**Multidimensional Scaling Practice**

Use taxdata.csv for this practice activity.

This example has different interpretations than the example I went over. Notice that that units of the data is different from variable to variable.

MED\_INCOME is median income of the state, in dollars.

NUMBER\_RETURNS is the total number of tax returns in a state.

TOTAL\_VOLUNTEER is the number of volunteer tax helpers in a state

ELDERLY is the number of elderly tax returns in the state.

FARM\_RETURNS is the number of tax returns filed from farms.

1. Use R to compute the MDS 2-dimensional graph. Copy and paste the graph. What do you notice here? How might you interpret this output? What states are similar to each other? Why might there be so many states that are bunched together?
2. What does the “stress” tell you regarding this MDS?
3. Thinking back to the readings and videos, what are some similarities and differences between MDS and the methods we have gone over thus far? Which do you think has the most value for your project (even if you don’t know what your project is; what method makes most sense to you?)? Why?

Submit answers via Canvas by Sunday, 4/5 at midnight.