General Linear Models (GLMS)

Marshall McQuillen

Contents

Linear Regression

Basic Form:

$$\hat{y} = \beta_0 + \sum_{j=1}^{p} \beta_j X_j$$

Each coefficient can be interpreted as the expected average change in the response Y for a one unit change in the predictor X_j, holding all other predictors $X_{j'}$ constant.

Assumptions

1. $f(x)$ **is linear in nature** - The true function $f(x)$ (or $\mathbf{E}(\mathbf{Y}|\mathbf{X})$, which can be read as, "The expected value of the response Y given the input array X.") is **linear in nature** (or that the linear assumption is a reasonable one). This means that, *regardless of the value of an attribute* X_j, a one unit increase in the value of X_j results in a β_j increase in Y (holding all other attributes constant).

   An example of this assumption being removed would be if there was a "leveling off" affect - where at a certain value of X_j, the expected absolute change in Y is *less* than what it was at a different level of X_j. Alternatively, there could be an "exponentiation" affect - where at a certain value of X_j, the expected absolute change in Y is *greater* than what it was at a different level of X_j.

   Either way, the the linear assumption states that β_j is the expected change in Y for **any value of** X_j.

2. $f(x)$ **is additive** - The additive assumption states that there aren't any interaction effects between the attributes. Another way of saying this is: "β_j, the expected change in Y for a one unit change in X_j, is independent of changes in any other attributes $X_{j'}$."

   Removing this assumption opens up the possibility for interaction terms, which is to say that changing the value of X_j could change $\beta_{j'}$, the effect of a different attribute $X_{j'}$ on the response Y.

   Adding an interaction term takes the form of:

$$\begin{aligned} y &= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 \\ &= \beta_0 + \beta_1 X_1 + \beta_3 X_1 X_2 + \beta_2 X_2 && \text{putting like terms near each other} \\ &= \beta_0 + X_1(\beta_1 + \beta_3 X_2) + \beta_2 X_2 && \text{combining like terms} \\ &= \beta_0 + \tilde{\beta}_1 X_1 + \beta_2 X_2 \quad \textit{where} \quad \tilde{\beta}_1 = \beta_1 + \beta_3 X_2 && \text{substitution} \end{aligned}$$

   Thus, β_3 can be interpretted as the effect that a one unit change in X_2 has on the **effectiveness** of X_1 in changing Y. This could obviously be scaled to more than one interaction term

Logistic Regression

Logistic regression is used in a classification setting, namely when the response is dichotomous (binary). When this is the case, one seeks to model the probability of an observation being a "success" (or "of interest", encoded as a 1) or a failure (encoded as a 0).

Logistic regression is similar to linear regression in that it still assumes the relationship between the attributes $\mathbf{X}$ and the response $\mathbf{y}$ is linear, however with one small caveat; logistic regression assumes that the log odds of a success are linear in $\mathbf{X}$.

Reasoning/Intuition

Since the response in logistic regression is dichotomous, and one would like to model the probability of an observation being a success, a good place to start would be:

$$P(Y = 1|X = x) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \cdots + \beta_p x_p$$

$$P(Y = 1|X = x) = \beta_0 + \sum_{j=1}^{P} \beta_j x_j$$

However, this opens up the possibility of the output $P(Y = 1|X = x)$ taking on a value greater than 1 or less than 0, which violates probabilities. To remedy this, one makes use of the *logistic function* (hence the name), which restricts all output to be within the bounds of 0 and 1, and therefore a valid probability (note that there are two ways to write the logistic function, but they are equivalent and will lead to the same result):

$$\frac{1}{1 + \epsilon^{-x}} = f(x) = \frac{\epsilon^x}{\epsilon^x + 1}$$

So, knowing that one would like the output to be a valid probability, we simply substitute $P(Y = 1|X = x)$ into the above equation in place of $f(x)$, where x is equal to the linear model $\beta_0 + \sum_{j=1}^{P} \beta_j x_j$:

$$\frac{1}{1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}} = P(Y=1|X=x) = \frac{\epsilon^{\beta_0+\sum_{j=1}^{P}\beta_j x_j}}{\epsilon^{\beta_0+\sum_{j=1}^{P}\beta_j x_j}+1}$$

