SMML Class 5 Lab

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Use Income 2.csv data with Income as the response variable.

```
inc <-read.csv("~/UMD/classes/stat_mod_ML_1_SURV615/class_3/Income2.csv")</pre>
```

- 1. Consider the following three linear regression models (with an intercept). Interpret the coefficient estimates from each model. How do coefficients from models A and B compare to the ones from model C?
- A. Income \sim Education For every one year attained education, income is expected to increase by 6.4. When Education equals 0, we expect the average income to be -41.9
- B. Income \sim Seniority For every one year increase in seniority, income is expected to increase by .3. When Seniority equals 0, we expect the average income to be 39.2.
- C. Income ~ Education + Seniority The coefficient on education from model A is slightly higher than model C, by about .50 income. The coefficient on seniority from model B is slightly lower than model C, by about .08 income. The intercept in Model C is lower than both models A and B. F test, null predictors = to each other and = 0. In one variable, compares predictor with intercept only.

```
m_edu <- lm(Income ~ Education, inc)
summary(m_edu)</pre>
```

```
##
## Call:
## lm(formula = Income ~ Education, data = inc)
## Residuals:
##
       Min
                    Median
                 10
                                 30
                                        Max
## -19.568 -8.012
                      1.474
                                     23.701
                              5.754
##
## Coefficients:
               Estimate Std. Error t value
                                                    Pr(>|t|)
## (Intercept) -41.9166
                             9.7689
                                     -4.291
                                                    0.000192 ***
## Education
                 6.3872
                             0.5812 10.990 0.0000000000115 ***
```

```
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 11.93 on 28 degrees of freedom
## Multiple R-squared: 0.8118, Adjusted R-squared: 0.8051
## F-statistic: 120.8 on 1 and 28 DF, p-value: 0.0000000001151
m_sen <- lm(Income ~ Seniority, inc)</pre>
summary(m_sen)
##
## Call:
## lm(formula = Income ~ Seniority, data = inc)
##
## Residuals:
##
                1Q Median
                                3Q
      Min
                                       Max
## -44.764 -20.232
                    7.925 20.686
                                   34.622
##
## Coefficients:
               Estimate Std. Error t value Pr(>|t|)
##
## (Intercept) 39.15833
                                     4.598 0.0000831 ***
                          8.51594
## Seniority
               0.25129
                           0.07836
                                     3.207
                                            0.00335 **
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 23.51 on 28 degrees of freedom
## Multiple R-squared: 0.2686, Adjusted R-squared: 0.2425
## F-statistic: 10.28 on 1 and 28 DF, p-value: 0.003347
m_both <- lm(Income ~ Education + Seniority, inc)</pre>
summary(m both)
##
## Call:
## lm(formula = Income ~ Education + Seniority, data = inc)
##
## Residuals:
      Min
             1Q Median
                            3Q
                                  Max
## -9.113 -5.718 -1.095 3.134 17.235
##
## Coefficients:
##
                Estimate Std. Error t value
                                                       Pr(>|t|)
## (Intercept) -50.08564
                            5.99878 -8.349 0.00000000585041523 ***
## Education
                           0.35703 16.513 0.00000000000000123 ***
                 5.89556
## Seniority
                           0.02442 7.079 0.00000013048839074 ***
                 0.17286
## ---
```

```
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 7.187 on 27 degrees of freedom
## Multiple R-squared: 0.9341, Adjusted R-squared: 0.9292
## F-statistic: 191.4 on 2 and 27 DF, p-value: < 0.00000000000000022</pre>
```

