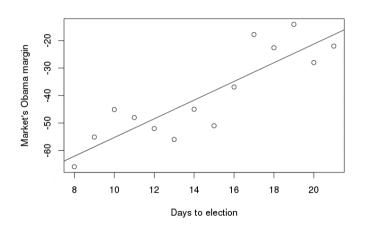
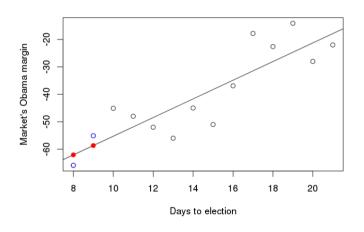
Government 10: Quantitative Political Analysis

Sean Westwood

Within-Sample Prediction



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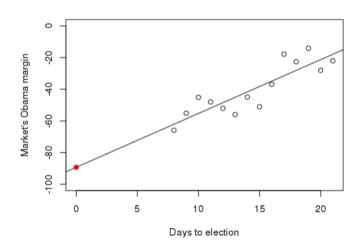
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 - For instance, it's 2 weeks before the election, and I want to predict the margin if DaysLeft=0

Out-of-Sample Prediction



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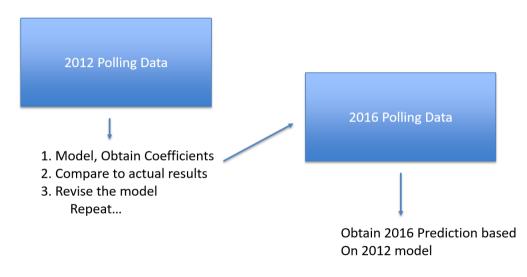
▶ We can predict the results in 2016 using what we know about the 2012 relationship

The Process of Out-of-Sample Prediction

2012 Polling Data

- 1. Model, Obtain Coefficients
- 2. Compare to actual results
- 3. Revise the model Repeat...

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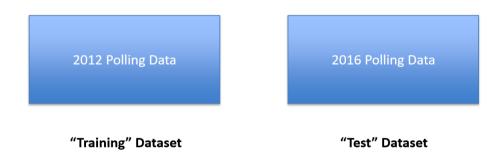


Out-of-Sample Prediction Assumptions

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▶ With a model!

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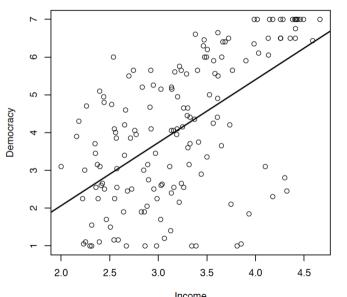
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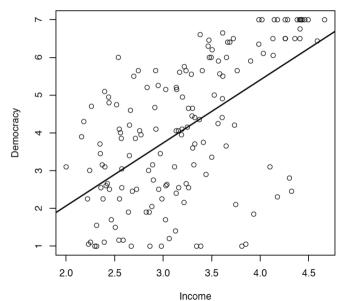
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- We specify the following model:
 Democracy Index_{Countryi} = Income Index_{Countryi}

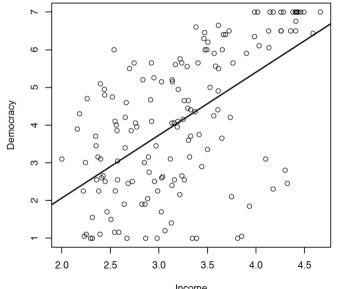


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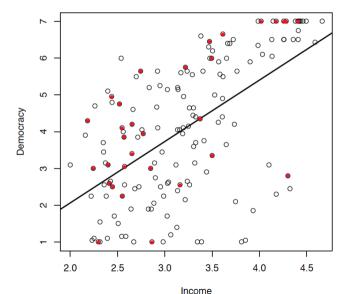
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We want to "control" for this

Income (X) and Democratic Strength (Y)

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 - In the multivariate model, it is the estimated value of \hat{Y}_i when X and Z are zero.

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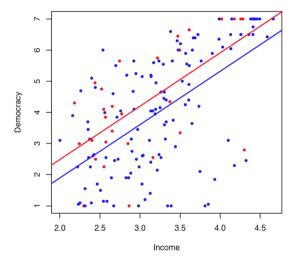
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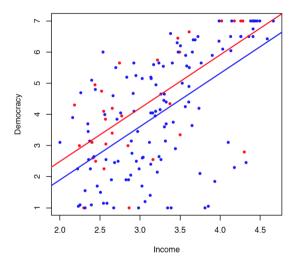
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Visualize



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We are fitting 2 lines with the same slope but different intercepts.

Binary Indpendent Variables

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- lacktriangle Recall, for a continuous variable eta will always be multiplied by the value of X_i

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- Continues for any number of additional independent variables.

Examples of How to Interpret Multivariate Regression

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$$\hat{Y} = 10.76 + -0.03*(61) + 1.04*(21) + 10.32*(1) + 0.0008*(24234909)$$

$$\hat{Y} = 41.27$$

We often want to estimate the effects of categorical variables with more than two values.

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- This experiment was designed to test of a universal basic income improves student achievement.

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How do we interpret this?

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Consider someone in the cash condition:

$$2.21 = 4.22 + -2.01*(1) + 1.04*(0)$$

Consider someone in the control condition:

$$4.22 = 4.22 + -2.01*(0) + 1.04*(0)$$