Quick Aside on Probability and Odds

In order to illustrate how everything comes together, it is important to note the relationship between the *probability* of an event occurring and the *odds* of an event occurring, given below:

$$Odds = \frac{P}{1-P} \quad and \quad P = \frac{Odds}{Odds+1}$$

Reasoning/Intuition (continued)

Method 1

Now knowing the relationship between probabilities and odds, is clear how the right hand side of the two equations above are related, reproduced below:

$$\frac{Odds}{Odds+1} = P(Y=1|X=x) = \frac{\epsilon^{\beta_0+\sum_{j=1}^{P}\beta_j x_j}}{\epsilon^{\beta_0+\sum_{j=1}^{P}\beta_j x_j}+1}$$

Therefore, we can express the odds of a success as:

$$Odds = \epsilon^{\beta_0+\sum_{j=1}^{P}\beta_j x_j}$$

Using the natural logarithm on both sides of the equation, it is evident that **the log odds of a succes are linear in the attributes X**.

$$log(Odds) = log(\epsilon^{\beta_0+\sum_{j=1}^{P}\beta_j x_j})$$

$$log(Odds) = \beta_0 + \sum_{j=1}^{P}\beta_j x_j$$

Method 2

The other way to reconcile logistic regression is to look at the other expression of logistic regression, reproduced below:

$$P(Y=1|X=x) = \frac{1}{1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}}$$

Knowing the above, one can substitute the right side of the equation into the odds ratio and solve for $\beta_0 + \sum_{j=1}^{P}\beta_j x_j$:

$$Given \quad Odds = \frac{P}{1-P} \quad and \quad P(Y=1|X=x) = \frac{1}{1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}}$$

Then:

$$Odds = \frac{\left(\frac{1}{1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}}\right)}{1-\left(\frac{1}{1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}}\right)}$$

$$\begin{aligned}
Odds &= \frac{\frac{1}{a}}{1-\frac{1}{a}} && \text{set } a = 1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)} \text{ to clean up this proof} \\
&= \frac{\frac{1}{a}}{\frac{a}{a}-\frac{1}{a}} && \text{change the 1 to } \frac{a}{a} \text{ to create like terms} \\
&= \frac{\frac{a}{a}}{\frac{a^2}{a}-\frac{a}{a}} && \text{multiply each term by } a \\
&= \frac{1}{a-1} && \text{simplify} \\
&= \frac{1}{1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}-1} && \text{substitute } 1+\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)} \text{ in for } a \\
&= \frac{1}{\epsilon^{-(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}} && \text{1's in denominator cancel} \\
&= \epsilon^{(\beta_0+\sum_{j=1}^{P}\beta_j x_j)} && \text{bring the negative exponent up} \\
Log(Odds) &= Log(\epsilon^{(\beta_0+\sum_{j=1}^{P}\beta_j x_j)}) && \text{take the log of both sides} \\
Log(Odds) &= \beta_0 + \sum_{j=1}^{P}\beta_j x_j && \text{the log odds are linear in } \mathbf{X}
\end{aligned}$$

And, once again, the conclusion is made that the log odds of a succes are linear in the attributes X.

$$Log(Odds) = \beta_0 + \sum_{j=1}^{P}\beta_j x_j$$

Interpretation

Given the equation above, one can see that a one unit change in X_j will result in a β_j change in the log odds of a success. Since this isn't overly intuitive, one can turn this into a probability by following the below steps (most software [R/Python] does this automatically):

1. Plug each attribute value of a test observation into the linear equation, using the respective coefficients and the intercept; this returns the **log odds** of a success for that test observation (equation shown above).
2. Exponentiate this value; this removes the log and **returns the odds of a success** for the test observation.

$$Odds = \epsilon^{log(Odds)}$$

3. Divide the odds by one plus the odds ($\frac{Odds}{Odds+1}$) and you have the **probability that the test observation is a success**.

$$Prob(y_i = 1) = \frac{Odds}{1 + Odds}$$

Software Implemenation Notes

X must be scaled before being used by sklearn's LogisticRegression() class (it utilizes Lasso, which must have scaled data).