- 2. Compute the residual, $\hat{\epsilon}_i$, from a simple linear regression model Education Seniority. Regress Income on this residual (i.e., fit a model with Income as your outcome and the residuals you calculated as the predictor. What is the estimated slope coefficient? How does this compare to the coefficient estimate from the model #1.C? Given this, what is the meaning of this residual?
 - The estimated slope of the residual is 1, which is almost 2 units higher than model C.
 - Meaning,

```
inc <- inc |> mutate(res = resid(m_both))

m_resid <- lm(Income ~ res, inc)
summary(m_resid)</pre>
```

```
##
## Call:
## lm(formula = Income ~ res, data = inc)
## Residuals:
##
      Min
               1Q Median
                               3Q
                                      Max
                    6.222 21.709 39.539
## -45.832 -23.979
##
## Coefficients:
              Estimate Std. Error t value
                                                  Pr(>|t|)
                           4.8510 12.934 0.000000000000249 ***
## (Intercept) 62.7447
## res
                1.0000
                           0.7115
                                    1.405
                                                      0.171
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 26.57 on 28 degrees of freedom
## Multiple R-squared: 0.0659, Adjusted R-squared: 0.03254
## F-statistic: 1.975 on 1 and 28 DF, p-value: 0.1709
```

NOTE. Useful functions related to 1m

```
summary(m_both)
```

```
##
## Call:
## lm(formula = Income ~ Education + Seniority, data = inc)
## Residuals:
     Min
##
             1Q Median
                           30
                                 Max
## -9.113 -5.718 -1.095 3.134 17.235
##
## Coefficients:
##
               Estimate Std. Error t value
                                                      Pr(>|t|)
## (Intercept) -50.08564
                           5.99878 -8.349 0.00000000585041523 ***
## Education
                5.89556
                           0.35703 16.513 0.00000000000000123 ***
## Seniority
                0.17286
                           0.02442 7.079 0.00000013048839074 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 7.187 on 27 degrees of freedom
## Multiple R-squared: 0.9341, Adjusted R-squared: 0.9292
## F-statistic: 191.4 on 2 and 27 DF, p-value: < 0.00000000000000022
summary.lm(m both)
##
## Call:
## lm(formula = Income ~ Education + Seniority, data = inc)
##
## Residuals:
##
     Min
             1Q Median
                           3Q
## -9.113 -5.718 -1.095 3.134 17.235
##
## Coefficients:
               Estimate Std. Error t value
                                                      Pr(>|t|)
## (Intercept) -50.08564 5.99878 -8.349 0.00000000585041523 ***
## Education
                5.89556
                           0.35703 16.513 0.00000000000000123 ***
## Seniority
                0.17286
                           0.02442 7.079 0.00000013048839074 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 7.187 on 27 degrees of freedom
## Multiple R-squared: 0.9341, Adjusted R-squared: 0.9292
## F-statistic: 191.4 on 2 and 27 DF, p-value: < 0.00000000000000022
library(faraway)
sumary(m_both) # sumary() is from faraway package
##
                Estimate Std. Error t value
                                                       Pr(>|t|)
```

```
5.998779 -8.3493 0.00000000585041523
## (Intercept) -50.085639
                             0.357031 16.5127 0.00000000000000123
## Education
                  5.895556
## Seniority
                  0.172855
                             0.024419 7.0788 0.00000013048839074
##
## n = 30, p = 3, Residual SE = 7.18663, R-Squared = 0.93
coef(m both)
## (Intercept)
                  Education
                               Seniority
## -50.0856388
                  5.8955560
                               0.1728555
m both$coefficients
## (Intercept)
                  Education
                               Seniority
## -50.0856388
                  5.8955560
                               0.1728555
summary(m_both)$coeff
##
                   Estimate Std. Error
                                          t value
                                                                   Pr(>|t|)
## (Intercept) -50.0856388 5.99877911 -8.349305 0.000000005850415225629
## Education
                  5.8955560 0.35703114 16.512722 0.00000000000001230258
## Seniority
                  0.1728555 0.02441884 7.078775 0.000000130488390739419
vcov(m both)
                (Intercept)
##
                               Education
                                              Seniority
## (Intercept) 35.98535084 -1.929595470 -0.0281797521
## Education
                -1.92959547 0.127471232 -0.0016958342
## Seniority
               -0.02817975 -0.001695834 0.0005962796
fitted(m both)
##
                      2
                                 3
                                           4
                                                      5
                                                                           7
           1
                                                                 6
                                                                                      8
              78.28417
                                   82.76741
                                              70.87600
                                                                    93.40682
##
    96.72760
                         38.47238
                                                         62.19073
                                                                              88.92358
##
                     10
                                          12
                                                               14
                                                                                     16
                                11
                                                     13
                                                                          15
                                    85.01530
                                              22.08519
##
    85.11740
              28.42047
                         39.64737
                                                         64.23443
                                                                    41.29522
                                                                              86.19029
                                                               22
##
          17
                     18
                                19
                                          20
                                                     21
                                                                          23
                                                                                     24
##
    36.72243
              55.65126
                         78.18208 102.28373
                                              75.06549
                                                         59.54700
                                                                    69.11351
                                                                              16.91236
##
          25
                     26
                                27
                                          28
                                                     29
                                                               30
    80.63416
              23.93724
                         96.62550
                                    28.52257
                                              26.67052
                                                         68.81976
m both fitted. values
                      2
                                 3
                                                                           7
##
           1
                                           4
                                                      5
                                                                 6
                                                                                      8
    96.72760
                                   82.76741
                                              70.87600
                                                                    93.40682
##
              78.28417
                         38.47238
                                                         62.19073
                                                                              88.92358
##
                     10
                                11
                                          12
                                                     13
                                                               14
                                                                          15
                                                                                     16
##
    85.11740
              28.42047
