

# Learning Objectives

- Describe three models of central tendency
- Compute three models of central tendency from raw data
- Compare three models' responses to outliers in data & sampling variability

# 3 Models of Central Tendency

1. Mode ( $Mo$ )
2. Median ( $Mdn$  or  $P_{50}$ )
3. Mean ( $\bar{X}$  or  $M$ ,  $\mu$  for population)

1. **Mode** is the most frequent observation

– What is the mode of this data?

ID	DV
1	9
2	5
3	10
4	5
5	10
6	5
7	1
8	10
9	10
10	8

1. Mode is the most frequent observation
  - What is the mode of this data?
2. **Median** is  $P_{50}$  or the score that splits the distribution evenly
  - 50% observations higher & 50% lower

When  $N$  is even, get the **mean** of obs. directly above & below middle

$$Mdn = \frac{(9 + 8)}{2} = 8.5$$

ID	DV
3	10
5	10
8	10
9	10
1	9
10	8
2	5
4	5
6	5
7	1

1. Mode is the most frequent observation
  - What is the mode of this data?
2. Median is  $P_{50}$  or the score that splits the distribution evenly
  - 50% observations higher/50% lower
3. **Mean** or average:

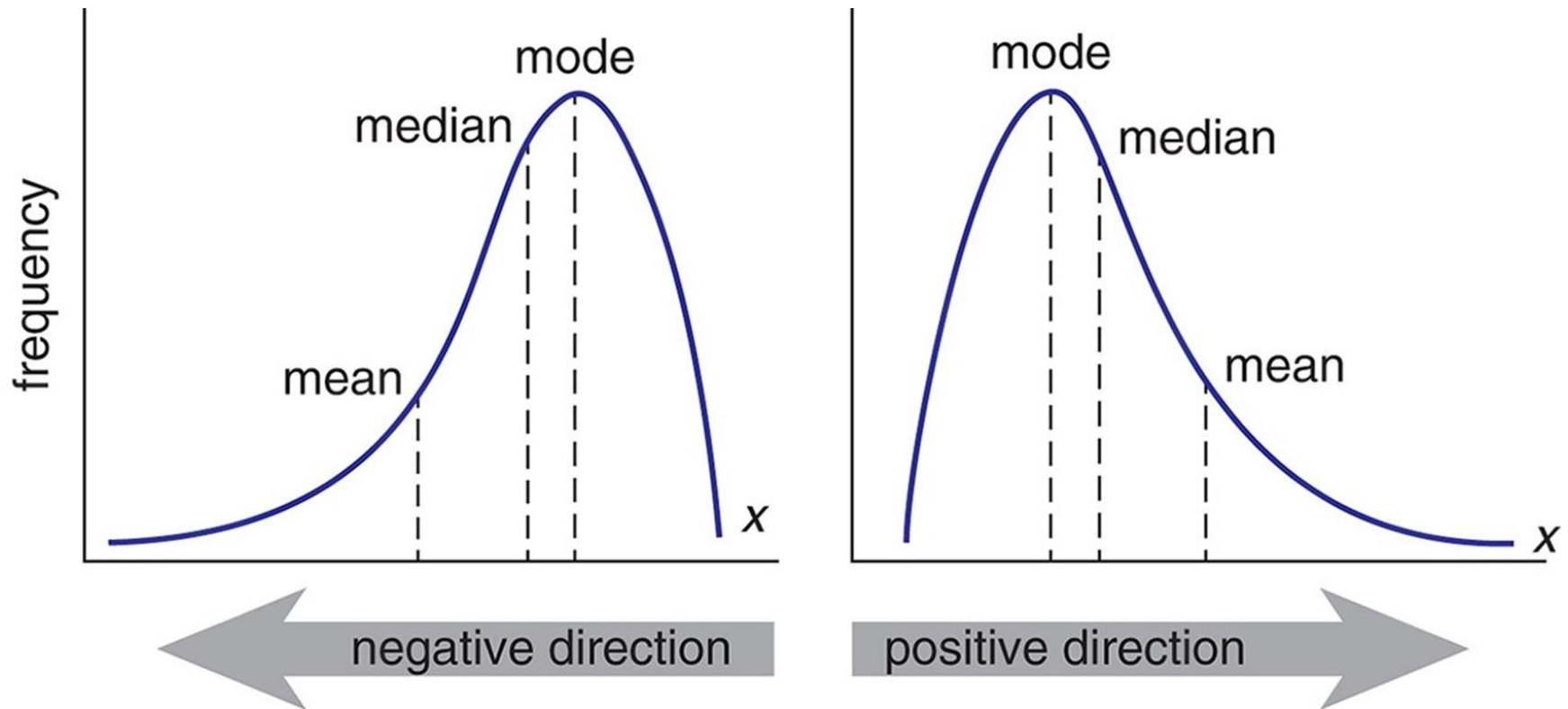
$$\frac{\sum X_i}{N}$$

$$\frac{(10 + 10 + 10 + 10 + 9 + 8 + 5 + 5 + 5 + 1)}{10} = 7.3$$

ID	DV
3	10
5	10
8	10
9	10
1	9
10	8
2	5
4	5
6	5
7	1

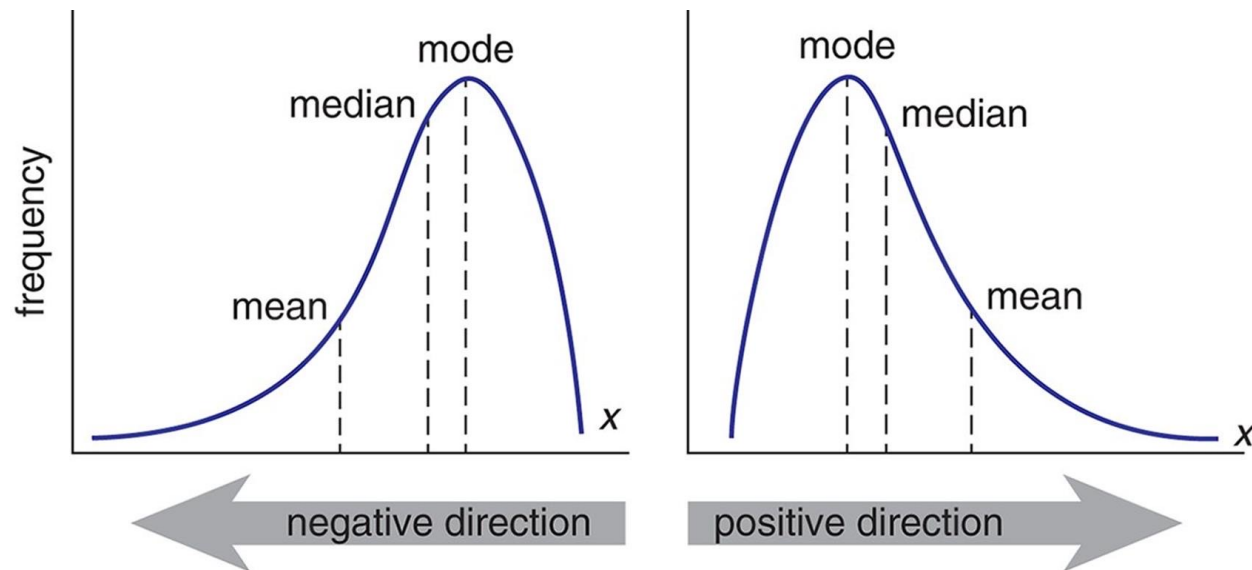
$\bar{X}$  cannot be used for ordinal data, but  $Mdn$  can!

