Simple Linear Regression

Regressions

Constant   Coefficient

Simple Linear Regression

$$y = b_0 + b_1 * x_1$$

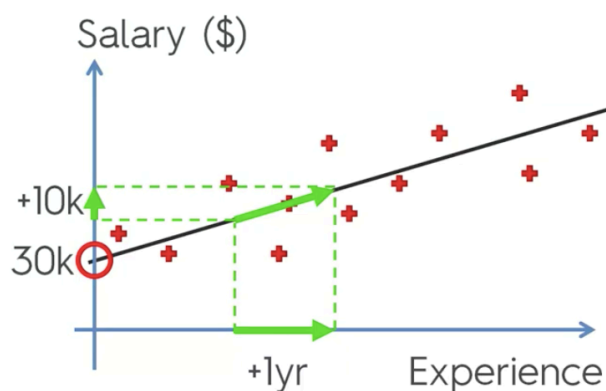Dependent variable (DV)   Independent variable (IV)

Regressions

Simple Linear Regression:

Salary ($)

$$y = b_0 + b_1 * x$$

Salary $= b_0 + b_1 *$ Experience

+10k

30k

+1yr   Experience

Ordinary Least Squares

Simple Linear Regression:

Salary ($)

y_i

$\hat{y_i}$

Experience

$$\text{SUM } (y - \hat{y})^2 \rightarrow \min$$