                         39.64737
                                    85.01530
                                              22.08519
                                                         64.23443
                                                                    41.29522
                                                                              86.19029
##
                                                               22
          17
                     18
                                19
                                          20
                                                     21
                                                                          23
                                                                                     24
              55.65126
                         78.18208 102.28373
                                              75.06549
                                                         59.54700
##
    36.72243
                                                                    69.11351
                                                                              16.91236
```

```
##
          25
                    26
                              27
                                        28
                                                  29
## 80.63416 23.93724 96.62550 28.52257 26.67052 68.81976
predict(m both)
##
                               3
                                         4
                                                   5
                                                             6
                                                                       7
   96.72760
             78.28417
                       38.47238
                                 82.76741
                                           70.87600 62.19073
                                                                93.40682
##
                    10
                                        12
                                                  13
                                                            14
                                                                      15
                              11
                                            22.08519
##
   85.11740
             28.42047
                        39.64737
                                  85.01530
                                                      64.23443
                                                                41.29522
                                                                          86.19029
##
          17
                    18
                              19
                                        20
                                                  21
                                                            22
                                                                      23
   36.72243 55.65126 78.18208 102.28373
                                            75.06549
                                                      59.54700
                                                                69.11351
##
          25
                    26
                              27
                                        28
                                                  29
                                                            30
   80.63416 23.93724 96.62550 28.52257
                                            26.67052 68.81976
residuals(m both)
##
                                             4
## 3.1895710 14.2949604 -3.7936533 -4.0646032 -2.8660781 9.3137512 -5.4363491
           8
                       9
                                 10
                                            11
                                                       12
                                                                  13
              4.8889307 17.2350590 -7.7335660 11.2676979 5.8973131 2.3673636
## -9.1125513
##
           15
                      16
                                 17
                                            18
                                                       19
                                                                  20
                                                                             21
## 0.2367697
              2.8104084 -7.9061335 2.0304336 -8.0769810 -3.4497211 -0.3607872
##
           22
                      23
                                 24
                                            25
                                                       26
## -6.0148933
              2.9654141
                         1.6583024 -1.8283771 -2.5486742 -5.8114691 -5.8864053
           29
                      30
##
## -9.0569312 5.7911990
m both$residuals
##
                       2
                                  3
                                             4
                                                        5
                                                                   6
## 3.1895710 14.2949604 -3.7936533 -4.0646032 -2.8660781 9.3137512 -5.4363491
                       9
                                 10
                                            11
                                                       12
                                                                  13
## -9.1125513 4.8889307 17.2350590 -7.7335660 11.2676979 5.8973131 2.3673636
##
           15
                      16
                                 17
                                            18
                                                       19
                                                                  20
                                                                             21
              2.8104084 -7.9061335 2.0304336 -8.0769810 -3.4497211 -0.3607872
## 0.2367697
           22
                                 24
                                            25
                                                       26
##
                      23
                                                                  27
                                                                             28
              2.9654141
                         1.6583024 -1.8283771 -2.5486742 -5.8114691 -5.8864053
## -6.0148933
           29
## -9.0569312 5.7911990
summary(m both)$resid
                       2
##
                                  3
                                                                              7
                                             4
                                                        5
                                                                   6
## 3.1895710 14.2949604 -3.7936533 -4.0646032 -2.8660781 9.3137512 -5.4363491
                       9
                                                       12
                                 10
                                            11
                                                                  13
## -9.1125513 4.8889307 17.2350590 -7.7335660 11.2676979 5.8973131 2.3673636
##
                      16
                                 17
                                            18
                                                       19
                                                                  20
                                                                             21
           15
## 0.2367697 2.8104084 -7.9061335 2.0304336 -8.0769810 -3.4497211 -0.3607872
```

```
##
          22
                     23
                                24
                                           25
                                                       26
                                                                  27
## -6.0148933
              2.9654141
                        1.6583024 -1.8283771 -2.5486742 -5.8114691 -5.8864053
##
          29
                      30
## -9.0569312 5.7911990
anova(m both)
## Analysis of Variance Table
##
## Response: Income
                Sum Sq Mean Sq F value
                                                       Pr(>F)
## Education 1 17179.3 17179.3 332.625 < 0.00000000000000002 ***
## Seniority 1 2588.0 2588.0 50.109
                                                0.000001305 ***
## Residuals 27 1394.5
                          51.6
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
aov(m_both)
## Call:
##
     aov(formula = m both)
##
## Terms:
##
                  Education Seniority Residuals
## Sum of Squares 17179.303 2588.018 1394.488
## Deg. of Freedom
                           1
                                     1
                                              27
##
## Residual standard error: 7.186634
## Estimated effects may be unbalanced
deviance(m_both) # -2 loglik
## [1] 1394.488
sum((inc$Income-predict(m both))^2)
## [1] 1394.488
summary(m both)$fstatistic
##
     value
              numdf
                       dendf
## 191.3669
             2,0000 27,0000
df.residual(m both)
## [1] 27
summary(m_both)$df
## [1] 3 27 3
```