- Mean is more sensitive to skew & extreme scores



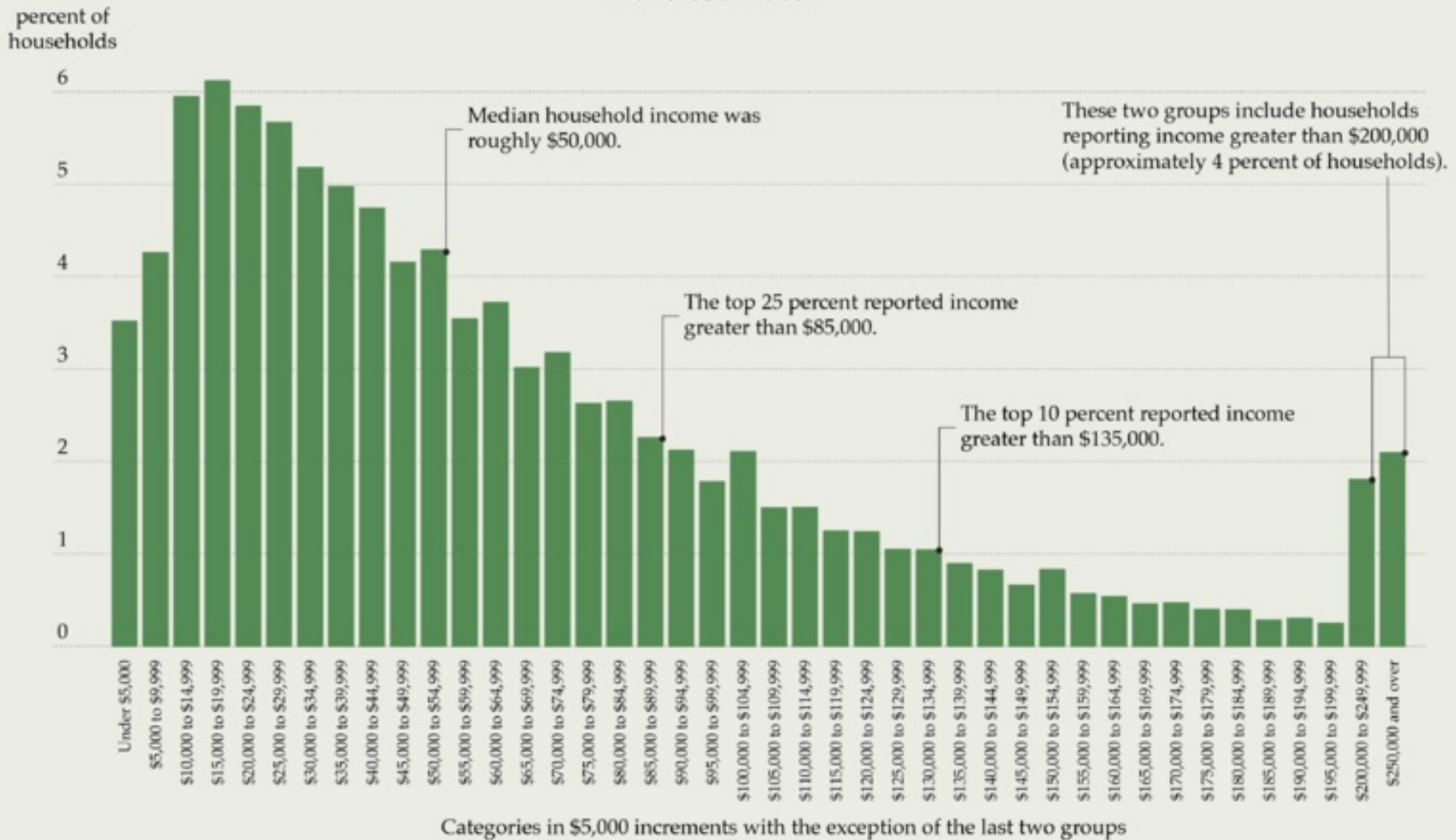
# U.S. Household Net Worth

- 3 models of central tendency:
  - \$692,100
  - \$97,300
