-0.0089	0.0032	-2.75	0.01
...				

Which of these correctly describes the model output?

- (a) Since p-value is positive, higher the professor's age, the higher we would expect them to be rated.
- (b) If we keep all other variables in the model, there is strong evidence that professor's age is associated with their rating.
- (c) Probability that the true slope parameter for age is 0 is 0.01.
- (d) There is about 1% chance that the true slope parameter for age is -0.0089.

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Practice Question 3: Assessing significance of categorical variables

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tenure.tenure track	-0.1933	0.0847	-2.28	0.02
tenure.tenured	-0.1574	0.0656	-2.40	0.02

Which of these descriptions of the model output is false?

- (a) The reference level is non tenure track.
- (b) All else being equal, tenure track professors are rated, on average, 0.19 points lower than non-tenure track professors.
- (c) All else being equal, tenured professors are rated, on average, 0.16 points lower than non-tenure track professors.
- (d) All else being equal, there is a significant difference between the average ratings of tenure track and tenured professors.

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Which explanatory variables do not look like reliable predictors?

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Two approaches to model selection

1. **Forward-selection with some criterion (e.g. p-value or R^2 adjusted):**
 - a. Start with regressions of response vs. each explanatory variable
 - b. Pick the model with the highest R^2_{adj}
 - c. Add the remaining variables one at a time to the existing model, and once again pick the model with the highest R^2_{adj}
 - d. Repeat until no remaining variables increase R^2_{adj}
2. **Backward-selection with some criterion (e.g. p-value or R^2 adjusted):**
 - a. Start with the full model
 - b. Drop one variable at a time and record R^2_{adj} of each smaller model
 - c. Pick the model with the highest increase in R^2_{adj}
 - d. Repeat until none of the models yield an increase in R^2_{adj}

Key ideas

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2. All of these variables affect all of the other variables in your regression model
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