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```
summary(m both)$r.squared
## [1] 0.9341035
summary(m both)$adj.r.squared
## [1] 0.9292223
3. Focus on the multiple linear regression model in #1.C. Examine the output.
summary(m both)
##
## Call:
## lm(formula = Income ~ Education + Seniority, data = inc)
##
## Residuals:
##
      Min
              1Q Median
                             3Q
                                   Max
## -9.113 -5.718 -1.095 3.134 17.235
##
## Coefficients:
##
                Estimate Std. Error t value
                                                         Pr(>|t|)
## (Intercept) -50.08564
                            5.99878 -8.349 0.00000000585041523 ***
## Education
                 5.89556
                             0.35703 16.513 0.00000000000000123 ***
                             0.02442 7.079 0.00000013048839074 ***
## Seniority
                 0.17286
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 7.187 on 27 degrees of freedom
## Multiple R-squared: 0.9341, Adjusted R-squared: 0.9292
## F-statistic: 191.4 on 2 and 27 DF, p-value: < 0.00000000000000022
A. Use the code below to calculate t-values and p-values of the slope coefficients "by hand"?
What do they allow you to do? Do they match what you get from summary(m_both)?
df both<-df.residual(m both)</pre>
t edu<-coef(m both)[2]/sqrt(vcov(m both)[2,2])
t_edu
## Education
## 16.51272
p edu<-2*pt(-abs(t edu),df both)</pre>
p_edu
```

Education

##