  - \$20,000



# Distribution of annual household income in the United States

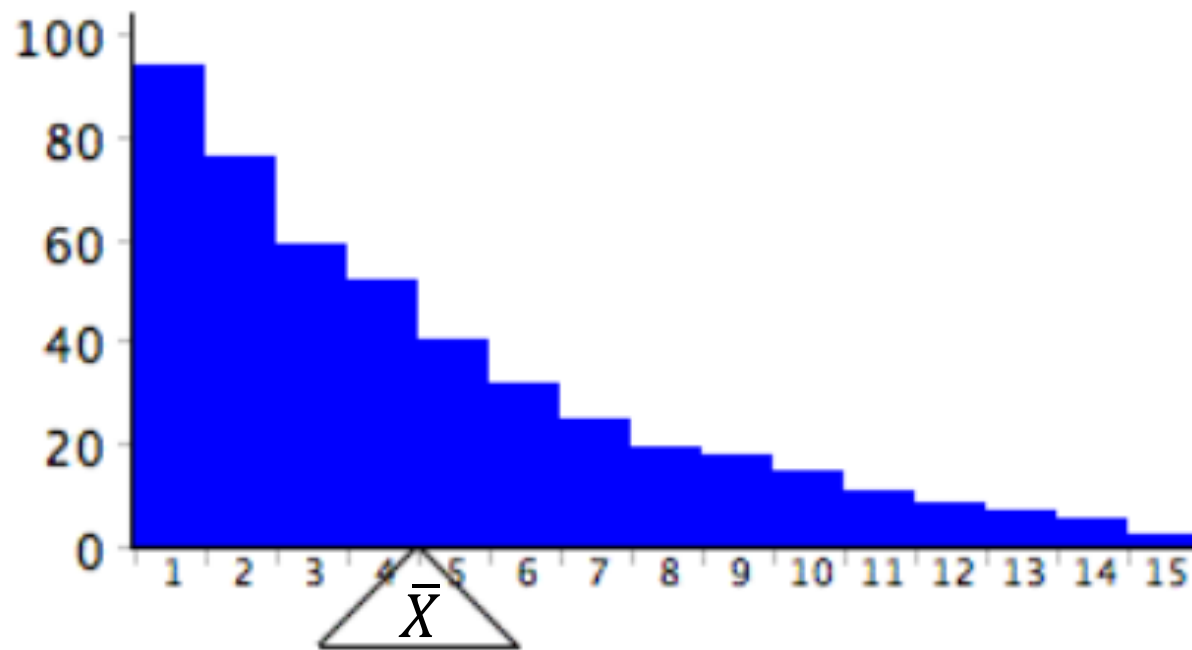
## 2010 estimate



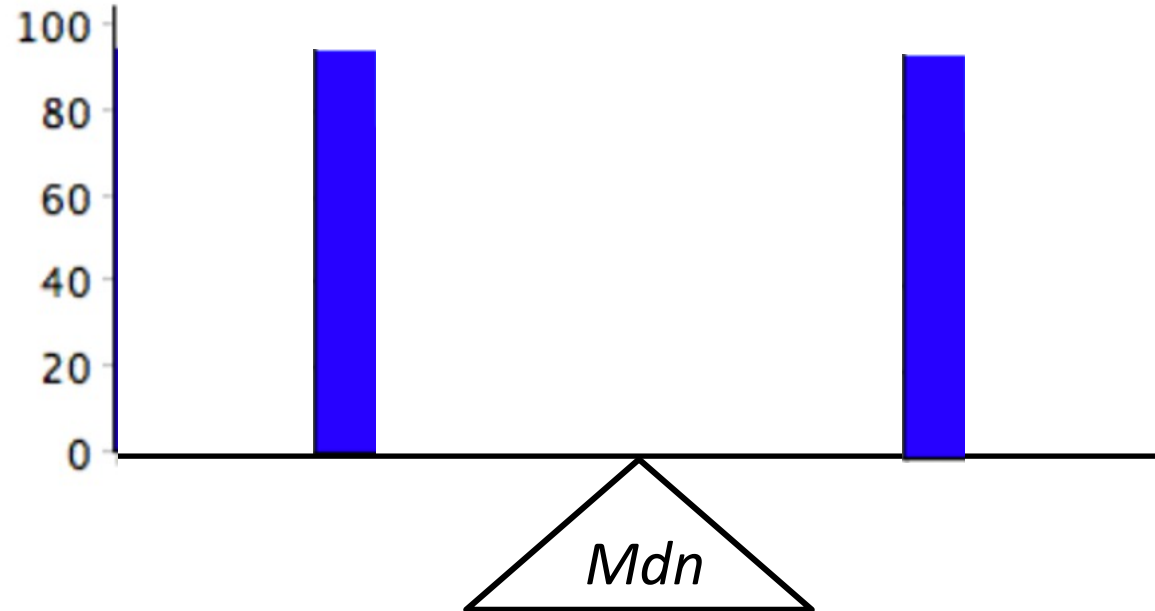