Loss Function

The loss function (or cost function) for logistic regression, called the log loss, is given below:

$$Log\ Loss = -\left(\frac{\sum_{i=1}^{N}\left(y_i log(\hat{y}_i) + (1 - y_i) log(1 - \hat{y}_i)\right)}{N}\right)$$

Loss Function Walkthrough

The key to understanding the loss function is to look at each term in the numerator, reproduced below:

$$Log\ loss = y_i log(\hat{y}_i) + (1 - y_i) log(1 - \hat{y}_i)$$

Since logistic regression is used in a *binary* setting, the response **y** will be a vector of 1's and 0's. Therefore, y_i will be either a 1 or a 0. With that in mind, it is clear that the first part of both terms in the above equation, y_i and $(1 - y_i)$, serve the same functionality that an indicator function serves; if y_i is a 1, the second term in the equation will zero out, and conversely, if y_i is a 0, the first term in the equation will zero out:

$$If \quad y_i = 1, \quad Log\ loss \begin{cases} = (1) log(\hat{y}_i) + (1 - 1) log(1 - \hat{y}_i) \\ = (1) log(\hat{y}_i) \\ = log(\hat{y}_i) \end{cases}$$

$$If \quad y_i = 0, \quad Log\ loss \begin{cases} = (0) log(\hat{y}_i) + (1 - 0) log(1 - \hat{y}_i) \\ = (1) log(1 - \hat{y}_i) \\ = log(1 - \hat{y}_i) \end{cases}$$

Now, the output of logistic regression is a **probability**, which is to say $\hat{y}_i$ will be the probability that observation i is a 1. Therefore, the loss function will always be taking the log of a probability. Referencing the formulas above, if $y_i = 1$, $Log\ loss = log(\hat{y}_i)$ and if $y_i = 0$, $Log\ loss = log(1 - \hat{y}_i)$.

Since all models seek to **minimize the loss**, ideally the log loss is as close to 0 as possible. As it turns out, $log(1) = 0$. So, when $y_i = 1$, $Log\ loss = log(1)$ will minimize the loss, and if $y_i = 0$, $Log\ loss = log(1 - 0)$ will minimize the loss. **It is clear that this setup minimizes the error when $\hat{y}_i$ is as close to y_i as possible, averaged over all observations**.

Regularized Regression

- Both Ridge Regression and Lasso Regression both model the relationship between a set $\mathbf{X}$ of p predictors and a quantitative response $\mathbf{y}$ as a linear model (same as linear regression).
- However, both Ridge and Lasso have an additional term appended onto the loss function of a linear model, the RSS:
  - Ridge: λ multiplied by the summation of the *squares* of all coefficients. ($l2$ penalty)
    - So, the loss function becomes
    $$RSS + \lambda \sum_{j=1}^{p} \beta_i^2$$
  - Lasso: λ multiplied by the summation of the *absolute values* of all the coefficients. ($l1$ penalty)
    - So, the loss function becomes
    $$RSS + \lambda \sum_{j=1}^{p} |\beta_i|$$

The tuning parameter λ is best selected using cross validation. The practical difference between Lasso and Ridge regression is that Lasso will set some of the coefficients equal to *exactly zero* while ridge regression shrinks the coefficients *towards zero*.

Lasso Regression

Multicollinearity

Variance Inflation Factor (VIF)

Penn State VIF

The VIF is a statistic that can help one determine whether multicollinearity exists in multivariate regression. By regressing each of the k predictors on the remaining predictors, one can obtain an estimate of *how well the k_{th} predictor can be estimated with the other predictors*:

$$\begin{aligned} \textit{Instead of ...}\ \mathbf{y} &= \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \cdots + \beta_p x_p \\ \textit{Build a model ...}\ \mathbf{x_j} &= \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \cdots + \beta_{p-1} x_{p-1} \end{aligned}$$

In the same manner that the R^2 value for a "normal" regression ($y = \beta_0 + \sum_{j=1}^{P} \beta_j x_j$) illustrates the percentage of the total variance in the response explained by the model, regressing the k_{th} variable on the other predictors can determine if the k_{th} predictor could be (somewhat accurately) predicted by the other predictors.

The VIF for the k_{th} predictor, VIF_k, is a measure of how much the variance of the coefficient for the k_{th} predictor is inflated due to the existence of multicollinearity. Looking at the equation below, it is clear that if $R_k^2 = 0$, which is to say there is zero multicollinearity between the k_{th} predictor and the other predictors, the VIF_k would be equal to 1. Alternatively, $VIF's$ exceeding 4 - 5 warrant further investigation, since that indcates there is some multicollinearity.

$$VIF_k = \frac{1}{1 - R_k^2}$$