```
## 0.0000000000001230258
t sen<-coef(m both)[3]/sqrt(vcov(m both)[3,3])
t_sen
## Seniority
## 7.078775
p sen<-2*pt(-abs(t sen), df both)</pre>
p_sen
##
        Seniority
## 0.000001304884
summary(m both)
##
## Call:
## lm(formula = Income ~ Education + Seniority, data = inc)
##
## Residuals:
     Min
              1Q Median
                            30
## -9.113 -5.718 -1.095 3.134 17.235
## Coefficients:
               Estimate Std. Error t value
                                                       Pr(>|t|)
## (Intercept) -50.08564
                           5.99878 -8.349 0.00000000585041523 ***
               5.89556
                           0.35703 16.513 0.00000000000000123 ***
## Education
                0.17286
                            0.02442 7.079 0.00000013048839074 ***
## Seniority
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 7.187 on 27 degrees of freedom
## Multiple R-squared: 0.9341, Adjusted R-squared: 0.9292
## F-statistic: 191.4 on 2 and 27 DF, p-value: < 0.00000000000000022
B. Construct 95% confidence interval of \beta_1.
confint(m_both, 'Education', level=0.95)
                2.5 %
                        97.5 %
## Education 5.162989 6.628123
```

C. How are the residual standard error and its degrees of freedom computed?

• We know
$$\hat{\sigma} = \sqrt{\frac{RSS}{df}}$$
.

```
# computes RSS
sqrt(deviance(m both)/df.residual(m both))
## [1] 7.186634
summary(m_both)$sigma
## [1] 7.186634
D. How is R^2 calculated? How about adjusted R^2? What do they mean?
  • From lecture note p. 54, R^2 = \frac{SS_{Reg}}{SS_V} = 1 - \frac{RSS}{SS_V} and R_{adj}^2 = 1 - \frac{(1 - R^2)(n - 1)}{n - p}
1 - (sum(inc$res) /
        ( sum( (inc$Income - mean(inc$Income) )^2))
## [1] 1
E. What is the F-statistic here? How is this computed? What does it mean?
  • From lecture note p. 49, F = \frac{(SS_Y - RSS)/(p-1)}{RSS/(n-p)}
anova(m_both)
## Analysis of Variance Table
##
## Response: Income
                 Sum Sq Mean Sq F value
                                                             Pr(>F)
## Education 1 17179.3 17179.3 332.625 < 0.000000000000000022 ***
## Seniority 1
                  2588.0 2588.0 50.109
                                                      0.000001305 ***
## Residuals 27 1394.5
                             51.6
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
F_both < ((sum(anova(m_both)[,2])-anova(m_both)[3,2])/(3-1))/
  (anova(m_both)[3,2]/df.residual(m_both))
F_both
## [1] 191.3669
summary(m both)
##
## Call:
## lm(formula = Income ~ Education + Seniority, data = inc)
##
## Residuals:
      Min
               1Q Median
                              3Q
##
                                     Max
```

```
## -9.113 -5.718 -1.095 3.134 17.235
##
## Coefficients:
##
                                                        Pr(>|t|)
                Estimate Std. Error t value
## (Intercept) -50.08564
                                     -8.349 0.00000000585041523 ***
                            5.99878
                            0.35703 16.513 0.00000000000000123 ***
## Education
                 5.89556
                                     7.079 0.00000013048839074 ***
## Seniority
                 0.17286
                            0.02442
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 7.187 on 27 degrees of freedom
## Multiple R-squared: 0.9341, Adjusted R-squared: 0.9292
## F-statistic: 191.4 on 2 and 27 DF, p-value: < 0.0000000000000022
F. What does the anova table tell us? -
anova(m both)
## Analysis of Variance Table
##
## Response: Income
                 Sum Sq Mean Sq F value
                                                        Pr(>F)
##
             Df
## Education 1 17179.3 17179.3 332.625 < 0.000000000000000022 ***
## Seniority 1
                 2588.0
                         2588.0 50.109
                                                  0.000001305 ***
## Residuals 27
                 1394.5
                            51.6
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
4. Test the following for the multiple regression model in #1.3.
  A. Are the effects of Education and Seniority the same? I.e., H_0: \beta_1 = \beta_2. What do you
    think the I() in the formula is doing?
m_both1<-lm(Income~I(Education+Seniority), inc)</pre>
summary(m both1)
##
## Call:
## lm(formula = Income ~ I(Education + Seniority), data = inc)
##
## Residuals:
       Min
##
                1Q Median
                                 3Q
                                        Max
## -45.024 -20.053
                    7.381 19.147
                                    34.781
## Coefficients:
##
                            Estimate Std. Error t value Pr(>|t|)
## (Intercept)
                            32.68707
                                         9.14653
                                                   3.574 0.001301 **
```