Source: U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement



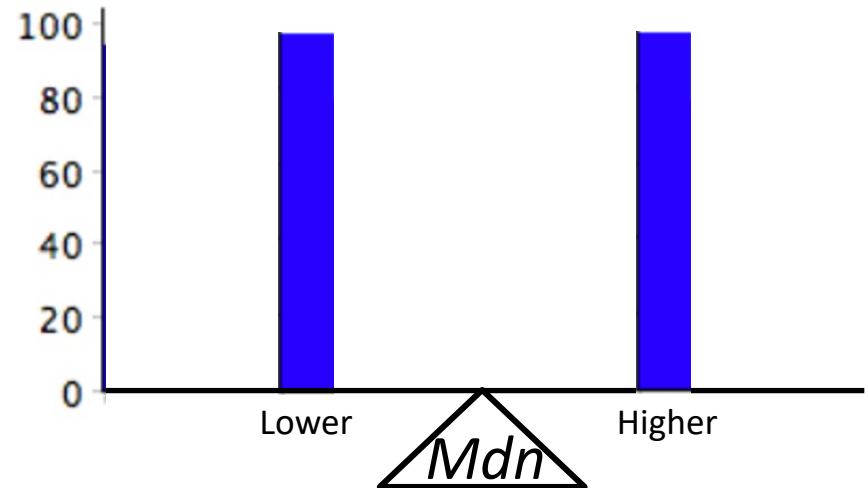
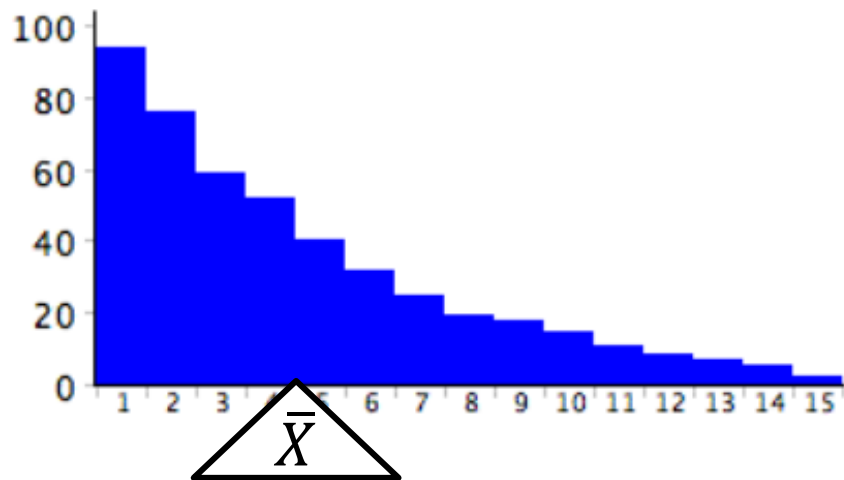
# Mean is a fulcrum (balancing point)



# Median is also a fulcrum?!



# Median is also a fulcrum?!



$\bar{X}$  balances the magnitude of scores above and below

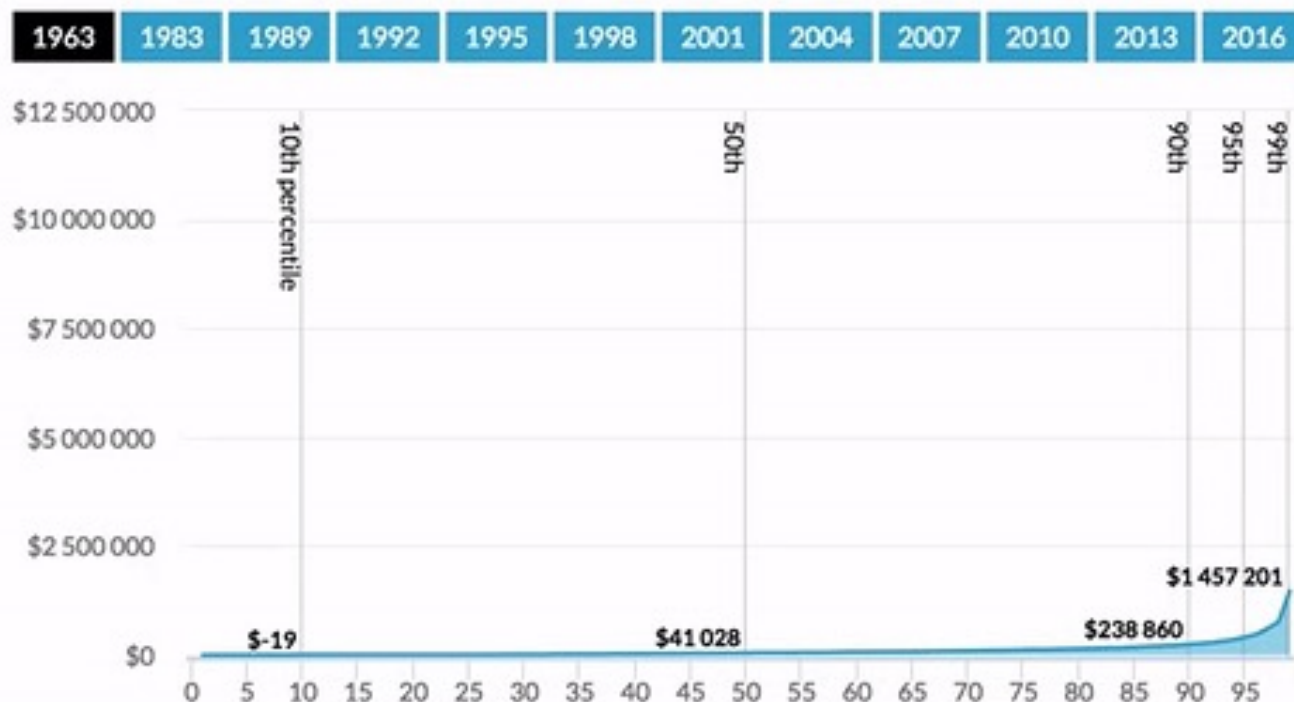
- Assumes equal *intervals* separate values of variable