```
## I(Education + Seniority) 0.27264 0.07407 3.681 0.000982 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## Residual standard error: 22.57 on 28 degrees of freedom
## Multiple R-squared: 0.3261, Adjusted R-squared: 0.302
## F-statistic: 13.55 on 1 and 28 DF, p-value: 0.0009818
anova(m_both1)
## Analysis of Variance Table
##
## Response: Income
##
                            Df Sum Sq Mean Sq F value
                                                          Pr(>F)
## I(Education + Seniority) 1 6900.8 6900.8 13.549 0.0009818 ***
## Residuals
                            28 14261.0
                                         509.3
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
anova(m both1,m both)
## Analysis of Variance Table
##
## Model 1: Income ~ I(Education + Seniority)
## Model 2: Income ~ Education + Seniority
    Res.Df
                RSS Df Sum of Sq
                                                      Pr(>F)
## 1
        28 14261.0
## 2
        27 1394.5 1
                           12867 249.12 0.00000000000003728 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
B. Is the slope of Education 6? I.e., H_0: \beta_1 = 6. What do you think the offset() function in
the formula is doing?
m_both2<-lm(Income~offset(6*Education)+Seniority, inc)</pre>
summary(m both2)
##
## Call:
## lm(formula = Income ~ offset(6 * Education) + Seniority, data = inc)
##
## Residuals:
      Min
             1Q Median
                            3Q
## -9.629 -5.657 -1.314 2.810 17.929
## Coefficients:
##
                Estimate Std. Error t value
                                                       Pr(>|t|)
```

```
## Residual standard error: 7.068 on 28 degrees of freedom
## Multiple R-squared: 0.6542, Adjusted R-squared: 0.6419
## F-statistic: 52.98 on 1 and 28 DF, p-value: 0.00000006346
anova(m both2)
## Analysis of Variance Table
## Response: Income
             Df Sum Sq Mean Sq F value
## Seniority 1 2646.7 2646.72 52.976 0.00000006346 ***
## Residuals 28 1398.9
                          49.96
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
anova(m both2,m both)
## Analysis of Variance Table
##
## Model 1: Income ~ offset(6 * Education) + Seniority
## Model 2: Income ~ Education + Seniority
     Res.Df
               RSS Df Sum of Sq
         28 1398.9
## 1
         27 1394.5 1
                          4.4198 0.0856 0.7721
## 2
5. Is Income ~ Education + Seniority better than Income ~ Education? Use the
code below to justify your answer.
  • We can examine this with R^2, R^2_{adj}, MSE and General F-test.
  • From lecture note p. 51 and 54, General F = \frac{(RSS_{Reduced} - RSS_{Full})/(p-q)}{RSS_{Full}/(n-p)} evaluated
    against F_{n-n}^{p-q}.
summary(m edu)$r.squared; summary(m both)$r.squared
## [1] 0.8118069
## [1] 0.9341035
summary(m edu)$adj.r.squared; summary(m both)$adj.r.squared
## [1] 0.8050857
## [1] 0.9292223
```

2.56024 -20.180 < 0.0000000000000000 ***

0.000000635 ***

7.278

(Intercept) -51.66666

0.17147

0.02356

Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1

Seniority

```
summary(m_edu)$sigma^2; summary(m_both)$sigma^2
## [1] 142.2324
## [1] 51.64771
GenF<-((deviance(m_edu)-deviance(m_both))/(3-2))/</pre>
  (deviance(m_both)/df.residual(m_both))
GenF
## [1] 50.10906
qf(0.05,3-2,df.residual(m both), lower.tail = F)
## [1] 4.210008
pf(GenF,3-2,df.residual(m_both), lower.tail = F)
## [1] 0.000001304884
anova(m_edu, m_both)
## Analysis of Variance Table
##
## Model 1: Income ~ Education
## Model 2: Income ~ Education + Seniority
##
     Res.Df
               RSS Df Sum of Sq
                                             Pr(>F)
## 1
         28 3982.5
## 2
         27 1394.5 1
                           2588 50.109 0.0000001305 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
```