$Mdn$  balances the number of scores above and below

- Assumes only that variable can be *ranked* lower or higher

# Median is robust to skew

Percentiles of Family Wealth, 1963–2016

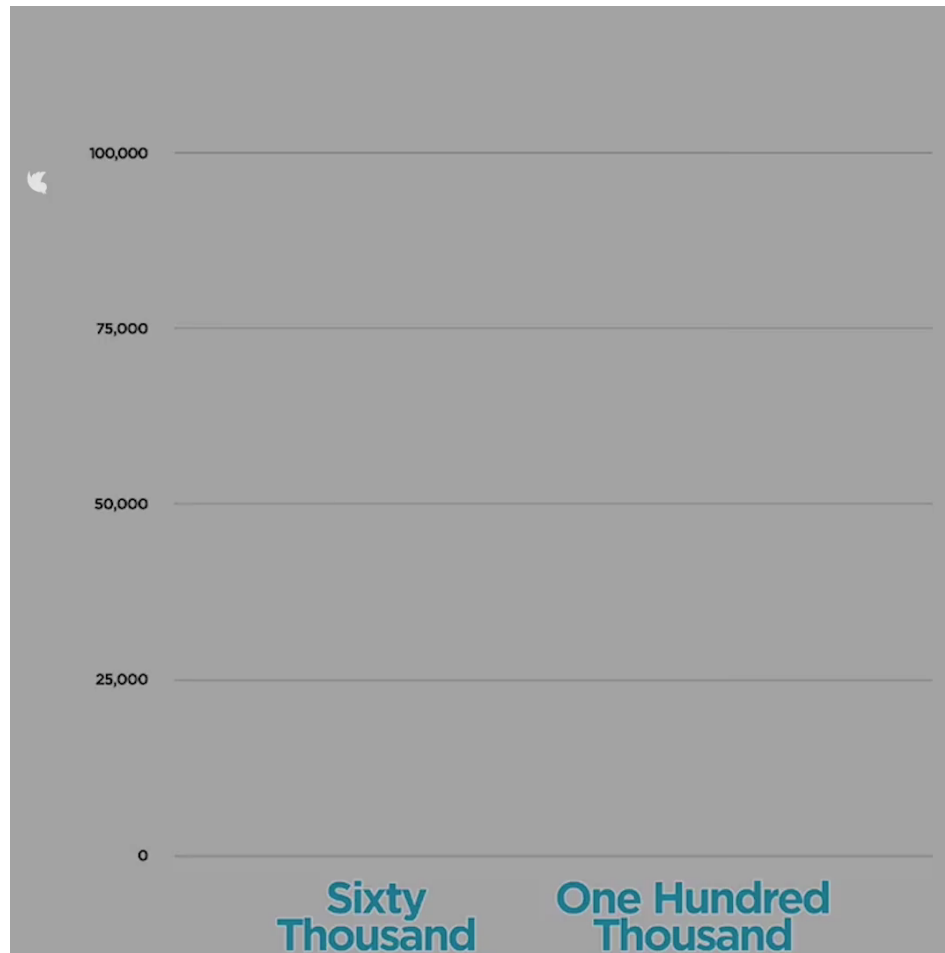


**Sources:** Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983–2016.

**Notes:** 2016 dollars. No comparable data are available between 1963 and 1983.

URBAN INSTITUTE

# Bill Gates is an *Outlier*



# Outliers Skew Distributions

- ***Outliers*** are highly atypical observations
  - As with wealth/income, the mean is *highly sensitive* to outliers
- How can we deal with outliers?
  - Use the median as a model instead
  - Compare mean with and without outliers
    - Does the pattern of the data change?
  - Determine the source of the outlier
    - Is it a measurement error? Or a legitimate observation?



*“As preregistered, we excluded all RTs greater than 10,000ms...”*

# Robustness in the face of outliers & sampling variability

Robustness to skew & outliers

- $\text{Mode} > \text{Median} > \text{Mean}$

Robustness to sampling variability

- $\text{Mean} > \text{Median} > \text{Mode}$

Mean is preferred to maximize consistency (then deal w/outliers later)

When sample size increases, robustness increases!



# Which graph is labeled correctly?

